



EVOLVING BETTER SOLUTIONS TOGETHER



Evolving Better Solutions Together



At AEON Credit Service (M) Berhad, we focus on delivering solutions that evolve with the needs of our stakeholders. We are committed to fostering growth through transformation, leveraging innovation to create lasting value. Our Purpose, “Bring Finance Closer to Everyone”, drives us to empower individuals and communities through accessible, inclusive, and responsible financial solutions.

Through the AEON Living Zone, we continually enhance our value proposition, adapting our offerings to meet the dynamic needs of our stakeholders. By embracing innovation and flexibility, our people aspire to drive change - ensuring that together, we deliver financial solutions that support greater mobility and long-term financial security for all.

The design of this year’s annual report cover embodies our transformation journey. The rising wavelength, propelled by seamless digital lines, visually represents our continuous growth and digital advancement. These lines, moving in synergy, symbolise the interconnectedness of our efforts and the collective progress we are making. Together, we are building a future where aspirations are transformed into reality.

28th Annual General Meeting



25 June 2025
Wednesday, 10.00 a.m.



AGM will be conducted physically at:

Grand Ballroom, Level 2
InterContinental Kuala Lumpur
165, Jalan Ampang
50450 Kuala Lumpur, Malaysia



Scan here to access the soft copy of the AEON Credit Integrated Annual Report 2025



<https://aeoncredit.com.my/investor-relations/integrated-annual-report/>

Pursuing peace, respecting humanity and contributing to local communities, always with customers as our starting point.

AEON FOUNDATIONAL IDEALS



AEON firmly believes that retailing is an industry to promote peace, humanity and support for local communities. To remain a thriving corporate group that fulfils this mission, we are committed to continuous innovation, with customers as our starting point.

The complete text of AEON Foundational Ideals is available at the following URL:



<https://aeoncredit.com.my/about-us/our-purpose/>

AEON GROUP FUTURE VISION



Create a future lifestyle that leads to a smile for each and every person.

The future that the AEON Group wishes to realise is one in which customers can feel a “brighter society” and “happiness that is uniquely their own”, creating a future that is fulfilling and full of smiles.

The AEON Group wishes to be a group that leads the co-creation of lifestyles, enriching each individual and society as a whole.

The complete text of AEON Group Future Vision is available at the following URL:



https://aeoncredit.com.my/about-us/our-purpose

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ABOUT THIS REPORT

We are pleased to present AEON Credit Service (M) Berhad's ("AEON Credit" or "the Group") Integrated Annual Report ("IAR") for the financial year ended 28 February 2025 ("FYE2025"). This IAR serves as our communication to stakeholders on key developments and initiatives, market challenges and business direction as well as overall performance in FYE2025.



REPORTING FRAMEWORK

This report has been prepared in accordance with various frameworks including:

- International Integrated Reporting ("<IR>") Framework
- Malaysian Code on Corporate Governance ("MCCG")
- Bursa Malaysia Corporate Governance Guide (4th Edition)
- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad
- Companies Act 2016 ("CA")
- Malaysian Financial Reporting Standards ("MFRS")
- International Financial Reporting Standards ("IFRS")

In addition, for sustainability-related disclosures, our report aligns with key sustainability guidelines and standards, including:

- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- Global Reporting Initiative ("GRI") Standards
- United Nations Sustainable Development Goals ("UN SDGs")
- Greenhouse Gas ("GHG") Protocol: Corporate Accounting and Reporting Standard

Going forward, we will stay guided by the evolving reporting requirements to achieve a more coherent corporate reporting system in tandem with global reporting standards. By continuously enhancing our reporting disclosures, we seek to disseminate information critical to our business and growth, and to communicate with our stakeholders with integrity and transparency.



SCOPE AND BOUNDARY

This IAR extends beyond financial reporting and includes non-financial performance of AEON Credit. It specifies the material matters, opportunities, risks and outcomes attributable to or associated with the Group's key stakeholders, which have a significant influence on its ability to create value. Unless otherwise indicated, this IAR covers the period from 1 March 2024 to 28 February 2025 and encapsulates the primary activities of the Group, namely our overall performance for the year under review and the delivery of our initiatives towards our strategic goals.



APPROACH TO MATERIALITY

We report based on our material matters, which are assessed yearly to ensure that the matters continued to be applicable and relevant. This ensures that our strategy, performance and prospects are illustrated in the correct context. Our response to material matters in the economic, environmental, social and governance aspects of our business have also been considered. In developing this IAR further, we have included qualitative and quantitative performance measurements as well as other factors that may have affected business sustainability. A complete discussion of our sustainability performance can be found from pages 61 to 143.



INDEPENDENT ASSURANCE

Our reporting disclosures have undergone verification by independent auditors and validators to ensure their credibility.

Assurance Scope	Independent Assurance Provider
Audited Financial Statements	Deloitte PLT
Validation of Sustainability Statement	SIRIM QAS International Sdn. Bhd.
Validation of Company's Selected Sustainability Information	KPMG PLT



Refer to pages 136 to 139 for SIRIM QAS's Independent Assurance Statement and pages 140 to 143 for KPMG PLT's Independent Limited Assurance Report.



FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements about the AEON Credit's future strategy and prospects. The Group makes no representations and/or warranty, expressed and/or implied, that these forward-looking statements will be achieved.



APPROVAL BY THE BOARD

The Board acknowledges its responsibility in ensuring the integrity of this IAR, which in its opinion addresses matters that are material to the Group's ability to create value and fairly presents the integrated performance of AEON Credit Service (M) Berhad.

NG ENG KIAT
Chairman

DAISUKE MAEDA
Managing Director

The six (6) Capitals, as identified by the International Integrated Reporting Council (“IIRC”), have served as essential guide to help us achieve our strategic objectives. These capitals represent stores of value and each of them: Intellectual Capital, Financial Capital, Human Capital, Manufactured Capital, Social and Relationship Capital and Natural Capital are important in how they impact our businesses.

OUR CAPITALS



Intellectual Capital

Leveraging on the Group’s vision, brand name, industry know-how and market insights to create a competitive advantage for our businesses.



Human Capital

Build leadership expertise, employees’ knowledge and competencies, and the sustainable talent pool required to meet our business goals and objectives.



Social and Relationship Capital

Relationships with customers and key stakeholders such as investors, business partners, regulators and communities.



Financial Capital

Income and earnings generated by our operations are reinvested back into the business to allow us to support future growth and capital management.



Manufactured Capital

The physical and digital infrastructure we require to support operational needs of our businesses.



Natural Capital

Optimise natural resources required by our operations in a conservative and responsible manner to minimise environmental footprint.

MATERIAL SUSTAINABILITY MATTERS



Data Security, IT Infrastructure and Digital Transformation



Financial Inclusion, Sustainable Finance and Financial Performance



Environmental Management



Excellent Customer Experience, Support and Access



Employee Benefits, Employee Engagement Programmes



Strategic Community Investment



Excellent Ethics, Governance, Risk Management & Compliance



Employee Health, Safety and Well-being



Climate Action



Business Innovation, Responsible Marketing, Product and Service Design



Transparency in Procurement Process

KEY MARKET TREND

- Geopolitical and Economic Development
- Digital Acceleration and Technology Transformation
- Talent Development
- Evolving Customer Needs and Preferences
- Growing Influence of ESG Factors

STRATEGIC DIRECTIONS

- Customer Acquisition and Cross-Selling via AEON Wallet and AEON Loyalty Programme
- Driving Cost Efficiency through Digital Transformation and Automation
- Enhancing Competitiveness via FinPlus Membership and Pre-Approval Model
- Establishing AI Infrastructure and Data-Driven Management
- Deepening Collaborations within AEON Group of Companies in Malaysia
- Talent Development and ESG Integration

UN SDGs



KEY RISKS

- R1 Credit Risk
- R2 Financial Risk
- R3 Operational Risk
- R4 Technology and Cyber Risk

OUR STAKEHOLDERS



Customers



Government and Regulators



Shareholders and Investors



Employees



Merchants and Business Partners



Local Communities/NGOs



Suppliers



Lenders/Financial Institutions



Rating Agencies

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Who We Are

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ng Eng Kiat

Chairman
Non-Independent Non-Executive Director

Daisuke Maeda

Managing Director

S Sunthara Moorthy A/L

S Subramaniam

Independent Non-Executive Director

Datuk Adinan bin Maning

Senior Independent Non-Executive Director

Datin Yasmin Ahmad Merican

Independent Non-Executive Director

Chin Pik Yuen

Independent Non-Executive Director

Farah Suhanah binti Ahmad Sarji

Independent Non-Executive Director

Wan Chee Keong

Independent Non-Executive Director

Naoya Okada

Non-Independent Non-Executive Director

Tsutomu Omodera

Non-Independent Non-Executive Director

Lee Tyan Jen

Executive Director

HEAD OFFICE

AEON Credit Service (M) Berhad
Level 18, UOA Corporate Tower
Avenue 10, The Vertical
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Wilayah Persekutuan
Malaysia
Tel : +603-2772 9000
Fax : +603-2711 4110
Website : www.aeoncredit.com.my

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Tel : +603-7890 4800
Fax : +603-7890 4650
Email : boardroom-kl@
boardroomlimited.com

REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Tax : +603-7890 4700
Fax : +603-7890 4670
Email : bsr.helpdesk@
boardroomlimited.com

AUDITORS

Deloitte PLT (LLP0010145-LCA)
Chartered Accountants (AFO080)
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel : +603-7610 8888
Fax : +603-7726 8986

SECRETARY

Tai Yit Chan
SSM PC No. 202008001023
(MAICSA 7009143)

STOCK EXCHANGE LISTING

The Company is a public listed company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

STOCK NAME: AEONCR

STOCK CODE: 5139

INVESTOR RELATIONS

ir_info@aeoncredit.com.my

SUBSIDIARY COMPANY

AEON Insurance Brokers (M) Sdn. Bhd.
Suite 3A-2, Level 3A
UOA Corporate Tower
Avenue 10, The Vertical
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Wilayah Persekutuan
Malaysia
Tel : +603-2772 9688
Website : www.aeoninsurance.com.my

ASSOCIATE COMPANY

AEON Bank (M) Berhad
Level 12, UOA Corporate Tower
Avenue 10, The Vertical
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Wilayah Persekutuan
Malaysia
Tel : +603-4816 8888
Website : www.aeonbank.com.my

PRINCIPAL BANKERS

CIMB Bank Berhad
CIMB Islamic Bank Berhad
Deutsche Bank (Malaysia) Berhad
Maybank Islamic Berhad
Mizuho Bank (Malaysia) Berhad
MUFG Bank (Malaysia) Berhad
RHB Bank Berhad
RHB Islamic Bank Berhad
Standard Chartered Saadiq Berhad
Sumitomo Mitsui Banking Corporation
Malaysia Berhad



CORPORATE CALENDAR

ANNUAL GENERAL MEETING

21 May 2024

Notice of 27th Annual General Meeting

20 June 2024

Annual General Meeting

DIVIDEND

14 October 2024

Book Closure

7 November 2024

Payment of Dividend (Interim)

3 July 2025

Book Closure

24 July 2025

Payment of Dividend (Final)

ANNOUNCEMENT OF CONSOLIDATED RESULTS

10 July 2024

Unaudited results for 1st quarter ended 31 May 2024

26 September 2024

Unaudited results for 2nd quarter ended 31 August 2024

19 December 2024

Unaudited results for 3rd quarter ended 30 November 2024

8 April 2025

Unaudited results for 4th quarter ended 28 February 2025

ABOUT AEON CREDIT SERVICE (M) BERHAD

As a leading non-bank financial services provider, AEON Credit serves millions of customers across Malaysia, offering a wide range of financial products and services.

AEON Credit leverages on its AEON Group retail network and is supported by more than 7,000 participating merchant outlets to **Bring Finance Closer to Everyone**, demonstrating a strong commitment to delivering **trusted financial services** that **foster prosperity** and **brighten everyday lives** with **peace of mind and smiles**.

The launch of the Islamic digital bank through AEON Bank (M) Berhad ("AEON Bank") in FYE2025 strengthens the AEON Living Zone, the ecosystem established among the AEON Group, aiming to serve customers across all life stages with integrated, accessible, and customer-centric financial solutions. AEON Bank operates as an associate of AEON Credit.



GUIDED BY OUR PURPOSE

We Bring Finance Closer to Everyone, By Committing to Each and Every Person, We Brighten up Everyday Lives with Peace of Mind and Smiles.

OUR CORE BEHAVIOURS

These behaviors reflect AEON people in how we think, work and engage with each other as well as our customers and make decisions that align with the Group's values and goals:

- 1 **Competence**
- 2 **Integrity and Sincerity**
- 3 **Respect and Fairness**
- 4 **Confidentiality**
- 5 **Objectivity**

UNDERPINNED BY OUR VALUES

Our actions are grounded in the **AEON Foundational Ideals - Pursuing Peace, Respecting Humanity and Contributing to Local Communities** - always with customers as our starting point.

ADVANCING OUR AEON GROUP FUTURE VISION

We aspire to become a market leader in enriching lives through innovation and sustainable solutions.

OUR PRODUCTS AND SERVICES

We offer a broad range of financial products and services, including issuance of Credit Cards and Prepaid Cards, provision of AEON Wallet application ("AEON Wallet"), Easy Payment schemes, Hire Purchase Financing for Motor Vehicles, Personal Financing schemes and Money Lending services.

To further strengthen our value proposition, we have expanded into the insurance brokerage business through our subsidiary and ventured into Islamic digital banking via our associate company.



1 Product Financing

- Motorcycle Financing
- Auto Financing
- Objective Financing

2 SME Financing

- Small and medium enterprises equipment financing
- Licensed money lending services under the Moneylenders Act 1951

3 Personal Financing

- AEON i-cash based on unsecured Shariah Compliant

4 Payment Business

Credit Cards

A range of Credit Card options:

- Classic Card
- Gold Card
- Platinum Card

Prepaid Cards and AEON Wallet

- AEON Member Plus Visa Card
- Privilege Card for Hawkers & Petty Traders
- AEON Wallet & Virtual Card



Channels

- Branches and Service Centres
- AEON Wallet
- Call Centre
- AEON Credit Website
- Merchant Outlets

5 Insurance Brokerage Business

- Conventional and Takaful insurance products including life insurance are distributed by AEON Insurance Brokers (M) Sdn. Bhd. ("AEON Insurance")



Channels

- AEON Insurance Website
- Online Sales Portal

6 Islamic Digital Banking

- Banking solutions provided by AEON Bank (M) Berhad ("AEON Bank")



Channels

- AEON Bank App
- AEON Bank Website

ABOUT AEON CREDIT SERVICE (M) BERHAD

CORPORATE STRUCTURE

AEON Credit is an overseas subsidiary of AEON Financial Service Co., Ltd., with AEON Co., Ltd. ("AEON Group"), Japan as its ultimate holding company. The AEON Group is an integrated conglomerate consisting of 8 businesses across various sectors. AEON Financial Service Co., Ltd. oversees the financial services of the AEON Group, operating as a comprehensive financial group rooted in the retail sector across Japan and 10 other countries/regions in Asia.



AEON FINANCIAL SERVICE CO., LTD. (Holding Company)

- AEON Insurance Service Co., Ltd.
- ACS Credit Management Co., Ltd.
- AEON S.S. Insurance Co., Ltd.
- ACS Leasing Co., Ltd.
- AEON Allianz Life Insurance Co., Ltd.
- FeliCa Pocket Marketing Inc.
- AEON Credit Service (Asia) Co., Ltd.
- AEON Thana Sinsap (Thailand) Public Company Limited
- **AEON Credit Service (M) Berhad**
- Consolidated Subsidiaries Overseas

- AFS Corporation Co., Ltd.
(Bank Holding Company)
 - AEON Bank, Ltd.
 - AEON Housing Loan Service Co., Ltd.
 - AEON Credit Service (Philippines) Inc.
 - AEON Specialized Bank (Cambodia) Plc.

Business Areas:

- Credit Card Business
- Installment Financial Business
- Banking Business
- Insurance Business
- Leasing Business
- Collections Business
- Software Development Application Business

AEON GROUP (Ultimate Holding Company)



AEON CREDIT SERVICE (M) BERHAD

Registration No. 199601040414 (412767-V)



Date of Incorporation

6 December 1996



Principal Activities

Provision of easy payment schemes, personal financing schemes and issuance of payment cards under the international brand names of Visa and MasterCard, and money lending service. The personal financing schemes and certain easy payment schemes are based on Islamic principles.



100%

AEON INSURANCE BROKERS (M) SDN. BHD.

Registration No. 198201005186 (84938-X)



Date of Acquisition

30 September 2021



Principal Activities

Insurance Broker



50%

AEON BANK (M) BERHAD

Registration No. 202201026163 (1471860K)



Date of Acquisition

1 December 2023



Principal Activities

Islamic Digital Bank

BUSINESS HIGHLIGHTS

CONSOLIDATION OF FINANCIAL SERVICES INTO THE NEW AEON WALLET

AEON Wallet

AEON Credit has enhanced its mobile app with new features and designs, offering users an all-in-one platform to meet their financing, banking, retail shopping and payment needs. The newly launched AEON Loyalty Programme consolidates AEON Points across all products to simplify loyalty point management.

This unified digital touchpoint is designed to provide valuable insights into customer behaviour, spending patterns and preferences, enabling us to deliver targeted marketing as well as cross-sell and upsell opportunities. These efforts aim to accelerate member growth and support revenue expansion across the AEON Living Zone.

New Features

Integrated Digital Onboarding Function

➤ **39%** Self-onboarding Rate

AEON Virtual Credit Card

➤ **113,000** Virtual Cards issued since August 2024

AEON Loyalty Programme

A new Loyalty Tiered Programme reward customers based on their level of engagement

A unified membership and points system across all AEON Group services

Instant creation of an AEON Point Account upon downloading the AEON Wallet

➤ **41%** year-on-year ("YoY") increase in New Sign-ups



Flagship Branches

The launch of AEON Credit's flagship branches marks a strategic move to strengthen our position as a trusted brand, deliver a high-quality service experience and better meet the evolving needs of our customers. These branches offer exclusive privileges, including access to premium lounge for eligible members under AEON Loyalty Programme.

This initiative supports our broader strategy to expand the AEON Living Zone by enhancing our physical presence.

+41 Net Promoter Score
(February 2024: +30)

4.7 Stars Branches
Average Google Rating
(FYE2024: 4.5 Stars)

Setia City Mall



July 2024 ➤

IOI City Mall



August 2024 ➤

The Exchange 106 @ TRX



December 2024 ➤

BUSINESS HIGHLIGHTS

Positioning AEON Credit Card as “AEON Must-Have Card” for AEON Shoppers

AEON Credit Card has been successfully repositioned as an essential card for AEON shoppers through enhanced card features and expanded privileges with partner merchants, strengthening its appeal and market presence.

The completion of a digital onboarding and the introduction of a virtual card have driven online acquisition and expanded the credit card base. This initiative has helped sustain customer engagement and support continued usage growth.

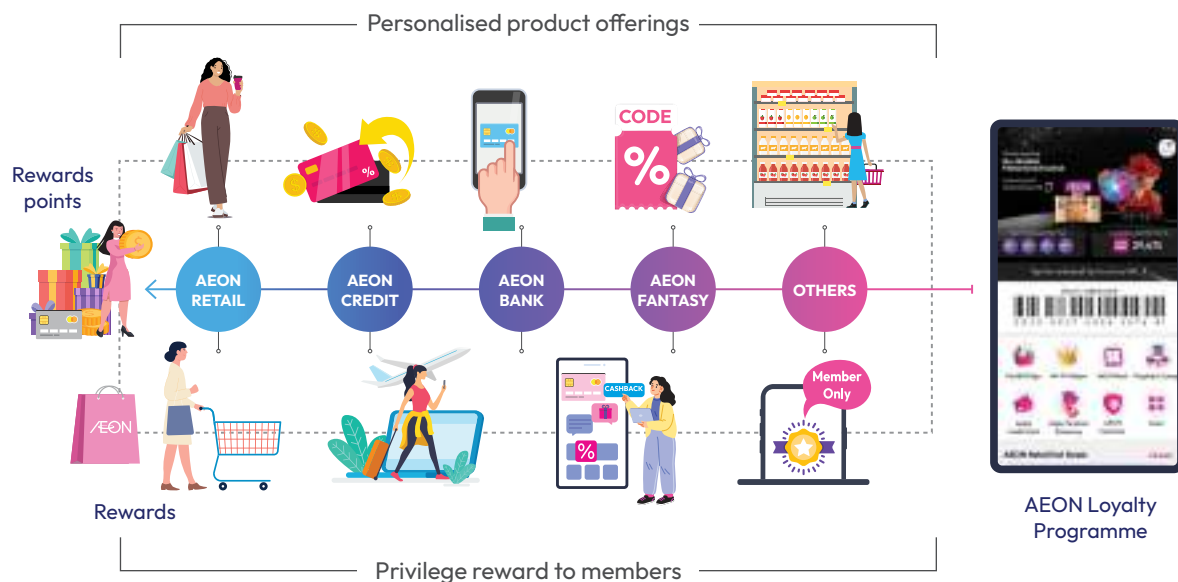
287,000
Credit Card in Circulation

64%
Active Members Ratio



BUILDING THE FOUNDATION FOR REALISING THE AEON LIVING ZONE

In collaboration with AEON CO. (M) BHD., AEON Credit has established the AEON Living Zone project team to enhance group synergies through a unified mobile platform. The initiative focuses on developing a super app, expanding the loyalty points reach and leveraging personalised marketing strategies to support long-term earnings growth.

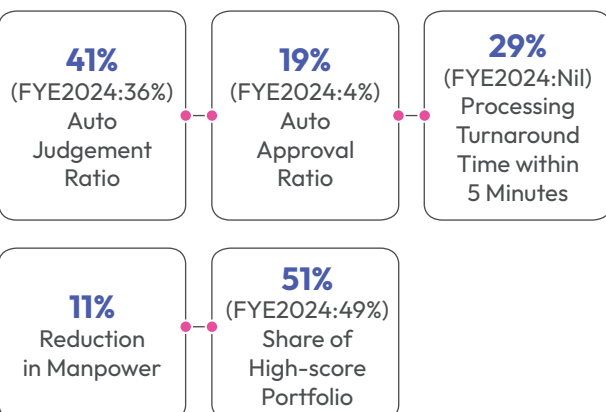


AEON Journey: Earn Points, Enjoy Personalised Products, and Unlock Exclusive Member Privileges

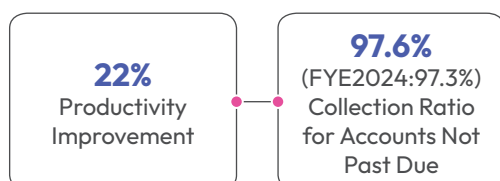
ADVANCEMENT OF CREDIT ASSESSMENT AND COLLECTION

AEON Credit offers a fully digital onboarding experience through our online platform, seamlessly integrated with the AEON Wallet. This integration eliminates the need for branch visits. Powered by e-KYC and Artificial Intelligence ("AI") credit scoring model, streamlines the credit assessment processes, leading to straight-through approval and enhance access to financial services.

The use of Optical Character Recognition ("OCR") further enhance loan approval turnaround time. These innovations reinforce our commitment to speed, convenience and the strategic expansion of the AEON Living Zone through digital solutions.



In December 2024, we launched a new Debt Management System ("DMS"), equipped with enhanced functionalities such as automated dunning by account. By leveraging our risk-based collection approach, the DMS further enhances operational productivity and strengthens collection performance.



DATA-DRIVEN MANAGEMENT AND AI INFRASTRUCTURE DEVELOPMENT

AEON Credit is strengthening its data-driven AI infrastructure to enhance operational efficiency and improve customer experience. Key initiatives include the automation of reporting through Power BI dashboards, enabling faster and more accurate insights, as well as the launch of the Gen-AI project to embed advanced AI capabilities that support speedy decision-making across the organisation.

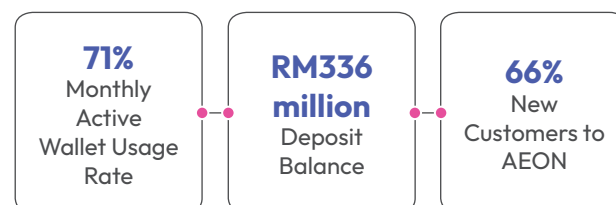
PREPARATION FOR NEW REVENUE STREAMS, FINANCIAL SERVICES INTEGRATION

Launch of Islamic Digital Bank

In May 2024, we launched Malaysia's first Islamic digital bank through AEON Bank (M) Berhad ("AEON Bank"), offering simple, secure and accessible digital banking solutions.

The launch of AEON Bank strengthens the AEON Living Zone by broadening access to Shariah-compliant financial services, while also creating synergies across the AEON Group.

With the launch of its business banking offerings, AEON Bank aims to support a more connected and convenient financial ecosystem by linking customers, business partners, and affiliated merchants through integrated digital banking solutions.



 AEON Bank

**Malaysia's First
Islamic Digital Bank**



AEON FUNDAMENTAL MANAGEMENT PRINCIPLES

AEON Credit is committed to sustainable growth and societal contribution in alignment with the AEON Foundational Ideals of pursuing peace, respecting humanity and contributing to local communities, always with customers as our starting point. Through the AEON Living Zone, we aim to create a future lifestyle that brings a smile to each and every person.

To articulate our aspirations and the path towards realising them, Our Purpose was created as a guiding philosophy that reflects AEON Credit and its subsidiarys' ("the Group") commitment to providing trusted financial services that brighten everyday lives with peace of mind and smiles.



A shared foundation that guides the Group and its people through common values rooted in the AEON Foundational Ideals, shaping actions and decisions across all business activities.

A philosophy and vision developed aligning with the Group's values, considering its business and value propositions.

AEON FOUNDATIONAL IDEALS



AEON firmly believes that retail is an industry that promotes peace, humanity and support for local communities.

To remain a thriving corporate group that fulfills this mission, we are committed to continuous innovation, with customers as our starting point.

1 Pursuing Peace

We contribute to peace by creating a sustainable society and are committed to refraining from actions or activities that undermine it.

2 Respecting Humanity

We value humanity and diversity of our employees, fostering a work environment where everyone feels fulfilled and their abilities are fully utilised.

3 Contributing to Local Communities

We work with customers and communities in the journey toward decarbonisation, leveraging the Group's products and services while efficiently utilising resources.

4 Always with Customer as Our Starting Point

We are committed to enriching that lives of our customers by providing secure, innovative financial services and building inclusive infrastructure that ensures access for all, while consistently prioritising their interests over our own convenience and upholding integrity, which is the foundation of the Group.

AEON GROUP FUTURE VISION



Create a future lifestyle that leads to a smile for each and every person

The future that the AEON Group wishes to realise is one where customers can feel a "brighter society" and "happiness that is uniquely their own", creating a future that is fulfilling and full of smiles.

How the AEON Group Wishes to Be

- A group that creates a future lifestyle full of smiles together with our customers and colleagues who share our vision.
- A leading group that grows by enriching society and individual lives through our innovation and co-creation.
- Evolve our products and services, focusing on the keyword “connection” to deliver unprecedented value.

Connect deeply
with individuals

Connect
individuals
with society

“Connection”

Connect
individuals with
one another

Expand the circle
of connections

Three Attitudes

- “Act spontaneously and follow your aspirations”
- “Keep learning to create new values”
- “Build relationships, nurture them and create together”

One Vow

- “Always act with integrity and sincerity”

OUR PURPOSE



Our Purpose is to bring finance closer to everyone

As the financial services arm of the Group, we offer accessible, consumer-focused solutions, promote financial education across generations, and drive inclusion to meet diverse needs.

By committing to each and every person

We commit to each consumer by offering financial services tailored to life stages and living environments, while co-creating value with local partners and acting with empathy from a customer-first perspective.

We brighten up everyday lives with peace of mind and smiles

As a financial institution, we support customers in leading richer, happier lives by easing daily living. We value diversity, a supportive culture, and an environment that fosters pride, openness, and freedom. Through this, we bring peace of mind, smiles, and uplifting moments to everyday life.

CODE OF ETHICS AND CONDUCT

Built on shared values and a common philosophy, the Code of Ethics and Conduct (“the Code”) reflects the Group’s collective identity and serves as a guiding framework for ethical conduct.

The Code provides clear guidance to the Board, employees and authorised personnel in navigating complex situations and making responsible decisions. It fosters a corporate culture grounded in ethics, transparency and accountability. By setting consistent standards of behaviour, the Code promotes alignment across the Group’s operations, strengthening its reputation and building trust with customers, investors, regulators and the broader public.

The Code is structured into two interconnected sections:

Code of Ethics

The Code outlines the fundamental principles that define who we are as an organization. It articulates our core values and serves as a moral compass for all decision-making.

5 Guiding Principles:

- | | |
|-------------------------|-------------------|
| 1 Competence | 4 Confidentiality |
| 2 Integrity & Sincerity | 5 Objectivity |
| 3 Respect & Fairness | |

Code of Conduct

The Code translates its ethical principles into actionable standards and practices, providing specific guidelines and rules for behaviour in our interactions with stakeholders, including:

6 Stakeholders:

- | | |
|-----------------------------|-----------------------|
| 1 Company as a Whole | 4 Dedicated Employees |
| 2 Valued Customers | 5 Regulatory Bodies |
| 3 Trusted Business Partners | 6 Local Communities |

CORPORATE MILESTONES

2025

Opening of
Flagship Branch at
The Exchange
106 @ TRX

Launched New AEON
Loyalty Programme in
AEON Wallet



2024

- Launched AEON Virtual Credit Card
- Opening of flagship branches at Setia City Mall and IOI City Mall
- Launched new consumer and revamped corporate website
- Launched Electric Motorcycle Financing Scheme
- Launched AEON Bank (M) Berhad, an associate company with a 50% equity interest

2023

- Launched Easy Payment digital onboarding
- Formulation of 3-Year Sustainability Roadmap
- Secured first Sustainability-Linked Loans ("SLLs") of RM600 million

2019

- Obtained Moneylending License under the Moneylenders Act 1951 and Moneylenders (Control and Licensing) Regulations 2003

2020

- Issued RM500 million inaugural senior sukuk

2021

- Issued RM200 million inaugural subordinated sukuk
- Launched AEON Protect

2022

- Launched the AEON Privilege Card for Hawkers and Petty Traders
- Acquired 100% equity interest in AEON Insurance Brokers (M) Sdn. Bhd. (formerly known as Insurepro Sdn. Bhd.)
- Obtained an Islamic digital bank license with AEON Financial Service Co., Ltd., Japan

2018

- Launched AEON Platinum credit card (Visa and MasterCard)
- Launched the AEON Member Plus Visa Card and AEON Wallet
- Launched the Financial Literacy Programme

2017

- Launched Hire Purchase Islamic (HP-i) Scheme for Auto Finance and Motorcycle Finance Business

2016

- Launched AEON Member Plus Card

2015

- Launched AEON BiG co-brand credit card with Visa payWave function
- 60th branch opens in Sibu, Sarawak
- Launched Merchant Online Web System ("MOS")

2008

- Regional office expansion in Penang, Johor and Pahang
- Launched Used Car Easy Payment Scheme

2009

- Launched New AEON Card with AEON CO. (M) BHD.
- Expansion of service centres and offices in Melaka, Sarawak, Perak, Johor and Kedah
- Set up representative office in Mumbai, India
- Launched RM150 million asset-backed medium term notes programme

2010

- Offered Motorcycle Easy Payment Scheme for higher cubic capacity motorcycle

2011

- Launched RM200 million single investor medium term programme
- Launched AEON Prepaid Card

2012

- Launched nationwide Used Car Easy Payment Scheme

2013

- Offered Auto Finance Easy Payment Scheme for new cars
- Launched RM400 million Perpetual Sukuk Programme and RM400 million Perpetual Private Debt Securities Programme

2007

- Launched RM400 million commercial paper/medium term notes programme
- Listed on Main Board of Bursa Malaysia Securities Berhad

2006

- Launched specific purpose financing
- Established 3 service centres in JUSCO Shopping Centres bringing our nationwide network to 24

2005

- Started an insurance sales business
- Obtained approval from Bank Negara Malaysia ("BNM") to issue credit cards
- Launched AEON and JUSCO Credit Cards

2004

- Expansion of Personal Financing Scheme to major towns nationwide
- Entered into agreements with Visa International Service Association and MasterCard International Incorporated to issue credit cards

2003

- Launched Personal Financing Scheme
- Setup first AEON Credit Service Centre in Kuala Lumpur

1996

- Incorporated on 6 December 1996

1997

- Commenced operations by providing General Easy Payment Scheme

1998

- Issuance of AEON Express Card (a privilege card)
- Expansion of General Easy Payment Scheme to Ipoh, Perak and Melaka

1999

- Expansion of General Easy Payment Scheme and operations to East Malaysia

2001

- Set up branches in Sarawak and Johor

2002

- Launched Motorcycle Easy Payment ("MEP") Scheme
- Changed name from ACS Credit Service (M) Sdn. Bhd. to AEON Credit Service (M) Sdn. Bhd.

AWARDS & RECOGNITIONS



2024 ASEAN FINTECH EXCELLENCE AWARD

Recognised by: KSI Strategic Institute for Asia Pacific



SUSTAINABILITY & CSR MALAYSIA AWARDS 2024

Company of The Year (Financial Services) for Outstanding Community Engagement

Awarded by: CSR Malaysia



NATIONAL CORPORATE GOVERNANCE & SUSTAINABILITY AWARDS ("NACGSA") 2024

Awarded by: Minority Shareholders Watch Group ("MSWG")



BEST WAKALAH SUKUK IN SOUTHEAST ASIA AND BEST SUKUK DEAL OF THE YEAR 2024

RM5 Billion Sukuk Wakalah & Murabahah Programme: Series V, VI & VII

Awarded by: Alpha Southeast Asia



ISO 9001:2015
Quality Management Systems



ISO/IEC 27001:2022
Information Security Management Systems



ISO 14001:2015
Environmental Management Systems



ISO 37001:2016
Anti-Bribery Management Systems

INDICES AND RATINGS



Constituent of the
FTSE4Good
Bursa Malaysia
Index



'AA'
rating for
MSCI ESG
Rating 2025



SUSTAINALYTICS

Achieved
medium risk
rating score of
22.3

CREDIT RATINGS

Affirmed by RAM Rating Services Berhad

AA₃/Stable

Senior Sukuk
Wakalah Programme

A₁/Stable

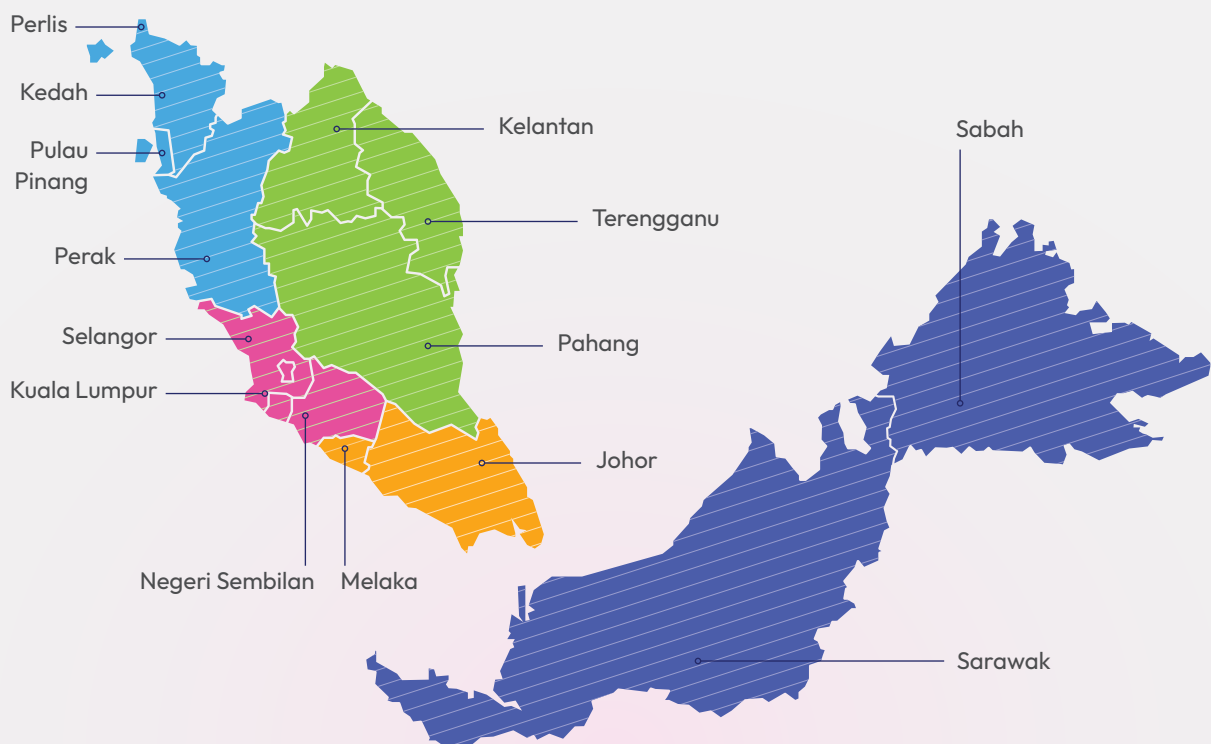
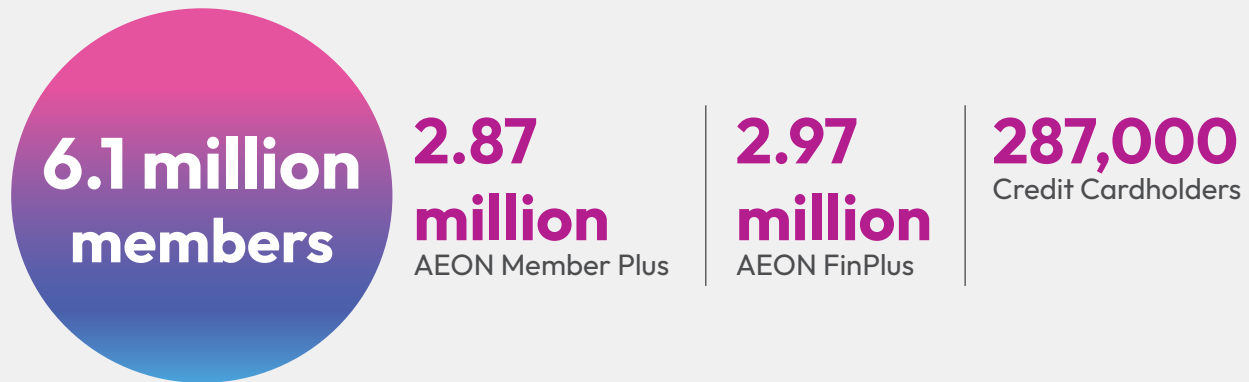
Subordinated Sukuk
Wakalah Programme

P1

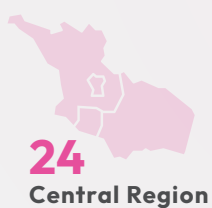
Islamic Commercial Papers ("ICP") Programme


OUR PRESENCE

The Group currently has 1 operation centre, 5 regional offices, 60 branches and service centres located in the major shopping centres and towns, a network of more than 7,000 participating merchant outlets nationwide, along with a subsidiary company and an associate company.



60 Branches & Service Centres



- 
- A photograph of two young women riding a red scooter on a paved path lined with trees. The woman in the driver's seat is wearing a black helmet and a black and white jacket, smiling broadly. The passenger is wearing a red and white helmet and a light purple shirt, also smiling. The scooter is red with a large headlight and orange mirrors. The background is a soft-focus view of trees and a path.
- 19 Event Calendar
 - 22 5-Year Financial Highlights
 - 24 Investor Information

FYE2025 Highlights

EVENT CALENDAR

MARCH

Launch of Revamped Corporate and New Consumer Websites



Introduced refreshed official websites featuring a renewed brand identity, streamlined navigation and upgraded functionality significantly enhancing the overall user experience.

APRIL

Setup of AEON Living Zone



AEON Credit and AEON CO. (M) BHD. jointly established the AEON Living Zone project team to foster greater collaboration and synergy within the AEON Group.

MAY

AEON Credit Biodiversity Afforestation Project



First biodiversity initiative at Kinta Nature Park involved planting 10,000 trees, with over 99% surviving, and was aimed at contributing to climate change action through carbon sequestration.

JUNE

Appreciation for Our Motorcycle Merchants

We hosted an appreciation dinner and an exclusive overseas trip to Shanghai to celebrate the unwavering support of our valued merchants, which has been key to the growth of our motorcycle business.



Grand Launch of AEON Bank

AEON Bank was officially launched as Malaysia's first Islamic digital bank, offering a comprehensive range of Shariah-compliant digital banking services.



JULY

Opening of First Flagship Branch

Proudly opened our first flagship branch at Setia City Mall, offering a premium experience with integrated operations and a dedicated lounge.



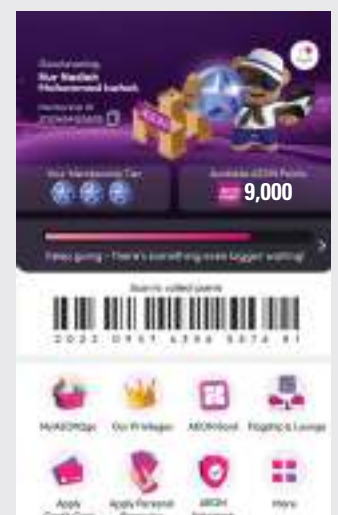
Digital Onboarding for Credit Card

Introduced credit card digital onboarding to streamline and enhance the customer journey by providing a faster, simpler and more convenient application process.



Refreshed AEON Wallet

Upgraded with a new UI/UX, a tiered AEON Loyalty Programme and streamlined onboarding features to enhance user experience while expanding access to a wide range of financial services.



Sustainability & CSR Malaysia Award 2024 for Outstanding Community Engagement

AEON Credit was honoured with the award in recognition of our unwavering commitment to supporting community welfare and sustainable development initiatives.



EVENT CALENDAR

AUGUST

Opening of Second Flagship Branch

The second flagship branch at IOI City Mall reflects our continued success and commitment to delivering customer-centric experiences through the expansion of premium branches.



Launch of AEON Virtual Credit Card

Introduced the AEON Virtual Credit Card with instant activation, designed exclusively for seamless and secure online transactions.



National Corporate Governance & Sustainability Awards ("NACGSA") 2024 Excellence Award

We were recognised among the Top 50 public listed companies for our unwavering commitment to strong governance practices and sustainability initiatives throughout this journey.



SEPTEMBER

HQ Office Renovation

Unveiled our newly renovated HQ office - thoughtfully redesigned to promote a vibrant and collaborative workspace, support a more dynamic and productive environment.



Appreciation for Our Auto Financing Merchants

We organised an appreciation dinner and an exclusive trip to Bangkok to honour the steadfast support of our valued merchants, which has been crucial to the growth of our auto financing business.



NOVEMBER

Relocation of Our Operations Centre

Successfully relocated our operations centre to Sunway Velocity 2, providing an improved working environment and making commuting more convenient for our employees.



DECEMBER

Launch of New Debt Management System ("DMS")

A new collection system, the DMS was introduced to enhance collection capabilities, reduce processing time and improve overall operational productivity.



FEBRUARY

Opening of Third Flagship Branch

Following the successful launch of our first two flagship branches, we proudly opened our third flagship branch at The Exchange 106 @ TRX.



Best Wakalah Sukuk in Southeast Asia and Best Sukuk Deal of the Year 2024

We were awarded for our RM5 billion Sukuk Wakalah & Murabahah Programme: Series V, VI & VII, reflecting our ongoing excellence in financial services and our commitment to delivering long-term value and driving sustainable growth for stakeholders.



Title Sponsor for Motorsports Association of Malaysia ("MAM") Awards Night 2024

We assumed the role of title sponsor for the prestigious MAM Awards, further solidifying our position as a leading financial partner in the 2-wheeler market and our commitment in promoting local motorsports.



5-YEAR FINANCIAL HIGHLIGHTS

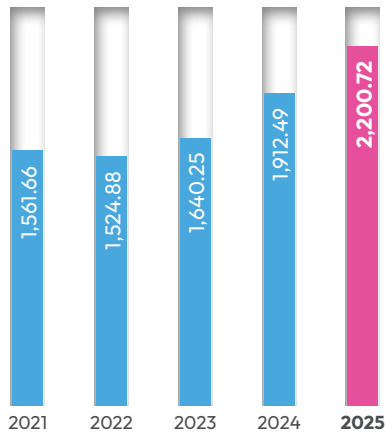
	Group				Company
	FYE2025 RM'000	FYE2024 RM'000	FYE2023 RM'000	FYE2022 RM'000	FYE2021 RM'000
OPERATING RESULTS					
Revenue	2,200,723	1,912,491	1,640,245	1,524,880	1,561,660
Profit from operations	1,007,250	940,292	862,897	857,706	682,780
Profit before tax	513,507	565,174	546,976	526,820	324,907
Profit after tax	370,611	424,018	417,685	365,419	233,957
KEY FINANCIAL POSITION DATA					
Total assets	14,343,858	12,620,337	11,117,098	10,140,874	10,231,421
Net financing receivables	13,341,781	11,535,657	10,048,613	9,101,111	9,236,046
Plant and equipment	140,809	105,389	114,999	144,289	137,843
Cash, bank balances and deposits	116,500	143,568	391,337	508,960	439,549
Share capital	584,012	584,012	584,012	584,012	584,012
Shareholders' equity	2,831,948	2,637,631	2,324,830	2,001,286	1,693,192
Perpetual notes and sukuk	-	-	200,000	200,000	200,000
Total equity	2,831,948	2,637,631	2,524,830	2,201,286	1,893,192
Borrowings	10,783,469	9,404,546	8,006,969	7,390,496	7,662,910
Total liabilities	11,511,910	9,982,706	8,592,268	7,939,588	8,338,229
STATISTICS/RATIOS					
Net earnings per share (sen) *	72.58	81.08	79.81	69.59	43.84
Net assets per share (RM) *	5.55	5.17	4.55	3.92	3.32
Net dividend per ordinary share (sen) *	28.75	28.25	24.75	24.25	14.60
Return on equity	13.55	16.69	18.84	19.24	13.77
Return on assets	2.75	3.57	3.93	3.59	2.26
Capital adequacy ratio	22.72	24.42	27.17	26.88	23.98

Note:

* For comparative purpose, the earnings per share, net assets per share and net dividends per ordinary share had been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which completed on 21 November 2023.

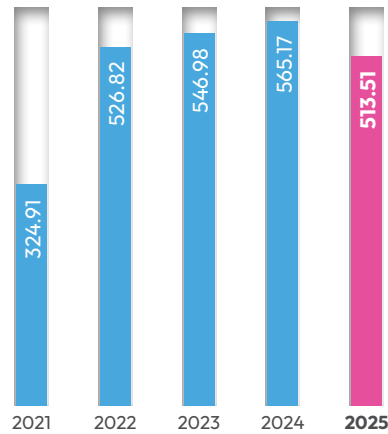
REVENUE

(RM Million)



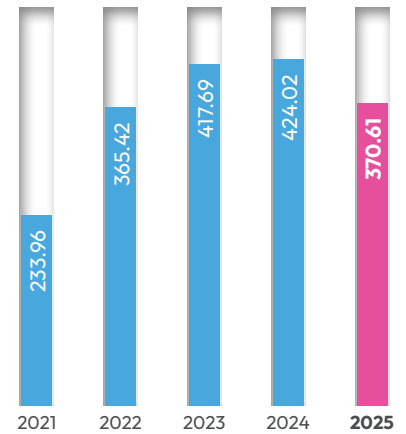
PROFIT BEFORE TAX

(RM Million)



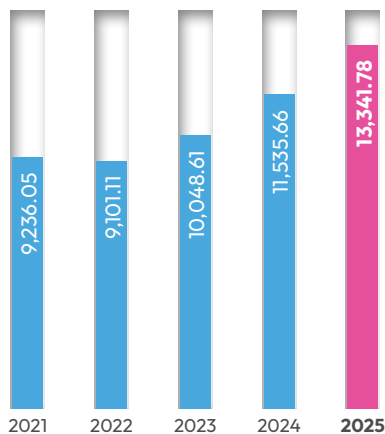
PROFIT AFTER TAX

(RM Million)



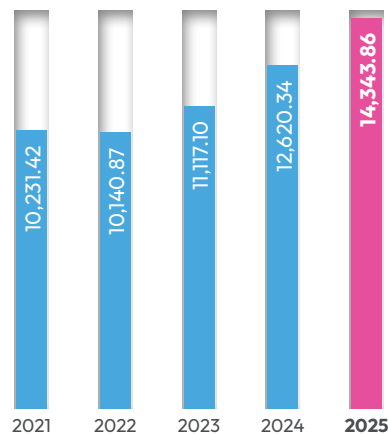
NET FINANCING RECEIVABLES

(RM Million)



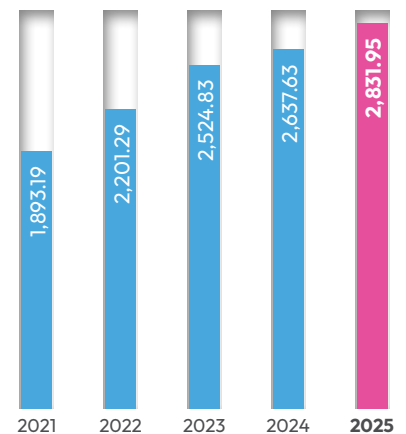
TOTAL ASSETS

(RM Million)



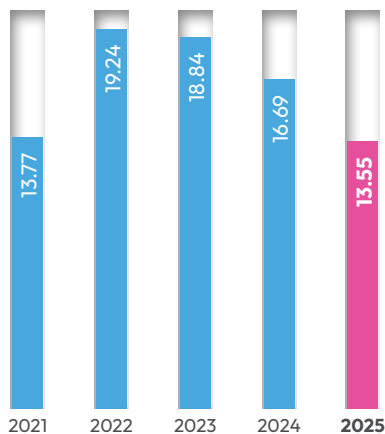
TOTAL EQUITY

(RM Million)



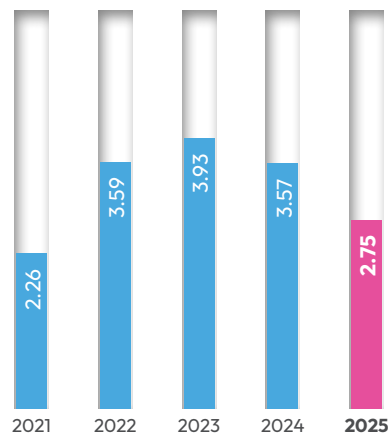
RETURN ON EQUITY

(%)



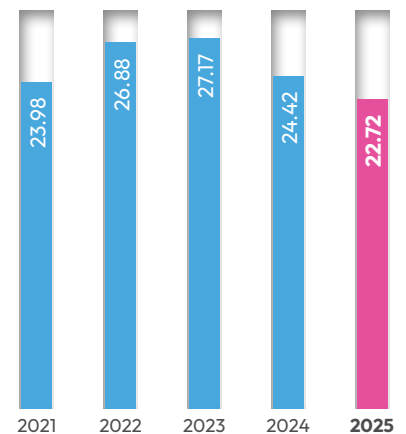
RETURN ON ASSETS

(%)



CAPITAL ADEQUACY RATIO

(%)



INVESTOR INFORMATION

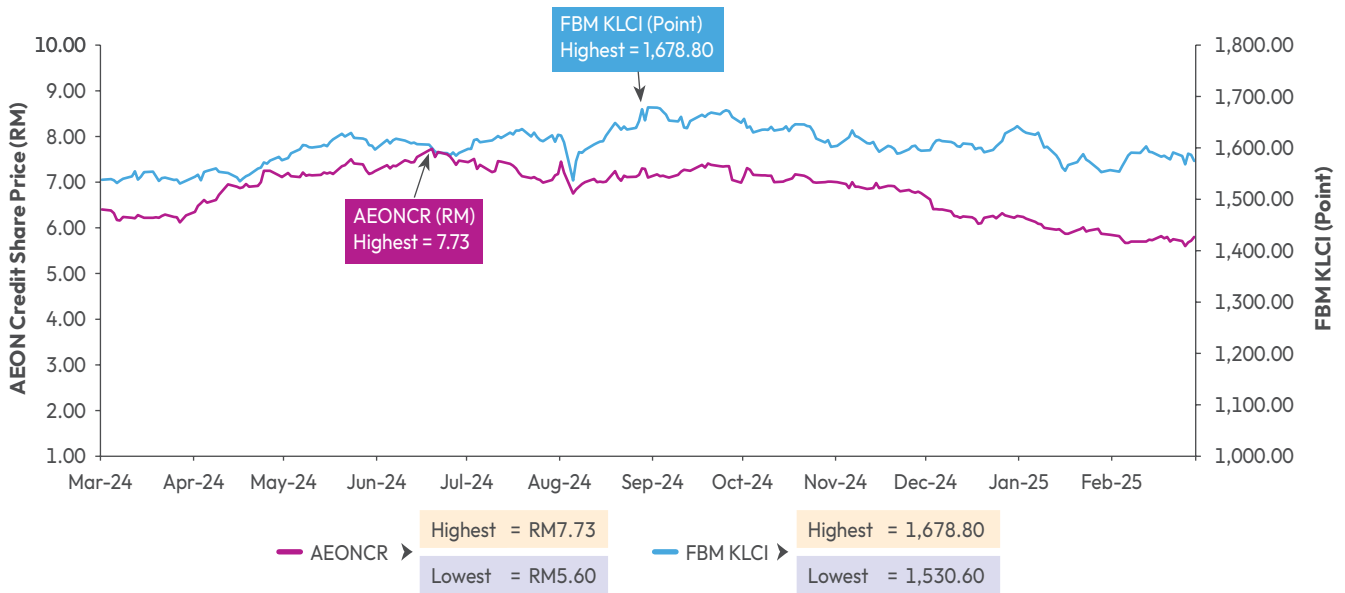
SHARE PERFORMANCE

AEON Credit (AEONCR) Share Performance (As at 28 February 2025)

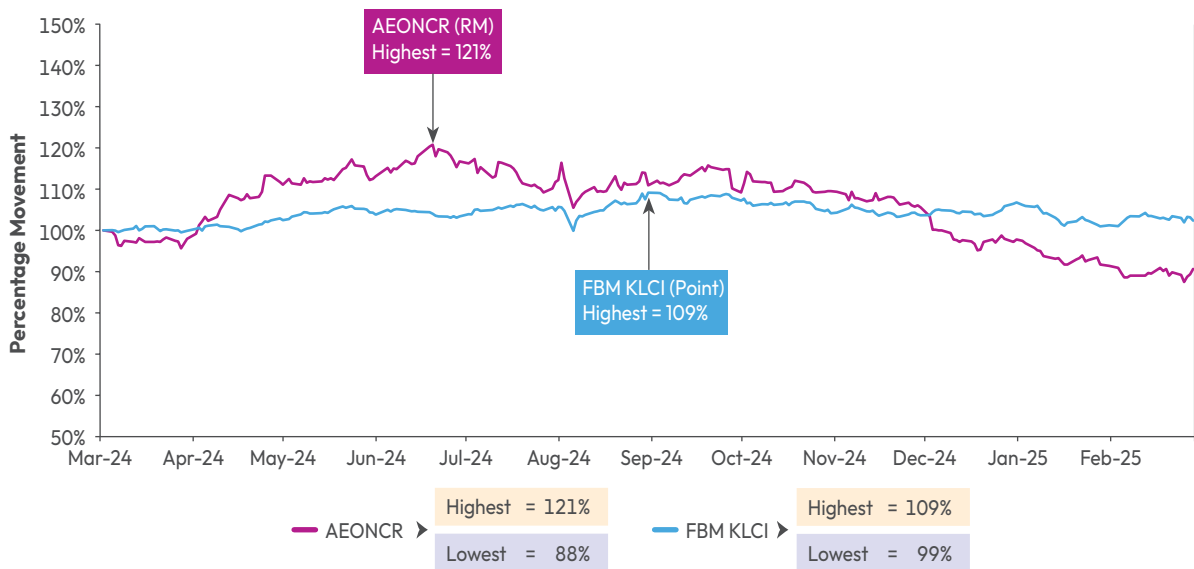
Share Price	Market Capitalisation	Earnings Per Share	Dividend Per Share
RM5.80 FYE2024: RM6.34	RM2.96 billion FYE2024: RM3.24 billion	72.58 sen FYE2024: 81.08 sen	28.75 sen FYE2024: 28.25 sen

SHARE PRICE

AEON Credit (AEONCR) Share Price vs FBM KLCI (01 March 2024 to 28 February 2025)



AEON Credit (AEONCR) Share Price Movement vs FBM KLCI Movement (01 March 2024 to 28 February 2025)



INVESTOR RELATIONS

AEON Credit is committed to fostering transparent and effective communication with its stakeholders. Our dedicated Investor Relations (“IR”) team, led by the Chief Corporate Officer (“CCO”) and the Chief Financial Officer (“CFO”), plays a key role in supporting the management and ensuring the timely and accurate dissemination of information. The IR team is responsible for maintaining and regularly updating our IR website, providing stakeholders with reliable and up-to-date information that is essential for evaluating the Group’s performance and prospects. Through these efforts, AEON Credit aims to build and strengthen relationships with investors, analysts, and other key stakeholders.

ANALYST BRIEFINGS

Quarterly analyst briefings are held to provide the investment community with key insights into AEON Credit’s financial performance, business operations, and strategic initiatives. These briefings serve as a crucial platform for senior management to engage directly with institutional investors, sharing the Group’s strategic vision and addressing any financial or operational matters. Additionally, these sessions offer attendees the opportunity to ask questions, raise concerns, and gain a deeper understanding of the Group’s direction and prospects.



CONFERENCES AND RETAIL BRIEFINGS

In FYE2025, we continued our proactive engagement with the investment community through conferences and meetings with fund managers, bankers, analysts, researchers, and investors, where we discussed our strategic plans, financial performance, and other key developments. Moving forward, we remain committed to enhancing stakeholder engagement by leveraging share register analysis, ensuring that senior management effectively communicates important operational and strategic updates to our key stakeholders.

FYE2025

25 meetings | **447 participants**

FYE2024

32 meetings | **476 participants**



RESEARCH COVERAGE

The Group remains well covered by the investment community, with active coverage from six (6) research houses, and is consistently monitored by buy-side analysts and fund managers both domestically and globally as of the end of February 2025.

RESEARCH HOUSES

- | | |
|--------------------------------------|---|
| 1 Affin Hwang Investment Bank Bhd | 4 Kenanga Investment Bank Bhd |
| 2 CLSA Securities Malaysia Sdn. Bhd. | 5 RHB Investment Bank Bhd |
| 3 CIMB Securities Sdn. Bhd. | 6 Macquarie Capital Securities (Malaysia) Sdn. Bhd. |

ANALYST BRIEFINGS

11 July 2024

- AEON Credit Q1FYE2025 Analyst Briefing
- Hybrid Meeting

27 September 2024

- AEON Credit Q2FYE2025 Analyst Briefing
- Hybrid Meeting

20 December 2024

- AEON Credit Q3FYE2025 Analyst Briefing
- Conference Call

9 April 2025

- AEON Credit Q4FYE2025 Analyst Briefing
- Hybrid Meeting

CONFERENCES AND RETAIL BRIEFINGS

4 June 2024

- Nomura Investment Forum Asia 2024
- Conference

11 June 2024

- Macquarie Asean Banks Tour 2024
- Conference

8 August 2024

- Rakuten Retail Briefing
- Retail Briefing

24 October 2024

- Bursa 2nd Industry Dialogue 2024 with Remisers
- Retail Briefing

Reflections From Top Leadership

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

I am pleased to present the AEON Credit Service (M) Berhad ("AEON Credit" or "the Group") Integrated Annual Report for the financial year ended 28 February 2025 ("FYE2025").

AEON Credit navigated a dynamic economic landscape in FYE2025, capitalising on growth opportunities whilst reinforcing operational resilience. The statement details insights into our FYE2025 journey and reflects the accomplishments and challenges for the financial year under review.

NG ENG KIAT
Chairman



CHAIRMAN'S STATEMENT

THE MARKET LANDSCAPE IN FYE2025

The Malaysian economy recorded a resilient growth of 5.1% in 2024 driven by robust domestic demand and improved export activities. This sound performance was underpinned by a dynamic labour market, continued private investment growth across key economic corridors nationwide, and improvement in household spending supported an overall positive macroeconomic environment. Nevertheless, persistent inflationary pressures and intense market competition remained key challenges throughout the year.

Amid these conditions, AEON Credit leveraged on the favorable economic landscape to expand its financing portfolio and accelerate its digital transformation efforts in response to evolving customer expectations. As a result, the Group's gross financing receivables grew by 15.4% to RM14.12 billion, with strong momentum across Vehicle Financing, Personal Financing and Payment Business. This growth is attributed to effective marketing strategies and onboarding initiatives.

EVOLVING BETTER SOLUTIONS TOGETHER

The theme of this year's report, "Evolving Better Solutions Together", reflects the Group's commitment to synergistic progress with AEON Group of Companies in Malaysia, underpinned by digital integration and customer-centric innovation.

1 AEON Living Zone

AEON Living Zone is a joint initiative with AEON CO. (M) BHD. to create an integrated digital and physical ecosystem, anchored by a unified application ("App") that connects customers across the AEON Group of Companies in Malaysia. This "Malaysian Essential Lifestyle App" offers customers a seamless experience combining lifestyle and financial services, a loyalty programme, and personalised promotions, enable us to effectively cross-sell to the growing middle-income consumer segment. It is a bold step towards delivering Our Purpose: Bring Finance Closer to Everyone.

2 AEON Bank

The past fiscal year was marked by significant strides in our strategic vision, most notably the landmark launch of AEON Bank in May 2024, Malaysia's pioneering Islamic digital bank. The bank has rapidly introduced a suite of digital banking solutions, including Savings Account-i, Savings Pots and Shariah-compliant Personal Financing-i, demonstrating our commitment to financial inclusion and technological advancement.

To further strengthen digital security, AEON Bank introduced its Mobile Security Platform, an advanced shielding technology designed to enhance the protection of the AEON Bank mobile app and safeguard customer data.

“AEON Credit leveraged the favorable economic landscape to expand its financing portfolio and accelerate its digital transformation efforts in response to evolving customer expectations.”

Looking ahead, AEON Bank is poised to expand into business banking, serving local entrepreneurs and Micro, Small and Medium Enterprises ("MSMEs"), and contributing to Malaysia's burgeoning digital economy.

BUSINESS PERFORMANCE HIGHLIGHTS

1 Expanding Market Share through Strategic Product Refinement

Our focus on enhancing premium product offerings for Vehicle Financing, enabled us to expand our reach to middle-income group customers. In FYE2025, the Group recorded a strong growth of 50.5% year-on-year ("YoY") in Superbike Financing and 20.3% YoY in Auto Financing volume. Our portfolio quality was further strengthened through the increased adoption of pre-assessment and e-KYC tools, as well as enhancements to our merchant management frameworks, including the introduction of reward programmes to incentivise merchant performance and foster stronger collaborations.

In the Payment Business, we rebranded the AEON credit card as a "AEON Must-Have Card", integrating it seamlessly with the AEON Wallet, supported by strategic collaborations with AEON Retail and privilege merchants. This strategy has increased customer spending and enhanced customer retention. Consequently, customer acquisition increased significantly, with cards in circulation rising by 21.0% YoY. Further leveraging our wallet app, we also introduced the AEON Virtual Credit Card, providing customers with a secure and convenient solution for online transactions.

We are particularly encouraged by the substantial improvement in our Net Promoter Score, a key indicator of customer loyalty, which rose from the score of +30 in February 2024 to +41 in February 2025. This demonstrates the growing satisfaction of our customers and the effectiveness of our initiatives in enhancing their experience.



Auto Financing

↑ **20.3% YoY**

Premium offerings, powered by pre-assessment solutions, driving strong and sustainable growth.



Superbike Financing

↑ **50.5% YoY**

2 Driving Operational Efficiency through Digitalisation

We continued to strengthen our information technology capabilities to drive operational efficiencies. During the year, we accelerated the digitalisation of our onboarding process, incorporating AEON FinPlus membership criteria to further improve asset quality. Additionally, the integration of Optical Character Recognition ("OCR") solutions into our credit assessment processes has significantly enhanced auto-approval rates, rising from 4% to 19% in FYE2025, streamlining the customer journey and reducing turnaround times.

In December 2024, we launched a new collection system featuring a unified screen interface that enables faster data retrieval, real-time reporting and improved collection and staff productivity. Building on this, we adopted a risk-based collection strategy, leveraging the new system to implement pool-based dunning, further boosting collection efficiency and performance.

3 Enhancing AEON Wallet and Expanding Customer Touchpoints

In response to the growing digital shift and the entry of platformers into the market, we remain committed to transforming the AEON Wallet into a one-stop retail and financing digital platform. In July 2024, we improved system stability and introduced new features, including a self-onboarding application solution to drive acquisition. Self-onboarding applications increased to 39% following the upgrade of the AEON Wallet.

In terms of the loyalty programme, customers can now activate the app and start earning AEON Points without the need for a physical card, simplifying their journey and enhancing convenience. The launch of the new AEON Loyalty Programme marked a significant milestone, consolidating all AEON Points into a single loyalty account with a tier-based membership system. This structure offers exclusive privileges to higher-tier members, improving the overall management of memberships and rewards, deepening customer engagement and loyalty across the AEON ecosystem.

Our expansion strategy goes beyond digital. In FYE2025, we opened three flagship branches equipped with AEON Lounges under the AEON Living Zone initiative. These lounges are designed to offer a comfortable, stylish space that caters to our customers with premium services and personalised care. This initiative not only enhances brand affinity but also strengthens collaboration with the AEON Retail Group of Companies, creating a seamless, enriching experience that fosters lasting customer relationships.

DEMONSTRATING FINANCIAL RESILIENCE

AEON Credit registered a profit after tax ("PAT") of RM370.61 million as compared to RM424.02 million in the previous financial year ("FYE2024"), after accounting for its share of losses from AEON Bank. Our return on equity ("ROE") remained stable at 13.6%, reflecting firm and sustainable core operations. Total revenue grew by 15.1%, driven by continued positive momentum in sales and receivables.

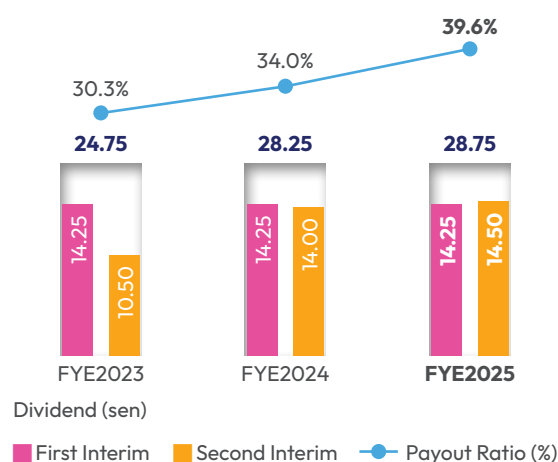
The Group's financial excellence was also acknowledged with the prestigious Best Wakalah Sukuk In Southeast Asia and Best Sukuk Deal of the Year 2024 awards. These distinguished awards are testament to our ability to structure and execute complex Shariah-compliant financial solutions, recognising our continuous efforts in financial services, long-term value creation and sustainable growth for our stakeholders.

Further details of the Group's financial performance are set out in the Management Discussion and Analysis section of this IAR.

DIVIDEND

In line with our focus on delivering shareholder value, the Board is proposing a final single-tier dividend of 14.50 sen per share to be paid on 24 July 2025. This brings the total dividend for FYE2025 to 28.75 sen per share, translating to a total dividend amount of RM146.80 million.

Historical Dividend Data



Payout Amount (RM mil)



CHAIRMAN'S STATEMENT

SUSTAINABILITY AND COMMUNITY EMPOWERMENT

Guided by our 3-Year Sustainability Roadmap, AEON Credit remains steadfast in our commitment to environmental stewardship and uplifting communities. Our efforts in FYE2025 reflect tangible progress in advancing climate action and social impact:



Reduced Greenhouse Gas Emissions: Achieved a 25% carbon emission reduction, driven by the adoption of energy-efficient technologies and the purchase of Renewable Energy Credits ("RECs") to offset a portion of our electricity consumption.



Driving Inclusive Development: Allocated more than RM30 million towards sustainable financing, underscoring our dedication to fostering sustainable growth.



Investing in Biodiversity: Planted 10,000 trees under the AEON Credit Biodiversity Afforestation Project at Kinta Nature Park to support carbon sequestration and contribute to offsetting the Group's carbon emissions.



Promoting Social activities: Continued support for the Malaysian AEON Foundation's social initiatives with a contribution of RM1.0 million.

In recognition of these efforts, AEON Credit received the Outstanding Community Engagement Award, affirming our role as a responsible corporate citizen committed

to Bring Finance Closer to Everyone. This award encapsulates AEON Credit's commitment to sustainability, ethical business conduct and positive contributions to society.

HUMAN CAPITAL DEVELOPMENT

The Group continues to strengthen its strategic focus on human capital development, prioritising investments in training, education and the well-being of the Group's employees. In FYE2025, we launched AEON Credit Wellness, a holistic digital employee assistance programme in partnership with Naluri, focusing on mental, physical, and financial well-being.

We value and enhance the diversity and inclusion of the people that we engage. We are devoted to equal opportunities for everyone and do not tolerate discrimination or harassment. Guided by our Policy of Human Rights which was published in February 2023, the basis for recruitment, hiring, placement, development, training, compensation and advancement at the Group are justified through qualifications, performance, skills and experience.

To support work-life balance, we introduced flexible working hours and nationwide wellness programmes, empowering employees with greater autonomy while supporting their personal and professional commitments.

Our dedication to continuous learning also remained steadfast. We had significantly increased our investment in training and development, with total training hours rising by 65% YoY to 117,000 hours, ensuring our workforce is equipped with the skills and capabilities needed to thrive in a rapidly work environment.



UPHOLDING GOVERNANCE AND ETHICAL LEADERSHIP

AEON Credit upholds the highest standards of corporate governance, compliance, and accountability that are foundational to our long-term resilience and stakeholder trust. These values are supported by a robust risk management framework that enables us to adapt to evolving market conditions while safeguarding operational continuity.

In recognition of our steadfast commitment to governance excellence, AEON Credit was proud to be ranked among the Top 50 in the Excellence Award category at the National Corporate Governance & Sustainability Awards 2024.

Throughout FYE2025, we maintained rigorous oversight of our governance practices and continued to enhance our compliance frameworks. As part of our zero-tolerance policy on corruption and bribery, we strengthened our anti-corruption controls across the organisation.

To further embed ethical leadership, the Board approved the Group's Policy of Conflict of Interest along with its accompanying framework. This policy provides clear and practical guidance for directors and senior management, ensuring transparency, integrity, and accountability at all levels of the organisation.

PROGRESSING WITH PRUDENCE

Malaysia's economy is forecasted to grow between 4.5% and 5.5%, driven by domestic demand, continued investment and a stable labour market. While inflationary pressures may persist due to the government's ongoing subsidy rationalisation programme, the country's economic outlook remains positive, fostering some optimism for the year ahead.

Against this backdrop, we remain steadfast in our pursuit of sustainable long-term growth. We are focused on driving revenue expansion, accelerating digital transformation, and enhancing operational efficiency. Our continuing investment in the AEON Living Zone initiative will enable us to broaden our market presence and tap into new opportunities via our integrated digital platform.

We will also focus on achieving the right balance between cost efficiency and revenue growth, ensuring financial performance remains strong while maintaining strong financial discipline. We remain prudent by prioritising quality asset growth and reinforcing credit risk management practices to support a resilient portfolio.

Looking forward, AEON Credit is strategically positioned for continued success, anchored by our commitment to financial inclusivity, innovation, and a customer-centric approach. By leveraging data analytics, deepening ESG integration, advancing climate action, and promoting inclusive financial access, we are dedicated to delivering enduring value for all our stakeholders.

ACKNOWLEDGEMENTS

As we reflect on the past financial year, the Board and I wish to express our profound gratitude to our valued shareholders, loyal customers, business partners, regulatory bodies, and media representatives. Your steadfast support and confidence have been instrumental in our progress and emboldened us to scale even greater heights.

Our sincere appreciation extends to our dedicated workforce, particularly our frontline teams, whose resilience and commitment have been truly exemplary amidst evolving challenges. Their passion and dedication are the cornerstone of our success, and we are fortunate to have such a talented team, guided by a strong leadership that embodies the AEON culture and ethos.

We pause to honour and acknowledge the distinguished services of Ms. Rashidah Abu Bakar, Independent Non-Executive Director, and Mr. Mitsugu Tamai, Non-Independent Non-Executive Director, who concluded their term of service during the year under review.

Following these retirements, we warmly welcomed new directors onboard in June and December 2024: Ms. Farah Suhanah binti Ahmad Sarji, Mr. Naoya Okada, Mr. Tsutomu Omodera and Mr. Wan Chee Keong. They bring diverse expertise from various industries, including retail and information technology, offering fresh perspectives and strategic insights to the Board. Their collective experience and wisdom further strengthen the Board's ability to drive sustainable growth and long-term value creation for stakeholders.

Lastly, we deeply thank for the enduring support of all our stakeholders and remain steadfast in our commitment to deliver long-term value and to advance financial inclusion across Malaysia.

Sincerely,

Ng Eng Kiat
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

“ FYE2025 has been a year of significant progress for AEON Credit. We have advanced our strategic objectives in the face of economic challenges. Our focus on digital innovation, sustainability, and group synergy positions us strongly to navigate the future and deliver long-term value to our investors, stakeholders, and customers. ”

DAISUKE MAEDA
Managing Director



“Our dedication to providing superior solutions and a seamless digital experience has yielded noteworthy results. Group’s sales and receivables growth saw total transactions and financing volume increasing by 15.3% to RM8.41 billion and gross receivables increasing by 15.4% to RM14.12 billion.”



Total Transaction and Financing Volume:

↑ **15.3%**
RM8.41 billion
(FYE2024: RM7.30 billion)



Revenue:

↑ **15.1%**
RM2.20 billion
(FYE2024: RM1.91 billion)



Gross Financing Receivables:

↑ **15.4%**
RM14.12 billion
(FYE2024: RM12.23 billion)



Return on Equity:

13.6%
(FYE2024: 16.7%)

It was a transformative year for AEON Credit, marked by significant advancements in our strategic objectives amid a dynamic economic landscape. Our strategic priorities, centred on digital innovation, sustainability and enhanced group synergy through the AEON Living Zone initiative, have positioned us to navigate the evolving financial landscape and deliver sustained value to our customers, investors and stakeholders.

The year presented challenges. The rising cost of living had impacted customer repayment behaviours, leading to increase in repayment delinquency with consequence effect on credit losses. We have addressed these proactively by adopting risk-based collection and calling strategies, supported by a new collection system that enhanced both collection performance and productivity.

To drive quality asset, the Group expanding its product offerings and revamped card features to serve the middle-income segment, alongside our continuing commitment to financial inclusion dedicated to serving lower-income customer base. Throughout the year, we enhanced our premium brand financing offerings, particularly on Vehicle Financing and streamlined our digital onboarding journey to deliver an exceptional and satisfying customer experience.

Our dedication to providing superior solutions and a seamless digital experience has yielded noteworthy results, the Group’s sales and receivables growth saw total transactions and financing volume increased by 15.3% to RM8.41 billion and gross receivables increased by 15.4% to RM14.12 billion. Motorcycle Financing maintained its market leadership and strong growth of 20.3% in Auto Financing, underpinned by our broader objective to grow quality assets through the acquisition of middle-income segment customers.

FINANCIAL PERFORMANCE AND REVIEW

Our financial performance in FYE2025 demonstrated creditable growth. Total revenue increased by 15.1% year-on-year (“YoY”) to RM2.20 billion from RM1.91 billion, driven by higher interest and fee income. Other income recorded at RM256.57 million, derived from satisfactory bad debt recoveries. In addition, brokerage fee income from AEON Insurance grew by 8.6%, topping to RM14.40 million for the year.

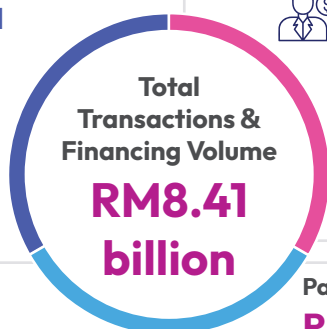
Cost efficiency remains a key strategic focus for the Group, supported by our ongoing digital transformation and process optimisation efforts. Our cost-to-income ratio (excluding impairment losses) remained stable at 28.2%, consistent with previous year, reflecting better expenses management while we continue to invest in technology to enhance operational effectiveness. Total operating expenses rose by 24.3% to RM1.45 billion (FYE2024: RM1.17 billion), primarily attributed to higher impairment losses (“IL”) on financial receivables, amounting to RM757.69 million. The increase was line with the growth of receivables of 15.4% YoY while our write-offs remained relatively stable compared to previous year.

Interest expenses for FYE2025 amounted to RM425.41 million, increased by 18.7% YoY contributed by higher borrowings, with nominal borrowings of RM10.78 billion in tandem with the expansion in receivables.

Profit from operation before accounting for the losses recorded from associate company, AEON bank remained stable at RM581.84 million, consistent with the previous year’s performance. The Group has equity accounted for its proportionate share of losses from AEON Bank, amounting to RM68.33 million in FYE2025. Consequently, profit after tax (“PAT”) declined by 12.6% YoY to RM370.61 million.

MANAGEMENT DISCUSSION AND ANALYSIS

“Easy Payment and Personal Financing business recorded total transaction volumes of RM3.75 billion (FYE2024: RM3.34 billion) and RM2.27 billion (FYE2024: RM1.94 billion) respectively.”



Personal Financing Sales Volume:
RM2.27 billion (↑ 16.7% YoY)

Boosted by digital onboarding

Online transactions ↑ **40.0%**

E-KYC adoption ↑ to **63.6%**

Easy Payment Sales Volume:

RM3.75 billion (↑ 12.5% YoY)



Auto Financing:

↑ **20.3% YoY**



Superbike Financing:

↑ **50.5% YoY**

Driven by tailored financing solutions and strong merchant partnerships.

Payment Business:

RM2.39 billion (↑ 18.4% YoY)



Credit Card in Circulation:

↑ **21.0% YoY**

Driven by enhanced privileges, seamless onboarding experience and targeted marketing campaigns.

FINANCIAL POSITION

The Group's financial position remained robust in FYE2025, underpinned by healthy asset growth with total assets increased by 13.7% to RM14.34 billion as at 28 February 2025 compared to RM12.62 billion in the previous year. This growth was primarily driven by expansion of gross financing receivables, which rose by 15.4% to RM14.12 billion, supported by strong growth in both Personal and Vehicle Financing businesses.

The Group's asset quality remained stable, with the Non-Performing Loan ("NPL") ratio recorded at 2.6%, reflecting the Group's continued focus in onboarding quality customers through digital solutions and proactive credit management. Loan loss coverage ("LLC") stood at 209%, reinforcing portfolio resilience.

The Group continues to prioritise technology enhancement to drive operational efficiencies and customer engagement. On 6 December 2024, the Group launched a new collection system that allows us to engage customers with multiple products through a single touchpoint. This improved system, with features such as pool functionality and real-time reporting, enables more aligned and targeted collection activities. These efforts reflect our ongoing commitment to improve operational productivity by adopting advance technology while mitigating potential risks in an evolving market environment.

Net assets per share improved to RM5.55 (FYE2024: RM5.17), with total equity at RM2.83 billion as at 28 February 2025. The Group's capital adequacy ratio remained strong at 22.7%, providing a solid foundation for sustainable future growth.

Moving forward, the Group maintains a cautious business stance due to prevailing geopolitical tensions, inflationary pressures, and ongoing volatility in global financial markets. We will continue to remain prudent, placing emphasis on growing quality assets and closely monitoring the inherent credit risks in our financing portfolios.

BUSINESS PERFORMANCE AND REVIEW

Easy Payment and Personal Financing Business

In FYE2025, the Group continued its growth strategy with strong focus on acquiring good-quality customers through enhance digital onboarding process that offered auto-approval for good quality customers. This strategic approach, complemented by our premium product financing schemes, played a key role in driving the expansion of quality receivables and strengthening our position across key financing business.

These efforts translated into strong results for our Easy Payment and Personal Financing ("EPPF") business, which recorded total transaction volumes of RM3.75 billion (FYE2024: RM3.34 billion) and RM2.27 billion (FYE2024: RM1.94 billion) respectively.

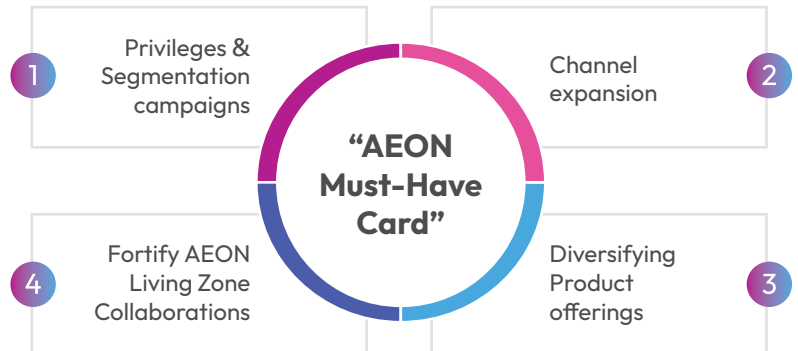
The Easy Payment portfolio comprises Motorcycle Financing, Auto Financing, Objective Financing and Small and Medium Enterprise ("SME") Financing. Among these, Vehicle Financing remained a key growth driver, supported by the continued success of our enhanced premium auto and superbike schemes.

Auto Financing reached new heights in FYE2025, with monthly disbursements exceeding RM100 million and registered a 20.3% YoY growth in total disbursements. Similarly, Superbike Financing recorded a robust 50.5% YoY growth, reflecting the attractiveness of our tailored financing solutions as well as strong merchant relationships.

Amidst an increasingly competitive market landscape, characterised by the presence of traditional banks, digital banks, and other digital lending platformers, such as wallet-based financing providers, AEON Credit successfully leveraged on its cross-selling strategies and digital onboarding capabilities to maintain its competitive edge.

Our focus on digital enablement yielded positive outcomes, with online transactions increasing by 40.0% and e-KYC adoption rising to 63.6%, reflecting our customers' growing preference for seamless and convenient digital experiences. As a result, Personal Financing grew by 16.7% YoY.

“Going forward, we are committed to further investment in the cards segment, diversifying product offerings and expanding payment channels to better serve customer needs.”



Payment Business

Our card business delivered strong growth. As result of our robust sales strategies, with focus on channel expansion and optimising resources while prioritising customer needs. The rebranding of the AEON Credit Card, with enhanced privileges and seamless digital and physical onboarding, is designed to attract middle-income customers, positioning it as the “AEON Must-Have Card” for AEON shoppers.

Through targeted marketing initiatives, usage campaigns, merchant privilege offers nationwide and strategic collaborations within the AEON Group of Companies in Malaysia, our strategy has successfully increased customer spending and transaction volumes, while addressing the unique needs of each customer. Enhancements to card features have also contributed to higher customer retention and strengthen trust in usage. As a result, credit card in circulation reached a record high of 287,000, a 21.0% YoY increase, generating payment sales of RM2.39 billion (FYE2024: RM2.02 billion).

To drive online credit card applications, we successfully completed our end-to-end digital onboarding initiative and launched a virtual card in the wallet app in August 2024; 113,000 virtual cards have been issued as of February 2025.

Acquiring transaction volume increased by 12.9% to RM3.45 billion compared to RM3.05 billion in FYE2024. A significant portion of acquiring transactions, amounting to RM1.70 billion, or an increase of 24.0%, came from major business partners. A total 16,115 terminals were deployed at retail payment counters, yielding an increase in consumer spending and footfall.

E-money transactions rose by 4.1% to RM209.47 million (FYE2024: RM201.14 million). The AEON Member Plus (“AMP”) card base continued to grow to 2.80 million at a rate of 7.1% YoY.

Going forward, we are committed to further investment in the cards segment, diversifying product offerings and expanding payment channels to better serve customer needs. By leveraging on advanced analytics, we are able to optimise cross-selling opportunities, enhance the value proposition of our card products, and improve the overall customer experience through digital payment solutions.



MANAGEMENT DISCUSSION AND ANALYSIS

AEON Bank

The successful launch of AEON Bank in May 2024 represents a significant milestone for us and our immediately holding company, AEON Financial Service Co., Ltd.. As Malaysia's first Islamic digital bank, it underscores our commitment to digital innovation and broadening financial inclusion.

In March 2025, AEON Bank expanded its product offerings with the introduction of Personal Financing-i, a new Shariah-compliant personal financing solution to meet diverse customer needs. The bank is also progressing toward the launch of business banking services, targeted at AEON's business partners and other corporate clients, as well as microfinance for local entrepreneurs, especially Malaysian Micro, Small, and Medium Enterprises ("MSMEs").

Further enhancing customer engagement, AEON Bank integrated digital financial solutions with lifestyle offerings through the AEON Loyalty Programme. In February 2025, the bank launched "Neko Missions", an innovative, gamification-based programme that rewards customers who shop at AEON stores nationwide and at merchant partners, enhancing customer engagement while promoting synergy across the AEON Living Zone.

As of February 2025, AEON Bank chalked up RM336 million in deposits balance, with 66% of its depositors being new to the AEON Group, underscoring the bank's strong market presence and effective customer acquisition strategy.

Looking ahead, AEON Bank will leverage on the branch and merchant network of AEON Credit, as well as the AEON Wallet's cross-platform capabilities, to accelerate customer acquisition through customer referral programs, capitalising on AEON Living Zone relationships.

ELEVATING CUSTOMER SERVICE AND EXPERIENCE

A key development in FYE2025 has been the advancement of the AEON Living Zone initiative. This overarching strategy aims to create a unified ecosystem that seamlessly integrates AEON Credit, AEON Retail, AEON Bank and other companies of AEON Group, delivering an enhanced and cohesive experience for our valued customers. This ecosystem is driven by digital innovation and a unified loyalty programme, designed to:

- Integrate and leverage data across the AEON Group of Companies in Malaysia to deliver highly personalised services through a unified application.
- Establish an ecosystem built on unified customer data and a comprehensive loyalty programme.
- Create a platform that is attractive to external stakeholders.
- Generate significant competitive advantages, enabling each business within the AEON Group of Companies in Malaysia to benefit from enhanced synergies.





AEON Wallet: Elevating the Digital Customer Experience

Guided by the AEON Group's Future Vision and Our Purpose of "Bring Finance Closer to Everyone", FYE2025 saw a substantial enhancement in our digital offerings through the AEON Wallet.

In July 2024, we refreshed the user interfaces and user experience ("UI/UX") for the app. The update of several user-centric features to streamline customer journeys, including intuitive navigation, a modern visual design, and enhanced accessibility for a broader range of users.

The upgraded AEON Wallet, enables instant issuance of AEON Loyalty accounts upon download. This simplifies the onboarding process and broadens participation in AEON's loyalty ecosystem. Additionally, we launched the all-new AEON virtual credit card, purpose-built for online transactions, providing customers with a unique card number separate from their physical card, thus enhance customer security and confidence.

Recognising and shifting consumer preference toward digital platforms in views of growing demand for e-wallets and loyalty programmes in Malaysia's financial services sector. We further enhanced AEON Wallet by embedding onboarding capabilities for financing, insurance, and banking products, as well as direct access to AEON Retail's e-commerce platform. These updates create a centralised financial and lifestyle hub, supported by a revamped group-tier loyalty membership programme. Together, these innovations offer a more connected and rewarding experience for customers, while boosting cross-selling potential across the AEON Group of Companies in Malaysia.

Our digital transformation efforts were reflected in improved adoption metrics whereby online applications increased by 26%, self-onboarding rate increased to 39% (from 1% in FY2023), and new AEON Wallet sign-ups rose by 41%.



Flagship branches: Reimagining physical touchpoints

In FYE2025, we opened three flagship branches, transforming our branch network to create brand visibility and image. These flagship branches feature a modern design, fully-furnished lounges with Wi-Fi and light refreshments, offering a comfortable experience for members and potential customers.

They serve as vital customer touchpoints, designed not only for convenience but to foster community trust, loyalty and deeper financial relationships, reflect our broader strategy to deliver a dynamic, responsive, and customer-first financial experience, complementing our digital platforms.

Additionally, improvements in customer service delivery were prioritised, resulting in enhanced responsiveness across call centres, email, chat, and Q&A services. In addition, NPS improved to +41 reflecting stronger customer satisfaction and loyalty.

The AEON Living Zone, together with the digital transformation of AEON Wallet and the strategic enhancement of physical branches, reinforces our commitment to delivering a seamless, integrated, and personalised experience. These efforts position AEON Credit and the wider AEON Group to continue driving sustainable growth and long-term customer engagement.



“A notable improvement in our Net Promoter Score (“NPS”) from +30 to +41, reflecting stronger customer satisfaction and loyalty.”

MANAGEMENT DISCUSSION AND ANALYSIS



Enhanced Loan Origination Systems:

50% applications processed automatically

24% applications instantly approved



Optimised Credit Operations:

29% applications processed within 5 minutes

11% reduction in manpower



INVESTMENTS IN TECHNOLOGY AND AUTOMATION

In response to customers' evolving needs, we improved customer experience by strengthening our organisational capacity and automating our credit assessment process. This has improved turnaround time and enabled instant approval for good quality customers.

Last year, we enhanced our Loan Origination Systems ("LOS"), significantly accelerating our loan processing. Capability enhancements continued in FYE2025, with the integration of Optical Character Recognition ("OCR") into our credit assessment process. This solution has advanced automation efforts, resulting in 50% of applications being processed automatically and 24% of applications were instantly approved.

Additionally, we optimised our credit operations by refining our credit scoring model and introducing AEON FinPlus membership credit criteria. Consequently, 29% of applications were processed within 5 minutes along with a 10.8% reduction in manpower.

In FYE2025, we implemented a new collection system to further strengthen our collection capabilities. This system brings enhanced functionalities to support improved productivity in collections and operational efficiency through reduced processing time. The system provides real-time information through an all-in-one screen, enabling faster decision-making and reducing response time to customers. These enhancements collectively led to a 22% productivity improvement in our collection operations.

In parallel with the technological enhancements, we maintained our risk-based collection strategy, focusing on high-risk customer segments. This approach has improved our collection performance with a recorded collection ratio for billing account not past due ("D0") of 97.6%.

STEADFAST SUSTAINABLE PROGRESS

At AEON Credit, we prioritise sustainability practice as our routine. We have integrated this practice into our business processes and solutions, balancing our commercial goals with our environmental, social, and governance ("ESG") responsibilities. Our ESG initiatives are integrated into our business processes, with clear targets and reporting mechanisms. We are committed to reducing our carbon footprint and promoting financial inclusion.

We have secured 3-Year Sustainability-Linked Loans ("SLLs") tied to performance-based sustainability targets since 2023. In the second year, we exceeded our sustainable financing target, disbursing over RM30 million in financing. This success highlights our role in promoting green and social financing as a new driver of value creation and reflects our strong commitment to aligning business opportunities with sustainability practices.

We have reduced our carbon emissions by 25% via the purchase of 1,700kWh of renewable energy credits and enhanced energy-efficient management solutions, demonstrating our focus on environmental stewardship.

Our social initiatives include investments of RM2.43 million in Corporate Social Responsibility ("CSR") activities, such as mangrove planting and financial literacy programmes. In terms of governance, we are aligned with the Task Force on Climate-related Financial Disclosures ("TCFD") and the FTSE4Good Index, and we are targeting a 45% reduction in greenhouse gas ("GHG") emissions by FYE2026.



Our sustainability efforts are disclosed in detail on pages 61 to 143 of this report.


EMPOWERING OUR PEOPLE

We recognise the importance of investing in our people and continue to foster a culture of innovation and excellence by investing in leadership training, digital upskilling programmes, and initiatives that promote a diverse and inclusive workforce.

During the year, employee training hours increased by 65% year-on-year, and our Employee Net Promoter Score (“E-NPS”) has risen to 79, reflecting improved employee engagement.

This year, we have made substantial investments to transform the working environment at our Head Office and Operations Centre. These upgrades provide a modern and dynamic work environment, boosting employee morale and attracting the require talent. This initiative aligns with our long-term strategy to enhance our Group’s brand and corporate culture. At the same time, we are enhancing employee benefits to align with industry benchmarks, attracting and retaining talent through flexible benefits schemes, flexible working hours, and enhanced employee benefits.

A culture of engagement and recognition is also being cultivated to enrich the employee experience and establish ourselves as an employer of choice. The establishment of a Working Environment Development Committee serves as open platform between employees and management, which reinforces collaboration and shared ownership of workplace initiatives.

 Our human resource efforts are disclosed in detail on pages 106 to 114 of this report.

FUTURE OUTLOOK AND FYE2026 TARGETS

While we expect continued market volatility moving forward, we remain cautiously optimistic about maintaining our growth trajectory. Our strategic priorities are clear and focused on long-term value creation.

We will continue to expand on the AEON Living Zone initiatives to foster Group synergy and unlock cross selling opportunities. Enhancements to AEON Wallet, such as integration of Duitnow, will further enrich customer experience. Through these initiatives, we aim to broaden our addressable market, enhance customer engagement, and promote financial empowerment across various customer segments.

Our commitment to sustainable growth remains strong, with a targeted loan growth of 10%. We will maintain our focus on digital adoption to attract good quality customers while continuing to invest in technology to strengthen our digital capabilities, drive operational efficiency and support our goal of maintaining cost-to-income (excluding IL) ratio below 30%.

Beyond business performance, we are also committed to strengthening our financial literacy programmes, supporting local businesses, and engaging in social responsibility and community activities to build trust and loyalty within the region we serve.

ACKNOWLEDGEMENTS

In the spirit of “Bring Finance Closer to Everyone”, I extend my sincere gratitude to the dedicated AEON Credit team for their unwavering commitment and diligent efforts throughout this financial year. The synergy and collective resolve within our AEON Credit community have once again been pivotal in navigating the many challenges in the business landscape, demonstrating our resilience and unity.

I express my deep appreciation to the Board for their invaluable guidance and strategic oversight, which have been instrumental in our continued success. Together, we have achieved strong results, a testament to their tireless dedication.

A special thank you to our valued customers, whose loyalty inspires us to uphold the highest standards of service, professionalism, and integrity. To our esteemed business partners, shareholders, and stakeholders, your steadfast support is integral to our ongoing growth and progress.

Embracing growth together, we reaffirm our commitment to embedding sustainability into our core business practices. As we look to the future, our focus on enhancing financial inclusion, driving digital innovation, and maintaining a strong dedication to creating sustainable impact will deliver enhance value to all who are a part of our journey.

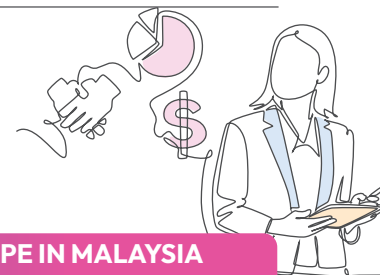
Daisuke Maeda
Managing Director

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Strategies
To Create Value

OUR OPERATING LANDSCAPE



GLOBAL ECONOMIC GROWTH OVERVIEW

Global economic growth remained stable at 3.2% in 2024 (2023: 3.3%), underpinned by:

- **United States:** Sustained growth of 2.8% (2023: 2.9%), supported by resilient consumer demand and a strong labour market.
- **China:** Growth moderated slightly to 4.8% (2023: 5.2%) amid property sector weakness and cautious consumer sentiment, offset by policy support and export recovery.
- **ASEAN-5:** Economic growth accelerated to 4.5% (2023: 4.0%), driven by a rebound in electronics manufacturing and exports.

Despite a stable global growth trajectory, several macroeconomic headwinds continued to shape the global business environment:

KEY GLOBAL CHALLENGES IN 2024

Geopolitical Tensions

- Heightened geopolitical risks, including the Russia-Ukraine war, conflicts in the Middle East and tensions in the South China Sea, created volatility across financial and commodity markets.

Commodity Price Volatility

- Brent crude oil prices fluctuated between USD 75–80 per barrel, influencing government fiscal positions and exerting pressure on inflation and production costs in energy-sensitive sectors.

Trade Policy Disruptions

- Rising protectionism, particularly in major economies, led to increased tariffs and retaliatory measures, disrupting global supply chains and contributing to price volatility.

Climate-Related Risks

- Climate change continued to present long-term systemic risks, affecting agricultural output, infrastructure resilience, and broader economic sustainability.

2025 OUTLOOK

- The global economy is expected to maintain stable but moderate growth, with easing inflationary pressures providing some policy flexibility.
- Downside risks remain elevated due to:
 - Uncertainty surrounding global policy directions, especially in the U.S. under the new administration.
 - Potential economic slowdown in China, which could weigh on regional performance.
 - Tariff policy uncertainty, which may disrupt supply chains and investment decisions.
 - Ongoing geopolitical conflicts and trade tensions.

Sources

1. World Economic Outlook Update January 2025; International Monetary Fund ("IMF") January 2025
2. Department of Statistics ("DOSM"), 14 February 2025; Gross Domestic Product Fourth Quarter 2024
3. BNM Economic and Monetary Review 2024

THE OPERATING LANDSCAPE IN MALAYSIA

The Malaysian economy recorded healthy growth of 5.1% in 2024 (2023: 3.6%), supported by strong investment activity and improving exports, with household spending remaining resilient due to positive labour market conditions and effective policy support.

Exports continued to expand during the year, benefiting from recovering global demand and the tech upcycle, while imports rose in tandem with higher demand for capital and intermediate goods, reflecting increased investment and trade activity. These positive trends were supported by manageable inflation, which averaged 1.8% (2023: 2.5%) throughout the year, reinforcing economic stability.

In summary, the economy's key growth drivers were:

Consumer Spending and Labour Market

- Private consumption grew by 5.1% in 2024 (2023: 4.7%) driven by sustained employment growth, stable unemployment at 3.2% in 2024, rising private sector wages, a rebound in tourism activity and continued support from government policy measures.

Trade and Exports

- Malaysia's total trade increased 9.2% YoY in 2024 at RM2.9 trillion as compared to RM2.6 trillion in 2023. Export for 2024 increased by 5.7% YoY (2023: -8.0%), supported by a strong growth in export goods particularly the electrical & electronics ("E&E") products.

Investment and Infrastructure Development

- Total Investment increased by 14.9%, underpinned by higher private and public spending in construction, machinery and ongoing infrastructure projects.

Manufacturing

- The Manufacturing sector recorded growth of 4.2% in 2024 (2023: 0.7%), bolstered by resilient domestic demand and strong export performance.

Construction

- The Construction sector expanded further by 17.5% YoY in 2024 (2023: 6.1%) primarily driven by large-scale infrastructure initiatives aligned with the Government's development agenda, including transportation and public utilities projects.

2025 OUTLOOK

- Economic growth is expected to grow between 4.5%–5.5%, supported by robust domestic demand, driven by stronger consumer spending following Budget 2025 initiatives and measures to raise workers' income, along with ongoing momentum in private sector investments.
- Bank Negara Malaysia ("BNM") is anticipated to keep the Overnight Policy Rate ("OPR") steady at 3.00%.
- Inflation is projected to rise to 3.0%, remaining manageable despite upward pressures from the minimum wage hike, higher foreign worker levies and the anticipated rationalisation of RON95 fuel subsidies.

OUR OPERATING LANDSCAPE

The Malaysian economic growth in 2025 is projected to moderate amid persistent global uncertainties, including trade tensions and tariff related risks. Despite these headwinds, AEON Credit has a proven track record of navigating diverse economic conditions with resilience and adaptability, seizing opportunities aligned with its prudent risk appetite. The table below highlights key market trends affecting the Group and the risks, opportunities as well as strategies driving the Group's value creation.

Geopolitical and Economic Development

Key Market Trend

- The Malaysian economy is influenced by global and regional geopolitical shifts, alongside international and domestic economic developments.
- Geopolitical conflicts are causing trade disruptions, driving commodity price volatility and adding to overall market uncertainty.

Associated Opportunities and Risks

- Strong economic fundamentals, robust risk management and our ways of working enable the Group to mitigate risks while identifying growth opportunities.
- Inflationary pressures driven by subsidy rationalisation may raise the cost of living, potentially reducing consumer spending and weakening repayment capacity among lower-income customers.

How the Group responds

- Continuously adapting business strategies and accelerating digital transformation to maintain competitiveness, expand market presence and capture growth opportunities.
- Strengthening proactive risk assessments and implementing strategies such as product diversification into premium segments to mitigate market volatility.
- Enhancing credit management through a newly launched collection system aimed at boosting productivity and improving collection performance.

Outlook

- A stabilising global economy, supported by an easing monetary policy cycle, is expected to improve investor sentiment and business confidence.
- The Group will continue to monitor global developments closely to inform agile business strategies, while leveraging its product portfolio to deepen customer relationships and capture new market opportunities.

Digital Acceleration and Technology Transformation

Key Market Trend

- The financial services sector is undergoing rapid digital transformation, driven by Artificial Intelligence ("AI"), big data, automation and rising demand for hyper-personalised, seamless customer services.
- Machine learning ("ML") is accelerating the adoption of AI-driven solutions, while social engineering and cyber threats are intensifying.

Associated Opportunities and Risks

- Ability to apply AI/ML technology to boost productivity, reduce turnaround time and enhance data analytics for greater customer-centricity.
- Growing reliance on digital infrastructure heightens exposure to cybersecurity threats and data privacy risks.

How the Group responds

- Revamped the AEON Wallet and introduced fully digital onboarding with e-KYC to simplify access and elevate user experience.
- Continued scaling of digital solutions, including the deployment of AI-driven credit scoring models and Optical Character Recognition ("OCR") solutions, has improved auto-approval rates and enhanced the accuracy of credit decision-making.
- Launched Malaysia's first Islamic digital bank to advance financial inclusion for underserved communities.

Outlook

- AI technology will remain pervasive, enhancing human capabilities, driving hyper-personalisation, customer support and cyber security, while improving operational efficiencies that enable lighter asset operating models.
- The Group will continue enhance its digital capabilities and leveraging emerging technologies to drive operational efficiency, precision and long-term growth.

Talent Development

Key Market Trend

- Workforce expectations are evolving, with growing emphasis on flexibility, diversity, equity, inclusion and career development.
- Talent scarcity is being intensified by rapid technological advancements and shifting career aspirations.

Associated Opportunities and Risks

- Positioning the Group as an employer of choice strengthens talent attraction and retention.
- Inability to hire and retain the right talents may impact business continuity and weaken long-term competitiveness.

How the Group responds

- Minimising turnover through continuous upskilling, career growth programmes and promoting a supportive working environment.
- Enhancing work-life balance and overall well-being through employee-centric initiatives and wellness programmes.

Outlook

- Talent challenges will intensify with ongoing technological disruption and evolving workforce expectations, requiring sustained focus on agility, adaptability and employee engagement.
- The Group remains committed to attracting and retaining top talent by fostering a future-ready, inclusive and employee-centric workplace that supports continuous growth and development.

Evolving Customer Needs and Preferences

Key Market Trend

- Customers increasingly expect fast, seamless, responsive and personalised experiences delivered through digital platforms, with growing emphasis on sustainability and values-based engagement.

Associated Opportunities and Risks

- Rapidly adapting to evolving customer needs and preferences builds brand loyalty and creates a strong competitive edge.
- Inability to meet evolving expectations may lead to customer attrition, loss of market share and slower revenue growth as consumers shift to more agile competitors.

How the Group responds

- Expanding the AEON Living Zone to offer one-stop access to AEON Group's offerings, leveraging data analytics to gain deeper insights into customer preferences, strengthen customer loyalty and boost acquisition.
- Streamlining onboarding and service delivery via digital platforms to enhance accessibility and convenience for all customer segments.
- Continuing to deepen customer engagement through differentiated products, cross-selling strategies and digital propositions to increase customer penetration.

Outlook

- Customer behaviour will continue to be shaped by technology integration and growing expectations around social and environmental responsibility.
- To stay competitive, the Group will continue to invest in digital infrastructure and align with global trends such as ESG, building trust, enhancing user experience and supporting long-term success.

Growing Influence of ESG Factors

Key Market Trend

- Policymakers and businesses are accelerating efforts to meet climate targets by embedding sustainability into governance framework, corporate strategies and operational models.

Associated Opportunities and Risks

- Rising demand for sustainable financial products and services is driving innovation, creating new revenue streams and expanding market opportunities.
- Regulatory expectations around climate-related disclosures and ESG compliance are intensifying.

How the Group responds

- ESG principles are embedded into the Group's 3-Year Sustainability Roadmap, guiding business operations and strategic planning to support resilient and responsible growth.
- Introduced a Climate Action Framework and Financial Inclusion Roadmap to promote financial literacy and access for underserved communities.
- Promoted digitalisation through paperless initiatives (e-statements, online platforms) to reduce paper usage.
- Expanded community engagement to enhance social impact and social responsibility.

Outlook

- As the 2030 Agenda for Sustainable Development deadline approaches, the landscape will be shaped by intensifying regulatory scrutiny, rising stakeholder expectations, and climate-related disruptions.
- The Group will continue scaling community engagement and expanding financial literacy programmes to empower underserved populations.

VALUE CREATION MODEL

INPUTS



INTELLECTUAL CAPITAL

Brand reputation, systems, innovation, and partnerships that strengthen our edge:

- Serving underserved communities since 1996
- Strong brand presence in key markets; market leader in motorcycle financing
- Strategic partnerships and digital initiatives to promote financial inclusivity and sustainability



FINANCIAL CAPITAL

Financial resources and access that enable growth and sustains value creation:

- Total Assets: RM14.34 billion
- Total Equity: RM2.83 billion
- Market Capitalisation: RM2.96 billion



HUMAN CAPITAL

Nurturing employee skills and well-being to deliver service excellence and drive a culture of innovation and performance:

- A dedicated workforce of 3,291 talented, agile & diverse employees inspired to achieve operational excellence
- Providing mental health support via Naluri and maintaining a safe working environment
- Investment of RM3.07 million in Learning & Development programmes and RM4.42 million for Staff Welfare



MANUFACTURED CAPITAL

Fixed assets and digital infrastructure that facilitate the provision of products and services to customers:

- 60 branches and services centres
- Seamless AEON Wallet
- Concentrated effort to enhance delivery of digital solutions and deployment of automated processes through IT development and infrastructure



SOCIAL AND RELATIONSHIP CAPITAL

Strengthening stakeholder relationships and empowering communities by:

- Investing RM2.43 million in community programmes
- Delivering financial literacy programmes to primary schools, equipping them with the basic financial knowledge
- Building long-term partnerships with total 5,366 vendors and business partners



NATURAL CAPITAL

The natural resources used in the Group's operations and environmental protection efforts:

- Focus on green and social financing
- Efforts to protect and conserve the natural environment

VALUE CREATION ACTIVITIES

OUR PURPOSE: BRING FINANCE

AEON GROUP FUTURE VISION:

Create a future lifestyle that leads to a smile for each and every person



CODE OF ETHICS



Integrity & Sincerity



Respect & Fairness

STRATEGIC DRIVERS

OUTPUTS

CLOSER TO EVERYONE

AEON FOUNDATIONAL IDEALS:

- Pursuing peace
- Respecting humanity
- Contributing to local communities
- Always with customer as our starting point

Driving Cost Efficiency through Digital Transformation and Automation

Customer Acquisition and Cross-Selling via AEON Wallet and AEON Loyalty Programme

Enhancing Competitiveness via FinPlus Membership and Pre-Approval Model

Establishing AI Infrastructure and Data-Driven Management

Deepening Collaborations within AEON Group of Companies in Malaysia

Talent Development and ESG Integration

FINANCIAL RISK

STRATEGIC RESPONSE

CREDIT RISK



Confidentiality



Competence



Objectivity

KEY PRODUCTS AND SOLUTIONS

Inclusive of credit services that meet the needs of the underserved and middle-income group



PRODUCT FINANCING

- Auto Financing
- Motorcycle Financing
- Objective Financing



PERSONAL FINANCING



CREDIT CARDS



PREPAID CARDS AND AEON WALLET



SME FINANCING



INSURANCE
Insurance brokerage distributed by AEON Insurance



ISLAMIC DIGITAL BANK
Islamic Digital Bank provided by AEON Bank



AEON LOYALTY PROGRAMME
to reward customers based on level of engagement

IMPACT ON STAKEHOLDERS
INNOVATIVE SOLUTIONS TO OUR CUSTOMERS

Awards and recognition received:

- Outstanding Community Engagement Award by CSR Malaysia
- Best Wakalah Sukuk in Southeast Asia and Best Sukuk Deal of the year 2024 by Alpha Southeast Asia
- Constituent of the FTSE4Good Index

GENERATING FINANCIAL VALUE FOR ECONOMY AND SHAREHOLDERS

- Profit after tax: RM370.61 million (FYE2024: RM424.02 million)
- Dividend per share: 28.75 sen (FYE2024: 28.25 sen)
- Earnings per share: 72.58 sen (FYE2024: 81.08 sen)
- Return on equity: 13.60% (FYE2024: 16.70%)
- Income tax paid: RM133.09 million (FYE2024: RM126.96 million)

NURTURING OUR WORKFORCE

- 36% representation of women on the Board
- Average hours of training per employee: 29.3 hours (FYE2024: 21.3 hours)
- Employee retention rate: 83.0% (FYE2024: 81.8 %)
- Diversity of workforce: Male: 1,133 (34%); Female: 2,158 (66%)
- Employee engagement survey score: 79 (FYE2024: 77)

ENSURING ACCESS AND CONVENIENCE FOR OUR CUSTOMERS

- Net Promoter Score of +41 (February 2024: +30)
- Collection via AEON Wallet repayment function: RM1.67 billion (FYE2024: RM959 million)
- Established AEON Living Zone project

SOCIAL AND RELATIONSHIP IMPACTS

- Total no of communities reached: 3,808 pax (FYE2024: 5,404)
- Total expenditure on local suppliers: RM481 million (FYE2024: RM422 million)
- Total volunteer hours for CSR programme: 4,564 hours (FYE2024: 3,652 hours)

ENVIRONMENTAL IMPACTS

- Achieved a 25% reduction in Scopes 1 and 2 GHG emissions compared to FYE2022 baseline under Sustainability-Linked Loans performance targets
- Planted 10,000 trees under Biodiversity Afforestation Programme





KEY RISKS AND MITIGATION

We adopt prudent risk management practices based on the Group's robust and comprehensive Risk Management Framework to ensure that we are able to mitigate various types of risks arising in the ordinary course of our businesses. Here, we present a summary of the key business risks identified:

CREDIT RISK

R1

Credit risk measures the potential losses that are dependent on the borrower's ability and willingness to repay financial obligations in a timely manner.

Impact on Value	Mitigation Strategies	FYE2025 Results
<ul style="list-style-type: none"> Surge in impairment losses and non-performing loans Lower profitability and growth performance <p> Link to Impact on relevant Capital</p>   	<ul style="list-style-type: none"> Implement an appropriate and effective Policy of Credit Risk Management Adopt risk-based approach to identify potential distress early and take prompt recovery actions Set aside adequate provisions for credit losses whilst achieving acceptable risk versus reward performance Implement E-KYC to improve processing turnaround time and attracting better quality customer Establish appropriate Key Risk Indicator i.e. non-performing loans ("NPL") ratio and net credit cost ("NCC") ratio to monitor performance Conduct credit risk stress test scenarios to manage potential vulnerabilities 	<ul style="list-style-type: none"> The NCC ratio is within the "Satisfactory" threshold The NPL ratio is within the "Alert" threshold. We are focusing on a strategic shift in portfolio composition towards the middle-income group, supported by intensified collection activities The credit risk stress test results are within the tolerance limits, in all scenarios

FINANCIAL RISK

R2

Financial risk refers to the possibility of losing money on a business investment or decision which includes liquidity risk and interest rate risk.

Liquidity risk refers to the ability to fund potential asset growth and the continued ability to meet financial obligations as they become due. Interest rate risk is defined as the exposure of the financial condition to adverse movements in interest rates.

Impact on Value	Mitigation Strategies	FYE2025 Results
<ul style="list-style-type: none"> Unavailability of funds to sustain business Insufficient cash to meet financial obligations <p> Link to Impact on relevant Capital</p>  	<ul style="list-style-type: none"> Implement an appropriate and effective Policy of Financial Risk Management Maintain a diversified and balanced funding portfolio Prudent capital management Establish appropriate Key Risk Indicators i.e. capital adequacy ratio and profitability ratio Conduct interest rate risk and liquidity risk stress test scenarios to manage potential vulnerabilities 	<ul style="list-style-type: none"> The capital adequacy ratio and profitability ratio are within the "Satisfactory" threshold and well above the regulatory requirements The interest rate risk and liquidity risk stress test results are within the tolerance limits, in all scenarios



Intellectual



Financial



Human



Manufactured



Social and Relationship









Natural

OPERATIONAL RISK

R3





Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, systems and/or external events.

Impact on Value	Mitigation Strategies	FYE2025 Results
<ul style="list-style-type: none"> Substantial loss due to fraud, bribery and corruption High staff attrition rate Significant penalties and fines due to regulatory breaches Loss of productivity and performance System/service disruption <p> <i>Link to Impact on relevant Capital</i></p>     	<ul style="list-style-type: none"> Implement an appropriate and effective Policy of Operational Risk Management Zero tolerance for internal fraud, bribery and corruption activities, while controls are put in place to effectively detect external fraud Ensure an effective control over attrition by implementing sound human resource policies and practices Adhere to the applicable laws and regulations Introduction of new products or services are subject to an evaluation process to ensure all related risks are identified and mitigated No appetite for health and safety risk exposure that could lead to injury or loss of life to customers and employees Establish appropriate Key Risk Indicators for incident monitoring i.e. fraud risk, bribery and corruption risk, staff attrition rate, regulatory breaches, health and safety risk as well as systems uptime Adhere to the Business Continuity Plan ("BCP") and Disaster Recovery Plan ("DRP") that have been put in place 	<ul style="list-style-type: none"> The fraud risk, bribery and corruption risk, staff attrition rate, regulatory breaches and health and safety risk are all within the "Satisfactory" threshold The systems uptime is within the "Satisfactory" threshold

TECHNOLOGY AND CYBER RISK

R4

Technology and Cyber risk is the combination of the probability of an incident occurring within the realm of the Group's information system assets and operating environment.

Impact on Value	Mitigation Strategies	FYE2025 Results
<ul style="list-style-type: none"> Financial loss and reputation damage due to breaches in data integrity and availability <p> <i>Link to Impact on relevant Capital</i></p>   	<ul style="list-style-type: none"> Implement an appropriate and effective Policy of Cyber and Cloud Security Develop and implement Cyber Security Programs to strengthen the Group's information systems, including cyber security drill Implement an Information Security Management System ("ISMS") to secure information, increase resilience to cyber attacks, and reduce the costs associated with information security Conduct continuous cyber security awareness programs/trainings such as phishing email attack tests and e-learning modules on information security Perform assessment of the vulnerabilities of its operating environment Conduct annual penetration tests on internal and external network infrastructure as well as critical systems Establish appropriate Key Risk Indicators to monitor/manage cyber risk 	<ul style="list-style-type: none"> The cyber risk is within the "Satisfactory" threshold Vulnerabilities Assessments and penetration tests have been conducted to identify risks related to Information Technology ("IT") security and cyber security



Intellectual



Financial



Human



Manufactured



Social and Relationship



Natural

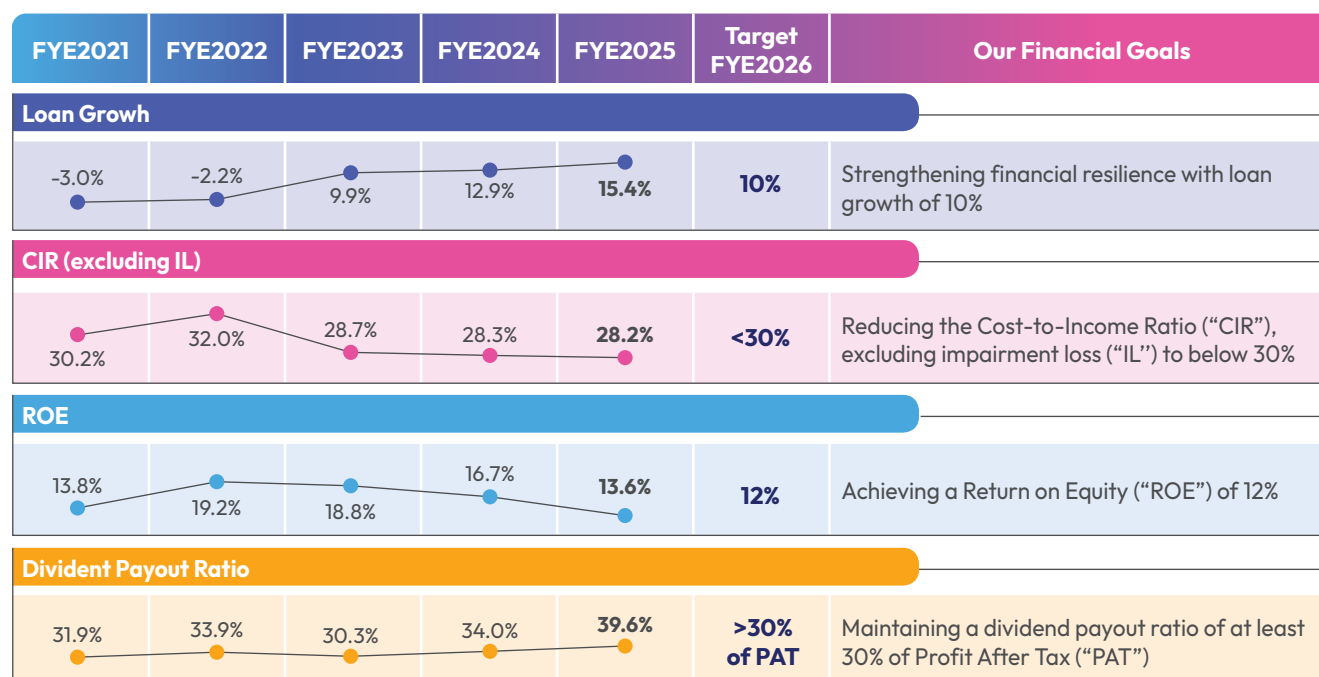
AEON CREDIT'S STRATEGIC DIRECTION

In FYE2025, we advanced our strategic priorities by enhancing technological capabilities and broadening our product and service offerings, driving faster turnaround, greater efficiency and increased agility.

As we enter the final year of our mid-term plan in FYE2026, we remain focused on driving sustainable growth, optimising costs and leveraging Group synergies to strengthen our market position.

To achieve these objectives, we are focused on improving the Group's performance through strategic revenue expansion, cost optimisation and continuous operational enhancements. These initiatives are designed to ensure a seamless transition into our next growth phase while reinforcing AEON Credit's position in a rapidly evolving financial landscape.

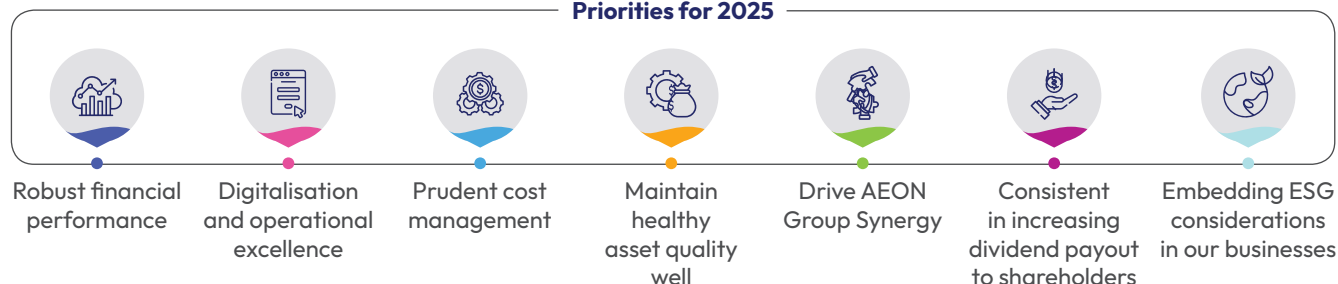
Our key performance indicators for FYE2026 include:



Six Strategic Pillars

- 1 Customer Acquisition & Cross-Selling via AEON Wallet & AEON Loyalty Programme
- 2 Driving Cost Efficiency through Digital Transformation & Automation
- 3 Enhancing Competitiveness via FinPlus Membership & Pre-Approval Model
- 4 Establishing AI Infrastructure & Data-Driven Management
- 5 Deepening Collaborations within the AEON Group of Companies in Malaysia
- 6 Talent Development & ESG Integration

Priorities for 2025



Strengthening Market Position with Six Strategic Pillars

1 Customer Acquisition & Cross-Selling via AEON Wallet & AEON Loyalty Programme

We are leveraging AEON's unique ecosystem, spanning retail, financial services and banking, to strengthen customer engagement, acquire quality middle-income group customers and increase cross-selling opportunities.

- **AEON Wallet** is evolving into a unified lifestyle and financial app, enabling seamless transactions, membership access and future features that will deepen user engagement.
- **AEON Point** integrates loyalty across the AEON Group, rewarding customers for their total spend, encouraging repeat usage and enhancing stickiness.
- **Tiered Membership** rewards customers more as they engage, offering personalised financial product based on their shopping and financial behaviours, all easily accessible via our app.
- **AEON Living Zone** expands its touchpoints across communities, increasing convenience and enabling ecosystem-wide engagement to maximise customer lifetime value.

2 Driving Cost Efficiency through Digital Transformation & Automation

To stay competitive and lean, we are digitising core operations, automating repetitive processes and deploying intelligent tools to reduce operating expenses and improve productivity.

- Implement AI-driven voicebot in collections to automate partial outbound calls, reducing manpower dependency.
- Leverage new collection system functionality, dunning by pool and assigning one agent per multi-account customer, improving collection efficiency and performance.
- Credit automation, combining OCR and data analytics, increase auto-approval ratio to 51% and raise the percentage of applications assess within 5 minutes, enhancing customer experience and back-office efficiency.

3 Enhancing Competitiveness via FinPlus Membership & Pre-Approval Model

FinPlus is our upgraded membership programme designed to attract financially sound, middle-income group customers through instant credit limit approvals and exclusive benefits.

- **FinPlus Financing** provides fast-track approval for customers with strong credit scores, enabling higher credit limits and prioritised services, improving the quality of our receivable's portfolio through better risk selection.

4 Establishing AI Infrastructure & Data-Driven Management

We are establishing data-driven management unit, responsible for consolidate data and support analytics, decision-making and hyper-personalisation across our business.

- **Data Management Unit** ensures data consistency, quality, and accessibility through a unified governance framework, enabling trusted data for AI and analytics applications.
- **AI Tools & Chatbots** improve internal efficiency (e.g., fast company policies lookup) and customer experience while reducing reliance on manual tasks.

5 Deepening Collaborations within AEON Group of Companies in Malaysia

We are strengthening synergies with AEON Retail and AEON Bank to deliver a seamless financial experience to customers.

- **Cross-Selling AEON Bank Products** through AEON Wallet, in-branch support and merchant partnerships enables us to expand access to deposits, financing, and digital banking services, enhancing customer value and revenue streams.

6 Talent Development & ESG Integration

We believe sustainable success lies in empowering people and embedding responsible business practices across the organisation.

- **People Development:** Building an innovation-driven culture with high employee engagement, positioning AEON as an employer of choice.
- **ESG Leadership:** Embedding ESG into strategies to create value and position AEON Credit as a leading ESG-focused company.

- 
- 51 Board of Directors' Profiles
57 Key Senior Management Profiles

Leadership Team

BOARD OF DIRECTORS' PROFILES



NG ENG KIAT

Chairman

Non-Independent Non-Executive Director



Age
72



Gender
Male



Nationality
Malaysian

Board Meeting Attended **14/14**

Ng Eng Kiat was appointed as the Chairman of AEON Credit Service (M) Berhad ("AEON Credit") on 8 May 2018. Prior to his appointment, he was an Independent Non-Executive Director of AEON Credit since 7 August 2007, and subsequently re-designated as a Non-Independent Non-Executive Director on 23 January 2019.

He is a member of the Malaysian Institute of Accountants ("MIA"), Malaysian Institute of Certified Public Accountants ("MICPA") and a fellow member of the Chartered Tax Institute of Malaysia. He has more than 40 years of experience in the field of audit, accountancy, corporate services and taxation. He had previously served as a member on a number of working groups of the Malaysian Accounting Standards Board, a co-opted member on a number of committees of the MICPA and an examiner for the final professional examination of the MICPA. He had also represented MIA as a member of the audit licensing panel under the auspices of the Ministry of Finance.

Presently, he is the Senior Partner/Adviser of the merged firm of Chartered Accountants practising under the names of Azman, Wong, Salleh & Co and Folks DFK & Co. He is also a director of several private limited companies that provide professional services in relation to his role at the merged firm.

He does not hold any directorship in other public or public listed companies.

Shareholding in the Company: 42,642 ordinary shares

Conflict of interest: Nil



DAISUKE MAEDA

Managing Director



Age
49



Gender
Male



Nationality
Japanese

Board Meeting Attended **14/14**

Daisuke Maeda was appointed as the Managing Director of AEON Credit on 23 June 2021. Prior to his appointment, he was the Managing Director of AEON Credit Service India Private Limited from July 2017 to June 2021.

Maeda holds a Bachelor's Degree in Sociology from Kansai University, Japan. He started his career at AEON Credit Service Co., Ltd. from 1999 to 2005. He was transferred to AEON Thana Sinsap (Thailand) PCL. in August 2005. Later, he was appointed as the Senior Vice President and Head of Sales & Marketing, holding various positions throughout the years until February 2010.

Maeda was seconded to the Representative Office in Cambodia where he held the position of Chief Representative from February 2010 to October 2011. In November 2011, Maeda established AEON Microfinance (Cambodia) Co., Ltd., where he held the roles of Managing Director and Vice Chairman of the company. Under his leadership, AEON Microfinance (Cambodia) Co., Ltd. obtained a Specialised Bank License from the National Bank of Cambodia, and became AEON Specialised Bank (Cambodia) Co., Ltd. where he continued as Managing Director and Vice Chairman from October 2015 to June 2017.

Currently, he is also a Non-Independent Non-Executive Director of AEON Insurance Brokers (M) Sdn. Bhd. ("AEON Insurance") and a Non-Independent Executive Director of AEON Bank (M) Berhad ("AEON Bank"), an associate company of AEON Credit.

Other than AEON Credit, AEON Insurance and AEON Bank, he does not hold any other directorship in other public or public listed companies.

Shareholding in the Company: N/A

Conflict of interest: Does not have any other conflict of interest with the Company or its subsidiary, except by virtue of being a seconded employee from AEON Financial Service Co., Ltd. ("AFS") to the Company, which gives rise to conflict of interest in connection with recurrent related party transactions as disclosed in our RRPT circular dated 23 May 2025.

BOARD OF DIRECTORS' PROFILES



**S SUNTHARA MOORTHY
A/L S SUBRAMANIAM**

Independent Non-Executive Director



Age
63



Gender
Male



Nationality
Malaysian

Board Meeting Attended **14/14**

S Sunthara Moorthy A/L S Subramaniam was appointed as an Independent Non-Executive Director of AEON Credit on 1 March 2018. He is a Fellow Member of the Association of Chartered Certified Accountants ("ACCA") and a Chartered Accountant with the MIA.

He has over 30 years of experience, mainly in general management, strategic business development, corporate finance, accountancy, tax, and audit. Sunthara began his career in an audit practice in London, United Kingdom from 1986 to 1995, prior to joining UEM Edgenta Berhad ("UEME") (formerly known as Faber Group Berhad) in 1995, where he served for 16 years. He held a few key positions and prior to leaving UEME, he was the Chief Executive Officer of a wholly-owned subsidiary of UEME, while concurrently holding the position of the Director of Corporate Services of UEME. He subsequently joined Eversendai Corporation Berhad as an Executive Director in October 2011 and was also a Board member until March 2017.

He was appointed as the Chairman of AEON Insurance with effect from 1 July 2023.

At AEON Credit today, he is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Company. He does not hold any directorship in other public or public listed companies.

Shareholding in the Company: N/A

Conflict of interest: Nil



**DATUK ADINAN
BIN MANING**

Senior Independent Non-Executive Director



Age
68



Gender
Male



Nationality
Malaysian

Board Meeting Attended **14/14**

Datuk Adinan bin Maning was appointed as an Independent Non-Executive Director of AEON Credit on 28 June 2018. On 23 January 2019, he was appointed as a Senior Independent Director.

Datuk Adinan has 38 years of working experience, of which 30 years have been in banking. He started in 1980 with Bank Bumiputra Malaysia Berhad and had in the last 10 years of his career served as the Chief Executive Officer of Bank Simpanan Nasional ("BSN"). Throughout his career, he had exposure in various industries such as property development and construction, manufacturing, loan recovery, assets management, investment and insurance.

On 1 September 2019, he was appointed as a Board member of Urusharta Jamaah Sdn. Bhd. ("UJSB"), a company owned by MOF Inc. Presently, he is the Chairman of its Board Audit and Risk Committee and a member of its Nomination and Remuneration Committee.

Datuk Adinan was the President of the World Savings Bank Institute (Asia Pacific Region) and had served as Treasurer of Persatuan Badan Berkanun Malaysia and was a council member of the Association of Development Financial Institutions of Malaysia.

He had also served as the Non-Executive Chairman of Prokhas Sdn. Bhd. and Non-Executive Chairman of BSNC Corporation Berhad. He was also a Board member of BSN, Prudential BSN Takaful Berhad, Permodalan BSN Berhad, and Gibraltar BSN Life Berhad. Today, he is also an Independent Director of TH Heavy Engineering Berhad ("THHE"), THHE Fabricators Sdn. Bhd., as well as UJ Estates (Holdings) Sdn. Bhd., all of which are subsidiary companies of UJSB.

He was the Chairman of AEON Bank from February 2023 to November 2023.

At AEON Credit today, he is the Chairman of the Board Risk Committee and the Chairman of the Nomination and Remuneration Committee of the Company. Other than the above disclosures, he does not hold any directorship in other public or public listed companies.

Shareholding in the Company: N/A

Conflict of interest: Nil



DATIN YASMIN AHMAD MERICAN

Independent Non-Executive Director



Age
74



Gender
Female



Nationality
Malaysian

Board Meeting Attended **12/14**

Datin Yasmin Ahmad Merican was appointed as an Independent Non-Executive Director of AEON Credit on 23 January 2019. A business transformation practitioner, her professional focus continues to be in competitive marketing and business strategy development. She holds an MBA in Strategic Marketing (Distinction) from the University of Hull, United Kingdom.

As a former partner of Ernst & Young in Malaysia and a partner with EY Global Client Consulting, she led the development of knowledge and customer management solutions for the international firm from the mid to the end of the 1990s in their Asia Pacific market. In 2000, she founded Trax Associates and since then has supported the enhancement of organisational capabilities in marketing, customer engagement, product development and reputation management at some of Malaysia's largest companies over the past two decades. Between 2006 and 2008, she worked with the Ministry of International Trade & Industry to develop a new framework on nation branding in the Third Industrial Master Plan 3 (2006-2020). She also sat on the board of the Malaysian Productivity Corporation and was an industry advisor to the Monash University School of Information Technology in Malaysia for two terms between 2008 and 2012. In 2013, she authored and published 'The Right to Brand', a business book case studying brand development at national institutions.

Currently, she is the Deputy Chair and a Governor of the Malaysian Institute of Corporate Governance and is a Board Trustee at AFS Intercultural Programs, an international organisation of 54 countries dedicated to intercultural learning, where she leads and chairs the Governance Committee.

With AEON, she has been a Non-Executive Director on the board of AEON Fantasy Sdn. Bhd. ("AEON Fantasy") since 2011 and was the President of the Malaysian AEON Foundation between 2019 and 2021. At AEON Credit, she is a member of the Nomination and Remuneration Committee and a member of the Board Risk Committee. She does not hold any directorship in other public or public listed companies.

Shareholding in the Company: 40,000 ordinary shares

Conflict of interest: Does not have any other conflict of interest with the Company or its subsidiary, except by virtue of being a Director of AEON Fantasy, which gives rise to conflict of interest in connection with recurrent related party transactions as disclosed in our RRPT circular dated 23 May 2025.



CHIN PIK YUEN

Independent Non-Executive Director



Age
60



Gender
Female



Nationality
Malaysian

Board Meeting Attended **14/14**

Chin Pik Yuen was appointed as an Independent Non-Executive Director of AEON Credit on 27 July 2023. She is a Certified Public Accountant of the MICPA and a Chartered Accountant of the MIA. She also holds a Postgraduate Diploma in Anti-Money Laundering from the University of Manchester, Manchester Business School, United Kingdom.

She started her career as a statutory auditor in 1988 and subsequently specialised in internal audit with two public listed groups of companies in the banking and capital market sectors for a period of 12 years. In these companies, she also took on various other functions during her service, including Internal Audit Professional Practices, Special Projects, Systems & Methods and Human Resources & Administration. She then moved on to a governance role with a US-based outsourcing company where she supported the Hong Kong operations. She subsequently returned to the banking and capital markets sector for 7 years in a risk and compliance role with a foreign bank and a local investment bank as head of group compliance, covering Hong Kong, Singapore, and the bank's other ASEAN-based subsidiaries.

She joined Securities Commission Malaysia in 2014 where she headed the Managed Investment Schemes Department and subsequently, the Authorisation & Licensing Department. Her final role was General Manager of Corporate Planning and Strategy Department before her retirement in 2021.

At AEON Credit today, she is a member of the Audit Committee of the Company. Other than AEON Credit and HeveaBoard Berhad, she does not hold any directorship in other public or public listed companies.

Shareholding in the Company: N/A

Conflict of interest: Does not have any other conflict of interest with the Company or its subsidiary, except by virtue of being an Independent Non-Executive Director of BondsUPERMART Sdn. Bhd. ("BondsUPERMART"), which may give rise to potential conflict of interest in connection with BondsUPERMART's related company that is offering banking services in the United Kingdom.

BOARD OF DIRECTORS' PROFILES



**FARAH SUHANAH
BINTI AHMAD SARJI**

Independent Non-Executive Director



Age
60



Gender
Female



Nationality
Malaysian

Board Meeting Attended **9/9**

Farah Suhanah binti Ahmad Sarji was appointed as an Independent Non-Executive Director of AEON Credit on 21 June 2024. She graduated with a Bachelor of Arts (Hons) in Law from the University of Kent in 1988 and was admitted as a Barrister-at-Law of the Middle Temple, London in 1989, and as an Advocate and Solicitor of the High Court of Malaya in 1996.

Farah has over 26 years of legal and commercial expertise across Malaysia on regulatory requirements, both locally and internationally, in the oil and gas, telecommunications and satellite industries as well as the palm oil plantation industry. She brings a wealth of experience and expertise to her role as a director, having held significant positions in various esteemed organisations over her illustrious career.

She retired as the Group Legal Counsel from IOI Corporation, a leading global integrated and sustainable palm oil player, a public listed company in Malaysia. Prior to this, she was General Counsel at MEASAT Global, a Malaysian telecommunications company for 10 years, whilst concurrently managing her own private legal firm where she advised on several expressway concessions. She was also a Partner in the Government Projects Practice area of Zaid Ibrahim & Co. for 7 years until 2003. Between 1989 to 1996, she served the Malaysian Government as a Magistrate in Kuala Lumpur, and as Deputy Public Prosecutor and Federal Counsel in the Attorney-General's Chambers.

At AEON Credit today, she is a member of the Audit Committee of the Company. Other than AEON Credit and Kluang Rubber Company (Malaya) Berhad, she does not hold any directorship in other public or public listed companies in Malaysia. Additionally, she is an Independent Non-Executive Director in Sunway Real Estate Investment Trust, and a Senior Independent Non-Executive Director in Anglo-Eastern Plantations Plc, a public listed company on the London Stock Exchange.

Shareholding in the Company: N/A

Conflict of interest: Nil



WAN CHEE KEONG

Independent Non-Executive Director



Age
62



Gender
Male



Nationality
Malaysian

Board Meeting Attended **3/3**

Wan Chee Keong was appointed as an Independent Non-Executive Director of AEON Credit on 1 December 2024. He graduated with First Class Honours in a Bachelor of Science in Computer Science from Universiti Kebangsaan Malaysia. Additionally, he holds an MBA in Finance from the International Islamic University Malaysia and has earned certifications in Leadership and Sustainability Leadership from the European Institute of Business Administration (Institut Européen d'Administration des Affaires, "INSEAD") and the Cambridge Institute of Sustainability Leadership, respectively.

He began his career as a Systems Analyst at the Ministry of Justice in 1985 before joining CIMB Bank Berhad ("CIMB") in 1988. Over the course of 36 years with CIMB, he held various roles and garnered vast experience in numerous aspects of banking operations, particularly in leveraging technology to accomplish organizational objectives.

His last position at CIMB was as a Senior Managing Director and Head of Group Technology for Business Services, where he led the IT functions for all revenue-generating business units, including Consumer Banking, Digital Banking, Wholesale Banking, Islamic Banking, Transaction Banking, and Commercial Banking. He also played a key role in the technology aspects of every merger and acquisition exercise undertaken by CIMB. He had also led the implementation of many critical IT applications in various regional CIMB locations in Indonesia, Thailand, Singapore, London, Hong Kong, and Shanghai. Having spent nearly his entire career at CIMB, he has experienced the evolution of both local and international banking industries.

At AEON Credit today, he is a member of the Board Risk Committee of the Company. Other than AEON Credit, he does not hold any directorship in other public or public listed companies.

Shareholding in the Company: N/A

Conflict of interest: Nil

**NAOYA OKADA**

Non-Independent Non-Executive Director

Age
42Gender
MaleNationality
JapaneseBoard Meeting Attended **9/9**

Naoya Okada was appointed as a Non-Independent Non-Executive Director of AEON Credit on 21 June 2024. He started his career at JPMorgan Securities Japan Co., Ltd. after obtaining his Master of International Public Policy and Management from the University of Southern California, USA.

After seven years in the Investment Banking Division as an Analyst and later as an Associate, he joined AEON Co., Ltd. in 2015. He has had an illustrious seven-year career ranging from Management Trainee to Store Manager in AEON, managing sales and operation planning. Before coming to Malaysia, Okada headed the Project Team for AEON Co., Ltd., which conducted research and business planning and eventually led to the establishment of Bio C'Bon Japon, a joint-venture ("JV") company with a French company. Bio C'Bon Japon operates an organic speciality supermarket business in Japan where Okada served as Managing Director between 2019 to mid-2022. He joined AEON CO. (M) BHD. as Deputy Managing Director/Chief Operating Officer in July 2022 before his appointment as Managing Director on 1 March 2024.

Other than AEON Credit and AEON CO. (M) BHD., he does not hold any directorship in other public or public listed companies.

Shareholding in the Company: N/A

Conflict of interest: Does not have any other conflict of interest with the Company or its subsidiary, except by virtue of being the Managing Director of AEON CO. (M) BHD. and Chairman of AEON BiG (M) Sdn. Bhd., which gives rise to conflict of interest in connection with recurrent related party transactions as disclosed in our RRPT circular dated 23 May 2025.

**TSUTOMU OMODERA**

Non-Independent Non-Executive Director

Age
61Gender
MaleNationality
JapaneseBoard Meeting Attended **8/9**

Tsutomu Omodera was appointed as a Non-Independent Non-Executive Director of AEON Credit on 21 June 2024. He obtained a Bachelor's Degree of Faculty of Engineering from Kobe University, Japan.

During his earlier career, he held significant roles at ACS Credit Service Co., Ltd. From 2013 to 2015, he served as an Executive Officer and subsequently held the positions of Director and Executive Officer between 2015 and 2019. Moreover, his leadership at AEON Bank, Ltd., where he was an Executive Officer from 2006 to 2013, laid the foundation for his expertise in financial services.

From 2018 to 2020, he was the Managing Director of ACS Credit Management Co., Ltd. in Japan. In this position, he oversaw critical management functions and contributed to the company's robust financial performance. In 2019, he served as a Non-Executive Director of AEON Credit Service Co., Ltd.

From 2020 to 2024, he served as a Non-Executive Director of ACS Servicing (Thailand) Co., Ltd. During the same period, he was also the Managing Director of AEON Thana Sinsap (Thailand) PLC. He also held the position of Chairman at AEON Specialized Bank (Cambodia) PLC. from 2021 to 2024. Currently, he serves as an Executive Officer at AEON Financial Service Co., Ltd. ("AFS"), a position he has held since 2024. He does not hold any directorship in other public or public listed companies.

Shareholding in the Company: N/A

Conflict of interest: Does not have any other conflict of interest with the Company or its subsidiary, except by virtue of being an Executive Officer of AFS, which gives rise to conflict of interest in connection with recurrent related party transactions as disclosed in our RRPT circular dated 23 May 2025.

BOARD OF DIRECTORS’ PROFILES



LEE TYAN JEN
Executive Director

Age
51

Gender
Female

Nationality
Malaysian

Board Meeting Attended **14/14**

Lee Tyan Jen was appointed as an Executive Director of AEON Credit on 1 July 2013. She obtained a Bachelor’s Degree in Business Administration from the University of South Alabama, USA in 1996.

She joined AEON Credit in 1998 as an officer in the Credit Assessment Department. Subsequently, she was promoted to various positions in the Credit Assessment Department and was appointed as the Assistant General Manager in 2006. In 2008, she was promoted to General Manager and served as the Head of Credit Assessment Group before assuming the position of Head of Business Operations Division in April 2015. In April 2016, she was designated as the Chief Operating Officer of the Company and as Head of Customer Service and Operations Division. Subsequently, her portfolio was expanded to include Head of IT Group in March 2017. She was redesignated as Chief Information Officer and Head of IT Division in April 2019. In July 2020, her strengths in customer service and IT were combined under the new leadership position of Head of IT & Customer Service Division.

In July 2021, her exemplary performance led to her appointment as Chief Operating Officer, while still heading her existing division and also serving additionally as Head of Marketing & Business Development Division.

Currently, she holds the position of Chief Operating Officer, Head of Marketing and Business Development Division and Head of the AEON Living Zone & DX Division.

She does not hold any directorship in other public or public listed companies.

Shareholding in the Company: 84,514 ordinary shares

Conflict of interest: Nil

Note:

Save as disclosed in this IAR 2025, all Directors listed on page 51 to 56 have no family relationship with any Director and/or major shareholder of the Company, nor have been convicted of any offence within the past five years or been subjected to any public sanctions or penalties charged by relevant regulatory bodies during the financial year, other than traffic offences, if any.

KEY SENIOR MANAGEMENT PROFILES



DAISUKE MAEDA
Managing Director

49 Male Japanese

Date of Appointment

23 June 2021

Academic/Professional Qualification

Bachelor's Degree in Sociology

Directorship/Relevant Appointments

Board Member

Relevant Experience

His profile is disclosed in the Directors' Profiles on page 51 of this IAR



LEE TYAN JEN
Chief Operating Officer

51 Female Malaysian

Date of Appointment

1 July 2021

Academic/Professional Qualification

Bachelor's Degree in Business Administration

Directorship/Relevant Appointments

Board Member

Relevant Experience

Her profile is disclosed in the Directors' Profiles on page 56 of this IAR



LEE KIT SEONG
Chief Corporate Officer

56 Male Malaysian

Date of Appointment

1 July 2020

Academic/Professional Qualification

ACCA (Fellow), MIA

Present Directorship in Other Public Companies

NIL

Past Experiences

- More than 25 years of experience in the financial industry with a focus on finance & accounting, corporate finance, corporate management, governance, risk management and compliance.
- Served other financial institutions prior to joining AEON Credit in 2012 as Assistant General Manager of Finance, Legal & Admin Division.
- Designated as Chief Financial Officer in 2014 and remained in that position until 2020.
- Currently holds the position of Chief Corporate Officer.
- Also serves as a Non-Independent Non-Executive Director of AEON Insurance Brokers (M) Sdn. Bhd. ("AEON Insurance").

Note:

Save as disclosed in this IAR 2025, none of the Group Key Senior Management has any family relationships with any Director and/or major shareholder of AEON Credit, any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiary or any conviction for offences within the past 5 years, except for traffic offences, if any.

KEY SENIOR MANAGEMENT PROFILES



LEE SIEW TEE
Chief Financial Officer



55



Female



Malaysian

Date of Appointment

1 July 2020

Academic/Professional Qualification

ACCA (Fellow), MIA, Master of Business Administration

Present Directorship in Other Public Companies

NIL

Past Experiences

- More than 25 years of experience across various fields including audit, finance, accounting and taxation in listed and private companies.
- She joined AEON Credit in 2019 as Head of Finance Group and was appointed as the Chief Financial Officer in July 2020.
- Currently holds the position of Chief Financial Officer in which her purview encompasses the Finance & Accounting Group, Strategic Planning & Reporting Group, Group Corporate Management, Legal Department and Compliance Department.
- Also serves as a Non-Independent Non-Executive Director of AEON Insurance.



NAOMI MIKUNI
Chief Credit Officer



54



Female



Japanese

Date of Appointment

1 October 2022

Academic/Professional Qualification

Diploma in international Business Administration

Present Directorship in Other Public Companies

NIL

Past Experiences

- More than 25 years of experience overseeing a wide range of operations including credit control and analysis, customer service, branch management, operation centre management and business development.
- Prior to joining AEON Credit, she was the Executive Director of AEON Microfinance (Myanmar) Co., Ltd. and later became the Managing Director in 2019.
- Currently holds the position of Chief Credit Officer.



FAIZUL BIN HAMZAH
Chief Risk Officer



48



Male



Malaysian

Date of Appointment

1 July 2020

Academic/Professional Qualification

Bachelor of Business Administration

Present Directorship in Other Public Companies

NIL

Past Experiences

- Having joined AEON Credit in 2001, he has more than 20 years of working experience in areas such as credit assessment, customer service, product development, corporate affairs and corporate governance.
- Prior to his current position, he served as Head of Corporate Governance & Risk Management Division.
- Currently holds the position of Chief Risk Officer.



KEN SHINOHARA
Chief Information Officer

56 Male Japanese

Date of Appointment

1 July 2023

Academic/Professional Qualification

Bachelor of Arts

Present Directorship in Other Public Companies

NIL

Past Experiences

- More than 20 years of experience in the IT field including IT planning, information systems, back-up office system development and payment systems.
- His vast experience encompasses retail, pharmacy and financial services companies under the AEON Group.
- He was appointed as the Executive Officer, heading the IT Department at Takiya Drug Stores Co., Ltd. in 2014 and became the President of AEON Credit Service Systems (Philippines) Inc. in 2016.
- Headed the Payment System Department in AEON Financial Service Co., Ltd. before joining AEON Credit and is currently leading the IT division.
- Currently holds the position of Chief Information Officer.



PHANG CHEE CHONG
Head of Internal Audit Division

58 Male Malaysian

Date of Appointment

1 July 2020

Academic/Professional Qualification

Master of Business Administration, CMIIA, CIA, CISA, CFE, CFSA, CRMA, CRISC, CGEIT, CBA

Present Directorship in Other Public Companies

NIL

Past Experiences

- Over 30 years of internal audit experience in banking, finance company, life & general insurance, stockbroking and unit trust companies.
- Was attached to other financial institutions and public listed companies prior to joining AEON Credit in February 2015 as Assistant General Manager, Head of Internal Audit Group.
- Redesignated as General Manager, Head of Internal Audit Group in June 2017, later promoted to Senior General Manager in December 2019 and is currently leading the Internal Audit Division.



JOHN TAN KOON SAN
Managing Director of AEON
Insurance Brokers (M) Sdn. Bhd.

54 Male Malaysian

Date of Appointment

1 April 2025

Academic/Professional Qualification

Bachelor's Degree in Business Administration

Present Directorship in Other Public Companies

NIL

Past Experiences

- Over 20 years of experience in business and technology, with specialised expertise in driving digital transformation within the insurance industry.
- Served other financial institutions prior to joining AEON Insurance in September 2024 as the Assistant General Manager to lead the Digital Transformation Project.
- He was appointed as the Managing Director of AEON Insurance in April 2025.

A photograph of two young girls sitting on the grass outdoors. The girl in the foreground is wearing a grey t-shirt and is holding an open book, looking at it. The girl behind her is wearing a pink shirt and has her arms around the first girl's shoulders, smiling. The background shows trees and foliage, with a purple gradient overlay on the right side of the image.

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Our Commitment to Good Corporate Governance

Sustainability Statement

▶ FYE2025 MILESTONES IN 3-YEAR SUSTAINABILITY ROADMAP IMPLEMENTATION

▶ INTRODUCTION

Guided by AEON Group's vision, we continue integrating sustainability into our business to help build a more inclusive, responsible, and brighter future for all.

- CONTINUING ALONG THE SUSTAINABILITY ROADMAP
- RECOGNITIONS

▶ OUR APPROACH TO SUSTAINABILITY

Discover how our stakeholder engagement and sustainability efforts drive long-term value, guided by material matters, contributions to the UN SDGs, and the ambitions behind our sustainability framework.

- SUSTAINABILITY GOVERNANCE
- STAKEHOLDER ENGAGEMENT
- HOW WE ENGAGE OUR STAKEHOLDER
- MATERIALITY ASSESSMENT
- SUSTAINABILITY MANAGEMENT
- PROGRESS REPORT ON OUR 3-YEAR SUSTAINABILITY ROADMAP

▶ PILLAR 1: CONDUCT AND TRUST

An overview of how AEON Credit upholds integrity, transparency, and strong ethics by ensuring constant compliance, fulfilling commitments, and maintaining robust governance - building trust and supporting long-term sustainability.

- EXCELLENT ETHICS, GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE
- DATA SECURITY, IT INFRASTRUCTURE AND DIGITAL TRANSFORMATION
- BUSINESS INNOVATION, RESPONSIBLE MARKETING, PRODUCT AND SERVICE DESIGN
- TRANSPARENCY IN PROCUREMENT PROCESS

▶ PILLAR 2: CUSTOMER EXPERIENCE

AEON Credit places customers at the heart of our strategies, guided by the "Customer First" philosophy, to deliver exceptional experiences that drive loyalty and long-term growth.

- EXCELLENT CUSTOMER EXPERIENCE, SUPPORT AND ACCESS
- BUSINESS INNOVATION, RESPONSIBLE MARKETING, PRODUCT AND SERVICE DESIGN

▶ PILLAR 3: DIGITAL PRODUCT AND SERVICE TRANSFORMATION

The manner AEON Credit leverages digital transformation to drive innovation, enhance customer experience, and improve operational efficiency, strengthening our competitiveness in a fast-evolving digital landscape.

- EXCELLENT CUSTOMER EXPERIENCE, SUPPORT AND ACCESS
- BUSINESS INNOVATION, RESPONSIBLE MARKETING, PRODUCT AND SERVICE DESIGN
- FINANCIAL INCLUSION, SUSTAINABLE FINANCE AND FINANCIAL PERFORMANCE

▶ PILLAR 4: EMPLOYEE HEALTH, SAFETY AND WELL-BEING

How AEON Credit prioritises employee well-being, development, and inclusion, recognising a resilient workforce as key to long-term success.

- EMPLOYEE HEALTH, SAFETY AND WELL-BEING
- EMPLOYEE BENEFITS, EMPLOYEE ENGAGEMENT PROGRAMMES

▶ PILLAR 5: ENVIRONMENTAL STEWARDSHIP

Discover how AEON Credit brings to life our commitment to environmental stewardship, recognising that a healthy planet is essential for sustainable operations and long-term value creation.

- ENVIRONMENTAL MANAGEMENT
- CLIMATE ACTION

▶ PILLAR 6: CONTRIBUTING TO COMMUNITIES

Our approach to giving back by supporting vulnerable communities, promoting social inclusion, and celebrating cultural diversity in appreciation of the support behind our success.

- STRATEGIC COMMUNITY INVESTMENT



Developed

CLIMATE ACTION FRAMEWORK

PLANTED



10,000 trees across
20 hectares with
30 local forest tree species



Fulfilled Sustainability
Performance Target to
**disburse RM20 million for
Financial Inclusion financing**
from Sustainability-linked Loans
("SLLs")



Collected **2.41 tonnes**
of waste which were
properly disposed

FYE2025 Milestones in 3-Year Sustainability Roadmap Implementation

Reduced emissions equivalent to
4.42 metric tonnes CO₂e
through issuance of virtual
credit cards



Introduced
**Electric
Motorcycle
Financing Scheme**
for employees



Conducted
3 initiatives
under the **Road
Safety Advocacy
Programme**



Started **Scope 3** reporting
for business travel and
employee commuting



Launched
**2 educational
programmes** –
The Teacher's Workshop
and Digital Green Student
Challenge



Developed

FINANCIAL INCLUSION FRAMEWORK



INTRODUCTION

AEON Credit's ultimate holding company, AEON Co., Ltd. ("AEON Group"), aspires to realise a future where our customers can feel a brighter society in which anxieties about environmental issues, disparities, and other negative aspects caused by social development are resolved. Taking inspiration, in the year under review, AEON Credit ("the Group") redoubled efforts to deepen and integrate sustainability as an integral component of our business. We aim to make positive contributions as the collective global force of AEON Group join together to build a better, more sustainable world and realise our vision of creating a future lifestyle that leads to a smile for each and every person.



This Sustainability Statement ("Statement"), covering the period 1 March 2024 to 28 February 2025, articulates the Group's sustainability agenda, management efforts and associated commitments and the Board's reflections of achievements and performance as well as significant sustainability-related plans moving forward.

CONTINUING ALONG THE SUSTAINABILITY ROADMAP

A strong and enduring emphasis on Environment, Social, and Governance ("ESG") underscores AEON Credit sustainability efforts. Guided by a 3-Year Sustainability Roadmap that was developed at the end of FYE2023, AEON Credit has made gradual, but significant, progress towards attaining greater sustainability maturity.

3-Year Sustainability Roadmap

Framework		Focus Area	Key Initiatives			
Policy	Mission Statement	ENVIRONMENT Towards Carbon Neutral Business	Reforestation Activities	Coastline Preservation	Carbon Emission Reduction	Task Force on Climate-Related Financial Disclosures ("TCFD") Recommendations Adoption
		ECONOMY Market Leader for EV Financing	EV Manufacturers Collaborations	Mainstream EV Business	Employee HEV and BEV Financing Promotion	
		Financial Inclusion for Micro Enterprise	Micro Financing for Business	Financial Inclusivity	Entrepreneurs Financial Literacy	
		Green Financing	Green Lending	Digital Volunteering	Eco-Friendly Cards	Green Borrowings
		SOCIAL ESG Education	Digital Literacy Programmes	Solar Panel Financing	Waste Reduce, Reuse, Recycle ("3R") Programme	Road Safety Awareness
		GOVERNANCE Good ESG Governance	Board Commitments on Good ESG Governance	Management Commitment on Sustainability	Endorsement and Assurance	
			Active Collaboration			
			Award			
			Assurance			

Implementation of the Sustainability Roadmap across the identified key initiatives continued in earnest in FYE2025.

INTRODUCTION

The progress made and plans moving forward are detailed in the Progress Report on the 3-Year Sustainability Roadmap which appears in pages 80 to 84. A summary of the more compelling events is presented below.



 *Launching of AEON Credit Biodiversity Afforestation Project*

The **Biodiversity Afforestation Programme** which planted of **10,000 trees** from 30 indigenous species, including some listed by International Union for Conservation of Nature's as "endangered". Aside from creating a carbon sink, an added benefit is the rehabilitation of a former tin mining and degraded agriculture area to provide a supportive habitat for 150 species of birds to flourish.



 *TCFD Scenario Analysis Workshop*

In sustainability reporting, we are progressing well towards full adoption of the TCFD reporting regime. In FYE2025, the Group conducted our first **Climate Risk Assessment** and identified climate-related physical and transition risks, alongside, we strengthened Board and Management oversight of climate-related issues. **A Climate Action Framework** and corresponding **3-Year Implementation Roadmap** have been developed to structure execution of our climate-related strategies.



 *Nationwide Coastal Clean-up at Tanjung Balau, Johor*

Annual **Nationwide Coastal Cleanup** continued with **over 2.41 tonnes** of waste collected through joint efforts by our volunteers and local communities.



 *Mangrove Tree Planting 2025 at Byram Forest Reserve, Penang*

Over 2,000 mangrove trees planted jointly with local communities in Setiu Wetland, Terengganu and Byram Forest Reserve, Pulau Pinang.



 Young Financial Savvy Programme

Development of a 3-Year Financial Inclusion Roadmap which includes promotion of financial literacy through **Financial Savvy Programmes** to build financial management skills for students and those less exposed.



 K.A.M.I. Programme to empower underserved communities

Definition of **“Underserved Customers”** serves as a foundation for designing products and services that improve access to financial services for underserved customers. This definition provides structure and the critical mandate to realise the Group’s financial inclusion aspirations.

RECOGNITIONS

The Group is consistently recognised for our exemplary efforts in **upholding sustainability and promoting societal well-being**. The awards we are honoured with testify to our unwavering conviction to **contribute to the greater good** as we create shareholder value.



 Outstanding Community Engagement Award at the Sustainability and CSR Malaysia Awards 2024

The **Outstanding Community Engagement Award** at the Sustainability and CSR Malaysia Awards 2024, reaffirms our commitment to **community welfare and sustainable development** to foster positive impact.



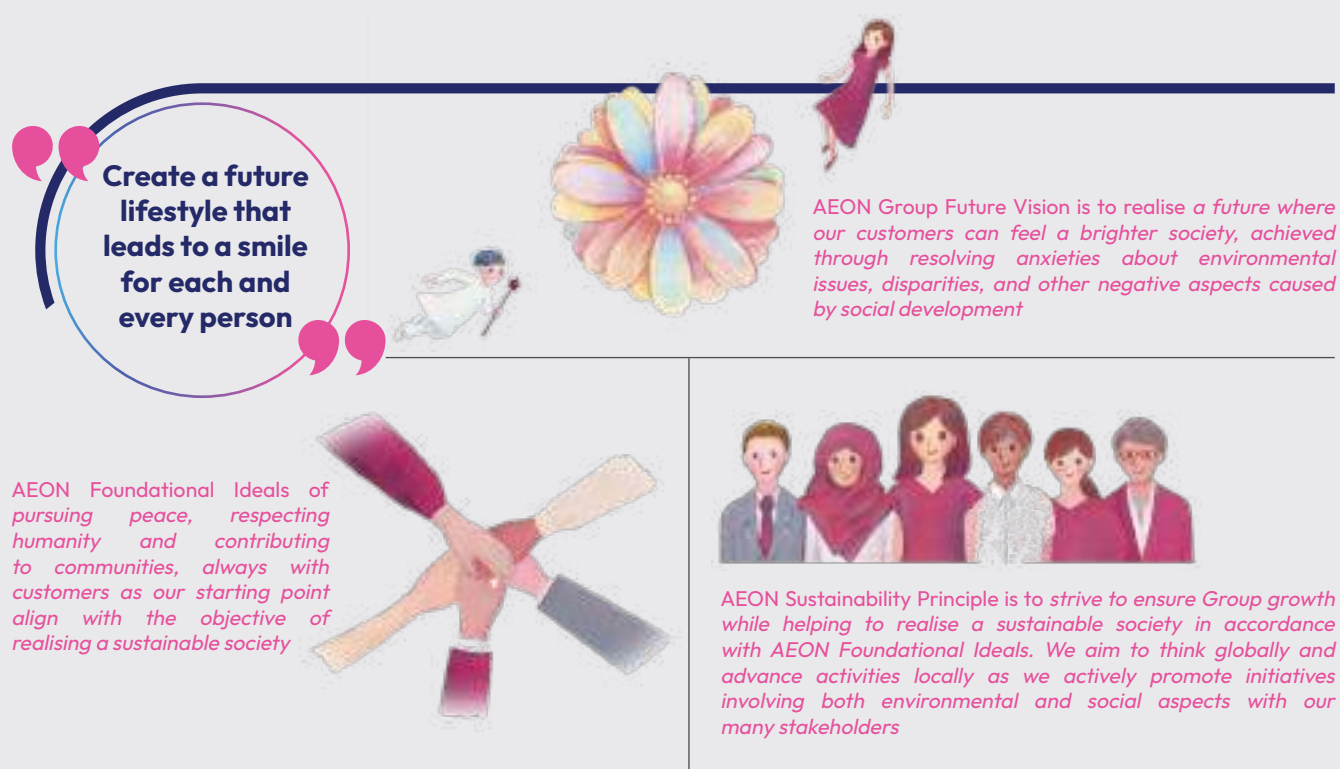
 Recipient of the National Corporate Governance & Sustainability Awards 2024 Excellence Award as one of the Top 50 ranked public listed companies

The prestigious National Corporate Governance & Sustainability Awards (“NACGSA”) 2024 Excellence Award testifies to the Group’s relentless focus and embrace of **good practices in corporate governance and sustainability**.

OUR APPROACH TO SUSTAINABILITY

An ever present part of AEON Credit's approach to sustainability is constantly striking the delicate balance between the imperative for commercial results and staying true to our environmental and social responsibilities and commitments. In this regard, the Board and Management have an unwavering focus on prioritising the allocation of resources, in particular funding, to initiatives that will deliver sustained value and ensure that commercial and sustainability priorities are given due and equitable attention.

AEON Credit's approach to sustainability is guided and strongly influenced by AEON Group's Vision and Foundational Ideals. The strong social undertone of the guidance links intimately to our core retail and consumer financial services business and serves to orientate the strategic direction of our sustainability efforts.



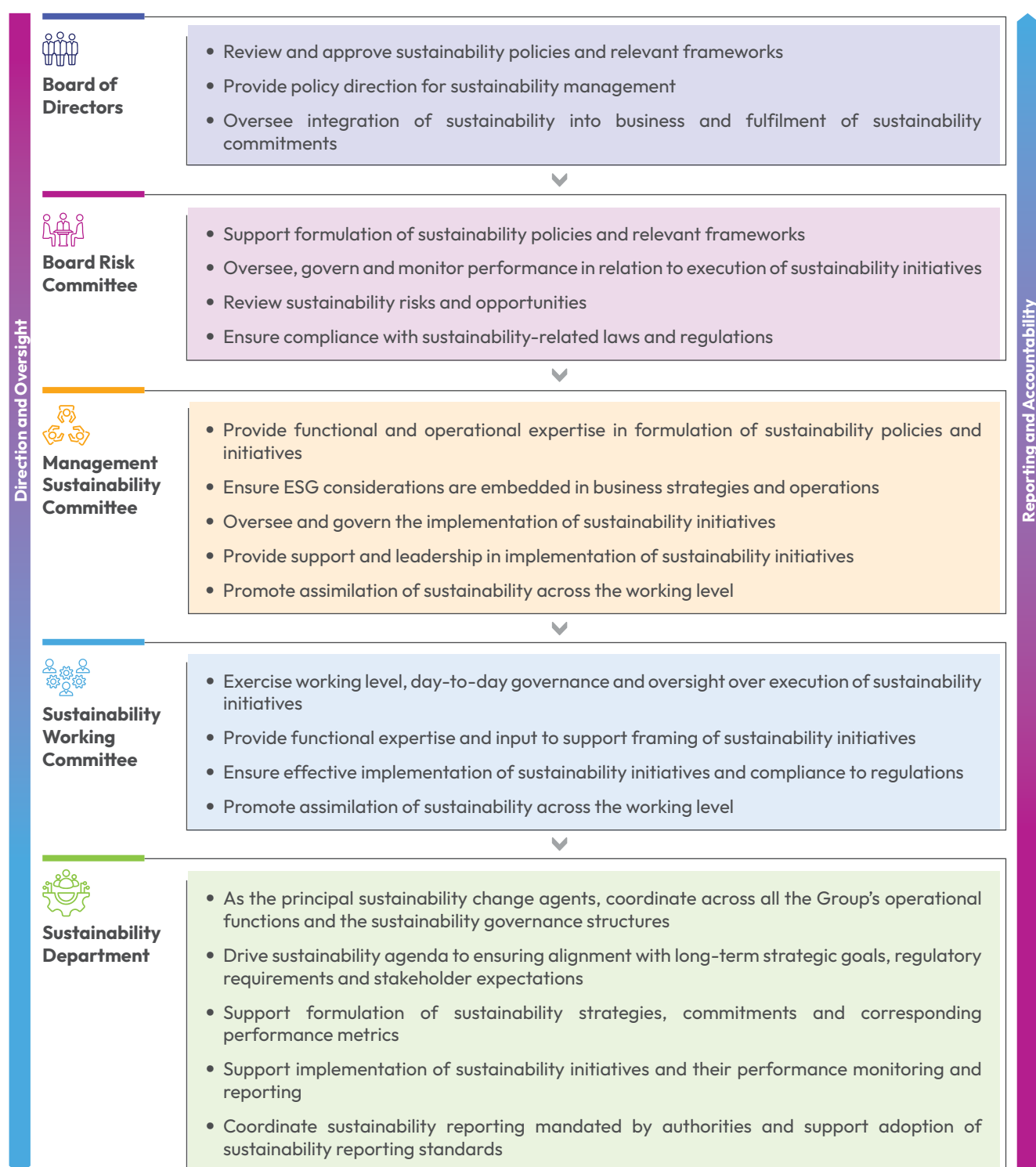
Circularity is a bedrock of AEON Credit's approach to sustainability and is infused into business management and processes. The concept of circular economy has been taken to heart by all entities within AEON Group. Over and above the traditional notion to reduce, reuse, and recycle commodities to protect the environment, circular economy management as practiced across AEON Group, entails redefining our relationships with stakeholders so that we can feed into the value that society and local communities demand, and in the process, enrich them.



SUSTAINABILITY GOVERNANCE

SETTING THE TONE AT THE TOP

A robust governance structure has been established to oversee the management of sustainability across the Group and ensure that it is institutionalised and integrated into the business. The Board leads by example to expedite the embrace of sustainability by personnel from all corners of the Group (AEON People). The Leadership, from the Board through to the Managing Director (“MD”) and top Management all play active roles in shaping and embodying our sustainability agenda.



OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE IN ACTION

The Board looks at sustainability from two equally critical lenses, one focused on business sustainability, resilience and longevity and the other on social and environmental sustainability. This ensures decisions made consciously consider our economic ambitions and sustainability responsibilities.

The Board Risk Committee (“BRC”) supports the Board in sustainability oversight and governance, in particular by reviewing sustainability policies and plans, and to monitor the performance of their execution.

The Management Sustainability Committee (“MSC”), provides strategic oversight and ensures cross-functional collaboration on sustainability efforts. It is charged with overseeing and driving implementation of the Group’s sustainability strategies and the associated initiatives executed to fulfil our sustainability commitments, in particular the initiatives contained in the 3-Year Sustainability Roadmap.

Members of the MSC are:

- Managing Director;
- Chief Operating Officer;
- Chief Corporate Officer;
- Chief Financial Officer;
- Chief Credit Officer;
- Chief Information Officer; and
- Chief Risk Officer

Key management personnel is represented through the Sustainability Working Committee (“SWC”), these business and functional experts lend their expertise in the development of sustainability strategies and integration of sustainability across all aspect of our business. The SWC reports to the MSC and to BRC, when required. The SWC plays a critical role in raising sustainability awareness, actively embedding sustainability practices across the Group’s operations.

The SWC supports the Board and BRC in the exercise of governance over sustainability reporting. Given the heightened attention given by the Government, finance and investment community and general public on sustainability we recognise the importance of transparent, objective and fair sustainability reporting. Accordingly, the Board, supported by BRC and MSC, exercises governance over sustainability reporting to ensure the integrity of the information and the disclosures within.

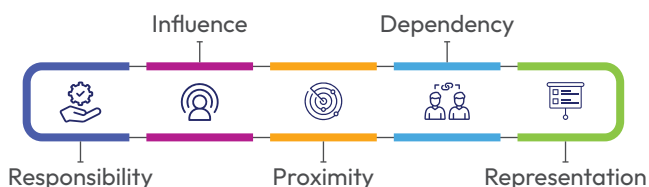
The Sustainability Department is the functional department which has specific sustainability responsibilities. This Department works closely with and is under the direction of the all components of the Sustainability Governance Structure in coordinating and implementing sustainability initiatives to ensure the delivery of the Group’s sustainability commitments. It serves as the secretariat to the MSC, providing technical input, progress updates, and recommendations for action.

Integral to further strengthening sustainability oversight, in particular the reporting and informational integrity aspects we will continue the practice commenced in the previous year in obtaining independent external assurance for relevant material disclosures contained in this FYE2025 Sustainability Statement. This will provide greater comfort over the veracity, credibility and reliability of the disclosures and underscore our commitment to adhering to the highest standards of transparency and accuracy in our sustainability reporting. The external assurance statements are presented on pages 136 to 143.

STAKEHOLDER ENGAGEMENT

In addition to being an indispensable part of AEON Credit’s Materiality Assessment process, stakeholder engagements are also critical to obtain a deeper and more intimate understanding of stakeholders’ concerns and expectations. Stakeholder engagements enable us to gather first-hand, honest and objective perspectives which facilitate formulation and implementation of better targeted and more effective initiatives which best leverage the resources at our disposal. In giving voice to our stakeholders, we benefit from their input and insights, leading to greater balance and objectivity in decision making.

Our selection of stakeholders to engage is based on five criteria:



Stakeholder engagements are conducted across the Group’s virtual and physical communication channels, following a staged approach.



Strategising and Planning

- Identify and prioritise stakeholders
- Determine stakeholders’ motivations, concerns and expectations
- Formulate engagement strategy and plan engagement agenda



Communicating and Engaging

- Conduct engagement, solicit feedback and gather information
- Assimilate stakeholders’ interests, concerns and suggestions
- Formulate and prioritise responses against capabilities and resources



Monitoring and Responding

- Implement responses
- Monitor progress and response efficacy
- Assess performance against desired outcomes
- Institute remediations and improvements needed

Monitoring and responding is critical in stakeholder engagements. Over and above interacting with stakeholders, we track progress and institute necessary remediations to ensure our intended goals are ultimately met. For example, in our Biodiversity Afforestation Programme, we implemented systems to monitor the health of the trees planted to check survival and growth rates, and biodiversity levels to ensure that the trees are growing well and is sequestering carbon effectively.

Our employees is a major stakeholder group that makes critical contributions to sustainability by helping to inspire a groundswell of support throughout our organisation and beyond. In July 2024, we appointed 60 Sustainability Champions as change agents to help drive and embed sustainability. The Champions play a critical role to ensure the Group achieves our sustainability aspirations while staying aligned with regulators' and customers' increasing inclination towards sustainability.

The Group held our inaugural Sustainability Week between 28 October to 1 November 2024, engaging up to 700 employees through a series of interactive and meaningful activities. The event was integral to enlisting the support of our workforce to collaborate for greater sustainability and inspire collective action towards a more sustainable and greener future for all.

The event also featured a no-plastic-packaging and paperless day, a sustainability-themed poster design contest, and a product exhibition showcasing community projects by underprivileged groups. Additionally, a new mobile app promoting food waste reduction and sustainable consumption was introduced.



📷 Green Wear Day in conjunction with Sustainability Week 2024 at Headquarters



📷 A total of 120kg of clothing was donated during Sustainability Week



📷 Canvas fingerprinting activity as a symbol of the company's sustainability efforts

OUR APPROACH TO SUSTAINABILITY

HOW WE ENGAGE OUR STAKEHOLDERS

Our key stakeholders and engagements in the year under review are summarised in the table below.

Customers 	
<p>Why significant</p> <p>Customers are the principal source of revenue and sustains the Group's growth and value creation</p> <p>Why engage</p> <ul style="list-style-type: none"> • Maintain and reinforce loyalty which promotes customer retention • Understand their expectations and demands to better serve them and deliver constantly great customer experiences • Continuously increase customer intimacy and elevate ability to anticipate their changing expectations <p>Engagement mechanisms</p> <ul style="list-style-type: none"> • Business interactions • Company website and social media • Contact centre • Product launches • Conferences/forums/seminars • Contact centre 	<p>Stakeholders' areas of interest</p> <ul style="list-style-type: none"> • Overall customer experience • Product and service parameters including pricing, delivery channels and alignment to expectations <p>Value for the Group</p> <ul style="list-style-type: none"> • Sustained profitability and positive economic results • Strong customer base generating sustained and quality earnings which supports growth and expansion • Strong market standing and brand reputation with positive customer endorsements <p>Value for stakeholders</p> <ul style="list-style-type: none"> • Assurance of constantly positive experiences • A diverse range of products and services that meet expectations and requirements • Convenient digital platforms that are reliable, accessible, available 24x7 and secure • Expeditious and satisfactory issue resolution
Shareholders and Investors 	
<p>Why significant</p> <p>Provide capital to support and sustain growth and to continue creating value for all stakeholders</p> <p>Why engage</p> <ul style="list-style-type: none"> • Keep informed on a timely basis of the Group's financial and sustainability performance as well as corporate developments • Convey the Group's future prospects and key business strategies • Provide assurance of the proper use of the capital invested to generate quality and sustainable shareholder/ stakeholder value <p>Engagement mechanisms</p> <ul style="list-style-type: none"> • Annual and Extraordinary General Meetings • Quarterly results announcements and analyst briefings • One-to-one/group investor relations meetings • Integrated Annual Report 	<p>Stakeholders' areas of interest</p> <ul style="list-style-type: none"> • Business prospects and strategies • Financial performance • Corporate governance, ethics, integrity and compliance to governing legislation • Sustainability performance <p>Value for the Group</p> <ul style="list-style-type: none"> • Continued confidence and trust of shareholders and investors • Ease of access to and support from shareholders and investors, in particular, to secure strong response to calls for additional investment <p>Value for stakeholders</p> <ul style="list-style-type: none"> • Sustained positive returns from investment, assurance of sustained strong dividend pay-outs • Safe and secure investment with resilience to weather economic challenges and uncertainties
Government and Regulators 	
<p>Why significant</p> <p>Provide legal sanction for conduct of business and operations</p> <p>Why engage</p> <ul style="list-style-type: none"> • Keep abreast of changes in legislations governing our business and operations • Ease access to guidance and authoritative body of knowledge on interpretation and implementation of legislative changes • Facilitate constant compliance to legislative requirements and responsibilities • Build and maintain strong bonds to facilitate collaboration for mutual benefit 	<p>Stakeholders' areas of interest</p> <ul style="list-style-type: none"> • Continuously strong and stable financial system • Economic development and strengthening resilience • Regulatory compliance and reporting • Financial consumer equity and protection • Data privacy and confidentiality and cybersecurity • Operational and supervisory challenges <p>Value for the Group</p> <ul style="list-style-type: none"> • Expeditious updates on changes in legislation enabling constant compliance and reinforcing ability to conduct business and create stakeholder value • Contributing to resilience and stability of financial system • Reinforce market confidence and customers' trust in our resilience and proper discharge of fiduciary responsibilities

Government and Regulators



Engagement mechanisms

- Briefings and formal meetings
- Forums with financial services industry associations
- Submissions and proposals

Value for stakeholders

- A continuously strong and stable financial system which lends to national economic growth
- Reaffirms Malaysia's economic resilience through the presence of strong and well governed financial institutions
- Continuous compliance provides order and structure to implement measures to drive greater maturity in financial services industry

Lenders and Financial Institutions



Why significant

Source of funds to support business expansion and growth

Why engage

- Compliance to covenants associated with loans
- Inform of financial performance, business prospects and strategies
- Inform of sustainability performance, commitments and strategies
- Secure a pool of supportive lenders from which to secure funding for expansion and growth
- Explore/leverage opportunities to collaborate for mutual benefit

Engagement mechanisms

- Formal meetings
- Business interactions via various communication channels
- Financial industry association forums and gatherings

Stakeholders' areas of interest

- Compliance to loan covenants
- Business prospects and strategies
- Financial performance
- Corporate governance, ethics, integrity and compliance to governing legislation
- Sustainability performance
- Opportunities to provide funding to the Group
- Opportunities to collaborate/partner

Value for the Group

- Access to pool of supportive and responsive lenders
- Continuously strong relationships which are mutually beneficial
- Accommodative lending terms and conditions

Value for stakeholders

- Compliant and responsible borrower that is committed to discharging responsibilities
- Borrower of impeccable credit worthiness with business stability and is reliable and performing

Rating Agencies



Why significant

Provide independent assessments of the Group's creditworthiness, ensure compliance with evolving regulations and enhance investor confidence

Why engage

- Keep informed on a timely basis of the Group's financial and sustainability performance as well as corporate developments
- Convey the Group's future prospects and key business strategies
- Provide independent assurance to current and prospective lenders of the Group's creditworthiness

Engagement mechanisms

- Online Assessment Platform
- Formal meetings
- Business interactions via various communication channels

Stakeholders' areas of interest

- Business prospects and strategies
- Financial performance as well as stability and quality of earnings
- Corporate governance, ethics, integrity and compliance to governing legislation

Value for the Group

- A strong credit rating is fundamental to securing the confidence of lenders/funders
- Enable the Group with access to funds on better, more accommodative terms

Value for stakeholders

- Pertinent, clear and timely information eases the assessment process and allows for greater accuracy
- Upholds independence of rating agencies and their responsibilities to provide reliable assessments

OUR APPROACH TO SUSTAINABILITY

Employees



Why significant

Backbone of the Group, entrusted to conduct operations and sustain the generation of stakeholder value

Why engage

- Reciprocate dedication and efforts in supporting growth and expansion as well as sustained and quality earnings
- Support and ensure discharge of responsibility for prudent, ethical and responsible conduct of operations to safeguard the Group's interests
- Support efforts to deliver on sustainability commitments and continuously integrate sustainability into business

Engagement mechanisms

- Formal and townhall meetings
- Training programmes and team-building activities
- Corporate Social Responsibility activities
- Employee Hotline
- Employee engagement surveys
- Target setting and performance appraisals

Stakeholders' areas of interest

- Group performance and outlook
- Work performance and targets
- Culture, diversity, equity and inclusion
- Health, safety and well-being
- Employee grievances and resolutions
- Training, professional and career development
- Digitalisation, operational efficiency and ease of discharging duties

Value for the Group

- Dedicated, passionate and competent workforce to support business growth and generate sustainable stream of quality earnings
- Ideas for innovation and continuous improvement
- Delivery of excellent customer experiences leading to elevated customer loyalty

Value for stakeholders

- Respect for employees' rights with zero tolerance for discrimination
- Competitive remuneration and benefits
- Continuous learning and development
- Recognition for dedication and exemplary service
- Sincerity and responsiveness in addressing concerns
- Conducive and safe workplace

Merchants and Business Partners



Why significant

Proven avenue for collaboration which potentially enriches and enhances earnings and customer value propositions

Why engage

- To surface and establish strategic alliances/collaborations for mutual benefit
- Allows access to and leverage of respective customer base to form value propositions that can better fulfil customer requirements

Engagement mechanisms

- Merchant service discussions
- Support channels
- Partnership programmes
- Business alliances and networking
- Corporate events

Stakeholders' areas of interest

- Business opportunities
- Business outlook and strategies
- Opportunities for innovation and continuous improvement
- Operational clarity and issue resolution
- Leveraging complementary strengths to achieve business and operational objectives

Value for the Group

- Enhancement of customer value propositions to better meet requirements and expectations
- Strategic alliances/collaborations that leverage complementary strengths
- Revenue enhancement

Value for stakeholders

- Business and revenue growth through alliances and collaborations
- Access to the Group's customer base as an additional source of revenue
- Strong and enduring relationship with a major financial services provider

Suppliers



Why significant

Source of consumables and services required in operations

Why engage

- Tap into pool of expertise and domain knowledge to enhance efficiency
- Drive and infuse greater sustainability across the Group's value chain
- Access to new technologies and methods to promote more cost effective and efficient operations

Engagement mechanisms

- Events
- Meetings
- Networking interactions
- Suppliers' new product/service introductions

Stakeholders' areas of interest

- Sustainability-infused supply chain
- Supplier assessment incorporating sustainability considerations
- Efficient, fair and responsible procurement processes
- Quality, reliability and timeliness of supplies and services
- Compliance to terms and conditions
- Opportunities for collaboration
- Supply chain transparency and risk management and resilience

Value for the Group

- Supply chain resilience
- Quality, reliable and timely supplies and services
- Compliance to terms and conditions
- Embedding greater sustainability across supply chain

Value for stakeholders

- Reliable and constant source of business and assurance of stream of revenues
- Collaboration/partnering for mutual benefit
- Promote and infuse greater sustainability in suppliers' operations leading to better compliance to regulatory requirements

Local Communities and Non-Governmental Organisations ("NGO")



Why significant

Reciprocate support from communities and continually strengthen relationships and bonds established

Why engage

- Critical to realising the Group's commitment to share returns with and give back meaningfully to the community
- Facilitates support from the local community and NGOs when needed
- Principal avenue for the Group to show care and support vulnerable segments of society and help the underprivileged realise aspirations
- Access to specific expertise of NGOs in executing sustainability initiatives

Engagement mechanisms

- CSR activities
- Assistance in a variety of manner e.g. financial aid, major festivals celebrations, sponsorship of meaningful causes

Stakeholders' areas of interest

- Community support, aid and assistance
- Collaborative volunteering to address various concerns e.g. environmental protection, road safety
- Social welfare
- Education, including financial literacy

Value for the Group

- Secures continuing assurance of support and assistance to realise societal and environmental support goals
- Brings the Group's human side to life to explicitly emphasise duty of care for society and environment
- Builds and reinforces the Group's brand reputation

Value for stakeholders

- Financial aid and support for the betterment of the society and environmental integrity
- Support to realise aspirations that are otherwise challenging to attain
- Mitigate impact of marginalisation through lack of funds and resources
- A significant corporate name to champion and support worthy causes

OUR APPROACH TO SUSTAINABILITY

MATERIALITY ASSESSMENT

A Materiality Assessment is conducted on an annual basis to determine and obtain a deeper understanding of issues, from a sustainability perspective, that have a material impact on the business and operations of the Group.

The determination of these “material sustainability matters”, starts with a revisit of those from the previous year to ascertain if they continue to be relevant. As well, consideration is given to significant matters that emerged in the current year. To ensure a balanced and inclusive view, material feedback received during our stakeholder engagements are also given due recognition. The following process is adopted in conducting the materiality assessment:



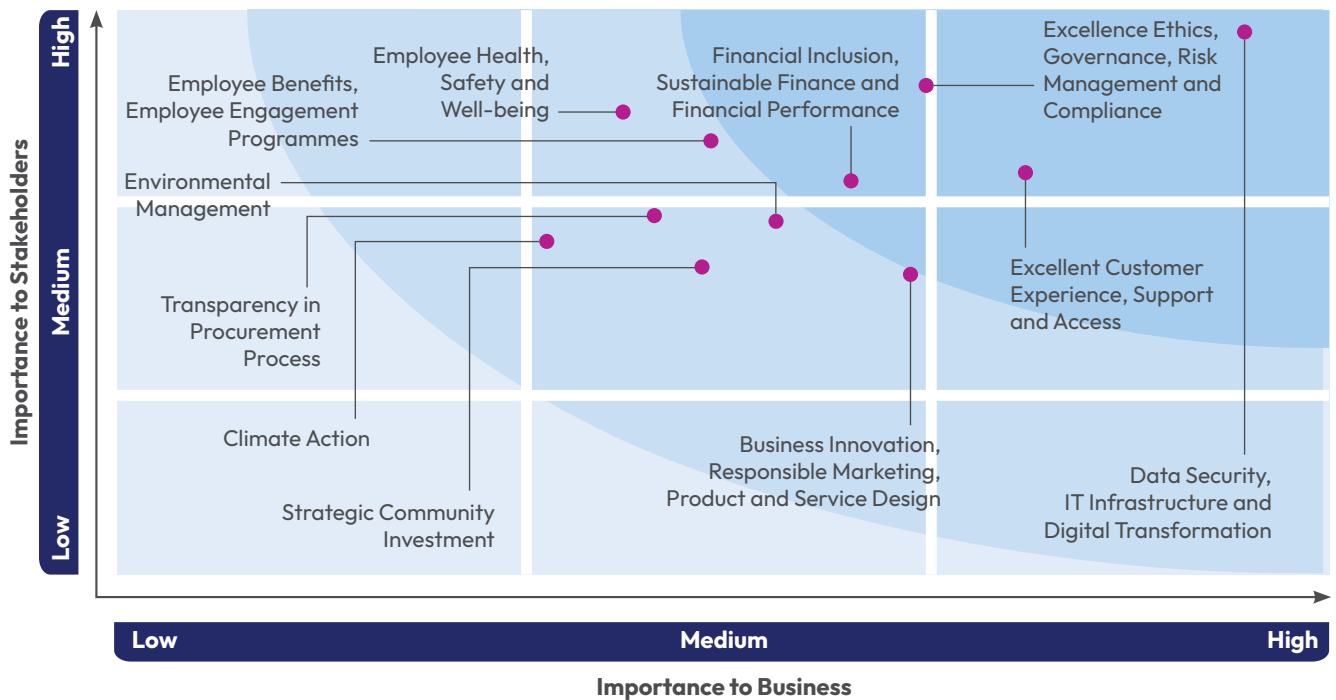
The material sustainability matters for FYE2025 determined from the Materiality Assessment are listed in the table below.

Rank	Change	Priority	Material Sustainability Matter	Sustainability Focus Area
1	↔	High	Data Security, IT Infrastructure and Digital Transformation	Governance
2	↔	High	Excellent Customer Experience, Support and Access	Economy
3	↑1	High	Excellent Ethics, Governance, Risk Management and Compliance	Governance
4	↓1	High	Business Innovation, Responsible Marketing, Product and Service Design	Governance and Economy
5	↔	High	Financial Inclusion, Sustainable Finance and Financial Performance*	Economy
6	↑1	Medium	Employee Benefits, Employee Engagement Programmes	Social
7	↑1	Medium	Employee Health, Safety and Well-being	Social
8	↑3	Medium	Transparency in Procurement Process	Governance
9	↓3	Medium	Environmental Management	Environment
10	↔	Medium	Strategic Community Investment	Social
11	↓2	Medium	Climate Action	Environment

* Financial Inclusion has been brought to the fore to acknowledge AEON Credit's responsibility, as a financial institution, to promoting and embedding responsible financing, spreading financial literacy and inculcating responsible use of financing as well as to uplift society through easing access to financing.

The Materiality Matrix below maps our material sustainability matters based on their relative importance to AEON Credit and our key stakeholders.

AEON CREDIT'S MATERIALITY MATRIX



SUSTAINABILITY MANAGEMENT

AEON Credit approaches the management of sustainability from a strategic perspective to facilitate alignment with the Group's strategies. This ensures that our business strategies and tactical plans are always formulated with sustainability in mind and all aspects of our operations are infused with sustainability considerations.

Our material sustainability matters are grouped under 6 Sustainability Pillars which represent critical and indispensable elements of our business and operations, each Pillar has a significant impact on the Group's prosperity, longevity growth, and, more fundamentally, our ability to continue generating long-term value for all our diverse stakeholders. All core sustainability areas, namely Economy, Environment, Social and Governance are represented across the Pillars.



OUR APPROACH TO SUSTAINABILITY

The grouping of our material sustainability matters facilitates greater precision in targeting sustainability management efforts, and ensures more effective use of expertise and allocation of resources. Material sustainability matters individually and collectively exert influence over and impact Financial Performance which is our primary material sustainability matter.



Conduct and Trust

- Data Security, IT Infrastructure and Digital Transformation
- Excellent Ethics, Governance, Risk Management and Compliance
- Business Innovation, Responsible Marketing, Product and Service Design
- Transparency in Procurement Process



Employee Health, Safety and Well-being

- Employee Health, Safety and Well-being
- Employee Benefits, Employee Engagement Programmes



Customer Experience

- Excellent Customer Experience, Support and Access
- Business Innovation, Responsible Marketing, Product and Service Design



Environmental Stewardship

- Environmental Management
- Climate Action



Digital Product and Service Transformation

- Excellent Customer Experience, Support and Access
- Business Innovation, Responsible Marketing, Product and Service Design
- Financial Inclusion, Sustainable Finance and Financial Performance














Contributing to Communities

- Strategic Community Investment



















CONTRIBUTING TO A BETTER WORLD – LINKING SUSTAINABILITY ACTIONS TO UN SDGS













As we integrate and deepen sustainability across the Group we also make conscious efforts to contribute alongside the global fraternity to build a better world for future generations guided by the aspirations of United Nations' Sustainable Development Goals ("UN SDGs"). Accordingly, in planning and executing sustainability management actions, AEON Credit takes pains to ensure that, where relevant, they support the UN SDGs.

SDG	How AEON Credit contributes	Related initiatives	Linkage to our material sustainability matter
	Ensure health and promote well-being without discrimination <ol style="list-style-type: none"> 1. Target 3.6: Reduce road injuries and deaths 2. Target 3.8: Achieve universal health coverage 	<ol style="list-style-type: none"> 1. Road Safety Advocacy Programmes for communities 2. Providing health support and maintaining a safe working environment for employees 3. Promoting access to health care as part of Financial Inclusion by easing access to health insurance 4. Naluri App for staff well-being and mental health support and frequent health talks for employees 	 Employee Benefits, Employee Engagement Programmes  Employee Health, Safety and Well-being  Strategic Community Investment






SDG	How AEON Credit contributes	Related initiatives	Linkage to our material sustainability matter
	Ensure inclusive and equitable quality education and promote lifelong learning for all <ol style="list-style-type: none"> Target 4-A: Build and upgrade inclusive and safe schools Target 4-4: Increase the number of people with relevant skills for financial success Target 4-B: Expand higher education scholarships for developing countries 	<ol style="list-style-type: none"> Address and enhance digital literacy by investing in MAF Smart Classroom Project Committing to reducing unemployment through Management Trainee Programmes Committing to the development of employees through investments in training and upskilling Provide online training programmes for easy access to learning and knowledge Continuous learning and development programmes for the Board, Management and workforce Promoting financial literacy programmes as part of corporate social responsibility ("CSR") initiatives 	 Strategic Community Investment  Employee Benefits, Employee Engagement Programmes
	Achieve gender equality and empower all women and girls <ol style="list-style-type: none"> Target 5.1: End discrimination against women and girls Target 5.5: Ensure full participation in leadership and decision-making 	<ol style="list-style-type: none"> Strengthening practices through the Policy of Human Rights Enhancing the presence of women in top governance and leadership roles 	 Employee Benefits, Employee Engagement Programmes
	Ensure access to affordable, reliable, sustainable and modern energy for all <ol style="list-style-type: none"> Target 7.1 Universal access to modern energy services 	<ol style="list-style-type: none"> Provide financing for purchase of energy efficient appliances/devices and renewable energy generation facilities Focused expansion into financing for green modes of mobility 	 Business Innovation, Responsible Marketing, Product and Service Design  Excellent Customer Experience, Support and Access  Financial Inclusion, Sustainable Finance and Financial Performance

OUR APPROACH TO SUSTAINABILITY

SDG	How AEON Credit contributes	Related initiatives	Linkage to our material sustainability matter
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all <ol style="list-style-type: none"> 1. Target 8.2: Diversify, innovate and upgrade for economic productivity 2. Target 8.3: Promote policies to support job creation and growing enterprises 3. Target 8.5: Full employment and decent work with equal pay 4. Target 8.6: Promote youth employment, education and training 5. Target 8.8: Protect labour rights and promote safe working environments 	<ol style="list-style-type: none"> 1. Fostering management trainee employment initiatives 2. Advocating for employee well-being and human rights 3. Commitment to local procurement in support national socio-economic development 4. Providing access to credit and financing to Small and Medium sized Enterprises ("SMEs") and mobile payment solutions for individuals in underserved communities 	 Employee Benefits, Employee Engagement Programmes  Employee Health, Safety and Well-being  Transparency in Procurement Process
	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation <ol style="list-style-type: none"> 1. Target 9.3: Increase access to financial services and markets 2. Target 9.4: Upgrade all industries and infrastructures for sustainability 	<ol style="list-style-type: none"> 1. Instituting Financial Inclusion initiatives 2. Tailoring financial solutions aligned to customers' unique circumstances 3. Implementation of Digital Transformation Programme 4. Integrating advanced technologies like Artificial Intelligence ("AI") and automation into operations 	 Data Security, IT Infrastructure and Digital Transformation  Business Innovation, Responsible Marketing, Product and Service Design  Excellent Customer Experience, Support and Access
	Reduce inequality within and among countries <ol style="list-style-type: none"> 1. Target 10.1: Reduce income inequalities 2. Target 10.3: Ensure equal opportunities and end discrimination 	<ol style="list-style-type: none"> 1. Strengthening practices through the Policy of Human Rights 2. Commitment to financial inclusion through provision of access to financial services to the underserved 	 Business Innovation, Responsible Marketing, Product and Service Design  Excellent Customer Experience, Support and Access  Financial Inclusion, Sustainable Finance and Financial Performance
	Make cities and human settlements inclusive, safe, resilient and sustainable <ol style="list-style-type: none"> 1. Target 11.6: Reduce the environmental impact of cities 	<ol style="list-style-type: none"> 1. Expansion into sustainable financing for energy efficient, low emission appliances/devices and renewable energy generation facilities 2. Focused expansion into financing for green modes of mobility 3. Opening new branches at locations with green building certifications 4. Promoting Financial Inclusion by helping to bridge the gap in access to financial resources, particularly in underserved communities 	 Climate Action  Business Innovation, Responsible Marketing, Product & Service Design  Excellent Customer Experience, Support and Access  Financial Inclusion, Sustainable Finance and Financial Performance  Environmental Management

SDG	How AEON Credit contributes	Related initiatives	Linkage to our material sustainability matter
	Ensure sustainable consumption and production patterns <ol style="list-style-type: none"> Target 12.5: Substantially reduce waste generation Target 12.6: Encourage companies to adopt sustainable practices and sustainability reporting 	<ol style="list-style-type: none"> Internal initiatives in environmental management, including embracing circular economy principles Exercise continuous diligence to maintain certification in ISO 14001 (Environmental Management Systems) to embed responsible consumption and production 	 Environmental Management
	Take urgent action to combat climate change and its impacts <ol style="list-style-type: none"> Target 13.1: Strengthen resilience and adaptive capacity to climate related disasters Target 13.2: Integrate climate change measures into policies and planning Target 13.3: Build knowledge and capacity to meet climate change 	<ol style="list-style-type: none"> Conducted first Climate Risk Assessment and identified transition and physical risks associated with climate change Developed and put in place a Climate Action Framework and the associated 3-Year Implementation Roadmap with implementation teams due to be appointed Incorporating climate considerations into business activities Enhancing employees' sustainability knowledge, encompassing TCFD adoption Offer financial products for environmental friendly modes of mobility, clean energy, and energy-efficient solutions to support a low-carbon economy Invest in carbon management projects such as afforestation/ reforestation and renewable energy to reduce atmospheric carbon dioxide 	 Climate Action  Financial Inclusion, Sustainable Finance and Financial Performance  Environmental Management
	Conserve and sustainably use the oceans, seas and marine resources for sustainable development <ol style="list-style-type: none"> Target 14.5: Conserve coastal and marine areas 	<ol style="list-style-type: none"> Ongoing annual coastal area clean-up and waste collection initiatives 	 Climate Action  Environmental Management
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss <ol style="list-style-type: none"> Target 15.2: End deforestation and restore degraded forests Target 15.5: Protect biodiversity and natural habitats Target 15-A: Increase financial resources to conserve and sustainably use ecosystem and biodiversity 	<ol style="list-style-type: none"> Institution of afforestation programme On-going mangrove planting initiatives 	 Climate Action  Environmental Management

OUR APPROACH TO SUSTAINABILITY




SDG	How AEON Credit contributes	Related initiatives	Linkage to our material sustainability matter
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels <ol style="list-style-type: none"> Target 16.5: Substantially reduce corruption and bribery Target 16.6: Develop effective, accountable and transparent institutions Target 16-B: Promote and enforce non-discriminatory laws and policies 	<ol style="list-style-type: none"> Continuously strengthen cyber security stance and vigilance against cyber threats Upholding good governance Compliance to regulatory standards Maintaining high integrity standards and ethical business practices Uphold and protect human rights Strict zero tolerance of any form of discrimination Uphold diversity, equity and inclusivity within the workforce 	 Data Security, IT Infrastructure and Digital Transformation  Excellent Ethics, Governance, Risk Management and Compliance  Employee Benefits, Employee Engagement Programmes
	Strengthen the means of implementation and revitalize the global partnership for sustainable development <ol style="list-style-type: none"> Target 17.7: Encourage effective partnerships 	<ol style="list-style-type: none"> Proactive collaboration with regulatory authorities, industry peers and partners in community support and enrichment initiatives 	The management of our material sustainability matters brings to life SDG17 as it entails collaboration with relevant impacted parties and interested, like-minded partners to secure achievement of goals, effectiveness and speed of action

PROGRESS REPORT ON OUR 3-YEAR SUSTAINABILITY ROADMAP

We have made progress in executing our 3-Year Sustainability Roadmap (FYE2023 – FYE2026). Driven by our sustainability aspirations across the core components of Economy, Environment, Social and Governance as well as our support for the UN SDGs, our Sustainability Roadmap integrates sustainability initiatives across the Group's business activities.



ENVIRONMENT | Towards Carbon Neutral Business



Key Initiative: Reforestation Goal Set in FYE2023 <ol style="list-style-type: none"> Plant 10,000 trees Taskforce on Nature-related Financial Disclosures ("TNFD") reporting by FYE2030 	Current Progress in FYE2025 <ol style="list-style-type: none"> 10,000 trees planted across 20 hectares in Kinta Nature Park Completed Global Positioning System geotagging in Q3 FYE2025 Maintenance of trees on-going Future Plans Plan to conduct external assessment of carbon calculation methodology used to compute and validate carbon sequestered to quantify our carbon neutrality efforts	Overall Status   
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ENVIRONMENT | Towards Carbon Neutral Business



Key Initiative: Coastline Preservation Goal Set in FYE2023 <ol style="list-style-type: none"> Contribute to coastal clean-up through waste collection and recycling Inculcate environmental care through collaboration with local town councils, businesses and university students Mangrove planting for carbon sequestration and coastal area protection 	Current Progress in FYE2025 <ol style="list-style-type: none"> Conducted annual nationwide coastal clean-up that collected over 2.41 tonnes of waste Planted over 2,000 mangrove trees coastal areas in Terengganu and Penang Future Plans Continue coastal clean-up efforts and mangrove trees planting	Overall Status  
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Legend

 Completed
  Work in progress
  Yet to start/delayed

ENVIRONMENT | Towards Carbon Neutral Business



Key Initiative: Carbon Emission Reduction Goal Set in FYE2023 Reduce direct and indirect Greenhouse gas ("GHG") emissions by 40% by FYE2026 and achieve carbon neutrality by FYE2030	Current Progress in FYE2025 <ol style="list-style-type: none"> 1. Climate Action Framework and associated 3-Year Implementation Plan developed to support realisation of climate goals 2. Scope 1 and 2 emissions reduced by 25% 3. Started Scope 3 reporting for emissions from employee commuting and business travel Future Plans <ol style="list-style-type: none"> 1. Plan to conduct external assessment of carbon calculation methodology used to compute and validate carbon sequestered to quantify our carbon neutrality efforts 2. ESG Dashboard being developed for carbon accounting, targeted completion by Q2 FYE2026 	Overall Status
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ENVIRONMENT | Towards Carbon Neutral Business



Key Initiative: TCFD Adoption Goal Set in FYE2023 Full alignment to TCFD reporting by FYE2025	Current Progress in FYE2025 <ol style="list-style-type: none"> 1. TCFD gap and scenario analysis, and Implementation Roadmap tabled to the Board 2. Results of Climate Risk Assessment tabled to the Board 3. Climate-related disclosures aligned to TCFD requirements Future Plans <ol style="list-style-type: none"> 1. Further evaluate and understand the Group's climate-related risks 2. Adoption of IFRS S1 and S2 	Overall Status
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ECONOMIC | Market Leader for EV Financing



Key Initiative: <ol style="list-style-type: none"> 1. EV manufacturers collaboration 2. Mainstream EV Business 3. Employee Hybrid Electric Vehicle ("HEV") and Battery Electric Vehicles ("BEV") financing promotion Goal Set in FYE2023 Financing of low-emission electric vehicles and embedding this as an integral part of the Group's business with the goal of attaining market leadership	Current Progress in FYE2025 <ol style="list-style-type: none"> 1. SPTs mandates reducing environmental impact of transportation through financing of low-emission modes of mobility 2. Accommodative interest rates applicable for e-motorcycles financing 3. Introduced E-Bike Financing Scheme for employees Future Plans Intensify promotion of financing solutions for low-emission modes of mobility	Overall Status
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ECONOMIC | Financial Inclusion for Micro Enterprise



Key Initiative: <ol style="list-style-type: none"> 1. Micro Financing for Business 2. Financial Inclusivity 3. Entrepreneurs Financial Literacy Goal Set in FYE2023 SPTs focuses the Group to promoting and contributing to financial inclusion, for instance by lowering barriers to allow the underserved to access financing and embedding financial literacy especially to the less exposed and the younger population	Current Progress in FYE2025 <ol style="list-style-type: none"> 1. "Underserved customers" defined 2. 3-Year Financial Inclusion Roadmap developed to provide structure and clarity to execute financial inclusion efforts 3. 2 maiden financial literacy initiatives conducted in the form of Financial Savvy Programmes Future Plans <ol style="list-style-type: none"> 1. Customise products and services to effectively support low, medium, and high-income segments 2. Continue conducting financial literacy programmes and widen to include the Group's workforce 	Overall Status
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Legend

Completed
 Work in progress
 Yet to start/delayed

OUR APPROACH TO SUSTAINABILITY

ECONOMIC | Green Financing


Key Initiative:

Green Lending

Goal Set in FYE2023

Embed financing for green, low emission appliances/devices, modes of mobility and renewable energy facilities/system as an integral part of the Group's portfolio of products

Current Progress in FYE2025

Green financing products are available for financing of electric mobility, energy-efficient electrical appliances, and bicycles

Future Plans

Expand Green Financing solutions to include solar energy systems

Overall Status


ECONOMIC | Green Financing


Key Initiative:

Digital Volunteering

Goal Set in FYE2023

Leveraging digital platforms to secure market leadership

Current Progress in FYE2025

Introduced e-donation functionality to allow AEON Wallet users to convert AEON Points into cash donations towards charitable causes; the pilot beneficiary was Malaysian AEON Foundation ("MAF"). This functionality has an active user base who are aligned to causes that the Group also supports

Future Plans

1. Actively encourage customers' adoption of digital delivery channels to access products and services
2. Continuous and intense focus on security and data confidentiality to provide customers with peace of mind and confidence to use digital channels

Overall Status


ECONOMIC | Green Financing


Key Initiative:

Eco-friendly cards

Goal Set in FYE2023

Reduce environmental impact by using sustainable materials and promoting a greener, more responsible way to deliver our products and services

Current Progress in FYE2025

Introduced virtual card to offer an eco-friendly, digital payment mechanism. This reduces reliance on plastic cards and encourages customers to shift to greener habits

Future Plans

1. Continue to inculcate and encourage adoption virtual cards to reduce reliance on plastic to minimise environmental footprint
2. We are working towards issuing physical cards using eco-friendly materials, targeted to be launched in Q3 FYE2026

Overall Status


ECONOMIC | Green Financing


Key Initiative:

Green Borrowings

Goal Set in FYE2023

Link borrowings such as social loans/bonds or sustainability-linked loans ("SLLs") to sustainability goals, to further incentivise and drive towards carbon neutrality

Current Progress in FYE2025

Established a Sustainability-linked Loan Framework. Our SLLs are linked to the achievement of specific SPTs related to ESG criteria, including reducing carbon emissions

Future Plans

Actively explore new sustainability-based borrowing opportunities with our banking partners with a view to securing such borrowings where terms and conditions are appropriate and conducive

Overall Status

Legend

● Completed ● Work in progress ○ Yet to start/delayed

SOCIAL | ESG Education



Key Initiative: Digital Literacy Programmes Goal Set in FYE2023 Promote and widen digital literacy as part of the Group's Social Impact programme	Current Progress in FYE2025 1. Invested in MAF Smart Classroom project. Schools with Smart Classroom installed: FYE2024: 12 schools FYE2023: 40 schools 2. In FYE2025, focus turned to educational programmes through conduct of the Teacher's Workshop and Digital Green Student Challenge Programme Future Plans Enable online tuition classes leveraging Smart Classroom setup to improve education results for identified students	Overall Status
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SOCIAL | ESG Education



Key Initiative: Solar Panel Installations Goal Set in FYE2023 Support installation of solar panels to promote generation and use of renewable energy	Current Progress in FYE2025 Implementation yet to be commenced Future Plans To be determined	Overall Status
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SOCIAL | ESG Education



Key Initiative: Waste 3Rs Programme Goal Set in FYE2023 Promote and embed circular economy through sustainable waste management based on the 3Rs concept	Current Progress in FYE2025 Implementation yet to be commenced Future Plans To be determined	Overall Status
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SOCIAL | ESG Education



Key Initiative: Road Safety Awareness Goal Set in FYE2023 Raise and embed knowledge and awareness of road safety among school students	Current Progress in FYE2025 Conducted 3 initiatives in FYE2025 under the Road Safety Advocacy Programme with Motorcycle Manufacturers and Dealers Association: 1. Suzuki Road Safety Campaign 2024 at Hentian Sebelah Plaza Tol Sg Besi Arah Selatan (300 SIRIM certified adult safety helmets were distributed) 2. Safety Fiesta X Dewi Yamaha at Stadium Bola Sepak Kuala Lumpur (100 SIRIM certified adult safety helmets were distributed) 3. Suzuki Road Safety Campaign 2025 at Dataran Ilmu Bandar Baru Selayang (300 SIRIM certified adult safety helmets were distributed) Future Plans 1. Continue collaborations under Road Safety Advocacy Programme with Motorcycle Manufacturers and Dealers Association during Festive Seasons 2. Conduct Road Safety Advocacy with Dealers Association, Motorcycle Manufacturers and Road Transport Department (Road Safety Unit) in schools, tentatively scheduled for Q3 FYE2026 onwards	Overall Status
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Legend

Completed
 Work in progress
 Yet to start/delayed

OUR APPROACH TO SUSTAINABILITY

GOVERNANCE | Good ESG Governance



Key Initiative:

Board Commitments on Good ESG Governance

Goal Set in FYE2023

Stronger and more dedicated senior level involvement in sustainability management and governance

Current Progress in FYE2025

1. Enhanced Board Charter and Board of Directors' Terms of Reference to include oversight of climate-related matters
2. Continuing Board training on the climate-related aspects of sustainability to deepen knowledge and enhance decision making capabilities

Future Plans

1. Board training on Sustainability Standards: IFRS S1 and S2
2. Board learning and development will be a constant to further their sustainability-related competencies. This serves to enhance preparedness to address more complex sustainability considerations that will arise in the future, including more wide-ranging, complex sustainability and climate-related legislation

Overall Status



GOVERNANCE | Good ESG Governance



Key Initiative:

Management Commitment on Sustainability

Goal Set in FYE2023

Greater and more explicit more explicit management, in particular, senior management, attention and commitment on sustainability

Current Progress in FYE2025

Widened management's responsibilities to also cover management of climate-related issues, risks and opportunities, in addition to sustainability

Future Plans

Form a Climate Committee for dedicated focus on overseeing and implementing initiatives to realise sustainability and climate-related goals

Overall Status



GOVERNANCE | Good ESG Governance



Key Initiative:

Endorsement and Assurance

Goal Set in FYE2023

Third party assurance of sustainability reporting to enhance credibility and provide comfort to investors, lenders and the general public

Current Progress in FYE2025

Engagement of independent third party to provide external assurance over selected aspects of our Sustainability Statement which started in FYE2024 continued

Future Plans

Independent third-party assurance will be a continuing feature in our annual Sustainability Statement

Overall Status



Legend

● Completed ● Work in progress ○ Yet to start/delayed



PILLAR 1: CONDUCT AND TRUST

What this means to us

AEON Credit upholds integrity, transparency, and strong ethical standards in all business dealings. We ensure trust is built through transparent communication, consistent delivery of commitments, and maintain robust internal governance to comply with laws and regulations. Together, strong conduct and trust are fundamental to maintaining stakeholder confidence and ensuring long-term sustainability.

Stakeholders



Customers



Shareholders and Investors



Suppliers



Lenders/Financial Institutions



Government and Regulators



Employees



Rating Agencies

Material Matters



Excellent Ethics, Governance, Risk Management and Compliance



Data Security, IT Infrastructure and Digital Transformation



Business Innovation, Responsible Marketing, Product and Service Design



Transparency in Procurement Process

Key Indicators

- Complaints/cases reported
- Number and severity of disruptions to Business Critical Functions
- Number of awareness and training programmes
- Number and percentage against total of Anti-Bribery and Corruption Pledges and Integrity Declarations received from employees and business associates respectively
- Percentage of procurement directed to local suppliers
- Certifications

UN SDGs



Relevant BURSA Common Sustainability Matters

- Anti-Corruption
- Data Privacy and Security
- Supply Chain Management

Performance Summary

Anti-Bribery and Corruption Pledge



100%

employee pledges completed

47%

business associates' declaration completed

Whistleblowing



0

cases of bribery and corruption reported from whistleblowing channels

Procurement Process



94% of total procurement spent directed to local suppliers/vendors

Cybersecurity



RM7.65 million

invested for cyber security

PILLAR 1: CONDUCT AND TRUST

AEON Credit holds an enduring responsibility to uphold good governance and ethical conduct in our operations. Beyond regulatory compliance, we owe our stakeholders, in particular our customers, an obligation to properly discharge our fiduciary duties, justify their trust and safeguard their interests. Every member of our workforce is mandated to practice impeccable professionalism and act with utmost integrity in their discharging their responsibilities.



EXCELLENT ETHICS, GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE

Ethics, governance, risk management and compliance are fundamental requirements in the financial services industry to safeguard the interests of all financial services consumers and to secure the stability of the country's financial system. To reciprocate the trust placed on AEON Credit by our stakeholders and the Government, the Group is committed to always conduct ourselves with the highest standards of professionalism, integrity, responsibility and ethical conduct and always be fully compliant with our statutory obligations.

(i) AEON Foundational Ideals and Group Future Vision

All entities within AEON Co., Ltd. ("AEON Group") our ultimate holding company, subscribe to AEON Foundational Ideals and Group Future Vision, which are centred on peace, people and community, to guide their conduct of business.

AEON firmly believes that retailing is an industry to promote peace, humanity and local communities.

To remain a thriving corporate group that fulfils this mission, we are committed to continuous innovation, with customers as our starting point. AEON is committed to actively engaging in peace efforts, supporting human happiness and norms, and contributing to the prosperity of local communities. These ideals form the foundation of putting "customers as our starting point," which places the needs and preferences of our customers first and at the centre of our operations.

We always put our customers first and act with the highest standards of integrity, using this as a mirror to reflect ourselves and as the standard for every decision and action made by all AEON People (our workforce). Founded on AEON Foundational Ideals and their underlying values and philosophy, AEON Credit's Policy of Code of Ethics and Conduct ("Code") as approved by the Board, reflects the Group's collective identity and provides guidance for ethical practices and decision-making while also ensuring adherence to legal and regulatory standards to safeguard stakeholder interests.

The Code offers clear direction to Directors and employees in handling complex situations, emphasising what is considered acceptable behaviour. It cultivates a corporate culture focused on ethics, transparency, and accountability. By setting consistent standards, the Code enhances the Group's reputation and fosters trust from our stakeholders, in particular, customers, investors, regulators, and finance providers.

(ii) Anti-Bribery and Anti-Corruption

As a good corporate citizen it is incumbent on AEON Credit to stringently oppose and eradicate bribery and corruption. Accordingly the Group has zero-tolerance to all forms of bribery and corruption which can tarnish our good name and market reputation and cause irreparable damage to our value creation ability.

Compliance to the Group's Policy of Anti-Bribery and Corruption Management System ("ABCMS") is mandated on all employees, business associates and members of the Board of Directors to reinforce and preserve integrity across the Group and throughout our supply chain. The Board, supported by the management, exercises oversight over the management of anti-bribery and anti-corruption and enforcement of the associated requirements. Leading by example, they collectively inculcate and embed a culture of integrity across the Group and beyond encompassing business associates.

To secure early commitment, an Anti-Bribery and Corruption Pledge is mandatory and signed by all new employees upon onboarding to affirm their commitment to ethical conduct and compliance with the Group's anti-bribery and anti-corruption requirements. Along similar lines, business associates are required to sign an Integrity Declaration, further reinforced through due diligence processes to provide comfort of their adherence to anti-bribery and anti-corruption principles, upon commencement of our business relationship. During this financial year, the Anti-Bribery and Corruption Pledge and Integrity Declaration were revised to incorporate corruption following which resubmission of the declaration was required.

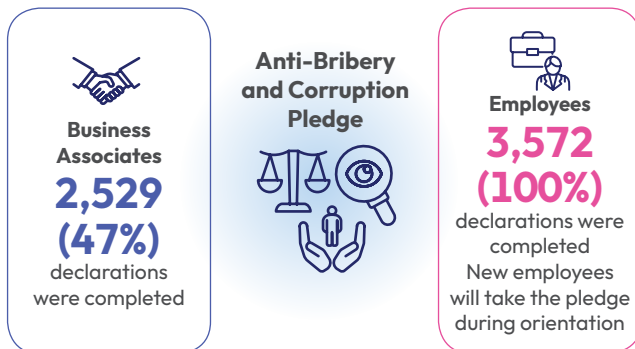
AEON Credit is certified in ISO 37001:2016 - Anti-Bribery Management Systems ("ABMS") which attests to the robustness of processes in place to prevent, detect and address incidents of bribery. The ABMS also facilitates compliance to the adequate procedures requirement under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

Independent internal and external assessments, performance monitoring reporting, are conducted to ensure ongoing compliance. In addition, we have formal whistleblowing mechanisms to facilitate reporting of instances of misconduct which serves to fortify constant vigilance.

The Business Process Department is functionally charged with the responsibility to reinforce the Group's integrity principles and to continuously strengthen the anti-bribery and anti-corruption culture. In FYE2025, the Business Process Department's principal activities include:

- 1 Conducting the online Anti-Bribery and Corruption Pledge and Integrity Declaration for internal and external stakeholders respectively.

For the FYE2025, all current employees have completed the Pledge, which was updated and enhanced to also cover anti-corruption, further strengthening our commitment to integrity.



- 2 Anti-Bribery and Corruption Risk Assessment to gain insights on better managing and addressing bribery and corruption risks;
- 3 Incorporating anti-bribery and anti-corruption-related measures into ABMS to enhance governance and risk mitigation;
- 4 Development of Key Risk Indicators for Anti-Bribery and Corruption Risk Assessment;
- 5 Facilitating the conduct of internal and external audits, including the ABMS surveillance audit;
- 6 Providing updates on anti-bribery and anti-corruption activities during the annual management review to the EC, BRC and Board;
- 7 Conducting training and awareness programmes to reinforce anti-bribery and anti-corruption principles and improve understanding of the Malaysia Anti-Corruption Commission Act 2009; and
- 8 Enhanced the Policy of ABCMS and conducting training to the Board on its implementation to ensure awareness of legal responsibilities and compliance obligations.

In line with AEON Credit's Policy of Code of Ethics and Conduct, no political contributions were made either directly or indirectly by the Group.

The Group also has in place a stringent Policy of Gift and Entertainment, this is further articulated in the Corporate Governance Overview Statement on pages 144 to 159.

Continuous improvement is an intrinsic part of effectively managing and addressing bribery and corruption risks. To this end, the following key priorities are in the pipeline for FYE2026:

- 1 Bank Negara Malaysia ("BNM") introduced implementation of anti-bribery and anti-corruption controls across the financial sector based on the Corporate Integrity System Malaysia's ("CISM") framework. Actions to comply to CISM requirements, moving forward, include:
 - to appoint an Integrity Officer to lead anti-bribery and anti-corruption matters;
 - enhance Policy of ABCMS to incorporate required information such as anti-bribery and anti-corruption controls on public officials and facilitation fee; and
 - further improving training and awareness programmes to reflect changes in the business, legislative and regulatory environments.

AEON Credit's ABCMS which has been approved by the Board and communicated to all employees, business associates and stakeholders, is available on the Company's website under the Corporate Governance section at:

 <https://aeoncredit.com.my/about-us/corporate-governance/anti-bribery-policy/>

or scan the QR code below:



PILLAR 1: CONDUCT AND TRUST

(iii) Anti-Money Laundering (“AML”)

As a non-bank financial services provider, it is mandatory and imperative for the Group to strictly comply to the provisions of Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLTFPUAA”). In this regard, the Group is guided by its Policy of Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Financial Institutions (“AML/CFT/CPF and TFS for FIs”) which is reviewed at least annually or as and when there are legislative amendments.

The Board, supported by the BRC, exercises oversight over management and compliance to this critical legal mandate to ensure tight and constant monitoring and expeditious and accurate reporting. The Group has established formal control processes and systems to support the identification, monitoring, management and mitigation of associated risks across customers’ lifecycles.

The Group through our many years of operation, has amassed detailed knowledge of our customer segments and their risk profiles which in turn, informs the conduct of our customer due diligence processes. An Enhanced Due Diligence (“EDD”) is conducted for high risk customers who also require approval from the Senior Management, or above, prior to establishment or continuation of business relationships.

A critical part of our customer due diligence is name screening in which names of individuals or entities are checked against various global databases, such as sanction lists, watchlists, lists of Politically Exposed Persons (“PEP”) and media reports – this assures that prospective customers are of good repute and integrity and free from legal sanctions.

Training is regularly conducted for the workforce to reinforce understanding and compliance to AMLTFPUAA. New recruits are trained as part of the onboarding process and across their employment lifecycle. In addition, the workforce is required to complete an AML e-learning annually. The Board and Management members are similarly trained upon onboarding and provided with annual refresher training.

In the course of FYE2025, the Group conducted the following key activities in relation to AML:

- 1 Completed an Institutional Risk Assessment with external consultants to assess internal AML compliance controls; and
- 2 Conducted training and sharing sessions for the workforce, Management, and Board, to keep them abreast of the latest AML regulations and legislative requirements.



Moving forward, future priorities in relation to anti-money laundering are:

- 1 Successfully complete the implementation of the new AML System;
- 2 Revise AML-related policies and procedures based on latest amendments to BNM’s Anti-Money Laundering Policy Document; and
- 3 Update internal training materials according to the latest amendments to AMLTFPUAA, if necessary.

AEON Credit’s AML/CFT/CPF and TFS for FIs Policy which has been approved by the Board and communicated to all employees, business associates and stakeholders, is available on the Company’s website under the Corporate Governance section at:

 <https://aeoncredit.com.my/about-us/corporate-governance/anti-money-laundering/>

or scan the QR code below:



(iv) Compliance

Across the Group all relevant governance bodies exercise constant vigilance to ensure compliance in their respective sphere of responsibility given that the Group's operations are subject to multiple statutes and overseen by a range of regulators. All responsible parties ensure risks attendant to their respective operations are identified, appropriately managed and mitigated to ensure resilience in the Group's value generation capacity. These governance bodies report compliance matters to the BRC who also keeps the Board informed and updated. This chain of command facilitates expeditious action along with required authority/sanction to execute needed interventions, urgently, when required.

The Board has approved a Compliance Framework to govern processes that drive compliance across the Group's business and operations. Further reinforcing this Framework, a Monthly Compliance Meeting has been initiated with Senior Management (comprising the MD and Division Heads) to share compliance related updates and issues. To ensure continuous compliance, the Compliance and Risk Management Departments collaborate with business units to monitor and manage compliance risks through risk-based periodic reviews of related policies and internal controls. Constant reinforcement in the workforce is facilitated through regular training and awareness programmes.

(v) Whistleblowing

Whistleblowing is an integral part of the Group's good governance practices to encourage reporting of valid cases of improper conduct. A Whistleblowing Policy ("WP") is in place to govern processes related to disclosures of any wrongdoing and risky or unethical behaviour within the Group. A wide range whistleblowing channels have been implemented to provide secure and reliable access for employees, suppliers and vendors to raise concerns. The Group affords whistleblowers the requisite protection, in accordance with the Whistleblower Protection Act 2010, including confidentiality (to the extent reasonably practicable) and protection against retaliation and detrimental actions.

All reports are confidentially investigated with the necessary whistleblower safeguards and protection in place. Appropriate action will be taken where investigations prove the veracity of the whistleblower complaint. Whistleblowers are kept informed of the outcome of the investigation testifying to AEON Credit commitment to transparency.

In FYE2025, 23 reports were received through our whistleblowing channels, all of which were investigated and satisfactorily brought to proper closure. In all 23 cases, a no bribery or corruption was noted.

Our WP and information on whistle-blowing channels is accessible from our Company's website at:

 <https://aeoncredit.com.my/about-us/corporate-governance/whistle-blowing-policy/>

or scan the QR code below:



DATA SECURITY, IT INFRASTRUCTURE AND DIGITAL TRANSFORMATION

IT-enabled services are now pivotal to attract new customers and retain existing ones and has acquired a central place in the Group's strategic plans. Our Digital Transformation has gradually widened and deepened digitalisation across the Group, delivering capabilities of increasing complexity and sophistication and has now moved into the domain of AI.

(i) Business Continuity Management and Cyber Security

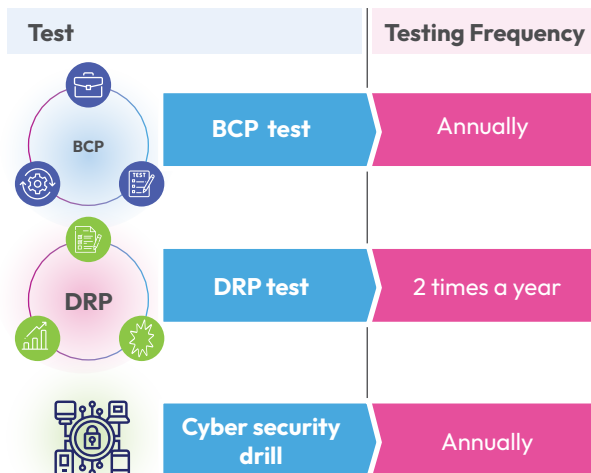
Digitalisation is accompanied by a set of associated responsibilities and customer obligations, including constant, uninterrupted availability, secure transacting capabilities, data privacy and confidentiality as well as cyber security. This set of responsibilities are also demanded by the regulatory authorities to maintain confidence in the financial system and ensure that customers are always protected.

The Group has in place the requisite IT infrastructure needed to provide reasonable assurance of availability for continuous service provisioning. This is backed by business continuity management infrastructure, systems and processes to ensure the Group is in a state of constant preparedness to address any service disruptions. Guidance for execution of the necessary interventions are documented in following comprehensive plans, in compliance with BNM requirements:



PILLAR 1: CONDUCT AND TRUST

These plans are kept current to take account of changes in our operating environment as well as new and emerging threats. The plans are also subjected to a testing regime that meets with BNM's minimum requirement of, at least, annual testing.



The testing regime includes, simulations based on hypothetical but realistic scenarios and tests designed assess the ability and adequacy of our business continuity infrastructure, systems and processes to respond to and mitigate risks and expeditiously recover and resume operations of our Critical Business Functions ("CBF") from disruptions caused by eventuation of these risks.

To support speedy recovery, the Group has a dedicated back-up site with all requisite infrastructure and services for back-up operations. Observations surfaced during testing, in particular weaknesses and areas of improvement are acted on and rectified to further strengthen operational resilience and heighten preparedness so as to ensure business continuity.

In the year under review, a BCP test was successfully conducted on 22 November 2024 to test the infrastructure of the newly renovated offices in the Bangsar South Headquarters as well as activation of the alternate Chief of Crisis Management in the absence of MD. The testing noted that the business continuity management infrastructure, systems and processes were adequate and operating as intended to support operational availability of CBFs and uninterrupted service provisioning. Learnings and observations were documented, and all required rectifications were expeditiously carried out.

(ii) Cyber Security

The prevalence of electronic transactions demands that the Group's infrastructure and applications be protected from malicious activities from cyber criminals which have become increasingly sophisticated in their methods and range of cyber threats. Accordingly, we place a strong focus on continuously strengthening our cyber security capabilities and keeping them up to date so that our fortifications against cyber threats are constantly strong and in a state of preparedness.

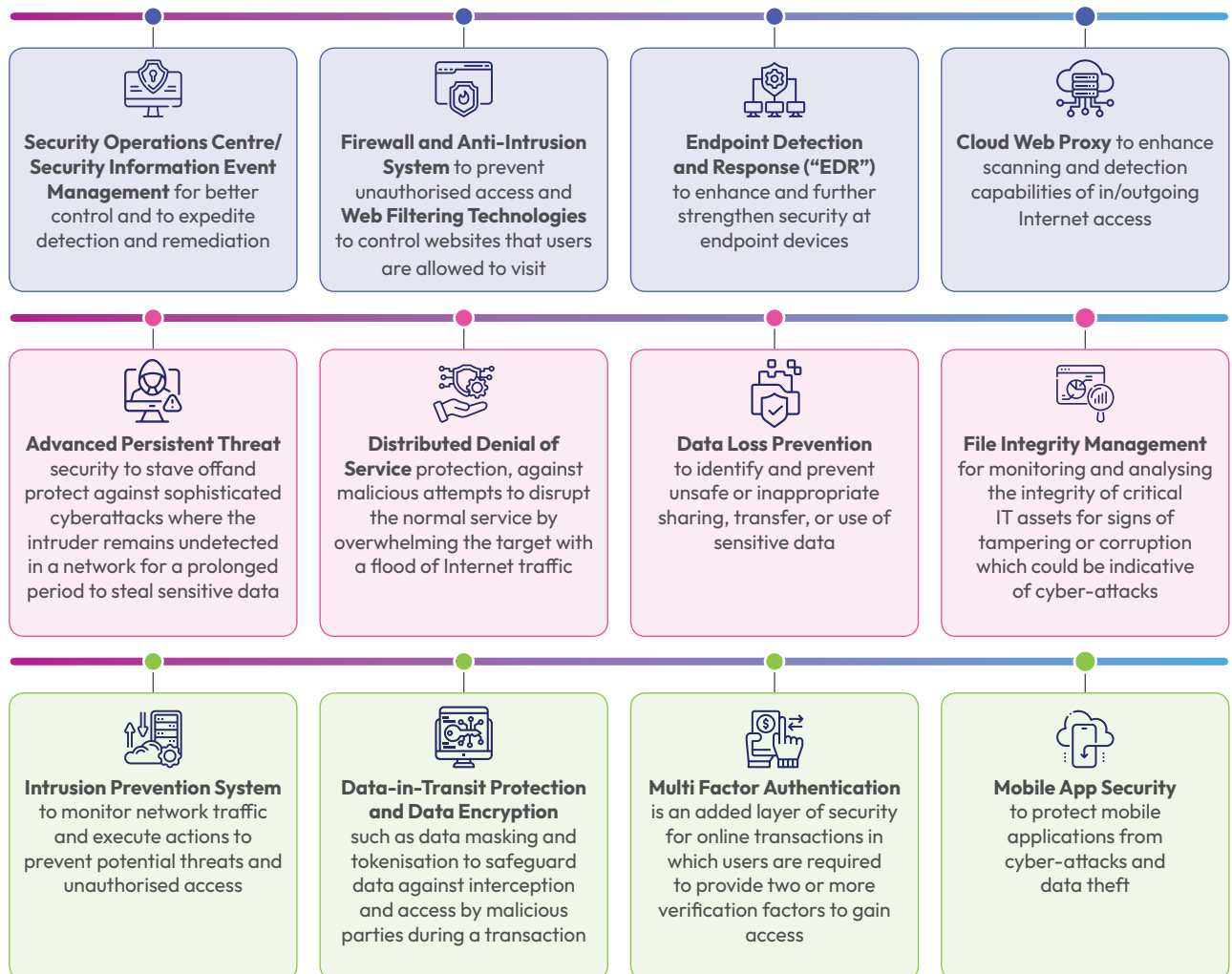
A governance structure through which cyber incidents are escalated has been established. Validated incidents of high severity are ultimately escalated to the Crisis Management team, Head of IT and Chief Information Security Officer, as well, relevant regulatory authorities are also notified. A Cyber Incidents Response Plan ("CIRP") is in place along with the underlying processes, as mandated by BNM, to guide responses to cyber incidents and support the expeditious recovery and resumption of operations from cyber incidents.

In compliance to BNM requirements, we successfully conducted our annual Cyber Drill on 22 November 2024 which provided assurance of the continuing efficacy, adequacy and resilience of our cyber security processes and systems. Weaknesses and areas of improvement arising were rectified and remediated expeditiously to secure the continuing effectiveness of AEON Credit's cyber security stance.

A 3-Year IT Security Plan covering all aspects of IT security, including cyber security has been developed and is under implementation. The Plan outlines expected investments to continuously keep the Group's IT security capabilities current and adequately prepared to counter and respond to malicious attacks. A total of RM7.65 million has been invested on cyber security in FYE2025.



The Group's current range of cyber security tools and systems include:



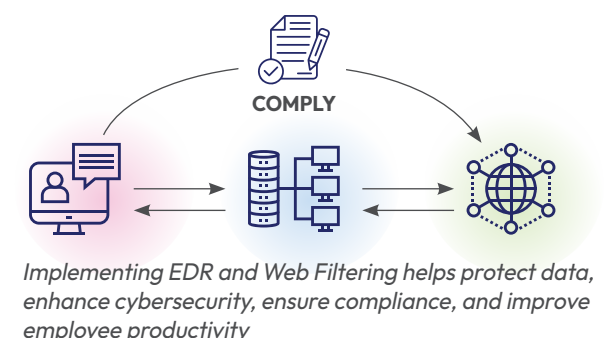
The Group will continue to make cyber security and IT security-related investments as we continue to digitalise our operations and expand on the range of online services we provide to our customers. This is in keeping with our intention to give our customers peace of mind when dealing with the Group and also to protect our assets against the constantly evolving and increasingly sophisticated methods of cyber criminals.

Cyber security e-Learning is conducted for all staff yearly to update their knowledge, reinforce constant diligence and vigilance and also to promote a culture of risk-awareness. New requirements arising from the Personal Data Protection (Amendment) Act 2024 will be incorporated into future training.

AEON Credit believes cyber security is only effective when both the Group and our customers are equally vigilant and diligent in keeping ourselves protected and secure in the virtual world. We believe we have a responsibility, which we take seriously, to also educate our customers to practice self-protection so that they can transact online with peace of mind knowing that they are secure and protected.

To this end, the Group constantly issues communications to our customers on good practices and responsible behaviours to better protect themselves, updated information is provided on new and emerging threats. Aside from minimising and heading off potential losses on the part of our customers, the communications aim to develop a culture of constant diligence and awareness among our customers.

There was no reported incident of cyber-attack in FYE2025 nor were there any customer complaints in relation to data breaches.



PILLAR 1: CONDUCT AND TRUST

(iii) Customer Data Protection

The proper safeguard and protection of customer data is a statutory responsibility placed on the Group under the PDPA. The Personal Data Protection (Amendment) Act 2024 received royal assent in October 2024 will come into force across the first half of 2025. The Group will implement all necessary compliance actions as needed where our operations are impacted by the amendments. The Group's Personal Data Security Policy is developed to govern and guide processing, handling and management of the Group's personal data.

The Personal Data Security Policy is accessible at:

 <https://myaeoncredit.com.my/privacy-policy/>

or scan the QR code below:



The Policy will be updated to reflect the PDPA (Amendment) Act 2024 once revision concerned receives the Board's approval. In addition, we are also bound by the secrecy provisions under the Financial Services Act (2013) in relation to customer data.

All necessary controls and attendant processes are in place to guide the Group's data management processes including for customer data. The Group is certified in ISO 27001:2022 Information Security Management Systems ("ISMS") which validates the efficacy of the structured processes in place to safeguard information and data security.



BUSINESS INNOVATION, RESPONSIBLE MARKETING, PRODUCT AND SERVICE DESIGN

The Malaysian financial services industry is constantly evolving to address the challenges imposed by margin pressures, intense competition and, increasingly, a change in customer sentiments towards sustainability-inclined and environmentally-friendly products and services. It is therefore, incumbent for the Group to innovate in order to differentiate and build capabilities to effectively compete against industry players that are larger and possess greater depth of resources.

(i) Responsible Marketing

As the Group innovates, we consistently prioritise the AEON Foundational Ideals of placing our customers at the forefront of our efforts. In developing new and innovative products and services to better meet our customers' needs, we strive to ensure that our products are suitable for their intended use and tailored to align with the specific financial capacities of the different customer segments in our target market.

The Group's significant wealth of customer information has provided us with an intimate understanding of our customers' needs as well as their capacities and circumstances. The Group leverages this information to identify and offer products and services appropriate to different customer segments thus ensuring that our marketing campaigns have greater effectiveness and are framed in a responsible manner.

Our marketing materials do not bear any sensitive or misleading information in keeping with regulatory mandates. Business Units in charge check with relevant internal functions, Legal, Risk Management, Compliance and Corporate Communication to ensure adherence to all relevant regulations and industry prudential standards, in particular, care is taken to ensure that relevant terms and conditions associated with the products and services are clearly communicated.

In addition, where circumstances demand, the Business Units will seek the external legal advice on the mechanics underlying products and services to ensure compliance to legal requirements. In marketing to prospective customers, our personnel are required to provide full transparency of the relevant products' and services' terms and conditions and relay full information to facilitate prospects in reaching informed decisions.

Our customers have a right to equitable and fair treatment especially given that they may lack sophistication in their grasp of financial terms, the precise workings of our products and services and the associated implications. The Group has developed a Policy of Fair Treatment of Financial Consumers ("FTFC Policy") and a Treat Customers Fairly Charter ("Charter") which explicitly expresses our commitment to uphold the highest standards in interactions to ensure that every financial consumer receives fair, transparent, and respectful treatment. The FTFC Policy and Charter also embody our compliance to BNM's Policy Document on Fair Treatment of Financial Consumers across all aspects of our operations.

We are committed to uphold the professionalism of the Malaysian financial services industry and profoundly understand that fair treatment of our customers and transparency in dealings is a significant contributor to building and maintaining a high level of professionalism. The Group is taking direct ownership and intends to work alongside our industry peers in raising the bar and create the required impact.

In the year under review there is no reported complaint in relation to marketing nor was there any fine related to marketing information/content.



TRANSPARENCY IN PROCUREMENT PROCESS

The Group exercises strict oversight and governance over procurement processes to ensure transparency and fair treatment for our suppliers and vendors as well as to protect our interests. A variety of controls are in place to ensure integrity in procurement and safeguard against any misconduct. These controls are constantly reviewed for continuous improvement and audited to provide comfort of adequacy and effective operation.

(i) Procurement Governance

Our procurement processes are governed and guided by the Group's Policy of Purchasing which mandates the overarching principles of openness and transparency as well as professionalism and ethical conduct. We manage our procurement in line with best practices keeping the Group's interests centre stage to ensure we extract maximum value from each procurement.

Before being formally accepted by the Group, all suppliers and vendors are pre-qualified through a series of due diligence processes covering:

- 1 Human Resource checks to identify and eliminate any conflict of interest that may arise from the involvement of family members and relatives of members of our workforce;
- 2 Credit Bureau Malaysia and credit rating checks to assess individual/company creditworthiness; and
- 3 Anti-bribery and Malaysian Anti-Corruption Commission ("MACC") checks to ensure that suppliers and vendors are free from bribery/corruption offences and are not listed on MACC's blacklist.

Suppliers and vendors must sign an Integrity Declaration to attest to their adherence to anti-bribery and anti-corruption principles and meet the Group's stringent expectations of integrity and ethical conduct.

The Group adopts a two-tier procurement governance approach. Procurements valued at RM1 million and above are subject to an open tender while those below this threshold require quotations from 3 different vendors/suppliers. This approach facilitates operational efficiency and speed while preserving governance. All tenders must be reviewed and approved by our Tender Committee to ensure transparent and fair tender evaluation. Additionally, all confidential information both internal and external related to the procurement must be strictly protected and only used for the purpose for which it was provided.

All suppliers and vendors are subjected to an annual assessment to evaluate their performance, this serves to keep them on their toes and continuously improve and meet the Group's expectations.

Vendors rated as "poor" in the assessment are subject to blacklisting if the required rectification(s) or remediation(s) is not instituted in a timely manner to the satisfaction of AEON Credit. Continued blacklisting can result in exclusion from future tenders.

In FYE2026, sustainability considerations will be incorporated in the Group's annual supplier and vendor assessments. In this regard, we are currently working on developing our next 3-Year Sustainability Roadmap and supply chain strategy is part of our climate action plan to support decarbonisation efforts.

We will assess our suppliers and vendors according to social and environmental criteria to ensure that vendors align with the Group's sustainability aspirations and ethical business practices which will contribute directly to greater sustainability and resilience across our supply chain and support better informed decisions.

The Purchasing Policy is accessible at:

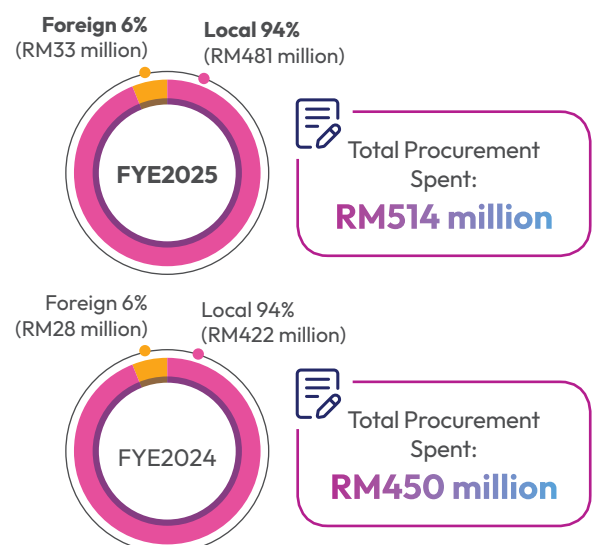
 <https://aeoncredit.com.my/about-us/corporate-governance/procurement-policy/>

or scan the QR code below:



(ii) Proportion of Local Procurement

To deliver on the Group's responsibility to contribute to the sustained growth of the Malaysian economy, the Group has a commitment to prioritise local vendors and suppliers. In FYE2025, and over the past 3 years, procurement spend directed to local suppliers and vendors remained constant at 94% of total procurement. Relevant procurement statistics are presented in the diagram below.



Suppliers and vendors can contribute to reducing our carbon emissions, particularly through reduction of emissions associated with procured goods and services, we will endeavour to exert influence through our procurement relationship with our supply base to encourage emissions reduction.



PILLAR 2: CUSTOMER EXPERIENCE

What this means to us

AEON Credit recognises that customers are fundamental to our long-term value creation. Guided by the AEON Group's "Customer First" philosophy, we embed customer focus across our strategies and operations. We are committed to delivering a positive customer experience that goes beyond expectations, as we believe excellence in customer experience drives loyalty, retention, and sustainable business growth.

Stakeholders



Customers



Shareholders and Investors



Employees



Government and Regulators



Merchants and Business Partners

Key Indicators

- Frequency and effectiveness of customer service programmes
- Sales channel diversity and effectiveness
- Customer Survey scores
- Number of complaints and resolution time by channel
- Sustainable marketing and brand perception

Material Matters



Business Innovation, Responsible Marketing, Product and Service Design



Excellent Customer Experience, Support and Access

UN SDGs



Relevant BURSA Common Sustainability Matter(s)

- Customer Relationship Management

Performance Summary



Personal Financing Credit Processing Turnaround Time

reduced time from **3 days to 52 minutes**



Launched **3 flagship branches**



Google Review

improved rating from **4.5 stars** in FYE2024 to **4.7 stars** in FYE2025



Launched new **AEON Virtual Credit Card**

reducing the use of plastic card



Launch of Revamped Corporate and New Consumer Websites



Customer Satisfaction Survey

rose by **17.98%** to **96.08%**



Mystery Shopper Programme for Branch Operations

average score increased by **3.23%** to **90.33%**



Net Promoter Score

improved from **+30** in FYE2024 to **+41** in FYE2025



Customer Complaints

improved from **62** in FYE2024 to **50** in FYE2025



Productivity and Conversion Rate

enhanced telemarketing strategy improved productivity resulting in an increase in conversion rate from **34.33%** in FYE2024 to **41.47%** in FYE2025

AEON Credit has a relentless focus on continually enriching our customers' experience and aim to leave pleasant lasting impressions in all our customer interactions across all customer touchpoints so as to build and reinforce customer loyalty. Our customers are the Group's principal source of revenue on which we depend for prosperity, continuing growth and resilience. Accordingly, across all our operations, in all that we do, we bring to life AEON's "Customer First" philosophy.



EXCELLENT CUSTOMER EXPERIENCE, SUPPORT AND ACCESS

The Group predominantly operates in the retail financial services segment where customer churn is prevalent and represents a constant concern. Like all financial services players, the Group places intense focus on retaining our valued customers and attracting new ones. In this regard, excellence in customer experience, support and access are critical differentiating factors to build and reinforce.

(i) Service Convenience and Customer Feedback

The Group has made great strides in enhancing customer convenience over the years. Driven by our Digital Transformation Programme customer channels has widened to include virtual channels, affording greater convenience through 24x7, anytime, anywhere availability and accessibility. Adding to these conveniences, service features in our virtual channels are continuously enhanced in keeping with prevailing trends and customer preferences, for instance the AEON Wallet, in a single app, provides the convenience of cashless payment through linkage with AEON Credit Card and AEON Member Plus Visa Prepaid Card. It also eases the top-up, collection, and redemption of reward points as well as the viewing of transaction history and, repayment amongst other value-add features.

To further enhance customer convenience, members of the entire AEON Group in Malaysia, including household names such as AEON CO. (M) Bhd., AEON BiG (M) Sdn. Bhd., amongst others, are collaborating to bring to the market the AEON Living Zone - an integrated ecosystem offering customers one-stop access to all Group products and services,

in the near future. AEON Living Zone will significantly enhance convenience for customers of AEON Group entities enabling them to buy and pay for goods and services via a single consolidated touchpoint. For respective entities, the Living Zone affords access to a larger pool of captive customers to leverage for revenue growth.

A variety of improvements have also been instituted as the Group continuously enhance processes and systems to bring our customer greater convenience, in FYE2025 these include:

- 1 AEON Wallet upgrade with a refreshed interface that simplifies processes for payments, rewards management and accessing financial products;
- 2 Integration of digital onboarding into AEON Wallet reducing turnaround time to just 52 minutes from 3 days previously accompanying improvements include pre-assessment, e-mandate, e-signature, e-storage, and use of scoring models;
- 3 A new AEON Virtual Credit Card designed with enhanced security for online transactions in which customers are provided with a unique card number distinct from their physical card;
- 4 3 flagship branches were launched in July, August 2024 and December 2024. These new branches have a distinctive contemporary design with features that enhance customer comfort and convenience in addition to supporting the Group's sustainability commitments recyclable material and energy-efficient appliances are used; and
- 5 An enhanced AEON Group-wide loyalty programme featuring a unified membership and points system designed to reward customers for their continued loyalty, while enhancing and delivering a seamless, integrated shopping experience across all participating entities.

In response to the growing prevalence and preference for online and cashless transactions, the Group maintains a strong focus on enhancing online security to provide our customers with peace of mind and the comfort of knowing that their interests are safeguarded. Customer protection and cyber defence fortification measures are constantly implemented and upgraded. A summary of key protection systems and tools deployed is presented in the sub-section Cyber Security - Pillar 1: Conduct And Trust.



PILLAR 2: CUSTOMER EXPERIENCE

We launched the Revamped Corporate and New Consumer Websites in March 2024, designed to facilitate ease of access to and present key corporate information, financial reports, governance details, press releases, and career opportunities. Meanwhile, a new consumer website has also been introduced which optimises user experience, providing a more informative and seamless journey for consumers seeking products, services, and customer support.

The Group has in place a variety of touchpoints, both physical and virtual to facilitate ease of access to products and services. All our physical touchpoints are staffed by experienced customer service representatives appropriately trained to interact with and assist customers. We solicit customer feedback as a matter of course to obtain frank and objective feedback which we use diligently as an integral part of continuous improvement to continually raise the bar on customer service as well as to improve our products and services.

All complaint feedback is acknowledged within 3 days. Case resolution is to be completed within 10 days. Upon identification of the complaints' root cause(s), appropriate corrective actions will be taken to expedite the required remediation and prevent future recurrence.

Where the root cause relates to communication lapses or deficiencies in product information/processes, retraining and briefing will be conducted to avert recurrence. The number of customer complaints received have decreased from 105 in FYE2023 to 62 in FYE2024, and further to 50 in FYE2025 indicative of continuous improvement in customer experience.

We supplement direct customer feedback with the following tools to better understand customer sentiments and identify areas of improvement:



Google Reviews received from customers - the overall star ratings and customer comments on Google provide a quick view of customer satisfaction. Analysing these help identify strengths that can leveraged on and areas for improvement.

In FYE2024, AEON Credit branches generally received positive feedback with the average Google Rating across 60 branches being around 4.5 stars. In FYE2025, the Google Rating for our network of 57 branches saw a slight improvement to 4.7 stars. Feedback remained largely positive, with several improvement opportunities. Our digital transformation has been crucial to garnering greater support from our customers.



Customer Satisfaction Survey serves as a crucial indicator of the quality of our customer service. These surveys help us gauge how well we are meeting our customers' expectations facilitating us in identifying areas for improvement. Overall, there has been a noticeable improvement in customer feedback from FYE2024 to FYE2025.

Total number of customer submissions rose by 17.35%, indicating higher engagement. Most categories saw improved ratings, with the most significant improvement in "Likelihood of Customer Referral" which rose to 96.08% up from FYE2024's 81.44%, indicative of enhanced customer satisfaction leading to a higher likelihood of customers recommending our services.



Mystery Shopper Programme which involves evaluating customer service, efficiency, and staff knowledge at branches. The feedback gathered helps improve service quality, overall customer satisfaction and staff training. The mystery shopper evaluations in FYE2025 showed an overall improvement in service standards across all branches. The average score increased from 87.50% in FYE2024 to 90.33% in FYE2025.

Key rating improvements were in:

- Reception and Staff Service Quality which increased by 4.83%; and
- Counter Officer's Product Skills and Compliance which rose by 6.87%.

Branch presentation remained consistently high, while the closing and follow-up process saw a modest improvement. Overall, the results indicate positive progress in service quality, with notable gains in key areas.

As we celebrate the improved score, we maintain a laser-sharp focus on continuous improvement. The FYE2025 programme, surfaced several gaps in our service delivery. To address these issues, we have conducted comprehensive refresher training sessions for impacted staff to enhance their skills and ensure a consistent, high-quality customer experience.

(ii) Customer Service Focus




The Group is certified in ISO 9001:2015 Quality Management Systems which affirms the robustness of the customer service process in place and that they are in keeping with generally acknowledged best practices. Successful recertification by an independent third party took place in FYE2025, this will remain valid for 3 years with an annual surveillance audit mandated during this period. We successfully concluded a recertification audit in December 2024.

Our customer-facing employees give customers their first impressions of the Group. Hence, we spare no efforts to ensure that our customer service representatives are properly trained, groomed and developed to be good ambassadors for the Group reflecting our core values and bearing high standards of professionalism. Customer service programmes are a crucial part of inducting newly recruited frontliners and continuously developing the incumbents.

In FYE2025, the following initiatives were conducted as part of the Group's continuous efforts to embed and reinforce customer service excellence throughout the organisation;

- 1 Net Promoter Score ("NPS") to measure overall customer satisfaction of our services. The current NPS is +41 compared to +30 as of February 2024 marking a significant improvement in customer satisfaction and implying greater customer loyalty
- 2 #1 in Customer Service - Service Success Journey Programme to emphasise good practices in the behavioural aspects of customer service excellence
- 3 Customer Experience Journey for all staff of Central Region aimed at improving customer service skills, inculcating positive attitude in delivering customer service
- 4 Excellence Award Programme for both Customer and Merchant Ambassadors (WoW Compliment). This Programme, motivates customer service excellence by recognising our AEON Ambassadors who received compliments from customers for services rendered and serves to embed and reinforce a mindset of responsiveness in internal and external customer interactions
- 5 Mandatory customer management, customer service and soft skills training for new recruits in frontline roles.

Recognition for customer service excellence, which has proven effective to motivate customer service personnel, continued in FYE2025. The number of Gold Award winners continues to be on the uptrend in FYE2025 validating the strong customer service capabilities the Group has developed within our customer service representatives. This affirms that we have competent and capable ambassadors on the frontlines to ably represent the Group and leave pleasant lasting impressions.

Customer Service Ambassador Programme			
		FYE2025	FYE2024
	Gold Award Achievers	113	103
	Silver Award Achievers	283	336
	Bronze Award Achievers	387	439

Our relentless focus on customer service excellence mandates a programme of continuous improvement to ensure our front-liners are well-trained and competent to provide the quality service our customers deserve. In FYE2025, initiatives in this direction were:



Customer Service Training

Conducted 40 Customer Service Training sessions for staff nationwide to uplift and enhance product knowledge, systems familiarity and maintain high levels of customer service. The training's objective was to ensure continuous improvement in customer interactions fostering consistency and efficiency and to embed a customer-centric culture where employees deliver exceptional service, leading to higher customer satisfaction.



Knowledge Sharing via Weekly Highlights and Awareness Email

Weekly updates on customer service and operations shared across branches to highlight best practices and address common issues.



Customer Service and Operations E-Learning

Implementation of online assessment to continuously evaluate and improve employees' knowledge and skills in customer service and operations.

PILLAR 2: CUSTOMER EXPERIENCE



BUSINESS INNOVATION, RESPONSIBLE MARKETING, PRODUCT AND SERVICE DESIGN

Innovation is widely accepted as an effective way of differentiating. Innovation played an integral role in many organisations reinforcing market leadership and developing lasting competitive barriers. The Group places an intense focus on innovation throughout our operations to continually develop our competitive strengths and turn them into compelling competitive advantages.

Beyond being a competitive necessity, innovation is a survival imperative for the Group. It has been key to the Group's continued growth, resilience, and ability to record sustained positive results through our many years of operations. The many changes that the Group has instituted to respond successfully to wide-ranging challenges for instance, the Covid-19 pandemic, changing customer demographics and changes in the regulatory environment, attests to the Group's innovative spirit. In FYE2025, innovation was brought to life across our operations in the form of:

- 1 Continued expansion and enhancements to our range of products and services, AEON Living Zone, AEON Wallet and the AEON Virtual Credit Card articulated above being prime examples, notably these new products leverage virtual delivery channels which expedite delivery of feature and functionality enhancements and service and support;
- 2 Enhanced telemarketing strategy which drove improved productivity and a higher conversion rate of 41.47% in FYE2025, compared to 34.33% in FYE2024;
- 3 Operational efficiency measures, for instance our new Loan Origination System deepens automation with enhanced functionalities and integrates with an Optical Character Recognition ("OCR") solution to reduce manual dependency, facilitating seamless loan processing yielding improved turnaround time and better fraud detection;
- 4 Leverage of AI in credit scoring models leading to greater accuracy in credit appraisals and, impressively, also improving turnaround times, resulting in an enhanced customer experience;

- 5 Expansion of digital onboarding including through electronic Know Your Customer ("e-KYC") automating this critical process which is time-consuming when performed manually, has improved turnaround times and customer experience; and

- 6 Expanded application of analytics:

- has allowed greater leverage of our wealth of customer information for multiple purposes, as an example, we continually improve customer segmentation to identify cross-selling opportunities and enhance cross-selling rates
- to facilitate development of credit scoring models, leveraging on latest AI tools to improve default prediction accuracy and enhance the acquisition strategy for target customer segments
- to support risk management, robust and dynamic analytics is key to our risk-based collection approach, which focuses collection efforts based on customers' risk levels

The Group has achieved significant results from innovation and will continue to actively promote and nurture the spirit of innovation to help us continuously develop value creating ideas that will fortify our competitive strengths.

As we innovate in our product and service offerings, responsible features, terms and conditions takes centre stage to protect our customers' interests and ensure that dealings with them are ethical, fair and equitable. The Group recognises that the experience we give to our customers hinges significantly on the integrity with which our products and services are marketed and the care that goes into the design of their features. The Group diligently invests effort to design fit-for-purpose products and services that are aligned with our customers' financial needs and their financial capacity.



PILLAR 3: DIGITAL PRODUCT AND SERVICE TRANSFORMATION

What this means to us

AEON Credit acknowledges the role of digital transformation as a catalyst for innovation and competitiveness in the financial services industry. Through our ongoing Digital Transformation programme, we continue to digitalise operations and enhance product and service offerings to meet evolving customer expectations. This initiative has improved operational efficiency, optimised back-office processes, and enabled the delivery of greater value to our customers, reinforcing our position in a rapidly advancing digital landscape.

Stakeholders



Customers



Shareholders and Investors



Merchants and Business Partners



Lenders and Financial Institutions



Government and Regulators



Employees



Rating Agencies

Key Indicators

- Customer base growth
- Number of new products and services and their market acceptance, including for Sustainable Finance
- Number of new channels and new features delivered digitally
- Number of Financial Inclusion initiatives, including the number of beneficiaries
- Number and percentage increase in access points for the underserved segment

Material Matters



Financial Inclusion, Sustainable Finance and Financial Performance



Excellent Customer Experience, Support and Access



Business Innovation, Responsible Marketing, Product and Service Design

UN SDGs



Relevant BURSA Common Sustainability Matter

- Customer Relationship Management

Performance Summary



e-KYC

526,805 applications processed and approved via e-KYC for all products



Credit Assessment Processing

auto judgement rate increased to **41%** from **36%**
processing time shortened to **5 - 10** minutes
from **28** minutes with **99%** accuracy manpower requirements lowered by **10.8%**



AEON Virtual Cards

boosted credit card sales by **20%**,
with **113,000 cards** issued and digital customer acquisition rising to **22%**



Collection Rate

improved to **97.64%** from **97.32%**



AEON Wallet

41% increase in new sign-ups to **599,985**



Financial Literacy Programme

30 primary schools participated in Young Financial Savvy Programme

25 teachers participated in Financial Savvy Programme for teachers



Debt Management System (DMS)

Enhanced operational efficiency resulting in a **22%** productivity improvement



Sustainability-Linked Loans ("SLLs")

RM200 million disbursed, total SLLs amounting to **RM1.2 billion** as at FYE2025

PILLAR 3: DIGITAL PRODUCT AND SERVICE TRANSFORMATION

The financial services industry is in a state of constant transformation to stay relevant and fortify its competitiveness. These transformations are invariably technology driven which witness greater automation and implementation of enhanced IT applications. AEON Credit instituted our digital transformation some years back which has brought greater customer convenience and enhanced experience in addition to increasing operational efficiency. Our digital transformation is continuing apace through leverage of technologies of greater sophistication such as AI, this also testifies to the greater breadth and depth of IT capabilities that the Group has built which continues to be strengthened on.



EXCELLENT CUSTOMER EXPERIENCE, SUPPORT AND ACCESS

In keeping with AEON Foundational Ideals, our customers were the starting point of our digital transformation. We aim to always enhance our customers' experiences in all their interactions with the Group. This focus continued with equal intensity in year under review during which a multitude of initiatives targeting our customers were implemented as elaborated in Pillar 2 under Customer Experience, Service Convenience and Customer Feedback.

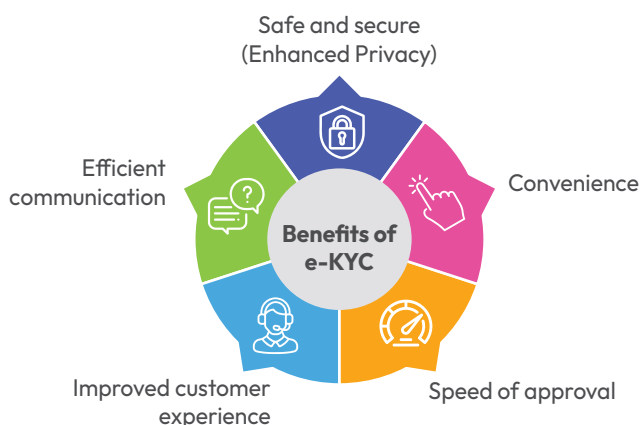
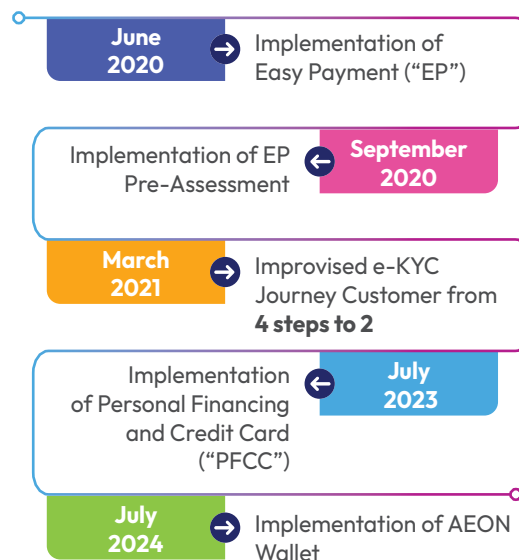
In Q4 2024, AEON Credit began exploring the integration of AI within its operations. The initiative is in its infancy with research and development still being actively conducted, focusing on identifying key areas across business units where AI can drive operational efficiency, improve employee effectiveness, and build customer trust. Additionally, it aims to enhance customer experience by gaining a deeper understanding of customer preferences and needs, enabling the delivery of personalised experiences that promote sustainable products and services.

The Group is developing an AI Policy that prioritises data privacy, cybersecurity, and ethical use of AI. The policy will be aligned with guidelines from the Ministry of Science, Technology, and Innovation, which emphasise fairness, transparency, safety, control, privacy, and accountability in AI implementations.

Incorporating will ensure that AI technologies are utilised in a manner that supports long-term objectives, including environmental sustainability, social responsibility, and continuous ethical considerations. The draft policy will be presented to internal stakeholders for feedback and is targeted for endorsement by the Board of Directors by Q2 FYE2026.

We recognise that operations in both the front and back offices need constant focus and elevation to continuously enhance end-to-end customer experience and service. Accordingly, the Group also had a sharp focus on back office services. As an example in FYE2025, we continued to enhance and expand our e-KYC which was first introduced in 2020 for selected products. e-KYC continued to be improved and expanded since its introduction and in FYE2025 further covered AEON Wallet. In FYE2025, we successfully processed and approved 526,805 e-KYC application for all products.

E-KYC Roadmap

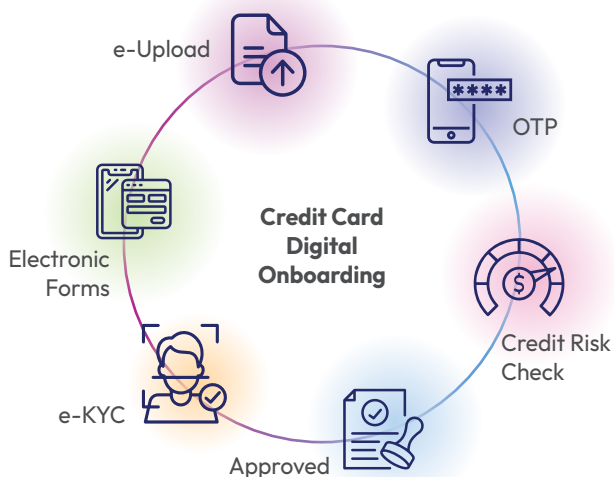


Loan processing also continued to be an area of focus, a new Loan Origination Systems ("LOS") was implemented in FYE2024 that has expedited our loan processing enhanced response time. Capability enhancements continued in FYE2025 through the implementation of Optical Character Recognition ("OCR") and AI-powered data extraction, accurate data entry from documents, eliminating errors related to manual typing. Resulting from the enhanced data accuracy, auto judgment rate - the AI supported credit decisioning - has increased from 36% to 41%.

In addition, AI is leveraged to verify credit applicants' income by cross-referencing payroll data instantly and automatically performing credit bureau checks to ensure accurate credit scoring. Prior to this automation, verifying an applicant's income could take 1-2 hours but might still return errors, however after automation, this process is completed in seconds with 99% accuracy. The quantitative results achieved speak for themselves: credit assessment processing time reduced from 28 minutes to 5-10 minutes per application, a time saving of up to 18 minutes. Significantly, manpower requirement has also reduced in tandem by 10.8%.

There has been a noticeable shift in consumer behaviour, with increasing preference for online platforms. Responding to this shift, in August 2024, we introduced our virtual card to drive online spend which contributed to growing credit card sales by 120% compared to the previous year. This growth was driven by the introduction of digital onboarding for new cards, leading to the issuance of 113 thousand virtual cards from August 2024 to February 2025 with 287 thousand active members.

The percentage of new customers acquired through digital channels increased to 122% in FYE2025, up from 118% in FYE2024. The collective increases recorded testifies to the success of our focused efforts to enhancing customer experience through digitalisations, more importantly, they affirm customer acceptance and assimilation.



In our ongoing digitalisation, we also have consolidated our financial services into the new AEON Wallet that includes the instant issuance of an AEON point account upon downloading the Wallet app eliminating the need to separately set-up this account. In July 2024, we updated our Wallet to allow instant AEON membership registration, virtual card issuance, and access to AEON's promotional offers. Our objective is to ultimately elevate the AEON Wallet to be the Group's primary membership app. Total new sign-ups for FYE2025 is 599,985, a 41% increase compared to last year which saw 425,410 sign-ups.



BUSINESS INNOVATION, RESPONSIBLE MARKETING, PRODUCT AND SERVICE DESIGN

It is imperative that the Group continuously innovates to maintain our competitiveness and retain our valued customers. As emphasised earlier, we have a constant focus on innovation to develop better and more comprehensive value propositions for our customers. The AEON Living Zone, a digital platform which is a collaborative effort of AEON entities in Malaysia, targets to strengthen the AEON Group's competitive advantage by combining all AEON Group offerings within 1 ecosystem that is accessible through a single channel.

Significantly, this collaboration has the potential to create competitive barriers that are difficult for our competitors to match, especially with the presence of household names like AEON CO. (M) Bhd. and AEON BiG (M) Sdn. Bhd., instantly recognisable and names in the consumer products space. All entities, including AEON Credit already have our own respective loyal customer base, which in many cases intersect, hence the AEON Living Zone has a ready-made base of customers which can only grow as more customers sign up attracted by the convenience and customer rewards which are constantly improved.

The Group is enhancing its leverage of IT to automate processes across the customer lifecycle. This contributes significantly to improving the experience we give our customers, most importantly, it translates into speed and efficiency that are visible and felt by customers, these invariably leaves a lasting positive impression and reinforces customer loyalty.

Sales



Measures to increase high-scoring balances

Application



Verification through e-KYC & biometric

Screening



Improvement of credit accuracy through AI scoring

Collection



Optimal resource allocation according to credit risk

It is significant to note that underlying the automation and foundational to making it work effectively, lies the wealth of customer data accumulated over multiple interactions and transactions. This data is invaluable for effective functioning of IT applications across the customer lifecycle, such as credit scoring models and collection.

PILLAR 3: DIGITAL PRODUCT AND SERVICE TRANSFORMATION

Our leverage of customer data brings to mind the adage: *information is power* – we endeavour to achieve competitive advantage through innovative application of customer data. Equally important in bringing to bear the value of our customer data is the deep expertise and vast experience of our personnel for only through the infusion of their experience can the customer data be practically leveraged, as an example with their wealth of knowledge which is uniquely AEON Credit-specific is being applied to continually improving customer segmentation, creating more granular slices of information which allow for better targeting efforts and more effective campaigns.

In FYE2025, we implemented a new Collection System, the Debt Management System (“DMS”) to further enhance our collection capabilities. The system brings enhanced functionalities to support improved productivity in collections and operational efficiency through reduced processing time. The system provides enriched information through an all-in-one screen along with real-time status and report updates which supports quicker decision-making and expedites collection. The system also supports flexible workflows and includes monitoring and alerts on response time to customers. All the foregoing have been instrumental to a 22% productivity improvement.

Alongside technology support, we continued to adopt the risk-based collection approach that focuses on high-risk customers. Since its introduction in March 2023, this approach has enhanced collection performance. In FYE2024, we achieved a collection rate of 97.32% on current loans which further improved in FYE2025, reaching a rate of 97.64%.

As always, in developing and designing new and enhanced products and services, the requisite due diligence is exercised to ensure that they embed and reflect the Group’s commitment to excellent ethics, fair dealings and sustainability both on the part of the Group and our customers.



FINANCIAL INCLUSION, SUSTAINABLE FINANCE AND FINANCIAL PERFORMANCE

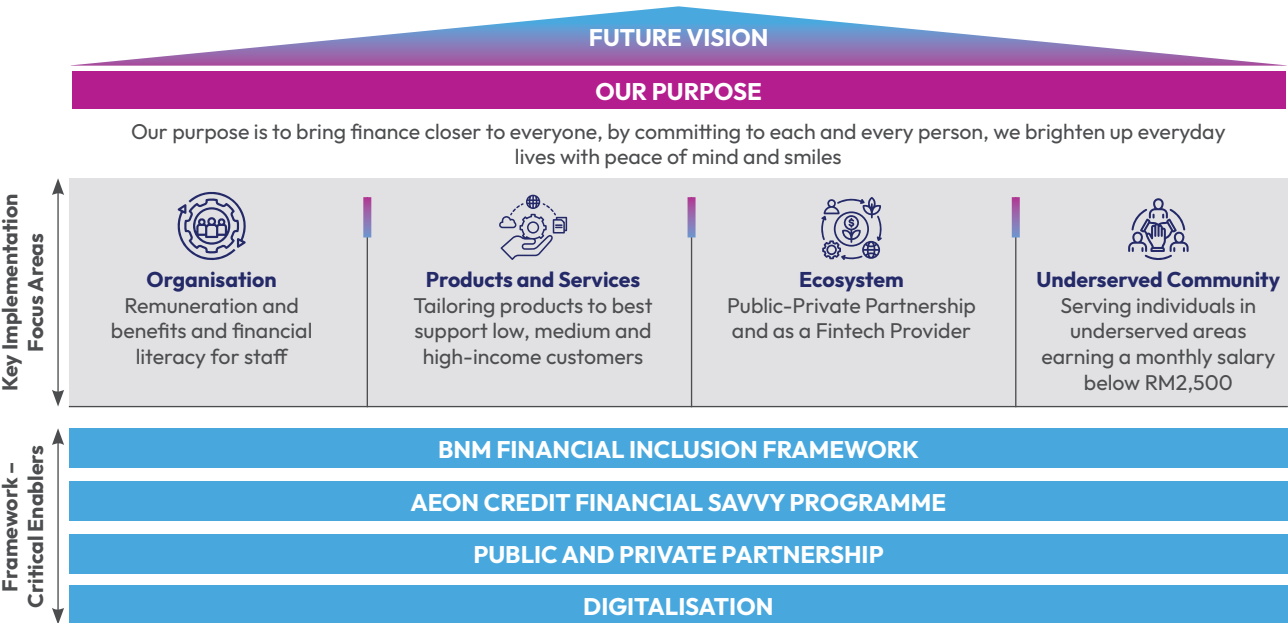
In light of our focus on retail financial services and recognising the need to make meaningful contributions, through our business, to societal and national development, the Group has intensified our efforts at supporting financial inclusion in FYE2025 while we continue to further our refined lending direction towards sustainable finance to address changing customer sentiments and realise our commitment to contribute to addressing global warming.

(i) Financial Inclusion

Financial Inclusion has an integral place in our 3-Year Sustainability Roadmap. The Group has formalised the definition of the underserved segment to guide the formulation of our financial inclusion strategy. This definition adopts the characteristics of the underserved segments contained in BNM’s Financial Inclusion Framework Strategy Paper 2023-2026.

The Group has mapped out our strategic intent and key initiatives to realise this intent. The initiatives are broad-based across key societal segments in which financial inclusion will create the most impact. For instance, inculcating financial literacy programmes to students and youths at their young age will embed early a better understanding of financial wellness and instil confidence in managing finances that will last into adulthood while extending affordable financing products to local businesses will help nurture them to make effective contributions to national economic development and societal upliftment through opportunities for employment and personal growth.

Financial Inclusion Framework



It is also notable that, to deliver effectively on the strategy the Group, is starting with institutional strengthening through internal capability building supplemented by appropriate refinements in its compensation scheme to motivate and infuse passion within the workforce.

In terms of practical action, loyalty programme development is being refined to make them accessible to all customer groups including low-income groups to enhance appeal to the targeted underserved segment. As well, we are addressing customer segmentation by income groups to improve personalisation and product and services targeting, including to the underserved segment.

Our Financial Inclusion Strategy is designed to ensure equitable access to financial services for underserved communities by fostering financial literacy, enhancing accessibility, and ensuring affordability. The underlying Financial Inclusion Framework and 3-Year Implementation Roadmap targets the integration of marginalised groups into the formal financial system, eliminating barriers, and empowering individuals economically.

By establishing the Financial Inclusion Framework, the Group supports BNM's objectives, of improving access to financial services for underserved populations, reducing poverty, and encouraging broader economic participation. Our Financial Inclusion Framework is aligned with national goals, promotes financial literacy, and supports both financial stability and innovation within the sector.

In FYE2025, we conducted the following financial literacy programmes as we implement our financial inclusion strategies:

1 AEON Credit Young Financial Literacy for Teachers targeting school children aged between 13 to 17 years old was piloted at Felda Lurah Bilut, Pahang in March 2024. This involved the participation of 30 primary school students from SK Lurah Bilut to create awareness on basic financial literacy. The value of money, sharing values and also understanding needs and wants were impressed upon the students during the event.

2 The AEON Credit Financial Savvy Programme was initiated with 25 teachers from the MAF AEON Smart Classroom Project in July 2024. This initiative aimed to enhance financial, digital, and insurance literacy, as well as raise awareness about scams and fraud. The 2-hour session provided the teachers with a deeper understanding of digital financial services, digital literacy, and insurance.

Future initiatives will target youths aged between 18 to 24 years old through collaborations with local universities as part of the Group's strategy to create financial confidence for new-to-credit segment through physical engagement programmes and online podcast sessions.

To tap into the collective wisdom and experience of financial inclusion-inclined organisations and contribute to wider financial inclusion through collaboration, we plan to apply for membership in the Financial Education Network ("FEN") in FYE2026. FEN is an inter-agency platform comprising of institutions and agencies committed to improving the financial literacy of Malaysians and count amongst its members, BNM, Securities Commission Malaysia, both the Education and Higher Education Ministries as well as notable names in financial services and capital markets.

The Group's financial inclusion efforts in FYE2025 also included:



Widening accessibility to our products and services

Our AEON Member Plus Visa ("AMP") prepaid card offers the a convenience payment solution for all customer segments. Notably, customers aged 15 to 17 are eligible for a maximum purse size of RM1,500, which increases to RM10,000, for customers aged 18 and above. The growing popularity of AMP is reflected in a 113% increase in active customers and a 22% rise in sales transactions in FYE2025 compared to the previous year.



Support for small businesses

We continued to support hawkers and petty traders through the Privilege Card for Hawkers and Petty Traders ("Kad Penjaja"), a prepaid card designed specifically for street vendors and small businesses which enables them to accept cashless payments furthering financial inclusion.



Promoting financing affordability

Our Objective Financing facility promotes financing affordability through the FlexiPay feature which extends the repayment period to up to 48 months, reducing the quantum of monthly instalment and increasing affordability. This facility offers higher financing which also increases affordability. Obviously, like all credit facilities, application for Objective Financing are subject to diligent and thorough appraisals.

PILLAR 3: DIGITAL PRODUCT AND SERVICE TRANSFORMATION



Accessible financing options

Electric bikes financing has an integral role in the electric vehicle-based initiatives in our 3-Year Sustainability Roadmap. We offer customised financing solutions with special profit rates ranging from 0.65% to 0.833% per month to make EV bikes more accessible to a broader customer base. This initiative fosters the growth of the green mobility market and aligns with the Group's sustainability commitments as well as our net-zero goal. Our efforts also contribute to national efforts to expand environmentally friendly transportation options, supporting the achievement of Malaysia's Paris Agreement commitment.



Judiciously lowering financing qualification requirements

We revised the income documentation requirements for moped financing applications in the Eastern Regional Office ("ERO") and East Malaysia Regional Office ("EMRO") to better serve the low-income segment who may not have proof-of-income documentation and allowed a minimum down payment of 30%. Following this revision, 7,683 applications were received, of which with 5,177 was approved. This reflects a broader strategic direction to innovate and adapt in ways that mutually benefit the Group and the communities we serve, reinforcing AEON Credit's reputation as a responsible and customer-focused financial institution.



Leveraging merchants' access to underserved markets

Merchants play a pivotal role as the primary point of sale for a variety of financial products. Collaborating with local merchants allows us to reach underserved and unbanked populations, further promoting financial inclusion. In appreciation of their significant contributions, we organised our first merchant incentive trip in FYE2025 during which we recognised approximately 30 merchants.

(ii) Sustainable Finance

We made a distinct realignment in our lending direction in FYE2024, driven by 2 significant factors, the first, securing our inaugural Sustainability-Linked Loans ("SLLs") which came attached with sustainability-based performance targets and the second, an increasingly discernible change in customer sentiments in support of environmental-friendly products and services.

The underlying intent of environmental preservation and societal upliftment embedded in our 3-Year Sustainability Roadmap also drove the realignment of our lending direction.

Our portfolio of products and services has since expanded to cover sustainable financing for green, environmentally friendly appliances and systems as well as social financing to support uplifting the stature of the general society. The Sustainability Performance Targets ("SPT") attached to our SLLs binds us to offer and secure customers for our sustainable finance products. The achievement of the SPTs is incentivised by alignment of SLLs interest rates with our performance. The SPTs are detailed below:

1 SPT1 – This category covers green and social financing for loans related to the purchase of energy-efficient appliances such as washing machines, air conditioners, televisions, and refrigerators with 4-star or 5-star energy efficiency labels certified by the Energy Commission (Suruhanjaya Tenaga). It also includes bicycles, and electric bikes. The total financing mandated under SPT1 for these categories is shown below.

Sustainable Performance Targets ("SPT")		Total (RM)
SPT1	Green financing for purchase of energy efficiency appliances (washing machines, air-conditioners, televisions, refrigerators, e-scooters and bicycles)	7,059,829* ✓
	Green financing for electric bikes	721,481 ✓
	Social financing for underserved customers [1] [2] [3]	30,533,300 ✓

* Inclusion of extended warranty

- Underserved customers refer to "individuals who reside in underserved and unserved areas" as defined by Bank Negara Malaysia, with limited geographical accessibility, specifically, rural/remote/hard-to-reach areas and areas where Financial Access Points are located more than 10km travelling distance away (Source: 2nd Financial Inclusion Framework 2023-2026);
- To determine the underserved and unserved areas, AEON Credit refers to the list of underserved and unserved areas issued by Bank Negara Malaysia (Source: Policy Document on Agent Banking issued on 16 June 2022); and
- Customers from targeted for low-income group, specifically, individuals with monthly income of RM2,500 and below.

✓ This data was assured by KPMG PLT.

- 2 SPT2** – for meeting carbon reduction targets to support the Group's 2030 carbon neutrality goal. Please refer to GHG emissions on pages 122 to 123 to see our performance against the SPT emission target.

Given that the retail segment is our dominant focus, our portfolio of sustainable finance products is significantly inclined towards environmental-friendly consumer products, such as solar energy generation mechanisms, energy efficient appliances and electric vehicles. Uptake has been encouraging in tandem with the changing customer sentiments, it is also worth noting that local financial services providers have also strongly embraced the sustainable lending direction with those active in the retail segment also largely offering similar products.

We actively seek opportunities to expand our involvement in sustainable financing to help our customers realise their environmental care and protection aspirations. To this end, we are exploring collaborations with solar panel vendors to enhance our offerings and as an additional channel to secure customers.

A total of RM200 million has been disbursed for FYE2025, bringing the cumulative disbursement funded by our SLLs to RM1.2 billion. Additionally, we are actively exploring new borrowing opportunities with our banking partners for sustainability-linked loans, social bonds, and social loans.

The market has demonstrated strong support for green financing, highlighting an increasing commitment to sustainable financial practices. We remain focused on achieving the SPTs as we strive to realise our financial objectives while making a meaningful contributions to both environmental and social sustainability.

(iii) Financial Performance

Continuous positive financial performance is important to the Group to fund growth and expansion and to reinforce our capacity and capabilities to generate stakeholder value. We have a relentless focus on sustained positive financial results, in the year under review, we continue to implement measures aimed at:

- 1** Increasing our revenues and fortifying the quality and longevity of our sources of revenue
- 2** Expanding our and strengthening the resilience of our revenue streams

while at the same time also:

- 1** Optimising cost through implementation of cost effectiveness and operational efficiency initiatives
- 2** Diligent and active risk management to avert and minimise loan impairments

The economic values generated, retained and distributed for FYE2025 are depicted below.

	FYE2024	FYE2025
Economic Value Generated ^(a)	RM2.11 billion	RM2.46 billion
Economic Value Distributed ^(b)	RM1.54 billion	RM1.94 billion
Economic Value Retained ^(c)	RM565.17 million	RM513.51 million

Notes:

- (a) Refers to revenues and other operating income generated by the Group
- (b) Refers to impairment losses, personnel expenses, interest expenses, other operating expenses and share of results in an associate
- (c) Refers to Economic Value Generated minus Economic Value Distributed

As a good corporate citizen, the Group commits to discharge our responsibilities to pay taxes as assessed completely and in a timely manner. In keeping with this commitment, the Group adheres strictly to all taxation legislation including all related administrative aspects, including timely, transparent and accurate filing of returns and provision of all information and documentation as requested by the relevant authorities. In direct relation to maximising economic returns, we actively manage our tax position and exposure through diligent tax planning. The following table indicates the Group's tax-related metrics.

No	Metric	(RM'000)
1	Earning before tax	513,507
2	Reported taxes	142,896
3	Effective tax rate	27.83%
4	Cash tax paid	133,087



PILLAR 4: EMPLOYEE HEALTH, SAFETY AND WELL-BEING

What this means to us

AEON Credit remains committed to safeguarding the health, safety, and well-being of our employees, ensuring a secure and supportive work environment that enables them to perform and thrive. We recognise that a skilled and resilient workforce is central to business sustainability and long-term success. In appreciation of our employees' contributions, we provide competitive remuneration, support continuous development, and uphold diversity, equity, and inclusion in all Human Resources practices, reflecting our corporate philosophy of "Respecting Humanity."

Stakeholders



Employees



Customers



Government and Regulators

Key Indicators

- Retention and attrition rates
- Internal hiring rate, including internal promotions to senior management positions
- Employee engagement score
- Number of occupation-related incident
- Lost time through injury
- Workforce gender distribution
- Average training hours

Material Matters



Employee Benefits, Employee Engagement Programmes



Employee Health, Safety and Well-being

UN SDGs



Relevant BURSA Common Sustainability Matter(s)

- Health and Safety
- Diversity, Labour Practices and Standards

Performance Summary



Employee Satisfaction Score

Improved by **3%** from **15%** in FYE2024 to **18%** in FYE2025



Retention Rate

Improved to **83%** in FYE2025 from **82%** in FYE2024



Employee Excellence Award

25 employees awarded with Employee Excellence Award to Bangkok



Employees trained on health and safety

standards increase to **1,128** FYE2025 from **572** in FYE2024



Senior Management Gender Distribution

Female ratio improved from **39%** in FYE2024 to **46%** in FYE2025



Employee Training

Recorded a significant increase of **46,204 hours (65%)**, reaching a total of **116,904 hours**, with total training investment for FYE2025 amounting to **RM2,114,587**



Similar to previous year, **zero work-related fatalities** was recorded in FYE2025



Safe work environment reinforced through consistently low **Lost Time Incident Rate ("LTIR")** which in FYE2025 was 0.06

Employees are our most valuable asset critical to continued success, resilience and growth. We acknowledge our responsibility to reciprocate our employees' efforts and contributions through maintaining a supportive work environment where employees are constantly engaged and fairly compensated.

In addition, we are committed to safeguarding their health, safety and well-being to provide the peace of mind to constantly strive for high performance. The Group is also committed to nurturing our workforce to fully realise their potential by providing opportunities for professional and personal development.



EMPLOYEE HEALTH, SAFETY AND WELL-BEING

A keen focus on our workforce's health, safety and well-being is essential to ensure continuous, uninterrupted conduct of business to sustained value creation for all our stakeholders. The Group acknowledges our responsibility to provide a secure and safe working environment for our workforce, one which safeguards them from harm and keeps them protected at all times. This, in turn, facilitates our employees in performing their duties well and with confidence so as to meaningfully contribute to achievement of the Group's goals and objectives.

(i) Occupational Safety and Health

Occupational Safety and Health is a legislative responsibility that is mandated on the Group, hence, it is incumbent that the Group complies with all relevant governing laws. To provide governance and guidance, the Group has in place an Occupational Safety and Health ("OSH") Policy that affirms our commitment to provide a safe and conducive working environment for all employees and safeguard customers and visitors from potential hazards that may arise from the Group's business activities. The OSH Policy is regularly reviewed and updated to reflect operational changes, regulatory amendments and to incorporate improvements, the last review was conducted in December 2023.

In addition, guidelines are also issued to guide and inform the implementation of the OSH Policy through articulating the relevant processes to be followed. The guidelines are being expanded to include incident management, emergency response, workplace inspection, overall workplace safety and health, and OSH trainings with expected completion by Q1 FYE2026.

The new guidelines were, in part, in response to improvement opportunities identified through internal and external assessment on OSH, this testifies to the Group's continuous improvement orientation.

The Group's OSH Committee, chaired by the Head of Human Resources and Administration Group, conducts quarterly workplace inspections to obtain comfort of the adequacy and currency of OSH measures in place as well as compliance to the Occupational Safety and Health Act 1994 ("OSHA"). Findings arising from workplace inspections are shared during quarterly OSH Committee meetings which also include regional offices' participation to ensure full geographical coverage of our operations.

To ensure statutory compliance trained OSH Coordinators are appointed in every regional office to support the OSH Committee through conducting quarterly Safety Walkabouts. To enhance diligence, OSH assessments are also conducted based on the Risk Management Department's Risk and Control Self-Assessment with the latest assessment being conducted in December 2024. In addition, the OSH Manager from Headquarters regularly visits regional offices and CSU nationwide. The Group recorded zero work-related fatalities and a low Lost Time Incident Rate ("LTIR") of 0.06, emphasizing a strong commitment to maintaining a safe working environment.

The Hazard Identification and Risk Assessment Methodology has been properly established to support the implementation of workplace safety. Hazard identification and risk assessments are conducted on a yearly basis and also when an incident occurs as part of investigations to determine root cause(s), corrective actions and improvements needed.

Office Emergency and Safety briefings are mandatory for new joiners, these are run concurrently with their induction programme. Certified First Aiders and trained Fire Marshalls are deployed across our operational footprint nationwide. Evacuation drills are conducted periodically to assess the state of preparedness of our operations at key locations, those conducted in FYE2025 affirms familiarity with our evacuation plan. Refresher training for emergency response and firefighting is scheduled to be implemented in FYE2026.

In FYE2025, all employees and contractors and vendors were covered under the Group's Occupational Safety and Health ("OSH") Management System, similar to FYE2024.


Mental health has gained increasing recognition as being a critical component of holistic well-being. The Group gives credence to the importance mental health by instituting the Employee Assistance Programme ("EAP") for our workforce to assist them in addressing personal or work-related issues through confidential counselling, mental health support, financial guidance, and other resources to help employees manage challenges and maintain their well-being. This Programme is realised through a collaboration with Naluri, a digital health company.

PILLAR 4: EMPLOYEE HEALTH, SAFETY AND WELL-BEING




 Before renovation: A look at the office space on one of the floors prior to the renovation work that commenced in February 2024




 After renovation: The revitalised office space, now featuring added greenery and enhanced ambience, creating a more conducive work environment



 After renovation: The workers' lounge area after its transformation



 After renovation: The newly renovated headquarters, completed in September 2024, showcases a refreshed workers' lounge with the inclusion of plants and improved natural lighting

Leveraging Naluri's digital EAP, the Group aims to provide employees with accessible and effective support, enhancing their overall productivity and well-being. Notably, the digital nature of Naluri's EAP allows employees to access support at their convenience, without the need for appointments or commuting.

We noted a slight increase in our FYE2025 employee engagement score when we focus on employee well-being-related areas indicating our workforce's sensitivity and receptiveness to concern over their well-being. The EAP was implemented to explicitly emphasise that we "hear and heed" our workforces' calls for support.

(ii) Human Capital Management

We successfully completed the renovation of our Headquarters in September 2024 and the Sunway Velocity 2 Credit Operation Centre in November 2024, creating a more dynamic, efficient, and employee-focused work environment. The renovations contributed to heightened employee satisfaction by creating a healthier, more comfortable, and motivating work environment. Upgrades such as improved lighting, better air quality, ergonomic furniture, and relaxation spaces can enhance employees' physical and mental well-being, leading to increased morale, productivity, and employees' job satisfaction. Additionally, the physical working conditions at office locations (e.g., workspace, office layout, amenities/facilities) were considered satisfactory, as evidence, the satisfaction score in this area improved to 18%. All the above played a contributory role in raising our employee retention rate from 82% in FYE2024 to 83% in FYE2025.



EMPLOYEE BENEFITS, EMPLOYEE ENGAGEMENT PROGRAMMES

The Group holds a strong conviction that creating a mutually beneficial symbiotic relationship with our workforce is foundational to economic success and prosperity. We recognise the importance of a contented, passionate, and engaged workforce to continuously drive the Group forward and sustain our good standing within Malaysia's financial services industry.

To create a high-performing workforce that is focused on excellence, the Group is committed to rewarding our employees fairly to recognise their contributions and dedication. Beyond monetary considerations, the Group also give equal and close attention to meeting non-monetary factors that exert significance on our workforce performance – respect, dignity, equality and inclusiveness.

(i) Respect for Human Rights

The Group subscribes to the provisions of internationally recognised human rights treaties and conventions. This is documented in our Human Rights Policy which aligns to the International Labour Organisation's standards and the UN Universal Declaration of Human Rights. We stay true to our sustainability principles on how we conduct business and endeavour to uphold human rights in all aspects of our business operations, including across our value chain.

The key human rights principles contained in our Human Rights Policy are:

- 1 Equal opportunity;
- 2 Diversity, equality and inclusion, including gender equality and fair employment conditions;
- 3 Non-discrimination which translates into prohibition of discrimination in any form;
- 4 Establishing and maintaining a safe and healthy workplace;
- 5 Safeguarding the workforce's health and safety;
- 6 Protect data confidentiality and privacy, specifically safeguarding confidentiality of employee data;
- 7 Protecting the rights of children through prohibition of all forms of exploitation of children, forced labour, slavery and human trafficking; and
- 8 Respect for community rights including refugees, persons with different abilities and indigenous people.

All across our organisation, our workforce is mandated to uphold the above principles in the conduct of operations. Our Human Resources and Administration Group has responsibility for enforcing the Policy of Human Rights through human capital management guidelines, practices, and processes.

Of note, in July 2024, for the first time the Group participated in the Communication on Progress session of the United Nations Global Compact Network ("CoP") showing solidarity and aligning with the Network's principles on human rights, labour, environment and anti-corruption.

(ii) Workforce Diversity and Inclusion

As always, the Group remains committed to workforce diversity. We leverage our workforces' diversity in our business, for instance we apply the multiculturalism within our workforce to develop product and service offerings that appeal to our diverse customers and ensure we are aligned to the diversity inherent in Malaysia.

Our support for diversity is anchored through our equal opportunity approach to employment, remuneration, career development and job progression. We have a zero tolerance towards discrimination, no discrimination is tolerated regardless of race, creed, class or any other form of differentiation. In this regard, we have commenced exploratory discussions with the Malaysian Association for the Blind in early 2025 to discuss possible employment opportunities for this differently-abled group of individuals.

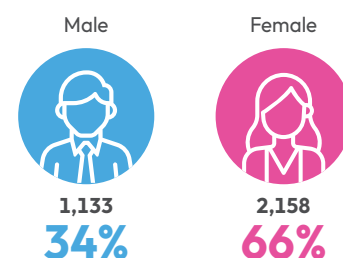
In line with the AEON Foundational Ideals, we respect the rights of every individual and foster a harmonious, dynamic and strong workforce that is collaborative and infused with a strong sense of mutual respect.

We appreciate that diversity offer a fertile platform for unique and varied opinions and ideas from which significant innovations might emerge that can be capitalised to create compelling competitive advantage. Diversity, equality and inclusivity in the workplace builds and reinforces a strong sense of belonging within our workforce driving greater commitment and a passion to make sustained meaningful contributions.

To explicitly uphold our commitment to diversity, we have incorporated the following as part of our recruitment strategies:

- 1 Broadened recruitment channels by attending campus/job fairs focused on underrepresented groups;
- 2 Our Employee Referral Programmes encourage current employees to refer candidates from diverse backgrounds in furtherance of an inclusive culture;
- 3 We offer internship and Management Trainee Programmes to provide opportunities for early career entrants; and
- 4 Flexible working arrangement, with a flexible start time between 8am to 9:30am, is implemented in our efforts to appeal to and attract individuals with different needs or responsibilities.

Gender composition of the Group's workforce has also remained relatively stable year-on-year. At the end of FYE2025, the gender ratio was 34% male : 66% female which is similar to that of the previous year.

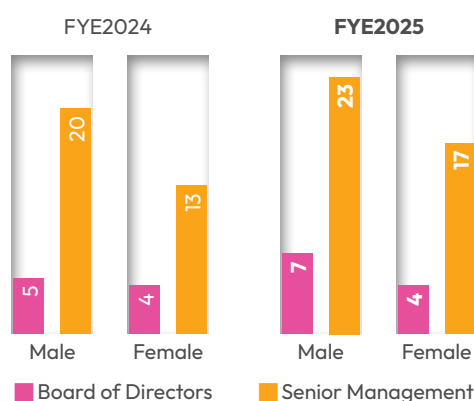


Total : 3,291 employees

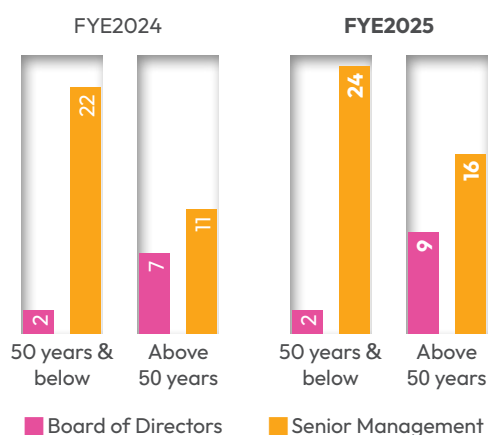
PILLAR 4: EMPLOYEE HEALTH, SAFETY AND WELL-BEING

Gender composition at the senior management level has improve in FYE2025 to 54% male : 46% female compared against the 61% male : 39% female ratio in the previous year. This testifies to our efforts at balancing the gender distribution within our senior management ranks and further reinforces our respect for capabilities of members of the fairer sex to make effective contributions.

Gender Composition of Board of Directors and Senior Management



Age Composition of Board of Directors and Senior Management



Staff Composition by Nationality

The Group's workforce pre-dominantly comprise of local employees with a small foreign representation in strategic and key operational roles to facilitate skills and knowledge transfer from more developed markets to the local workforce. This approach has served the Group well in elevating the competencies and capabilities of the local workforce to strengthen our competitive abilities.

FYE2024

Total Number of Employees	3,106	Number of Local Employees	3,095	Japanese	9
		Number of Foreign Employees	11	Fillipino	1
				Bangladeshi	1

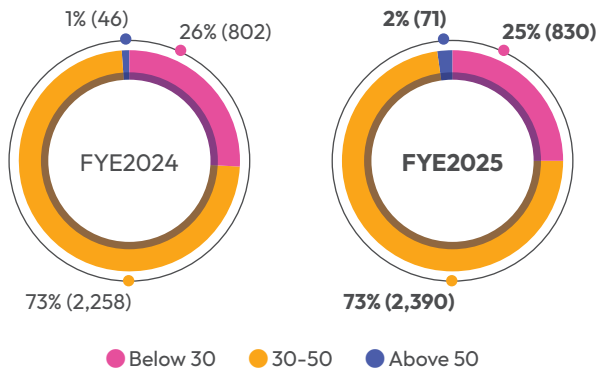
FYE2025

Total Number of Employees	3,291	Number of Local Employees	3,277	Japanese	12
		Number of Foreign Employees	14	Fillipino	1
				Bangladeshi	1

Staff Composition by Designation

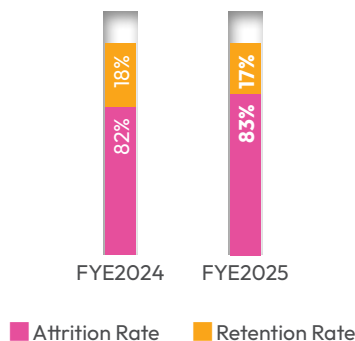
	FYE2024	FYE2025
Senior Management		
Managing Director		
Executive Director		
Executive Officer		
Senior General Manager		
General Manager		
Assistant General Manager		
	35 (1.1%)	42 (1.3%)
Middle Management		
Senior Manager		
Manager		
Assisstant Manager		
	348 (11.2%)	401 (12.2%)
Executive		
Senior Executive		
Executive		
Junior Executive		
	2,705 (87.1%)	2,831 (86.0%)
Non-Executive		
Clerk		
Non-Clerk		
	18 (0.6%)	17 (0.5%)
Total Staff	3,106	3,291

Staff Composition by Age Group



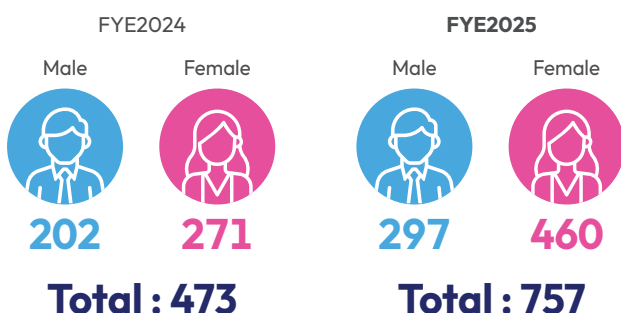
In FYE2025, our employee retention rate improved to 83% against the previous year's level 82%, consequently attrition rate fell to 17% against the previous year's 18%.

Attrition Rate

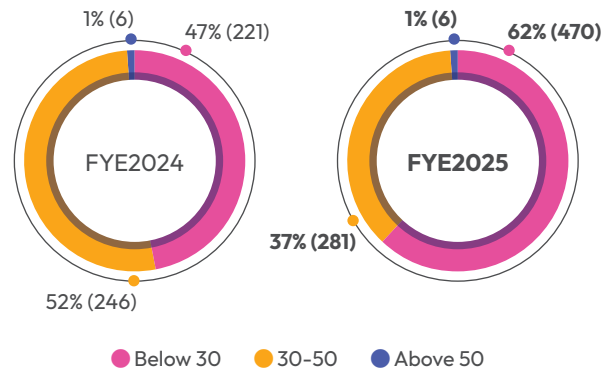


We constantly recruit new hires to bring fresh perspectives and vitality to the Group and complement existing competencies and skill sets. In addition, we also have a focus on recruiting talents with capabilities that we expect will be critical in strengthening the Group's competitiveness, in emerging technologies like AI which is actively embraced across the financial services industry.

New Hires by Gender



New Hires by Age Group



In addition to hiring externally, the Group also provides opportunities to qualified members of our workforce to fulfil vacancies arising, this supports internal mobility, widens career enrichment and most importantly, enables us to retain top talents. By offering internal opportunities, we provide career growth pathways, enhancing employee satisfaction and loyalty. This leads to lower turnover rates and reduces the costs associated with recruiting and training new staff.

Aside from fulfilling manpower needs, the Group's recruitment efforts also have a societal development inclination. Our Management Trainee Programme and internship placements are employment initiatives aimed at supporting youth employment, providing them with a career filled with learning and development opportunities and a vast body of experienced professionals from which to receive guidance.

(iii) Remuneration and Employee Benefits

The Group's HR practices and employment conditions are guided by and comply with the provisions of the Employment Act 1955. We comply with the minimum wage of RM1,700 prescribed under the Minimum Wages Order 2024.

We recognise and appreciate the support, dedication and contributions of our workforce towards the Group's continuing prosperity and success. To explicitly reflect our gratitude, we are committed providing a competitive remuneration and comprehensive benefits package to our employees. This package is benchmarked periodically against prevailing market practices in both the financial and non-financial services industry sectors to ensure that it remains competitive.

An extensive range of benefits is provided to our employees, these include:

- 1 Flexible working arrangement
- 2 Flexible benefit scheme which allows employees to tailor their benefits package to suit their requirements

PILLAR 4: EMPLOYEE HEALTH, SAFETY AND WELL-BEING

- 3 Employees' Provident Fund ("EPF") contribution, starting at the statutory prescribed rate, the employer contribution rate increases beyond this for employees with over 8 years of continuous service
- 4 General healthcare coverage
- 5 Hospitalisation and surgical insurance including dental and optical
- 6 Group Term Life covering permanent disability, invalidity or death
- 7 Performance-based bonus
- 8 Parental and birthday leave
- 9 Contribution for:
 - birth of child
 - death of immediate family
 - tragedy/calamity
 - marriage

The Group continuously enhance the benefits we provide to our workforce, in FYE2025, the enhancements made were:

- 1 E-Bike Financing Scheme at preferential rates to finance environmental-friendly mode of mobility
- 2 Increased outpatient healthcare limits for managers and below
- 3 Increased optical care sub-limits for general managers and below
- 4 Expanded healthcare coverage to include traditional and complementary medicine
- 5 Introduction of flexible working hours for non-shift employees based in Headquarters and Credit Operation Centre
- 6 25 employees were recognised for employee excellence through the Employee Excellence Award. Winners were rewarded with a company-sponsored study tour to Bangkok

In relation to parental leave, 60 male and 143 female employees took parental leave in FYE2025. In FYE2024, the numbers were 75 male and 163 female employees.

The Group puts great focus into nurturing and maintaining a high-performing workforce, a key facilitating mechanism for this is our performance management system in which the Group's goals and objectives are translated into desired actions and cascaded to employees through the annual target and KPI setting exercise between every employee and their respective superior. This ensures collective action and goal congruence across the entire organisation.

The annual target and KPI setting exercise allow employees to also express their development needs in support of their on-going development and add greater value to the Group in carrying out their responsibilities. This exercise facilitates a common understanding and agreement between the Group and all our employees on our respective expectations for the year ahead.

The performance management cycle culminates each year with a performance appraisal to stocktake achievements and identify areas of improvement. Performance appraisals bring to life our commitment to transparency in aligning rewards to performance. In FYE2025, in common with all previous years, 100% of our employees received a performance appraisal.

(iv) Employee Training

Training is a constant in the Group to keep our workforce's skills and competencies relevant to the constantly changing business environment. We hold the conviction that continuous learning and development is fundamental to sustained economic success and competitiveness. The Group has a formal training agenda for employees to maintain currency in their skills and to supplement practical on-the-job learning. Our training agenda is varied, comprising both hard and soft skills subjects to provide our workforce with the requisite knowledge to perform optimally and to continuously enhance their proficiency and ability to deliver excellence. Training courses conducted for employees across FYE2025 are listed below. The training is targeted at functionally relevant employees as part of their continuing professional education and to enhance their competencies:



- | | |
|---|--|
| 1 AMLATFPUAA, FSA, PDPA & compliance | 8 Cybersecurity |
| 2 ISO 37001: 2016 Anti-Bribery Management Systems | 9 HR induction |
| 3 Policy of Social Media Conduct | 10 Managing misconduct |
| 4 Controlled document | 11 Diversity, equity and inclusion |
| 5 Integrated Management System | 12 Application document/fraud detection |
| 6 PCI DSS & IT security | 13 Risk management |
| 7 Sustainability | 14 Occupational safety, health and wellness |
| | 15 Legal |
| | 16 Training on specific topical issues and areas of interest |



 Employee Training

Other training includes both soft skills and specialist training, covering areas such as time management, presentation skills, and strategic communication, as well as technical topics like Microsoft Excel, ITIL4, and e-invoicing. In FYE2025, total training hours accumulated across employees of all levels amounted to 116,904 hours a significant increase of 46,204 hours or 65% over the FYE2024 level of 70,700 hours. The increased training hours testifies to the Group strong belief and dedication to workforce development through continuous professional education.

Average Training Hours		
	FYE2024	FYE2025
Female	20.9	29.1
Male	22.0	29.7
Total	21.3	29.3

The Group has in place a range of talent development programmes designed to enhance and upgrade the competencies and skills of employees promoted to higher job grades, these programmes target employees of all ranks with topics specifically selected to suit the respective rank's job scope and responsibilities. In addition, we also have in place a mentoring programme for middle management to enable our middle managers to enhance their capabilities, learn from and receive guidance from their more experienced senior colleagues.

Training and development also has a critical place in the Group's succession planning. All across the succession process articulated below identified talents are trained and groomed to develop and nurture all the requisite traits and subject matter knowledge expected of our leaders. The succession planning process encompasses the following:

- 1 Identify talent who have potential to succeed into mission critical and key positions;
- 2 Leverage external and internal assessments to establish holistic evaluation of high potentials, incorporating 360-degree feedback, technical skills evaluations, and knowledge assessments;
- 3 Develop customised individual development plan based on identified development gaps and monitoring of performance and progress against the plan;
- 4 Provide opportunities to participate in cross-functional projects or job rotations, as well as career development conversations and support such as coaching and mentoring; and
- 5 Review talents' on-going development and performance to determine readiness to transition to identified prospective role.

(v) Employee Engagement

The Group appreciates the critical role employee engagement plays in driving high-performance, passion and excellence in delivery. We have a constant and sharp focus on engaging our workforce, this is especially important given the significant size of our workforce and their geographical dispersion. Employee engagement is extremely important to enriching our employees' experience and indispensable in complementing their remuneration and benefits. Employee engagements provide the human touch that establishes a bond with our employees and reinforces their sense of belonging.



 Employee Engagement

PILLAR 4: EMPLOYEE HEALTH, SAFETY AND WELL-BEING

Integral to our employee engagements is constant, open two-way communications to ensure that we give voice to our employees and they too, have the opportunity to hear us out. These efforts foster mutual understanding and support, contributing to strong industrial relations. In FYE2025, a range of formal engagement mechanisms and communication channels were implemented to facilitate regular interaction with our workforce, including critical on-the-ground engagements. Key initiatives include:

1 In-person engagements channels

- **New initiative - Morning Assembly with Senior Leadership:** A quarterly engagement platform introduced in September 2024, where senior leaders share business updates directly with employees and present recognition awards to honour outstanding contributions;
- **New initiative - Workplace Environment Development Committee ("WEDC") Meetings:** Introduced in late 2024, these quarterly sessions serve as a structured platform for employee representatives to raise concerns, suggest improvements, and engage in open dialogue with management on matters related to workplace culture;
- **Employee Excellence Awards Ceremony:** an annual recognition event that celebrates high-performing employees, fostering a culture of motivation and continuous excellence; and
- **Annual Dinner:** organised to strengthen team camaraderie and encourage informal networking in a relaxed, festive setting.

2 Digital engagement channels

- **Microsoft Teams and Workplace Chat, introduced in FYE2025:** enhances ease and effectiveness of communication and collaboration across the workforce, particularly for regional teams and remote locations, enabling real-time access to information and seamless interaction;
- **Annual Employee Engagement Survey:** conducted to gather employee feedback on engagement levels, workplace satisfaction, and leadership effectiveness;
- **Company Intranet and HR Mobile App:** central communication platforms for HR-related policies, updates, and employee engagement initiatives; and
- **E-learning Platform:** provides access to online courses and learning materials to support continuous upskilling and career development.

In addition, the Group also conducts regular programmes on various subjects of interest for our workforce, in FYE2025 these include:

- 1 Financial Literacy Programme conducted in collaboration with LHDN, EPF, SOCSO, and insurance partners.
- 2 Health webinars featuring invited guests and speakers.

The Employee Engagement Survey for FYE2025 again saw robust participation, attracting 2,289 respondents, or 84% of the workforce. The engagement score for FYE2025 was 79, moving upwards from FYE2024's score of 77, this augurs well for the Group as it is indicative of a greater sense of engagement among our employees. The positive trend will spur the Group to heighten efforts to cultivate a positive and engaging workplace.

We have conducted a comprehensive analysis of the survey findings and results to identify improvement areas, these were subsequently presented to and considered by senior management and department heads to facilitate focus on execution of improvement initiatives which included:

- 1 Improving management transparency through enhanced communications from leadership in Quarterly Morning Assembly and MD's update messages;
- 2 Strengthening the WEDC platform for employees to raise concerns and suggestions regularly;
- 3 Enhancing fair pay and recognition by leveraging salary benchmarking results to assess and adjust compensation where necessary; and
- 4 Expand wellness programmes, for instance to encompass mental health support, financial literacy sessions, fitness activities, amongst other. Notably in response to feedback on mental health we launched the EAP in November 2024 to support mental wellness.

The management will diligently monitor progress in implementing the initiatives through updates from department heads tasked to oversee the implementation.



PILLAR 5: ENVIRONMENTAL STEWARDSHIP

What this means to us

As a responsible corporate citizen, AEON Credit is committed to caring for and protecting the environment. We recognise that environmental degradation poses risks not only to society but also to the broader business ecosystem including our workforce, suppliers, and customers. The sustainability of our operations and long-term value creation is closely tied to the health of our planet, making it imperative that we remain steadfast in our environmental stewardship efforts.

Stakeholders



Shareholders and Investors



Employees



Government and Regulators

Key Indicators

- Progress towards net-zero goal
- Energy consumption
- GHG Scope1, 2 and 3 emissions
- Sustainability Performance Target achievement
- Carbon removal

Material Matters



Environmental Management



Climate Action

UN SDGs



Relevant BURSA Common Sustainability Matter(s)

- Energy/Emissions/Waste Management/Water
- TCFD-aligned disclosures

Performance Summary



Electricity Consumption

Achieved saving of electricity amounting to **207,198 kWh**



Virtual Cards

Contributed to lowering carbon footprint by approximately **4.42 metric tonnes CO₂e**



Climate Action

Developed **Climate Action Framework**



Credit Application Process Digitalisation

Achieved annual savings of **RM288,000** in paper costs



E-waste Management

Collected and recycled/properly disposed of **4.79 MT** of e-waste vs **6.25 MT** in FYE2024



Sustainability Advocacy

Appointed 60 sustainability champions to strengthen internal engagement on our sustainability journey

PILLAR 5: ENVIRONMENTAL STEWARDSHIP

The first Global Stocktake to measure progress towards meeting the goals of the Paris Climate Change Agreement took place in conjunction with COP28 in Dubai. The results were concerning, indicating that the world is not on track to limiting global warming to 1.5°C and warned that current climate plans remain insufficient to avert catastrophic economic and societal consequences.

Heeding the call for greater urgency, commitment and focus in implementing measures to limit global warming, the Group has instituted various measures to protect the environment and preserve its integrity. This is also in line with our 3-Year Sustainability Roadmap and commitments mandated under the Sustainability Performance Targets attached to our Sustainability-linked Loans.

The Group is committed to making impactful contributions to mitigating climate change and help Malaysia achieve net-zero emissions by 2050, including supporting the country to deliver on its Nationally Determined Contribution under the Paris Agreement. We believe that working alongside the global community we can together make a significant long-lasting difference in staving off the existential environmental crisis of climate change.



ENVIRONMENTAL MANAGEMENT

The Group's business has minimal direct impact on the environment, this is common in the financial services industry. However, we can exert a profound and lasting impact by influencing our customers to adopt environmental friendly practices through our lending direction which has been refined to support financing for modes and mechanisms that are more environmental friendly. In addition, given our on the retail sector, our lending direction a societal support focus. The foregoing is explained in further detail above under Financial Inclusion, Sustainable Finance and Financial Performance on pages 102 to 105.

In areas with sustainability impacts where we have control over, we have altered our consumption patterns in support of greater sustainability and we have also embraced circularity across all our operations so as to minimise the environmental impact of our operations, an added benefit is that this also reduces and optimises cost. In addition, our 3-Year Sustainability Roadmap also prescribes environmental care as an integral part of the Group's aspiration of becoming a carbon-neutral business.

(i) Environmental Conservation

Reforestation Activities

The Group invests in and contributes resources for environmental protection to sustain its integrity for future generations and to ensure that biodiversity and ecosystems can continue to thrive.

The Group has always had a focus in environmental conservation in May 2024, a major public private initiative was launched to rehabilitate the biodiversity at Kinta Nature Park in Perak, a degraded agriculture area and former tin-tailing site.

The AEON Credit Biodiversity Afforestation Project, spearheaded by the Group in collaboration with the Perak State Park Corporation and FRIM Incorporated Sdn. Bhd. (the Forest Research Institute Malaysia's commercial subsidiary) as the project technical partner will replant 10,000 local indigenous and fruit tree species, including *Hopea odorata* (Merawan Siput Jantan) and *Shorea roxburghii* (Meranti Temak Nipis) which are under the International Union for Conservation of Nature (IUCN) Red List of Threatened Species. In addition to improving the park's biodiversity, this project also aims to provide a nature-based carbon sequestration mechanism by which to offset the Group's carbon emissions.



 Biodiversity Afforestation Programme at Kinta Nature Park, Perak

The event launched by the Menteri Besar of Perak, saw the participation of 600 volunteers from Ministry of Natural Resources and Environmental Sustainability, Perak State Government agencies, local universities and personnel from AEON Group of Companies Malaysia working together to symbolically plant the initial first batch of 2,000 trees at the conservatory area within the park with a size of 20 hectares. The park, famed as a habitat for 150 bird species was gazetted as a State Park by Perak Government on 15 February 2018 and is now identified as a migratory bird sanctuary.

A progress monitoring visit was conducted in November 2024, and we are pleased to inform that over 99% of the trees plants have survived and are now undergoing a maintenance process that will continue for the next 36 months. Future initiatives planned include verification of the amount of potential carbon offset by an appointed independent verification and validation body and also an environmental awareness programme at the project site in FYE2026.

In addition, we also carry out initiatives aimed at promoting consciousness on environmental protection and conservation, these programmes serve to explicitly emphasise our commitment through actions and investments. Initiatives of this nature that were conducted in FYE2025 are detailed under Pillar 6: Contributing to Communities on pages 124 to 133.

(ii) Environmental Management System

The Group is certified under ISO 14001:2015 Environmental Management Systems (“EMS”) attesting to the robust processes in place in relation to environmental management that are aligned to best practices.

The Group promotes environmentally conscious and conscientious behaviour as part of realising our commitment to minimise the environmental impact of our operations. Communications are conducted regularly to reinforce our commitment to environmental protection and to encourage our workforce to adopt environmentally responsible behaviours in their daily professional and personal lives. Awareness posters placed strategically across the Group, plays a key role in messaging and impact creation.



As part of our ISO recertification efforts, we conducted training and awareness programmes, including poster displays for employees, focused on ISO 14001.

(iii) Responsible Consumption

Responsible consumption is “business as usual” across the Group in all aspects of operations as is the practice of circularity. All members of our workforce understand the negative impacts of unfettered, irresponsible consumption on the environment and exercise diligence to avoid any environmental harm.

Energy Management

The usage of fuel by company-owned vehicles contributed to our Scope 1 emissions. The table below shows fuel usage over the past 2 years and is based on reimbursements for claims in respect of petrol purchased.

FYE2024	FYE2025
83,151 litres	24,278 litres

Scope 2 emissions results from our electricity consumption. Our electricity consumption over the past 2 years are indicated below:

FYE2024	FYE2025
4,043,505 kWh	3,836,307 kWh

Energy management data covers AEON Credit and AEON Insurance.

Initiatives are constantly implemented to optimise our electricity consumption so as to reduce our Scope 2 emissions, in FYE2025, these include:

- Energy Efficiency Management**
 We upgraded the split unit air conditioners at the Headquarters to R32 units which are more environmental friendly. During renovations to our Headquarters, we replaced fluorescent lighting with energy-efficient T5 models and installed motion sensors to optimise lighting use. Regular maintenance of Heating, Ventilation and Air-Conditioning systems is ensures efficient operation to avoid unnecessary energy waste;
- Employee Awareness and Engagement**
 Our employees are constantly educated on responsible energy consumption practices, such as turning off lights and electronics when not in use, to embed energy-saving behaviours; and
- Renewable Energy Integration**
 We are exploring options to purchase Renewable Energy Credits (“RECs”) from clean energy providers as part of our commitment to sustainability. This year, we purchased RECs equivalent to 1,700 MWh.

PILLAR 5: ENVIRONMENTAL STEWARDSHIP

Water Management

Our water consumption over the last 2 years is depicted below:



Water management data covers AEON Credit and AEON Insurance.

Waste Management

The Group does not generate a significant amount of waste, nevertheless, we endeavour to reduce waste from our operations through active practice of circular economy principles based on the 3Rs of Reduce, Reuse and Recycle. As an example, in FYE2025, a total of 11 paper disposal exercises were conducted, with waste sent to an authorised vendor for recycling.

Paper usage has significantly reduced as a direct benefit from our Digital Transformation. The Group increased application of IT platforms eliminating the need to use paper. Automation of our credit assessment is a compelling example. Each application requires 6-12 pages of documentation on the average. An estimated of 14.4 million pages per annum were processed manually in the past. This has been eliminated through digitalising and automating the entire credit application process, resulting in an annual paper cost saving of RM288,000.

An additional benefit from digitalisation and automation has been a reduction in travel, and the consequential Scope 3 emissions from business travel, as IT platforms afford effective online collaboration, communications and learning. In reducing the need to travel we also reap cost savings.

The table below presents data on paper consumption for the past 2 years:

Paper consumption	FYE2024	FYE2025
Number of sheets printed	~*	3,948,324
Entirely recycled, no disposal through landfill	7.7 tonnes	33.7 tonnes

Data on paper consumption is for AEON Credit only.

* The Company, AEON Credit, started capturing paper consumption in FYE2025.

In FYE2025, the Group collected and recycled 4.79MT (FYE2024: 6.25 MT) of e-waste. This diverted e-waste from landfill in support of our commitment for environmental care.



Data on e-waste generation for AEON Credit only.

We presently do not compile detailed information on the quantity of e-waste we designate for disposal against those we reuse and recycle. Our e-waste is sent to a vendor for assessment and items that are repairable will be restored and reused, to eliminate environmental impact. Items deemed beyond repair will be responsibly recycled and/or disposed of, ensuring safe handling of harmful materials and the recovery of valuable resources.

Consumer behaviour has shifted to a preference for online transactions. In FYE2025, we launched online applications through web and app and introduced our virtual credit card. As of February 2025, we issued 113 thousand virtual credit cards which has reduced the need for producing, transporting, and disposing of physical cards -contributing to lowering our carbon footprint by approximately 4.42 metric tonnes CO₂e.



CLIMATE ACTION

As mentioned above, the Group is committed to acting together with the global fraternity in efforts to avert the existential crisis of climate change in support of which we have an expressed commitment to achieve carbon neutrality, by 2030. This commitment also supports Malaysia's aspiration of attaining net-zero Greenhouse Gas ("GHG") emissions by 2050.

(i) Aligning Climate Action with TCFD Guidelines

The Group adopted TCFD reporting requirements, heeding amendments to the Main Market Listed Requirements ("MMLR") in respect of enhanced sustainability disclosure requirements which mandates climate change-related disclosures to be TCFD-aligned by FYE2025.

In the current year, we continue expand and deepened on our reporting of basic requirements around the 4 core areas of TCFD. Our efforts in this are also guided by the Joint Committee on Climate Change's ("JC3") TCFD Application Guide for Malaysian Financial Institutions. We hold the conviction that adoption of the TCFD reporting regime will add transparency to our sustainability reporting which will further assist investors and stakeholders in making informed, data-based decisions.

To provide structure as we commence adoption of TCFD reporting we conducted a comprehensive assessment of potential risks and opportunities to our business and operations from climate change including a scenario analysis based on scenarios from the Network for Greening the Financial System ("NGFS"), a network of central banks and supervisors formed with the primary aim of helping to strengthen the global response to meet the goals of the Paris Agreement.

Detailed scenario planning and flood risk assessments were also conducted to identify vulnerable operations, critical infrastructure and assets that may be affected. Following this, a TCFD implementation roadmap was developed which incorporated climate change disclosures into our sustainability reporting framework. This Roadmap was presented to the Board in Q1 FYE2025 along with the scenario analysis.

The following are our disclosures in each core TCFD area.

Governance

A robust sustainability governance structure is already in place to exercise oversight over sustainability matters, including those that are climate-related, for which the Board has ultimate responsibility. The Board Risk Committee ("BRC") and the management team provide active support to the Board in the oversight of sustainability. Sustainability considerations, including climate change are tightly woven into Group's operations. Signalling their significance, these considerations are an integral part of Board deliberations and decision making.

The Board Charter has been revised to formally incorporate climate risk oversight by the Board to ensure that climate-related risks and opportunities are effectively monitored and addressed at the highest level of governance. The BRC's Terms of Reference have been enhanced to include coverage of climate-related matters as part of risk management. This makes for a more comprehensive approach to risk management, including a stronger focus on climate risks, governance, and alignment with the Group's strategic objectives.

We have formalised the processes and frequency by which the Board and BRC are informed on climate-related issues. Since Q3 FYE2025, we have started to report updates to the Board which also discusses and reviews climate-related disclosures as part of our broader governance framework. Regular knowledge sharing of best practices and timely updates of material information to the Board takes place to strengthen effectiveness of governance through making available relevant data on a timely basis to support decision making.

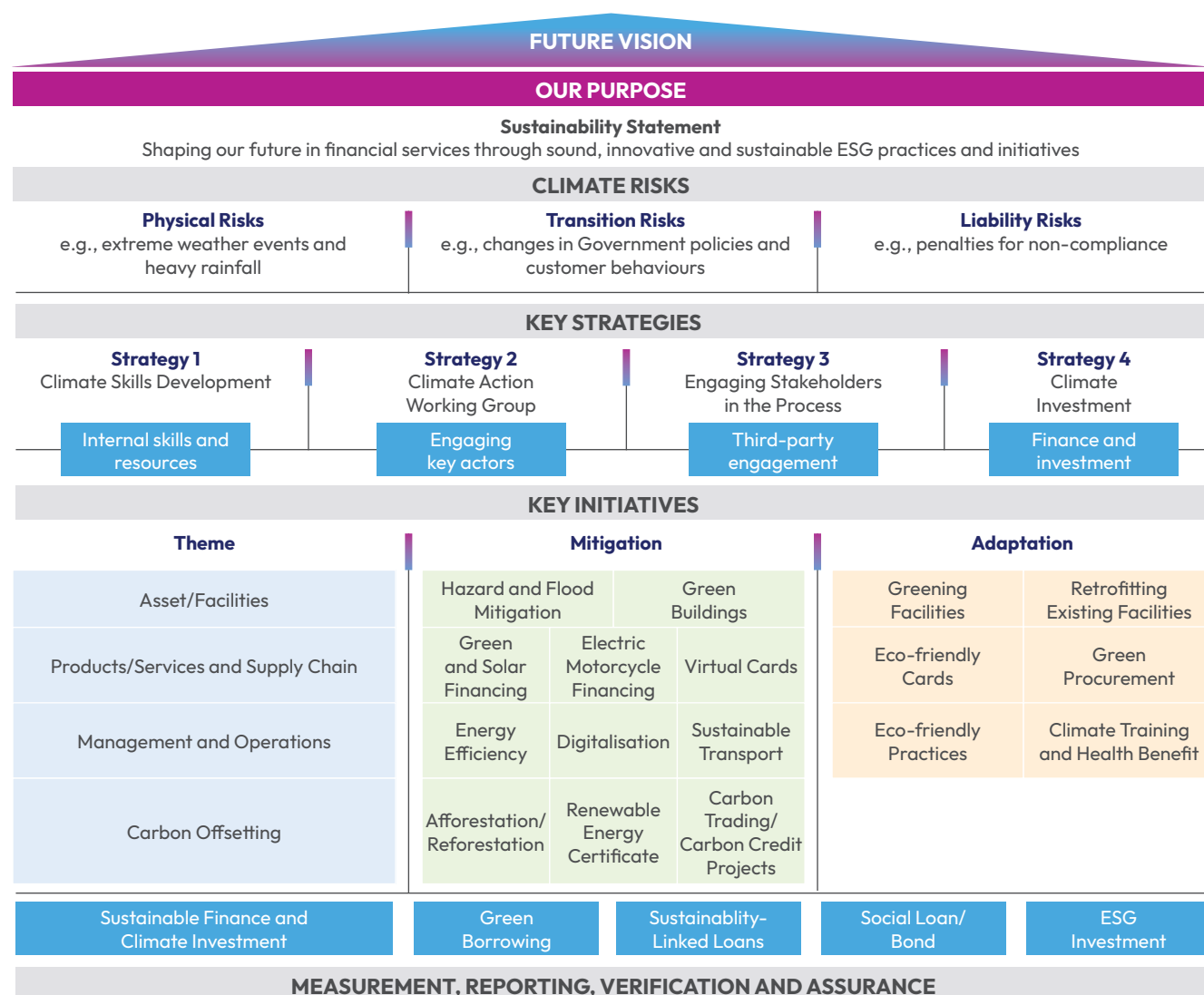
Learning and development for the Board on climate-related matters continued apace in FYE2025 to deepen their knowledge and enhance their appreciation of this subject so as to support astute decision making and arm them with the requisite capabilities to support the Group in mitigating climate-related risks and effectively leveraging climate-related opportunities.

Strategy

We have developed our Climate Action Framework, depicted below, to provide a structured approach for the Group in addressing climate change through measurable and actionable strategies. The Framework aims to establish clear reduction targets and outline the necessary steps, including adaptation and mitigation strategies, to reduce our GHG emissions, adapt to climate impacts, and promote sustainability. This includes engaging stakeholders and allocating investments that support environmental benefits. The ultimate goal of our Climate Action Framework is to mitigate the effects of climate change, contribute to national climate goals, and build a more resilient, sustainable future.

PILLAR 5: ENVIRONMENTAL STEWARDSHIP

Climate Action Framework



The Group's climate-risks management strategies have gained greater sophistication in the year under review. In Q1 FYE2025, we conducted a flood risk profiling exercise based on customer types, products, and locations through which we obtained a deeper understanding of flood risk associated with different customer segments based on their location and product types. This information supported formulation of targeted risk mitigation strategies and identified customers segments that are vulnerable to flooding, allowing us to develop contingency plans for continued service delivery in the event of floods.

In line with the TCFD framework, we have identified the physical and transition risks in relation to climate change that impact our operations. We plan to form a Climate Action Working Group that will be charged with evaluating the potential effects of these climate change risks on our financial performance, business model, and long-term strategic goals. This Working Group will also develop a structured approach for addressing climate-related risks and opportunities, guiding our sustainability efforts, and

ensuring alignment with regulatory requirements and long-term business objectives. It will also support us in reducing our carbon footprint and contribute to achieving the Group's climate goals.

Driven by our 3-Year Sustainability Roadmap, we have also executed a major initiative with a broader environmental conservation focus aimed at contributing to global efforts at mitigating climate change and support our goal of attaining carbon neutrality by 2030. The AEON Credit Biodiversity Afforestation Project mentioned under Environmental Conservation above, also contributes to sustaining the integrity of our natural heritage for the benefit of future generations.

The current 3-Year Sustainability Roadmap will conclude in Q3 FYE2026, after which we plan to develop a follow-up roadmap to build on and progress from the platform developed to move the Group further up the sustainability continuum, certainly this will include climate-related aspects underscoring the Group's greater maturity and capabilities in managing climate-related risks and opportunities.

We have also appointed about 60 Sustainability Champions to strengthen internal engagement on our sustainability journey including climate change management. Moving forward, we aim to conduct training sessions on emerging trends and topics related to sustainability and climate change to enhance their understanding of these topics and strengthen our capability to respond to and manage emerging sustainability and climate-related issues. As a start we have offered the opportunity for the Sustainability Champions to attend online sessions conducted by the United Nations Global Compact Academy.

Risk Management

Our climate-related risk management has also gained greater sophistication, the conduct of the flood risk profiling articulated above is testimony of this. In addition, in FYE2025, the Group also conducted a climate risk assessment to identify the climate-related risks that could potentially impact our operations and financial positions. The risk management implications arising are contained in the table below.

Climate Risk Driver	Implication	Mitigation
i. Extreme weather events (e.g. flood)	These risks arise from the physical impacts of climate change. They can be Acute – event driven or Chronic-associated with longer-term shifts in climate patterns.	Short term measures: <ul style="list-style-type: none"> • issue timely customer communications on branch closures and alternatives channels • regular monitoring and testing including simulations to enhance state of preparedness and continuously improve responses • business continuity planning including backup call arrangements across all regional offices • offer financing package that is supportive in nature or institute flood relief programmes to impacted customers • redeploy staff to resume operations at recovery site or institute work-from-home arrangements until the situation subsides • communicate with business partners and monitor their performance and service quality • taking out relevant insurance policies to cover expected losses Long-term measures: <ul style="list-style-type: none"> • conduct annual climate risk assessment to identify any emerging risks, thereby enhancing diligence • periodically monitor the impact of changes in climate patterns on the Group's customers • explore new financing products and services to meet potential future demands associated with/surfaced as a results of climate change, e.g. climate adaptation and mitigation and sustainable investment opportunities • assess location and other potential factors (e.g. history of natural disasters) when identifying new branches/relocating branches
ii. Changes in climate patterns (e.g. rising temperatures)	The main implication is credit deterioration due to the inability of borrowers impacted by flood and sea level rise to repay loans. The impact to our assets is low since properties and fixed assets are not a material part of our Balance Sheet. Experience from past flood-related incidents indicates only a minor proportion of our borrowers were impacted with credit losses arising within defined risk tolerance.	
iii. Non-compliance to environmental legislation and regulatory requirements	These risks are transitions risks arising from a shift to a low-carbon economy, including policy/regulatory changes, market responses, technology disruptions, and reputational impact. The resultant implications impact 2 distinct areas, i.e. policy and legal and market.	
iv. Investment in low-carbon technologies	On the policy and legal front, implications surface from compliance to the regulatory requirements which will potentially involve:	
v. Litigation, fines and non-compliance	<ul style="list-style-type: none"> • investment in low-carbon technologies • changing operations and processes • personnel changes and training to operate the low-carbon technologies and processes 	
vi. Changing customer behaviour		
vii. Negative investor and public perception	From the market perspective, implications are changes in the sentiments of our customers, financiers and investors towards a greater sustainability inclination with the attendant expectations of greater adoption and integration of sustainable practices.	

PILLAR 5: ENVIRONMENTAL STEWARDSHIP

The Group has identified the following implications that may arise from the introduction of a carbon tax. Once there is full clarity on its operational implementation, the Group will formulate appropriate strategic responses:

- 1 Automobile financing, a key revenue stream for the Group, is also a significant contributor to financed emissions. As such, we expect to be significantly impacted when the Government extends carbon tax to financial services. In anticipation, we have already begun promoting low-emission options, such as financing for electric motor vehicles and motorcycles to customers to mitigate our financed emissions. As a start, to encourage uptake, the Group is offering financing for low-emission vehicles at preferential low profit rates of between 0.65% to 0.833% per month;
- 2 Climate risk also introduce transition risks, potentially affecting our borrowers' ability to repay loans. This could lead to higher non-performing loans and an increase in overall credit risk for lenders.



 Electric motorcycle financing forms part of the Group's strategy to reduce financed emissions

Metrics and Targets

The Group has made good progress in developing climate-related metrics and targets to measure and disclose our climate-related impacts. This includes setting the baseline for our GHG emissions and setting clear targets toward achieving our carbon neutrality goal. We are also working to enhance our disclosure of climate-related metrics, including the integration of Scope 3 emissions.

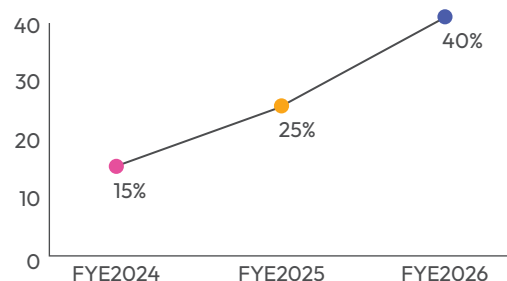
We introduced a new platform to automate data collection in respect of GHG emissions which streamlined tracking, managing, and reporting for Scope 1, Scope 2, and Scope 3 emissions, directly from various sources across the Group. The Group intends to apply the emissions factors to estimate financed emissions.

Moving forward, we will also start to disclose climate-related information in line with the IFRS S2 standard and in compliance to the National Sustainability Reporting Framework, including reporting the financial implications of climate-related risks and opportunities. This will provide stakeholders with increased transparency on how climate change is managed across our operations.

(i) GHG Emissions Target

Specific Sustainability Performance Targets under SPT2 attached to our SLLs are designed to achieve carbon reduction goals that support the Group's 2030 carbon neutrality target. Our GHG emissions (Scope 1 and Scope 2) reduction targets are depicted below with FYE2022 emissions serving as the baseline.

Targeted % Reduction



(ii) GHG Emissions Data

Data in respect of Scope 1 and 2 emissions are for AEON Credit and AEON Insurance only.

In FYE2023, the Group began disclosing our Scope 1 and 2 emissions, focusing on emissions within our operational boundaries, including the Headquarters, Regional Offices, and our branch offices located in AEON malls and other shopping centres. This step reflects our heightened commitment to climate action and our responsibility to contribute to global efforts in addressing the impacts of climate change.

As articulated above, as part of our strategy to reduce GHG emissions, we utilise electricity sourced from renewable resources in the form of RECs, which in FYE2025, has helped offset our GHG emissions by 561 tonnes CO₂e.

Scope 1 and Scope 2 Emissions	FYE2023	FYE2024	FYE2025
	(tonnes CO ₂ e)		
A. Direct (Scope 1*) GHG Emissions			
Total	172	200	57
Company-owned vehicle	61	64	57 ✓
Fuel card for employees	111	136	Nil
B. Indirect (Scope 2**) GHG Emissions from purchased electricity			
Total	2,295	2,317	2,162 ✓
C. Gross GHG Emissions (A + B)			
Total	2,467	2,517	2,219
D. Renewable Sources (including RECs)			
Total	Nil	878	561
E. Net GHG Emissions (C - D)			
Total	2,467	1,639	1,658

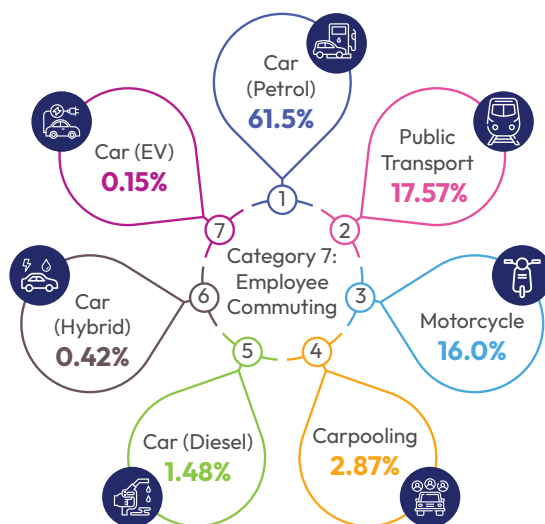
* Represents emission from consumption of petrol in operation. Total Scope 1 GHG emissions include Carbon Dioxide (CO₂e), Nitrous Oxide (N₂O) and Methane (CH₄) from FYE2023 and FYE2024 vehicle fuel combustion

** Total Scope 2 GHG emissions represents emission from consumption of purchased electricity.

In FYE2022, we conducted a base year GHG emissions calculation for both Scope 1 and Scope 2. Our emission factor for Scope 1 is based on 2006 IPCC Guidelines for National Greenhouse Inventories (Volume 3: Energy), and AR5 for Global Warming Potential (GWP) while that for Scope 2 is based on the Institute for Global Environmental Strategies ("IGES") List of Grid Emission Factors August 2022 (Version 10.12), National Greenhouse Accounts Factors July 2019. Our emission factor sources for Scope 1 and Scope 2 have remained unchanged.

✓ This data was assured by KPMG PLT.

83% of our employees responded to the Category 7: Employee Commuting survey. In common with all Malaysian corporate entities, petrol-powered cars form the pre-dominant mode of transport, followed by public transportation at 17.57% and motorcycle at 16%.



The emission impact of business travel and employee commuting is shown below.

Scope 3 Emissions	FYE2025
	(tonnes CO ₂ e)
Category 6: Business Travel	350.72
Category 7: Employee Commuting	3,252.34
Total	3,603.06

Note: Scope 3 emissions result from business activities but emanate from sources not owned or directly controlled by the AEON Credit. These emissions occur along the value chain, both upstream and downstream.

(iii) Carbon Intensity Metrics

As scope 3 emissions are disclosed for the first time in the current year, it is incorporated into our carbon intensity computation. This underscores our commitment to obtaining greater clarity of the environmental impact of the Group's economic activities to facilitate more targeted and effective emissions management efforts.

Our carbon intensity for the past 3 years is indicated below.

FYE2023	FYE2024	FYE2025
(tonnes CO ₂ e per RM million of revenue)		
1.45	1.19	2.37*

* FYE2025 includes Scope 3 emissions

We are currently developing an ESG dashboard that will enable the Group to benchmark its emissions management performance against industry standards and peers. This platform will provide valuable insights to drive continuous improvement by identifying best practices, areas for optimisation, and potential opportunities for further emissions reductions. This project which is targeted for completion in Q3 FYE2026 will provide a centralised, real-time platform for tracking, monitoring, and analysing the Group's GHG emissions and our emissions management performance.



PILLAR 6: CONTRIBUTING TO COMMUNITIES

What this means to us

While pursuing our economic objectives, AEON Credit remains deeply committed to giving back to society in appreciation for the support that has contributed to our success. We prioritise uplifting vulnerable communities, supporting the underprivileged in achieving their aspirations, and fostering social inclusion. In line with our commitment to unity and cultural appreciation, we also celebrate major festivals together, strengthening our bonds with the diverse communities we serve.

Stakeholders



Local Communities/
NGOs



Employees

Key Indicators

- Number of community support initiatives
- Number of beneficiaries
- Number of employee volunteers
- Number of external volunteers (as a measure of support and societal impact of initiatives)
- Number of employee volunteer hours

Material Matters



Strategic Community Investment

UN SDGs



Relevant BURSA Common Sustainability Matter(s)

- Community and Society

Performance Summary



CSR Investment
Increased by RM1.25 million
to **RM2.43 million**



Employee Volunteering
1,141 employees
volunteers on top of
participants from
local communities and
collaboration partners



Volunteer Hours
A total of **3,652 volunteer hours** were dedicated to CSR activities in FYE2024, increasing to **4,564 volunteer hours** in FYE2025

The Group holds the conviction that as a responsible corporate citizen we have an obligation to care for and support society in general as a way of sharing the fruits of our success. Giving back to society has always been practiced by the Group to reinforce the bonds built with local communities. More importantly, societal support brings to the life our human side to explicitly show that the Group also has a focus on facilitating growth and development for society at large, and improve their economic statute. Beyond traditional philanthropy, the Group also place priority on levelling the playing field for the less privileged to afford them access to opportunities and support the achievement of their aspirations.

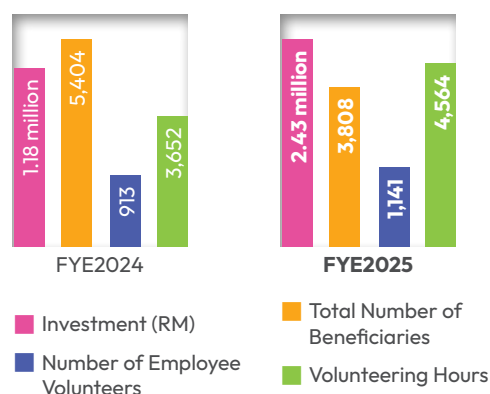


STRATEGIC COMMUNITY INVESTMENT

The first AEON Foundation Ideal reads: *Pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point.* Accordingly, care for community well-being, and supporting them in their times of need is tightly woven into the Group's corporate fabric. Every year we set aside funds for community investment which goes to causes that the Group supports.

The Group has 2 strategic community investments channels, namely through the Malaysian AEON Foundation ("MAF") and our own Corporate Social Responsibility ("CSR") initiatives both of which are further detailed in the sub-sections that follow.

The charts below present statistics pertinent to our Strategic Community Investment efforts.



The Group's CSR investment increased by RM1.25 million in FYE2025 compared to the previous year, notably the quantum of increase is, by itself, higher than the total amount invested in FYE2024. This underscores the Group's continuing commitment to giving back in support of societal and environmental well-being and to explicitly bring forth the Group's humanity.

It is significant to note the substantial number of employee volunteers, consistently maintained year-on-year. This underscores the success effort of the Group in infusing a passion for sustainability and societal care within our workforce.

(i) Malaysian AEON Foundation ("MAF")

MAF is the joint philanthropic arm of AEON CO. (M) BHD., AEON Credit Service (M) Berhad, AEON BiG (M) Sdn. Bhd., AEON Delight (Malaysia) Sdn. Bhd. and AEON Fantasy (Malaysia) Sdn. Bhd. Since establishment in 2004, MAF has assisted communities during festivities and natural calamities and also supported vulnerable individuals with a focus on education, shelter and medical support.

An amount of over RM23 million has been contributed nationwide since 2004. AEON Credit contributes an annual amount of RM1.0 million together with AEON CO. (M) BHD. to support the MAF's community impact activities.

In common with previous years, community investments made by MAF in FYE2025 focused on community well-being through donations and extension of financial support to vulnerable members of the community, assistance to tide through difficulties due to natural calamities, festivity contributions and community enrichment programmes. FYE2025 community investments initiatives are listed in table below.

Initiative	Objectives	Conducted	Beneficiaries
Disaster Relief Efforts			
MAF AEON Bantu at Kelantan	The AEON Bantu initiative provides immediate assistance during the northeast monsoon affecting several states in Malaysia, particularly Kelantan	December 2024	500 families including 26 AEON Group employees
MAF AEON Bantu at Johor	The AEON Bantu initiative provides immediate assistance during the uncertain monsoon season affecting several states in Malaysia, particularly Johor, this initiative mobilised flood relief aid to Kluang, Johor	January 2025	161 families

PILLAR 6: CONTRIBUTING TO COMMUNITIES

Initiative	Objectives	Conducted	Beneficiaries
Festive Season Donations			
MAF AEON Mesra Ramadan	Donation for Aidilfitri celebrations for children from low-income families. This is an annual MAF event	March 2024	345 children and 40 families from low-income families and charity organisation at 10 locations nationwide
MAF AEON Mesra Deepavali	Donation for Deepavali celebrations for children from low-income families. This is an annual MAF event	October 2024	308 children and 30 families from low-income families and charity organisation at 6 locations nationwide
MAF AEON Mesra Christmas	Donation for Christmas celebrations for children from low-income families. This is an annual MAF event	December 2024	281 children from low-income families and charity organisation at 8 locations nationwide
MAF AEON Mesra Chinese New Year and School Holiday Outing	Donation for Chinese New Year celebrations for children from low-income families. This is an annual MAF event	February 2025	80 children from 2 charity organisations




 AEON Mesra Chinese New Year and School Holiday Outing by the Malaysian AEON Foundation




 AEON Mesra Christmas by the Malaysian AEON Foundation



 AEON Mesra Ramadan by the Malaysian AEON Foundation – Distribution of 'bubur lambuk' during the Ramadan month



 AEON Mesra Deepavali by the Malaysian AEON Foundation

Initiative	Objectives	Conducted	Beneficiaries
Charity Events and Fundraisers			
MAF AEON Charity Run 2024	Support for MAF AEON Charity Run, with proceeds benefiting 10 government hospitals nationwide. Funds will assist low-income patients with medical expenses and medical care equipment under the AEON Kasih programme	July 2024	10 government hospitals nationwide



 Malaysian AEON Foundation's charity fundraising event under AEON Kasih

Initiative	Objectives	Conducted	Beneficiaries
Education Contributions			
MAF Digital Green Student Challenge Programme	This initiative empowers participants by enhancing their problem-solving mindset, digital literacy and leadership skills	December 2024	58 students from schools under MAF Smart Classroom Project



 Malaysian AEON Foundation's Digital Student Green Challenge Programme

PILLAR 6: CONTRIBUTING TO COMMUNITIES

Initiative	Objectives	Conducted	Beneficiaries
Economic Empowerment Programme			
MAF AEON Bersamamu KAMI Phase 2 (Graduation Day)	This initiative empowers participants with business knowledge, financial management skills and hands-on training in sewing, bread-making and hairdressing as part of AEON Credit Financial Inclusion (Economic Empowerment) Programme to uplift the livelihood of the community	January 2025	31 participants from 5 public housing projects in Klang Valley

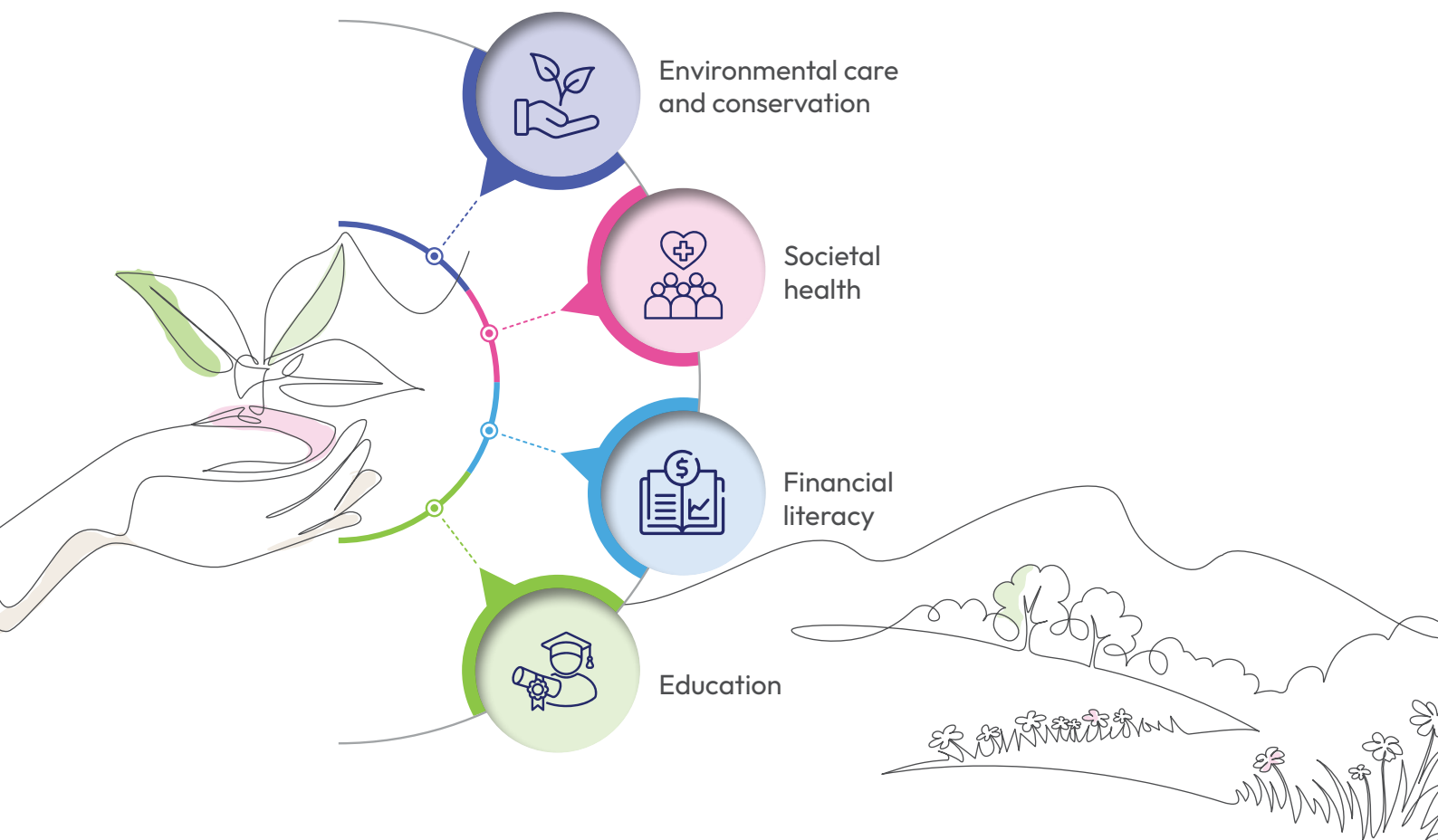
* The Group's share of investment in respect of the initiatives comes out of our RM1.0 million annual contribution contribution to MAF.

A total of 189 dedicated volunteers from across the Group took part in the above initiatives, reflecting the strong collaboration between our Group entities and their active partnership in MAF activities.

As part of our digital volunteering efforts, our AEON Wallet has a built-in capability to facilitate e-donations. This functionality has been used to contribute donations amounting to RM7,249 since introduction in January 2023 as part of our continuous efforts to enhance customer convenience by allowing them to donate in support of the Group's CSR activities and MAF's community-based CSR activities.

(ii) Corporate Social Responsibility ("CSR")

Each year the Group conducts CSR activities which also include those falling under the umbrella MAF. CSR activities specific to the Group are targeted at our chosen areas of focus, which principally comprise:



Group-specific CSR initiatives conducted in FYE2025 are listed in the table below and are categorised into five distinct themes.

Initiative	Objectives	Conducted	Beneficiaries
Environmental Care and Conservation			
ERO Community Recycling Programme	Promote awareness in the public and employees on the importance of sustainable waste management through reuse, reduce and recycle and safely disposing of e-waste that contains harmful materials	May 2024	588.7 kg of recyclable waste and 284.6 kg e-waste collected
AEON Group Spogomi 2024	Recyclable waste collection to promote a cleaner environment which will be beneficial for the surrounding community	November 2024	Supported environmental care and enhanced community awareness
AEON Credit Biodiversity Afforestation Programme	Rehabilitation of biodiversity at Kinta Nature Park, Perak, a degraded agriculture area and former tin-tailing site by planting 30 indigenous tree species and provide habitat for 150 species of birds	May 2024	10,000 trees from 30 local species
AEON Credit Annual Nationwide Coastal Clean-up Programme	Engage with local communities surrounding regional offices and credit operation centers for coastal clean-up as part of the Group initiative to educate the community on the environmental benefits of keeping the coastal areas clean	September and October 2024	2.4 tonnes, comprising 0.5 tonnes of plastic waste and 1.9 tonnes of non-recyclable waste
AEON Credit Mangrove Tree Planting Programme	Engage with local communities surrounding our Eastern Region and Northern Region operations for mangrove tree planting at Setiu Wetland, Terengganu and Byram Forest Reserve, Pulau Pinang	February 2025	2,000 mangrove trees planted




 Community Recycling Programme by the Eastern Regional Office



 AEON Credit Mangrove Tree Planting at Setiu Wetland, Terengganu

PILLAR 6: CONTRIBUTING TO COMMUNITIES

Initiative	Objectives	Conducted	Beneficiaries
Society Health			
Blood Donation Drive	Support local blood bank and raise awareness among Group employees on the life-saving impact of blood donation ERO Partner: Raja Perempuan Zainab II Hospital EMRO Partner: Sarawak General Hospital ERO Partner: Tengku Ampuan Afzan Hospital SRO Partner: Sultan Ismail Hospital NRO Partner: Penang General Hospital	May 2024 May 2024 September 2024 October 2024 November 2024	280 pints of blood
Pre-Ramadan Blood Donation Drive across Regional Offices and Headquarters	Support local blood bank and raise awareness among Group employees on the life-saving impact of blood donation 3 events held before Ramadan to secure greater participation as Muslims are normally reluctant to donate blood during the fasting month Partner: Sarawak General Hospital, Penang General Hospital and University Malaya Medical Centre	January and February 2025	160 pints of blood



 Blood Donation Drive at Head Office and Regional Offices



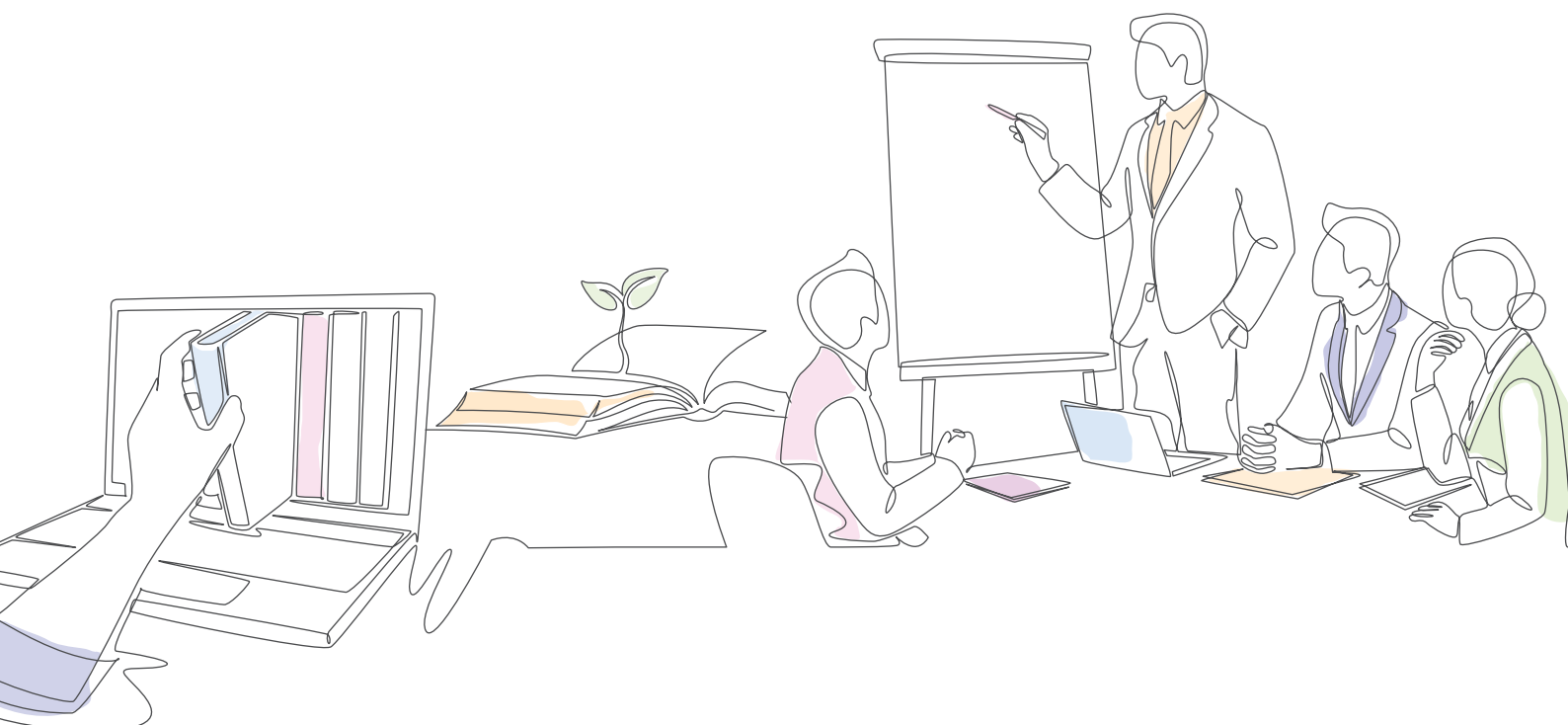
Initiative	Objectives	Conducted	Beneficiaries
Financial Literacy			
AEON Credit Young Financial Savvy Programme at Felda Lurah Bilut, Pahang	Create awareness of basic financial literacy for children in Felda Lurah Bilut, Pahang	Mar 2024	30 primary school students from SK Lurah Bilut
AEON Credit Financial Literacy for Teachers under MAF Smart Classroom Project	Enhance financial, digital, and insurance literacy for the teachers, to protect against scams and fraud. This programme supports the Group's financial inclusion initiative	July 2024	25 teachers from 12 schools



AEON Credit's Financial Savvy Programme for Teachers during MAF Smart Classroom Project - Teacher's Workshop



AEON Credit Young Financial Savvy Programme at Felda Lurah Bilut, Pahang



PILLAR 6: CONTRIBUTING TO COMMUNITIES

Of note, the Biodiversity Afforestation Programme at Kinta Nature Park, Perak included 405 volunteers from our collaboration partners, on top of the 241 from the Group, making a total 646 volunteers underscoring the scale of this initiative.

Supplementing our volunteering-oriented CSR initiatives, the Group's CSR endeavours also include financial donations to worthy causes, in FYE2025 the following donations were extended.

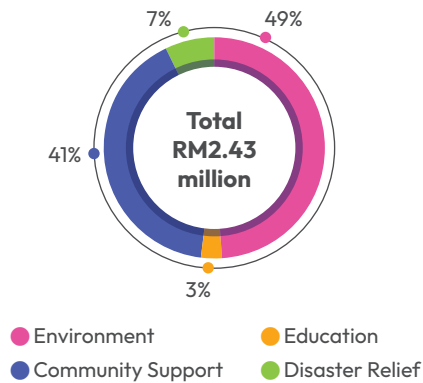
Initiative	Objectives	Conducted	Beneficiaries
Donation to Japanese Embassy for earthquake relief in Noto Peninsula of Ishikawa Prefecture, Japan	Aid for victims of the 7.6-magnitude earthquake that struck Suzu on the Noto Peninsula of Ishikawa Prefecture, Japan on 1 January 2024	March 2024	Earthquake victims
Donation in support of the Japan Club of Kuala Lumpur's 48th Bon-Odori Festival 2024	Support continued strengthening of ties between Malaysia and Japan and reinforce cultural understanding	July 2024	Contribution of Japanese cultural souvenirs were distributed to Festival attendees which added to the charm of the event
Donation to Japan Club of Kuala Lumpur's in support of its 52nd Charity Bazaar 2024	Support raising of funds for donation to Japan Club, Kuala Lumpur's selected charity organisations	November 2024	Selected charitable bodies
Contribution to Ministry of Natural Resources and Environmental Sustainability's National Conservation Trust Fund for Natural Resources ("NCTF") Biodiversity Showcase 1.0	Support for conservation projects to preserve the country's natural resources	December 2024	Environmental conservation

A CSR and MAF Activities Survey, conducted from November 11 November to 28 November 2024, garnered a 59% employee participation. 50% of the respondents indicated a willingness to participate in such activities with community support as their main driver, while 68% expressed interest in participation, especially those focused on education and community outreach. Amongst the respondents, the most popular activities were environmental sustainability programmes and blood donation drives. Scheduling conflicts was indicated as the main obstacle to participation.

The survey results suggested a strong interest in CSR activities among our employees which we intend to leverage to increase employee volunteerism in CSR initiatives, and, more significantly, to further embed an inclination towards social concern and care within our workforce.







The Group's CSR achievements are illustrated below:

Direction of CSR Investments



CSR Beneficiaries (pax)



 <p>10,000 Indigenous Forest Trees Planted</p>	 <p>2,000 Mangrove Trees Planted ↑ 1,000 trees against FYE2024 (100%)</p>	 <p>2.41 tonnes Plastic and Debris Removed from 4 Coastal Areas ↓ 4.00 tonnes against FYE2024 (40%)</p>	 <p>440 Blood Pints Donated ↑ 162 pints against FYE2024 (171%)</p>	 <p>95% Volunteering Satisfaction Rate</p>	 <p>55 Participants for AEON Credit Financial Savvy Programme</p>
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The Group's CSR investment intensity, which expresses our CSR investment as a percentage of our revenue, has increased by 67% in FYE2025 as we continue to uphold and deliver on our responsibility to give back to society.



PERFORMANCE DATA TABLE FROM BURSA ESG REPORTING PLATFORM

The performance data table below has been prepared and audited in accordance with the requirements of the Bursa Main Market Listing Requirements, and in line with the enhanced Sustainability Reporting Guide, 3rd edition. It summarises the key indicators that are pertinent to the Group's material sustainability matters which are disclosed from pages 74 to 75.

Performance Data Table - Bursa Malaysia Mandatory Indicator	Measurement Unit	FYE2023	FYE2024	FYE2025
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	22%	22%	22%
Non-Management	Percentage	78%	78%	78%
	Total Percentage	100%	100%	100%
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100%	100%	100%
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt-hour	2,620.00	4,043.51	3,835.31
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	6.269	19.457	23.831
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	N/A	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	N/A	0	0.06
Bursa C5(c) Number of employees trained on health and safety standards	Number	N/A	572	1,128
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	0.49%	0.64%	1.09%
Management Between 30-50	Percentage	9.48%	10.75%	10.94%
Management Above 50	Percentage	0.95%	0.93%	1.43%
Executive Under 30	Percentage	27.56%	25.08%	24.07%
Executive Between 30-50	Percentage	60.22%	61.53%	61.05%
Executive Above 50	Percentage	0.62%	0.48%	0.91%
Non-Executive Under 30	Percentage	0.26%	0.1%	0.09%
Non-Executive Between 30-50	Percentage	0.39%	0.42%	0.36%
Non-Executive Above 50	Percentage	0.03%	0.07%	0.06%
Gender Group by Employee Category				
Management Male	Percentage	4.61%	5.15%	5.65%
Management Female	Percentage	6.31%	7.18%	7.81%
Executive Male	Percentage	28.80%	28.59%	28.41%
Executive Female	Percentage	59.59%	58.5%	57.61%
Non-Executive Male	Percentage	0.52%	0.45%	0.40%
Non-Executive Female	Percentage	0.16%	0.13%	0.12%

Performance Data Table - Bursa Malaysia Mandatory Indicator	Measurement Unit	FYE2023	FYE2024	FYE2025
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	60%	56%	64%
Female	Percentage	40%	44%	36%
Below 30	Percentage	0	0	0
Between 30-50	Percentage	20%	22%	18%
Above 50	Percentage	80%	78%	82%
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	27,892	53,874	14,746
Executive	Hours		16,744	91,051
Non-Executive	Hours		172	11,106
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.9%	14.00%	13.90%
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	74	52	58
Non-Management	Number	369	309	255
Non-Executive	Number	6	5	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,280,000	1,000,000	2,430,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	6,519	5,404	3,808
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	93%	94%	94%
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



SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by AEON Credit Service (M) Berhad (hereafter referred to as AEON Credit) to perform an independent verification and provide assurance of AEON Credit Sustainability Statement 2025. The main objective of the verification process is to provide assurance to AEON Credit and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International pertains to sustainable performance information (subject matter) within the assurance scope which is included in AEON Credit Sustainability Statement 2025.

The management of AEON Credit was responsible for the preparation of the Sustainability Statement. The objective and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the AEON Credit's Sustainability Statement, and the Integrated Annual Report 2025.

The assurance engagement was designed to provide limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance activity evaluates the adequacy of AEON Credit Sustainability Statement and its overall presentation against respective frameworks such as UNSDGs, GRI Standards requirement, and other relevant frameworks. The assurance process entails the verification of material matters disclosed in the Sustainability Statement, which are structured under the Sustainability Pillars, Conduct and Trust, Customer Experience, Digital Product and Service Transformation, Employee Health, Safety and Well-being, Contributing to Communities and Environmental Stewardship. In addition to this, we also review and verify the sustainability indicators outlined by Bursa Malaysia to ensure the accuracy, completeness, and reliability of the reported information. The results of this verification process have been systematically tabulated in Appendix 1, Appendix 2 and the Report to Management, with further details provided therein.

The verification was carried out by SIRIM QAS International in April 2025, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation made available during the assessment.
- Verifying the data presented in the Sustainability Statement, which includes a detailed review of the sampled data.
- Interviewing key personnel responsible for collating information and developing various sections of the report to substantiate the veracity of the claims.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in AEON Credit's Integrated Annual Report 2025.
- The review excluded all financial-related data, as these are subjected to the company's financial audit.
- As part of this assurance engagement, the verification team visited AEON Credit's corporate office at UOA Corporate Tower, Bangsar South City. However, the verification process did not include physical inspections of any of AEON Credit's offices.
- The verification team did not assess or verify any data related to contractors or third parties.

Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of AEON Credit relating to the accuracy of some of the information contained in the report. In response to the findings, the Sustainability Statement was subsequently reviewed and revised by AEON Credit. It is confirmed that changes that have been incorporated into the final version of the report have satisfactorily addressed all issues. Based on the scope of the assessment process and evidence obtained, nothing has come to our attention that causes us to believe that AEON Credit has not complied, in all material respects, with the referred assurance standard and guide. The following represents SIRIM QAS International's opinion:

- The level of data accuracy included in AEON Credit Sustainability Statement 2025 is fairly stated;
- The level of disclosure of the specific sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report;
- The Sustainability Statement offers a reasonable and balanced presentation of AEON Credit's sustainability performance.

List of Assessors.

1)	Ms. Aernida Abdul Kadir	:	Team Leader
2)	Ms. Kamini Sooriamoorthy	:	Team Member
3)	Ms. Farhanah Ahmad Shah	:	Team Member
4)	Ms. Hazwani Yob	:	Team Member
5)	Ms. Evelyn Liew	:	Team Member

Statement Prepared by:

Statement Approved by:



AERNIDA BINTI ABDUL KADIR

Team Leader
Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 28 April 2025



AMINUDIN BIN ABD AZIZ

Acting Senior General Manager
Management System Certification Department
SIRIM QAS International Sdn. Bhd

Date: 2 May 2025

Note 1: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantee the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (28 April 2025).

BURSA'S SUSTAINABILITY PERFORMANCE REPORT

Appendix 1 Performance Data Table - BURSA Malaysia Indicator	Measurement Unit	FYE2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	22
Non-Management	Percentage	78
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt-hour	3,835.31
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	23.831
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.06
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,128.00
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	1.09%
Management Between 30-50	Percentage	10.94%
Management Above 50	Percentage	1.43%
Executive Under 30	Percentage	24.07%
Executive Between 30-50	Percentage	61.05%
Executive Above 50	Percentage	0.91%
Non-Executive Under 30	Percentage	0.09%
Non-Executive Between 30-50	Percentage	0.36%
Non-Executive Above 50	Percentage	0.06%
Gender Group by Employee Category		
Management Male	Percentage	5.65%
Management Female	Percentage	7.81%
Executive Male	Percentage	28.41%
Executive Female	Percentage	57.61%
Non-Executive Male	Percentage	0.40%
Non-Executive Female	Percentage	0.12%
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	64
Female	Percentage	36
Below 30	Percentage	0
Between 30-50	Percentage	18
Above 50	Percentage	82
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	14,746.10
Executive	Hours	91,051.93
Non-Executive	Hours	11,106.55
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.90%
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	58
Non-Management	Number	255
Non-Executive	Number	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

Appendix 1 Performance Data Table - BURSA Malaysia Indicator	Measurement Unit	FYE2025
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,430,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3,808
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	94
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

Appendix 2 The material matters covered in this assessment are tabulated below:	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
Conduct and Trust				
Excellent Ethics, Governance, Risk Management & Compliance				
Business Innovation, Responsible Marketing, Product & Service Design				
Data Security, IT Infrastructure & Digital Transformation				
Transparency in Procurement Process				
Customer Experience				
Business Innovation, Responsible Marketing, Product & Service Design				
Excellent Customer Experience, Support & Access				
Digital Product and Service Transformation				
Financial Inclusion, Sustainable Finance & Financial Performance	Excluded – third party review			
Business Innovation, Responsible Marketing, Product & Service Design				
Excellent Customer Experience, Support & Access				
Employee Health, Safety and Wellbeing				
Employee Health, Safety & Wellbeing				
Employee Benefits, Employee Engagement Programmes				
Environmental Stewardship				
Environmental Management				
Climate Action				
↳ Scope 1 & 2	Excluded – third party review			
↳ Scope 3				
Contributing to Communities				
Strategic Community Investment				
↳ Malaysian AEON Foundation				

Note 1:

This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (28 April 2025).

Note 2:

The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.

Note 3:

Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data in the Management Report.

HIGH: The data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.

MEDIUM: Data and information have been confirmed with the direct owners. However, the source of the data has been based on secondary data, where the data origin is not accessible by the verifiers during the conduct of the assessment.

LOW: Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.

UNSUBSTANTIATED: The sources of data and information disclosed were not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.



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Level 18, UOA Corporate Tower,
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59200, Kuala Lumpur

Independent Practitioners' Limited Assurance Report on AEON Credit Service (M) Berhad's (the "Company") Selected Sustainability Indicators for the financial year ended 28 February 2025 ("FYE 2025") presented in its Integrated Annual Report 2025

Conclusion

We have performed a limited assurance engagement on whether the Company's selected sustainability indicators for the financial year ended 28 February 2025 listed below ("Selected Sustainability Indicators") have been prepared in accordance with the Company's definition and calculation methodologies as set out in the Company's Integrated Annual Report 2025 and/or where relevant, the Bursa Malaysia Securities Berhad Listing Requirements ("Applicable Criteria"):

1. Green financing - Financing for purchase of energy efficient appliances (*washing machines, air conditioners, television, refrigerators, e-scooters, and bicycles*) (RM);
2. Green financing - Financing for electric bikes (RM);
3. Scope 1 Greenhouse Gas ("GHG") Emissions - Company vehicles/ fleet (tCO₂e);
4. Scope 2 Greenhouse Gas ("GHG") Emissions - Purchased electricity (tCO₂e); and
5. Social financing - Financing for underserved customers (RM).

The boundary of the limited assurance engagement on the Selected Sustainability Indicators represents AEON Credit Service (M) Berhad and its subsidiary.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators for the financial year ended 28 February 2025 presented in the Company's Integrated Annual Report 2025 are not prepared, in all material respects, in accordance with the Applicable Criteria.



Basis for conclusion

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements ("ISAE") 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. Our responsibilities under this standard are further described in the *Our responsibilities* section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Restriction on distribution and use of our report

Our report has been prepared for the Board of Directors of the Company (the "Directors") solely in accordance with the terms of our engagement letter.

Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk.

Without affecting, adding to or extending our duties and responsibilities to the Company or giving rise to any duty or responsibility being accepted or assumed by or imposed on us by any other party, we consent to the inclusion of this report in the Company's Integrated Annual Report 2025, to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Selected Sustainability Indicators.

Our conclusion is not modified in respect of this matter.

Responsibilities for the Selected Sustainability Indicators

The management of the Company (the "Management") is responsible for:

- (a) Designing, implementing and maintaining internal control relevant to the preparation of the Selected Sustainability Indicators such that they are free from material misstatement, whether due to fraud or error;
- (b) Selecting or developing suitable criteria for preparing the Selected Sustainability Indicators and appropriately referring to or describing the criteria used, including who developed them, when not readily apparent from the engagement circumstances;
- (c) Preparing and properly calculating the Selected Sustainability Indicators in accordance with the Applicable Criteria;



Responsibilities for the Selected Sustainability Indicators (continued)

- (d) Preventing and detecting fraud; and
- (e) Selecting the content of the Selected Sustainability Indicators, including identifying and engaging with intended users to understand their information needs.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Company's Integrated Annual Report 2025 may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Company's Integrated Annual Report 2025, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Our responsibilities

We are responsible for:

- (a) Planning and performing the engagement to obtain limited assurance about whether the Selected Sustainability Indicators are free from material misstatement, whether due to fraud or error;
- (b) Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- (c) Reporting our conclusion to the Directors.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Selected Sustainability Indicators that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Selected Sustainability Indicators and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we have performed the following procedures, amongst others:

- (a) Enquired Management to gain an understanding of the processes established from which the Selected Sustainability Indicators are derived;
- (b) Interviewed relevant staff responsible for preparing and presenting the Selected Sustainability Indicators in the Company's Integrated Annual Report 2025;
- (c) Compared the Selected Sustainability Indicators presented in the Company's Integrated Annual Report 2025 to underlying sources on a sample basis; and
- (d) Read the Selected Sustainability Indicators presented in the Company's Integrated Annual Report 2025 to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of AEON Credit Service (M) Berhad.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Other matter

Our assurance conclusion was with respect to the Company's Selected Sustainability Indicators for the financial year ended 28 February 2025. We previously expressed a conclusion over the Company's Selected Sustainability Indicator 1,2,3 and 4 for the year ended 29 February 2024, and our report thereto dated 15 May 2024 included an unmodified conclusion.

Notwithstanding the above, we have not performed any procedures with respect to any other earlier periods or any other elements included in the Company's Integrated Annual Report 2025 and therefore, we do not express any conclusion thereon.

A handwritten signature in black ink, appearing to read 'KPMG', with a stylized flourish at the end.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 21 May 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement (“CGOS”), made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) and in accordance with the Malaysian Code on Corporate Governance (“MCCG”), articulates the Group’s Corporate Governance practices during the year under review (“FYE2025”) to provide an overview on the application of the three (3) MCCG Key Principles:

- i) Principle A: Board Leadership and Effectiveness;
- ii) Principle B: Effective Audit and Risk Management; and
- iii) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CGOS should be read together with the Corporate Governance Report (“CG Report”) which expresses in greater detail AEON Credit’s application of MCCG’s prescribed practices. This is available on:

 <https://aeoncredit.com.my/investor-relations/integrated-annual-report/>

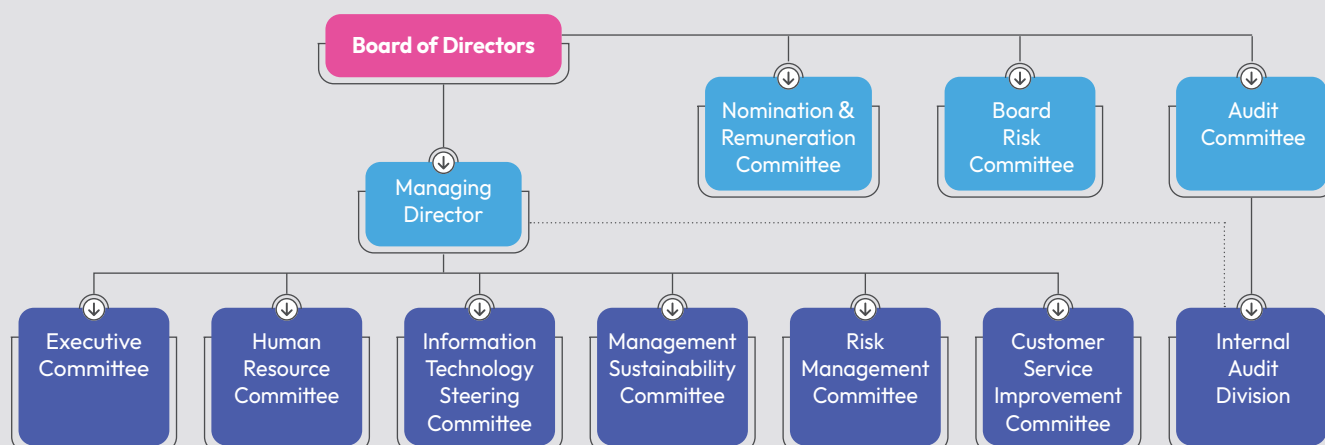
or scan the QR Code below:



The Board of AEON Credit firmly believes that strong corporate governance (“CG”) is critical and indispensable to AEON Credit to safeguard our assets while ensuring our ability to generate sustainable and uncompromised value. Effective CG practices are fundamental to garnering the trust of our customers, lenders and, most importantly the general public which remains the cornerstone of our business operations. From a regulatory standpoint, AEON Credit operates under a stringent framework where CG is of paramount importance and exerts significant influence on our mandate to conduct business.

The Board of AEON Credit has, from the outset, diligently promoted strong CG across the Group, fostering a culture of accountability, ethical business practices, and prudent risk management. The Board’s efforts have contributed to the sustained generation of a stream of long-term value for our shareholders and stakeholders. CG is now firmly embedded in every aspect of our operations, under the oversight and guidance of functional specialists who continuously incorporate improvements to reflect changing circumstances, for instance the integration of sustainability initiatives and leveraging digital innovation.

The Board has established a comprehensive CG Framework which incorporates functional expertise and oversight of corporate governance and regulatory compliance processes.



The CG framework is premised on the relevant statutes, authoritative guidelines, and industry best practices, including:

- Companies Act 2016;
- Malaysian Anti-Corruption Commission (“MACC”) Act 2009;
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”);
- Policy Document on Corporate Governance issued by Bank Negara Malaysia (“BNM”);
- Corporate Governance Guide (4th Edition) published by Bursa Malaysia (“Bursa CG Guide”); and
- Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia (“SC”).

The Board is supported by dedicated Board Committees in discharging its duties. Specifically in the context of CG, the Audit Committee (“AC”) provides oversight concerning internal controls, while the Board Risk Committee (“BRC”) focuses on risk management and sustainability. The BRC is further supported by the Management Sustainability Committee and the Risk Management Committee, which review, discuss, and monitor the implementation of activities related to sustainability and risk management respectively. Both Board Committees regularly review CG policies and processes for adequacy, relevance, effectiveness and currency. They also solicit input from functional specialists to continually strengthen CG so as to ensure that material changes impacting CG are given due consideration and appropriately addressed.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES AND SENIOR LEADERSHIP OVERSIGHT

The Board exercises oversight of the orderly conduct of the Group's business, with the aim of delivering sustainable, long-term shareholder value. As part of this responsibility, the Board provides strategic direction by overseeing the Group's strategies and supervises the Management in their implementation to achieve the desired results. In the process, the Board prioritizes the integration of good CG policies and practices and ensures full compliance with all legislation and guidelines governing the Group. The Board believes that strict and cohesive CG practices drives successful implementation of the business strategies and enhances the likelihood of achieving desired results.

In discharging its duties, the Board demonstrates a strong sense of responsibility, acting in good faith, with diligence and care, and in the best interests of the Group and its shareholders. The principal roles and responsibilities of the Board, broadly, are:

- i) Approving business strategies, risk appetite/tolerance, and other corporate initiatives that have a material impact on the Group's risk profile and profitability;
- ii) Overseeing the implementation of the Group's CG framework, systems of risk management and internal control, with periodic reviews to ensure continuing relevance, sufficiency and effectiveness, in light of the Group's evolving business complexity, operations and technologies;
- iii) Collaborating with Management to foster a sound corporate culture which reinforces integrity, ethical conduct and professionalism;
- iv) Embedding sustainability into the Group's strategy and operations, emphasizing environmental, social and governance ("ESG") principles;
- v) Approving business continuity programs and overseeing recovery and resolution actions to enhance the Group's resilience, and ensure uninterrupted delivery of critical operations and services under all circumstances;
- vi) Driving the achievement of sustainability performance targets ("SPTs"), including those tied to sustainability-linked loans and the Group's net-zero target;
- vii) Facilitating clear and timely communications between the Group, shareholders and regulators on issues that impact or could impact the Group's stability and soundness;
- viii) Monitoring Digital Transformation initiatives and the associated technology investments to ensure targeted capabilities and benefits are realised; and
- ix) Providing oversight on the performance and financial health of the Group's major investee companies.

A Board Charter is in place to guide the Board in discharging its duties. The Board Charter documents the Board's roles, responsibilities, powers and matters that the Board may delegate to Board Committees and the Management. The Board Charter and Board Committees' Terms of Reference ("TOR") are periodically reviewed and updated to incorporate changes in policies, statutory provisions, MCCG requirements and to align with best practices.

The Board Charter is accessible on the Company's website under Board Charter section at:

 <https://aeoncredit.com.my/about-us/corporate-governance/board-charter-2/>

or scan the QR Code below:



Matters specifically reserved for the Board's deliberation and approval include:

- i) Business strategies and annual business plan/budget;
- ii) Enterprise Risk Management Framework ("ERMF") and risk strategies;
- iii) Raising or restructuring of equity or debt capital and bank borrowings;
- iv) New investments, divestments, establishment of subsidiaries or joint ventures, and any other corporate exercise which requires approval of shareholders;
- v) Acquisition or disposal of significant assets outside the ordinary course of business;
- vi) Acquisition of equipment or assets exceeding management approval threshold;
- vii) Resolution of any conflict of interest related to a substantial shareholder or a Director;
- viii) Approval of related party transactions, subject to approval of shareholders where necessary;
- ix) Unaudited quarterly financial results and audited annual financial statements;
- x) Appointment of new Directors and their appointment as members of Board Committees, including setting the terms of service and remuneration, subject to approval of shareholders where necessary;
- xi) Ensuring regulatory compliance; and
- xii) Declaration of dividends, subject to approval of shareholders where necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board delegates responsibility for the management of day-to-day business operations to the Managing Director (“MD”) who is assisted by a Senior Management team of competent functional specialists (collectively “the Management”) to ensure that the Group operates within a framework of prudent and effective controls guided by the requisite functional skills.

The Management, in turn, exercises oversight and governance over execution at the operational level and provides the Board and respective Board Committees with pertinent information and specialist advice, as needed, to support the Board to discharge its duties and responsibilities effectively and yield the desired results.

Separation of Roles of Non-Executive Chairman and Managing Director

The roles and responsibilities of the Chairman and MD are distinct and clearly segregated. This segregation strengthens oversight and instils a balance of authority and accountability, thereby avoiding unfettered powers in decision-making. The Chairman, who is not a member of any of the Board Committees, has the responsibility for the orderly and effective conduct of Board meetings, ensuring efficacy of the Board and managing the interface between the Board and the Management.

Roles of Chairman, Managing Director and Non-Executive Directors

The Chairman has responsibility for ensuring the adequacy and effectiveness of the Board’s governance processes and leads the Board in overseeing the proper conduct and management of the Group’s affairs. Based on the outcome of the Board Effectiveness Evaluation (“BEE”) exercise conducted internally for financial year ended 2025, the Chairman executed an effective leadership process is regarded as an excellent and open facilitator to boardroom discussions.

The MD ensures effective implementation of the Group’s strategic plans, policies and decisions which have been duly approved by the Board. The MD is also responsible for leading and managing the Group’s operations and making business decisions with support from the Management within mandates and limits of authorities delegated by the Board. Specific authorities are further delegated to the Management based on the Group’s Authority Matrix, which is subject to periodic reviews to align to changes in business circumstances and requirements to facilitate efficient and effective decision making.

The Non-Executive Directors’ fundamental responsibility is to review the performance of the Management in meeting key performance targets and monitor the transparent reporting of the Group’s performance. They constructively challenge the Management and provide relevant functional expertise and insights to continually enhance the Group’s performance and resilience. They have free and open contact with the Management at all levels.

Independent Non-Executive Directors bring an essential element of independence to the Board’s stewardship of the Group. This aligns with CG best practices and provides assurance to key stakeholders, particularly investors and regulatory authorities, that independent and objective views are given due recognition in Board deliberations. This ensures that the Board’s decision making remains balanced and unbiased.

BOARD MEETINGS AND ACCESS TO INFORMATION

Board meetings are pre-scheduled to take place on a monthly basis to enable the Board to stay current on emerging areas of interest or concern, facilitate close and regular follow-up of on-going matters and enables timely decision making. Board and Board Committee meetings are formal platforms for deliberation over matters of strategic and operational significance. Ahead of any such meetings, a formal agenda and related information are provided to all Directors at least five (5) calendar days in advance to allow time for review and obtain further clarification if needed on matters to be deliberated. Special Board or Board Committees meetings may be convened at short notice when critical decisions are required on an urgent basis.

Attendance of Management member(s) will be called for, where necessary, to articulate more detailed information and provide specialist perspectives to facilitate and support the Board or Board Committees in making informed decisions. Where deeper technical expertise is needed to supplement internal functional input to arrive at data-based decisions, the Board may seek the counsel of independent subject matter expert(s), at the Group’s expense in accordance with procedures established in the Board Charter.

Board members have unrestricted access to the advice and services of the appointed Company Secretary who is a qualified member of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”). The Company Secretary is equipped with the skills and expertise to provide effective support to the Board to ensure compliance with procedures, regulatory requirements and guidelines, including those in relation to CG.

In addition to making arrangements for Board, Board Committees and general meetings and drawing up the meeting agenda, the Company Secretary also has an advisory capacity in monitoring and advising on developments in the CG domain. The Company Secretary also assist the Board in applying best practices to meet the Board’s needs and stakeholders’ expectations. In addition, the Board is also alerted to and advised by the Management of any material change(s) in regulatory and compliance requirements, including their associated implications and impact on the Board and the Group. As part of the regular reporting regime, the Management also provides on-going regulatory compliance updates to the Board.

During FYE2025, the Board met fourteen (14) times. Matters reviewed and deliberated at each Board meeting were:

- i) The Group's business and financial performance, including business plan and budget;
- ii) Governance, risk management, and compliance with regulatory requirements;
- iii) Quarterly updates on sustainability initiatives and their progress;
- iv) Major investments, borrowings, and related matters; and
- v) The introduction of new products, including their associated risks and compliance requirements.

All proceedings of Board meetings are minuted and the minutes circulated to Board members ahead of the next Board meeting together with updates on follow-up action items. Where necessary, in between scheduled Board meetings, Board decisions may also be effected by way of circular resolutions.

During Board meetings, the Chairman of each Board Committee will brief the Board on the deliberations of their respective Board Committee. This includes salient facts of matters and issues discussed, recommendations, conclusions and decisions taken which require the Board's attention, approval or direction. Details of Directors' attendance at the Board meetings are set out below:

Name of Director	Designation	Attendance
Ng Eng Kiat	Chairman/ Non-Independent Non-Executive Director	14/14
Daisuke Maeda	Managing Director/ Executive Director	14/14
S Sunthara Moorthy A/L S Subramaniam	Independent Non-Executive Director	14/14
Datuk Adinan bin Maning	Senior Independent Non-Executive Director	14/14
Datin Yasmin Ahmad Merican¹	Independent Non-Executive Director	12/14
Chin Pik Yuen	Independent Non-Executive Director	14/14
Farah Suhanah binti Ahmad Sarji (Appointed on 21 June 2024)	Independent Non-Executive Director	9/9
Wan Chee Keong (Appointed on 1 December 2024)	Independent Non-Executive Director	3/3

Name of Director	Designation	Attendance
Naoya Okada (Appointed on 21 June 2024)	Non-Independent Non-Executive Director	9/9
Tsutomu Omodera² (Appointed on 21 June 2024)	Non-Independent Non-Executive Director	8/9
Lee Tyan Jen	Executive Director	14/14
Rashidah binti Abu Bakar (Retired on 20 June 2024)	Independent Non-Executive Director	4/4
Mitsugu Tamai³ (Retired on 20 June 2024)	Non-Independent Non-Executive Director	3/4

¹ Unable to attend 2 meetings due to medical reasons

^{2&3} Unable to attend 1 meeting due to overseas engagement

Board Size and Composition

The Board is committed to ensuring that members collectively possess the diversity of skills, knowledge and experience pivotal to putting the Group on a steady course forward. This commitment also extends to embracing diversity within the Board. The Board holds the conviction that varied perspectives enrich deliberations and contribute to balanced decision-making, drawing upon the members' collective wealth of expertise and experience.

The Board considers diversity from a number of different aspects, including skills, background, knowledge, international and industry experience, culture, independence, age, ethnicity, gender and other relevant factors which the Board thinks fit. Sourcing the right Board members is a continuing priority and is always conducted in accordance with the objectives of ensuring that the required capabilities and competencies are in place to ably guide the Group forward.

FYE2025 saw the retirement of two (2) members of the Board on 20 June 2024, specifically Rashidah binti Abu Bakar, an Independent Non-Executive Director ("INED"), and Mitsugu Tamai, a Non-Independent Non-Executive Director ("NINED"). In their place, the Board, on 21 June 2024 appointed the following to AEON Credit's Board of Directors:

- i) Farah Suhanah binti Ahmad Sarji, as an INED;
- ii) Naoya Okada, as a NINED; and
- iii) Tsutomu Omodera, also as a NINED.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board, on 1 December 2024 also appointed Wan Chee Keong as an additional INED to further deepen and strengthen the collective capabilities and competencies of the Board.

All new Board appointments were made after the conduct of a stringent due-diligence process which includes:

- i) A review of the Board composition by the Nomination and Remuneration Committee (“NRC”);
- ii) A thorough assessment and due diligence of qualified candidates across all criteria in the Board Charter, BNM guidelines and the MMLR in relation to Board appointments, including the Fit and Proper criteria; and
- iii) Consideration by NRC and subsequent recommendations to the Board.

The Board approved the recommended appointments after having reviewed the proposed candidates’ character, integrity, experience, competence, time commitment, independence as well as the additional depth of expertise and experience they bring to the Board. The new appointments further reinforce the strong representation of INEDs on the Board.

Re-election to the Board

The NRC reviewed the re-election of Directors to the Board, in line with the provisions of the Company’s Constitution, which stipulates that all Directors are subject to retirement at the Annual General Meeting (“AGM”) every year, and be subject to re-election.

Board Balance and Diversity

The Board comprises eleven (11) members, including the Chairman who serves as a NINED, six (6) INEDs, two (2) NINEDs and two (2) Executive Directors, one of whom is the MD. Strongly reinforcing a commitment to independence, 55% of the Board members are INEDs. This proportion of INEDs on the Board surpasses the requirements outlined in BNM’s Guidelines on Corporate Governance for Licensed Institutions, which mandate a minimum of one-third independent directors, as well as the MMLR requirement of at least two (2) directors or one-third of the Board, whichever is higher. Additionally, it also exceeds the MCCG guideline recommending that at least half of the Board consist of independent directors. While in terms of gender diversity, 36% of the Board members are female, exceeding the MCCG’s guideline target of 30% female representation on the Board.

Category	Composition	Percentage
INED	6	55%
NINED	3 (including Chairman of the Board)	45%
ED	2 (including MD)	
	11	100%

Category	Composition	Percentage
Male	7	64%
Female	4	36%

The present size and composition of the Board is considered to be optimum and well balanced. Board members bring a diverse blend of in-depth experience across disciplines relevant to the Group’s business and operations testifying their ability to effectively contribute to the Group’s continued growth and long-term value creation.

Furthermore, the diversity inherent within the Board supports the Group in facing the challenges of an intensely competitive industry environment, its constantly evolving risk profile and the emergence of IT as an indispensable part of the Group’s business and its criticality in maintaining a competitive position. Board deliberations are open and frank and dissenting views are encouraged and recognised. No individual Director or group of Directors dominate the deliberations and the decision-making process. A summary of the Board composition and competencies as at the date of this CG Overview Statement is set out below:

Age Group			
41-50 years	51-60 years	>60 years	
2	3	6	

Ethnicity			
Malay	Chinese	Indian	Japanese
3	4	1	3

The diversity of the Board members’ experience is summarised in the table below:

- 1

Financial Services
- 2

Strategic Planning
- 3

Business Transformation
- 4

Customer Management
- 5

Risk Management
- 6

Human Capital Management

7

Corporate Governance

8

Accounting and Finance

9

Taxation

10

Technology

11

Legal and Compliance

12

Branding and Image Management

POLICY FOR DIRECTORS

The NRC considers the following in assessing the fitness and propriety of a person identified for potential appointment or for re-election as a Director:

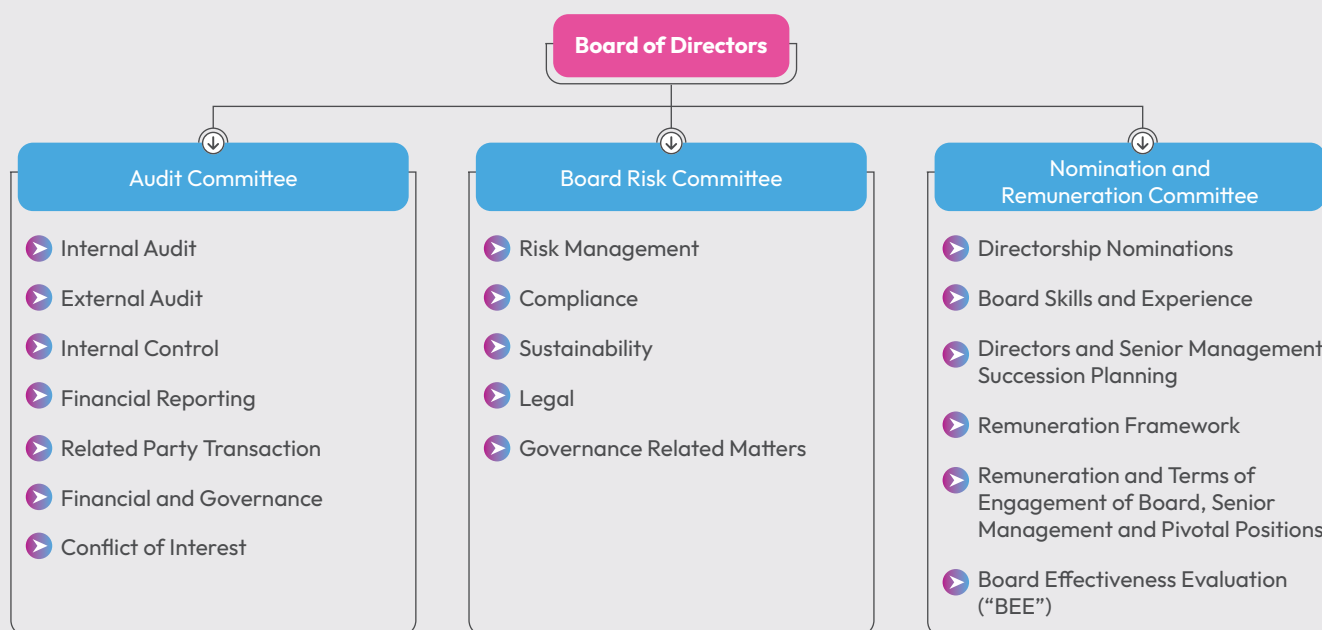
- i) The candidate's capability to enhance the collective skill set of the Board and contribute diverse perspectives to its deliberations; and
- ii) His/Her suitability for appointment/re-election based on the criteria outlined in the Group's Fit and Proper Policy.

This Group's Fit and Proper Policy sets out the process of appointing and removing Key Responsible Persons ("KRPs") and specifies the stringent assessment that the candidates are subject to, which criteria, amongst others, cover:

- Probity, personal integrity, honesty and ethical behaviour;
- Experience, competencies and capabilities;
- Financial soundness and solvency;
- Commitment and ability to devote the requisite time to serve; and
- Character.

BOARD COMMITTEES

The Board is assisted by dedicated Board Committees, formed under their respective TORs, in accordance with the MMLR and best practices prescribed by MCCG to assist the Board in discharging their responsibilities. The Board Committees as at the end of the year under review are depicted below along with a brief description of their respective core oversight areas:



The functions and TORs of the Board Committees and their delegated authorities have been approved by the Board and are reviewed periodically to ensure that they are relevant and up to date.

The TORs of all Board Committees were reviewed in FYE2025, following which, the updated TOR for AC, NRC and BRC took effect on 12 June 2024, 1 July 2024 and 28 November 2024 respectively. The Board Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision making lies with the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Board recognises that a competitive, comprehensive and equitable remuneration package is essential for attracting and retaining talented, high performing Directors and Management. A Policy of Remuneration for Directors and Senior Management is in place to guide compensation structuring to ensure competitiveness and appropriateness.

The NRC is responsible for formulating and reviewing remuneration policies and packages to ensure that they are competitive, appropriate and commensurate with the individual's experience, skills and level of responsibilities, and are aligned to industry benchmarks. The aggregate remuneration paid or payable to all Directors of the Company for FYE2025 is listed on a named basis along with a detailed breakdown in the CG Report under Practice 8.1.

All members of the NRC are independent directors who play a pivotal role in supporting and advising the Board on the implementation of the Remuneration Policy and other related matters. The NRC is chaired by Datuk Adinan bin Maning, the Senior Independent Non-Executive Director.

The NRC's TOR is available in the Corporate website under Terms of Reference section at:

 <https://aeoncredit.com.my/about-us/corporate-governance/>

or scan the QR Code below:



During the year under review, the Board, via the NRC, performed the annual assessment on the composition, TOR and performance of the NRC collectively and each of its members individually. After considering the results of the assessment, the Board was satisfied that the NRC collectively and each of its members have discharged their responsibilities and duties, and contributed effectively in accordance with the NRC's TOR. Details of NRC meetings in the year under review, are set out below:

Name of Director	Designation	Attendance
Datuk Adinan bin Maning	Chairman/ Senior Independent Non-Executive Director	6/6
S Sunthara Moorthy A/L S Subramaniam	Member/Independent Non-Executive Director	6/6
Datin Yasmin Ahmad Merican	Member/Independent Non-Executive Director	6/6

Key activities undertaken by the NRC during FYE2025, include:

- i) Reviewed the BEE Report and made appropriate recommendations on matters arising from the Report for the Board's consideration;
- ii) Reviewed and recommended suitable orientation programmes for new Directors and training for Directors' continuous learning and development;
- iii) Conducted assessment and due diligence on qualified candidates for Board positions and, subsequently made recommendations to the Board for appointment of the new members;
- iv) Reviewed and recommended for the Board's approval the proposed structure for the Board, Board Committees, Executive Directors, and Executive Officers ("EOs") of the Group:
 - reviewed and recommended for the Board's approval the Company's organisation chart and its effective date; and
 - reviewed and updated the Board on the progress of the Company's Management succession planning.
- v) Evaluated and recommended to the Board for approval, the re-election of Directors who will be retiring at the upcoming AGM of the Company;
- vi) Discussed and proposed to the Board for approval, the Directors' Remuneration for Non-Executive Directors of the Group; and
- vii) Discussed and proposed to the Board for approval, Executive Directors' and EOs' remuneration and annual performance bonus.

BOARD EFFECTIVENESS EVALUATION

The effectiveness of the Board is critical to delivering impactful leadership and driving value-focused stewardship for the Group. As an integral part of the Board's commitment to accountability and to sustain a high performing Board, a rigorous BEE is conducted annually to assess the performance of the Board, Board Committees and each individual Board member.

The BEE evaluates the performance and contributions of individual Directors, across the period covered by the BEE, in discharging their duties and meeting the expectations of their roles on the Board. Notably the BEE also has a principal focus on the Directors' continuing learning and development to sustain high performance and alignment to the constantly changing external environment.

Once every three (3) years, an independent firm of consultants will be appointed to infuse independence and enhance the objectivity of the BEE process, the last such exercise was in FYE2023.

In the current year, the BEE was conducted internally and involved evaluating the Board's performance against peer boards and best practices. Details of the latest BEE are set out in the CG Report that is available on the Corporate website and accessible via:

 <https://aeoncredit.com.my/investor-relations/integrated-annual-report/>

or scan the QR Code below:



DIRECTORS' TRAINING

The Board recognises the importance of continuous learning and development and acknowledges that training is critical to ensure that Directors are constantly kept relevant and abreast of the latest corporate and regulatory requirements, and also emerging matters impacting our business and operations. Training also equips the Directors with the necessary skills and knowledge to guide the Group in addressing the challenges of a constantly changing environment.

The Board has delegated the role of reviewing the training and development needs of Directors to the NRC. A comprehensive induction programme is provided to ease new Directors into their role and assist them in understanding the Group's business, challenges, issues and strategies. All new Directors are also provided with information packs containing the Board Charter, Code of Ethics and Conduct ("the Code"), TOR of Board Committees, the previous year's Integrated Annual Report and relevant Board materials to facilitate an understanding of the expectations of their roles.

As part of their continuous learning and development, Directors attended training on a range of topics relevant to their roles and responsibilities during the year under review. The list of training programmes attended by members of the Board in FYE2025 is set out below:

1

Director

Ng Eng Kiat

Training Attended

- Phase 1 E-Invoicing
- Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship
- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- Board Ethics: Growing Concerns from New Technology, Stakeholder Interests & Conflict of Interest
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Enhanced Conflict of Interest Framework
- Latest Trends and Emerging Risks on Anti-Money Laundering/Countering Financing of Terrorism/Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- 2025 Budget Announcement & Finance Act 2024
- Basics of Malaysian Private Entities Reporting Standard
- Basics of Malaysian Financial Reporting Standards
- Growing Concerns from New Technology, Stakeholders' interest and Conflict of Interest

2

Director

Daisuke Maeda

Training Attended

- Phase 1 E-Invoicing
- Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship
- AEON Bank - Fraud Rules
- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- AEON 55th Top Seminar
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Enhanced Conflict of Interest Framework
- Latest Trends and Emerging Risks on Anti Money Laundering/Countering Financing of Terrorism/Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- 2025 Budget Announcement & Finance Act 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3

Director

S Sunthara Moorthy A/L S Subramaniam

Training Attended

- 10th National Procurement Conference
- Phase 1 E-Invoicing
- Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship
- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- Audit Committee Conference 2024 - Embracing Strategic Oversight: The Future of Audit Committees
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Enhanced Conflict of Interest Framework
- Latest Trends and Emerging Risks on Anti-Money Laundering/Countering Financing of Terrorism/Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- 2025 Budget Announcement & Finance Act 2024
- Mandatory Accreditation Programme Part II: Leading for Impact

6

Director

Chin Pik Yuen

Training Attended

- Phase 1 E-Invoicing
- Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship
- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- Audit Committee Conference 2024 - Embracing Strategic Oversight: The Future of Audit Committees
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Enhanced Conflict of Interest Framework
- 10th National Procurement Conference
- Latest Trends and Emerging Risks on Anti-Money Laundering/Countering Financing of Terrorism/Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- 2025 Budget Announcement & Finance Act 2024
- Mandatory Accreditation Programme Part II: Leading for Impact

4

Director

Datuk Adinan bin Maning

Training Attended

- Phase 1 E-Invoicing
- Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship
- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Enhanced Conflict of Interest Framework
- Latest Trends and Emerging Risks on Anti Money Laundering/Countering Financing of Terrorism/ Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- Enhanced Conflict of Interest Framework
- Mandatory Accreditation Programme Part II: Leading for Impact

7

Director

Farah Suhanah binti Ahmad Sarji

Training Attended

- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- Audit Committee Conference 2024 - Embracing Strategic Oversight: The Future of Audit Committees
- Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Bill 2024
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- Mandatory Accreditation Programme Part II: Leading for Impact
- Directors' Duties & ESG - The Latest Case Law & Developments
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Audit Oversight Board Conversation with Audit Committees
- Enhanced Conflict of Interest Framework
- Latest Trends and Emerging Risks on Anti-Money Laundering/Countering Financing of Terrorism/ Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- 2025 Budget Announcement & Finance Act 2024
- Mandatory Accreditation Programme Part II: Leading for Impact

5

Director

Datin Yasmin Ahmad Merican

Training Attended

- Phase 1 E-Invoicing
- Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship
- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- Enhanced Conflict of Interest Framework
- 2025 Budget Announcement & Finance Act 2024

8

Director

Wan Chee Keong

Training Attended

- Mandatory Accreditation Programme Part I
- 2025 Budget Announcement & Finance Act 2024

9

Director

Naoya Okada

Training Attended

- Navigating Anti-Corruption Practices in Retail
- Directors & Officers ("D&O") Liability Insurance
- AEON 55th Top Seminar
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Mandatory Accreditation Programme Part II: Leading for Impact
- Enhanced Conflict of Interest Framework
- Malaysia Economic Forum 2025
- 2025 Budget Announcement & Finance Act 2024

10

Director

Tsutomu Omodera

Training Attended

- Directors & Officers ("D&O") Liability Insurance
- Mandatory Accreditation Programme Part I
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Enhanced Conflict of Interest Framework
- Latest Trends and Emerging Risks on Anti-Money Laundering/Countering Financing of Terrorism/ Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- 2025 Budget Announcement & Finance Act 2024
- Mandatory Accreditation Programme Part II: Leading for Impact

11

Director

Lee Tyan Jen

Training Attended

- Phase 1 E-Invoicing
- Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship
- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Enhanced Conflict of Interest Framework
- Latest Trends and Emerging Risks on Anti Money Laundering/Countering Financing of Terrorism/ Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- Enhanced Conflict of Interest Framework

STRENGTHENING CORPORATE GOVERNANCE CULTURE

The Group is committed to conducting its activities with responsibility, ethical standards, and integrity. To reinforce a strong corporate governance culture, we have established the following key policies:

i) Board Succession Planning

The Group has implemented a Policy of Board Succession Planning to uphold governance continuity through a transparent and structured process for the selection, assessment, and appointment of Board members. This policy is designed to align with the Group's strategic objectives and regulatory requirements and is applicable to the Group's Independent Non-Executive Directors as well as its Board Committees.

The Policy outlines a comprehensive framework to assist the NRC and the Board in managing both short-term and long-term succession planning. It addresses contingencies for unexpected Board member departures and emphasizes proactive planning for Board refreshment, ensuring the required skill sets and an optimal Board composition are maintained to meet current and future needs. Additionally, the Policy incorporates a clear communication strategy for stakeholders, detailing any interim measures taken by the Group, where necessary.

ii) AEON Foundational Ideals and Code of Ethics and Conduct

Guided by the AEON Foundational Ideals, AEON Credit's Code of Ethics and Conduct is established to serve as a guiding framework for ethical conduct to ensure the Group operates its business with integrity, transparency and accountability, by taking into consideration the interests of the Group's valued customers, trusted business partners, dedicated employees, regulatory bodies and local community.

Serving as a moral compass, the Code guides our decisions and actions in accordance with the AEON Group Future Vision - to build a lifestyle that bring smiles to everyone. It plays a vital role in fulfilling Our Purpose: fostering trust and confidence in our products and services. By upholding the highest ethical standards, we ensure that the needs of our customers and communities are prioritised, enriching lives with peace of mind and smiles.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board, Management and employees of the Group are guided by the AEON Foundational Ideals, AEON Group Future Vision and the Code of Ethics and Conduct. These basic principles take into consideration the interests of the Group's customers, shareholders, employees, business partners and the broader community to ensure the Group operates its business with integrity, transparency and accountability. All employees are briefed on these principles and attend refresher training on an annual basis. Directors, Management and employees are expected to observe high standards of integrity and fair dealing in relation to customers, business partners and regulators.

The AEON Foundational Ideals and AEON Group Future Vision are accessible at the Company's website:

 <https://aeoncredit.com.my/about-us/our-purpose/>

or scan the QR Code below:



iii) Whistle-Blowing Policy and Procedure

The Group's Policy of Whistle-Blowing and Procedure of Whistle-Blowing provide a transparent mechanism and an avenue for all stakeholders to report or raise genuine concerns anonymously and confidentially on any misconduct without fear of retaliation and be afforded the requisite protection.

The Procedure of Whistle-Blowing sets a clear guide for stakeholders to raise concerns and to ensure that issues are directed to the appropriate authority and definitive action can be taken accordingly where the ensuing investigations find the concerns raised to be valid. All whistle-blowing reports have to be made in good faith with a reasonable belief that the information and allegation is true and not made frivolously and maliciously. Issues raised are subject to thorough reviews, impartial investigations and resolutions with strict confidentiality.

The Policy of Whistle-Blowing is accessible via the Company's corporate website at <https://aeoncredit.com.my/about-us/corporate-governance/>. All disclosures are further managed by authorised personnel with strictest confidentiality.

A Board Member, who also serves as the Chairman of the Board Risk Committee, has been appointed to oversee and ensure the effective implementation of this Policy. The whistle-blowing channels provided by the Group are as follows:

	Whistle-Blowing Channel	Designated Recipient	Direct Report
1	Email to: eSID@aeoncredit.com.my <i>Note: For bribery, false claim, or abuse of power/position issue only.</i>	i. Senior Independent Director ii. Audit Committee Chairman iii. Chief Risk Officer ("CRO")	Board of Directors
2	Send letter to: Chief Risk Officer AEON Credit Service (M) Berhad Level 18, UOA Corporate Tower Avenue 10, The Vertical Bangsar South City No. 8, Jalan Kerinchi 59200 Kuala Lumpur Malaysia STRICTLY PRIVATE & CONFIDENTIAL <i>Note: For bribery, false claim, or abuse of power/position issue only.</i>	Chief Risk Officer	
3	Report to Malaysian Anti-Corruption Commission via: https://www.sprm.gov.my/ <i>Note: For bribery, false claim, or abuse of power/position issue only.</i>	Malaysian Anti-Corruption Commission	-

iv) Anti-Bribery and Anti-Corruption Policy

The Group's Policy of Anti-Bribery and Corruption Management System ("ABCMS") puts into action the Group's commitment to conduct business responsibly, ethically with integrity and sincerity. Anti-bribery and anti-corruption programmes placing emphasis on critical requirements and providing clear guidance to safeguard the Group against bribery and corruption risk are essential for ensuring adherence to strong anti-bribery and anti-corruption culture. In upholding the commitment to anti-bribery and anti-corruption, the Group:

- 1) Adopts zero tolerance for all forms of bribery and corruption;
- 2) Complies with and adheres to the provisions of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) and other applicable laws and regulations, rules, policies and procedures;
- 3) Promotes and inculcates an anti-bribery and anti-corruption culture which is continuously reinforced, improved and monitored;
- 4) Upholds the values of transparency and provide whistle-blowing channels along with the mandated whistle-blower protection to encourage reporting of any bribery and corruption practices in good faith; and
- 5) Establishes an independent compliance function to oversee the implementation of anti-bribery and anti-corruption programmes.

The Group strictly does not tolerate any act of bribery and corruption and requires all our business associates (including its employees, directors, agents, representatives and sub-contractors) to be aware of, and adhere to the Group's policies in relation to anti-bribery and anti-corruption. Any instances or suspicions of corruption, bribery, conflicts of interest or other unethical behaviour must be reported via the designated whistle-blowing channels, reinforcing the Group's commitment to eliminate bribery and corruption of all forms in the Group's operations.

v) ISO37001:2016 Anti-Bribery Management System ("ABMS")

The Group's ISO37001: 2016 Anti-Bribery Management Systems certification underscores the robustness of the governance and underlying processes in place to prevent, detect and address bribery. First certified in 2020, the Group successfully achieved recertification in March 2023 for an additional three (3) years. The Group strives to ensure all employees conduct themselves professionally and ethically, upholding the AEON Foundational Ideals in all business dealings. Likewise, the Group requires our suppliers and agents to adhere to the highest standards of integrity in their dealings with the Group.

The Group initiates regular anti-bribery and anti-corruption awareness activities for all directors, employees and business associates to reinforce the importance of integrity and good conduct. On a regular basis our employees are required to undergo training and assessments to test their level of understanding of the Group's anti-bribery and anti-corruption requirements, in particular Section 17A of the Malaysian Anti-Corruption Commission Act 2009. On an annual basis, all employees, business associates and suppliers are required to commit to an Anti-Bribery and Corruption Pledge by signing-off on an Integrity Declaration to explicitly demonstrate their commitment towards creating a transparent and fair business environment that is free from bribery and corruption.

vi) Gift and Entertainment Policy

The Group continuously upholds and reinforces exemplary business ethics, with a strong emphasis on adherence to the Group's Policy of Gift and Entertainment. This Policy requires all employees to demonstrate the highest standards of ethics and comply with AEON Foundational Ideals when dealing with potential and existing business partners and stakeholders. All employees must practice fair treatment, unbiased professionalism and non-discriminatory behavior. The following actions are strictly prohibited:

- 1) Acceptance of any form of entertainment from business partners;
- 2) Acceptance/offer of any kind of cash from/to business partners;
- 3) Acceptance/offering of any kind of gift from/to business partners. In the event where the receipt of gift from business partners is unavoidable, it must be reported to the immediate supervisor along with submission of the Declaration of Acceptance Form;
- 4) Personally receiving product samples from business partners; and
- 5) Receiving hospitality, which include transportation and accommodation arrangements from business partners.

Employees are strictly prohibited from taking gifts home under any circumstances. All employees are required to professionally communicate to business partners, stakeholders and other relevant parties of the Group's Policy of Gift and Entertainment and requesting their adherence to this Policy by not offering gifts to our employees, at any time or for any reason.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

In keeping with the practice of good corporate governance, which are intrinsic and critical to our business as a financial services provider and in compliance with requirements of our regulators, AEON Credit has instituted a strong and comprehensive system of internal controls. This control ensures that risks inherent in our business and other emerging risks are appropriately managed and mitigated to support the achievement of the Group's goals and objectives within defined risk appetites.

The Board acknowledges the criticality of managing and mitigating risks arising in our business given its dynamic nature, the intensely competitive and evolving landscape, and the risk profiles that are extremely sensitive to economic fluctuations, to ensure continued resilience.

The Board also takes cognisance of its overall responsibility to establish a sound risk management and internal control system, review their adequacy and effectiveness from time to time, and to institute remediation measures where needed. The BRC plays a key role in supporting the Board's risk governance, management, and oversight responsibilities, ensuring the Group's overall risk exposure is effectively managed to drive sustainable value creation.

The AC regularly evaluates the adequacy and effectiveness of the Group's system of internal controls, including matters related to conflict of interest, through diligent oversight and reviews of internal and external audit reports. The AC also have regular interactions with both the internal auditor and external auditor to understand their assessment and independent and objective views with regards to the strengths and weaknesses and efficacy of the systems of risk management and internal controls. All major audit findings are given due consideration and the associated management responses are independently and critically assessed and monitored to ensure desired outcomes are achieved.

The Board is of the view that the systems of internal control and risk management in place during the financial year under review, in addition to being sound, are functioning effectively as intended to safeguard the Group's assets, shareholders' investments and the interests of stakeholders.

AUDIT COMMITTEE

The AC is established to assist the Board in fulfilling its statutory and fiduciary responsibilities of overseeing, monitoring and assessing the reliability of the Group's financial management, accounting processes, financial reporting practices and system of internal controls. Additionally, the AC is responsible for assessing the independence and effectiveness of both the external and internal audit functions as well as providing direction, governance and oversight over these functions on behalf of the Board.

The AC comprises three (3) members all of whom are Independent Non-Executive Directors, which meets the requirements of Paragraphs 15.09 and 15.10 of the MMLR and the requirement set out in Practice 9.4 (Step Up) under Principle B of the MCCG. The Chairman of the AC, S Sunthara Moorthy A/L S Subramaniam is a Fellow Member of the Association of Chartered Certified Accountants ("ACCA") and a member of the Malaysian Institute of Accountants ("MIA"). Chin Pik Yuen is also a member of the MIA and Malaysian Institute of Certified Public Accountants ("MICPA"). All AC members are financially literate and collectively possess the relevant skills, knowledge and experience to support the effective discharge of their duties.

The AC Chairman is appointed by the Board and is not the Chairman of the Board. This separation of roles strengthens independence and objectivity, enabling objective review by the Board of the AC's findings and recommendations. During the year under review, the Board, via the NRC, performed the annual assessment of the performance and contributions of the AC and each of its members pursuant to Paragraph 15.20 of the MMLR. The Board was satisfied with the overall effectiveness of the AC in that the AC and each of its members have discharged their functions, duties and responsibilities in accordance with the AC's TOR.

The composition, authority as well as the duties and responsibilities of the AC are set out under its TOR which has been approved by the Board. This TOR is available on the Company's website under Terms of Reference section at:

 <https://aeoncredit.com.my/about-us/corporate-governance/>

or scan the QR Code below:



Seven (7) AC meetings were held during FYE2025. Details of the AC members' meeting attendance are set out below:

Name of Director	Designation	Attendance
S Sunthara Moorthy A/L S Subramaniam	Chairman/ Independent Non-Executive Director	7/7
Chin Pik Yuen	Member/ Independent Non-Executive Director	7/7
Farah Suhanah binti Ahmad Sarji <i>(Appointed on 21 June 2024)</i>	Member/ Independent Non-Executive Director	5/5
Rashidah binti Abu Bakar <i>(Retired on 20 June 2024)</i>	Member/ Independent Non-Executive Director	2/2

The Company Secretary, as the Secretary of the AC, the Chief Financial Officer ("CFO") and Head of Internal Audit Division, were in attendance at all AC meetings held during the financial year. Upon invitation, the MD, Executive Director, Executive Officers, related management personnel and representatives of the External Auditors also attended specific meetings for matters that require their input.

The AC Chairman reports to the Board on matters deliberated during AC meetings and submits the AC's recommendations for the Board's consideration and approval. Minutes of each AC meeting are recorded and circulated to all members of the Board and tabled at Board Meetings for notation.

The details of AC activities in FYE2025 are set out in the Audit Committee Report on pages 160 to 164 of this Integrated Annual Report.

BOARD RISK COMMITTEE

The BRC is established to support the Board in discharging its governance and oversight responsibilities pertaining to risk management. The BRC's primary responsibility include reviewing the adequacy and effectiveness of risk management strategies, risk tolerance levels, risk appetites, as well as the risk management framework, processes and practices. Additionally, the BRC oversees key sustainability-related matters, including the Sustainability Framework, material sustainability risks and opportunities, material sustainability matters, sustainability performance metrics and reporting.

The BRC comprises three (3) Independent Non-Executive Directors and is chaired by Datuk Adinan bin Maning, Senior Independent Non-Executive Director. The composition, authority, duties and responsibilities of the BRC are defined in its TOR which has been duly approved by the Board. This TOR is available on the Company's website under Terms of Reference section at:

 <https://aeoncredit.com.my/about-us/corporate-governance/>

or scan the QR Code below:



The BRC is empowered by the Board with the following authorities:

- To investigate any matters within its Terms of Reference;
- To obtain necessary information from employees, who are obligated to cooperate with requests made by the BRC;
- To have unrestricted access to any information pertaining to the Group;
- To engage with the internal and external auditors, through the AC, as well as the Management of the Group;
- To secure adequate resources required to fulfil its duties and responsibilities including legal or other independent professional advice as it considers necessary, at the expense of the Group; and
- To report to Bursa Securities any matter that has not been satisfactorily resolved resulting in a breach of the MMLR, after the matter has been reported to the Board.

The BRC Chairman maintains regular engagement with the Chairman of the Board and Management including the MD and CRO in order to be kept informed on matters affecting the Group. On an annual basis, a private session will be held between the BRC and CRO, without the presence of any Management members including the MD or any executive member of the Board, to discuss and resolve any sensitive issues independently, transparently and objectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Reviews of the BRC composition and performance are conducted annually and subject to approval by the Board. During the year under review, the Board, via the NRC, performed the annual assessment of the performance and contributions of the BRC and each of its members. The Board was satisfied that the BRC and each of its members have discharged their responsibilities and duties in accordance with the BRC's TOR.

The BRC is mandated under its TOR to meet at least four (4) times a year and additional meetings may be called by the BRC Chairman if necessary. Five (5) BRC meetings were held in FYE2025 which include a Special BRC meeting. Details of the BRC members' meeting attendance during FYE2025 are set out below:

Name of Director	Designation	Attendance
Datuk Adinan Bin Maning	Chairman/ Senior Independent Non-Executive Director	5/5
Datin Yasmin Ahmad Merican	Member/ Independent Non-Executive Director	5/5
Wan Chee Keong (Appointed on 1 December 2024)	Member/ Independent Non-Executive Director	1/1
Rashidah binti Abu Bakar (Retired on 20 June 2024)	Member/ Independent Non-Executive Director	2/2

The details of BRC activities in FYE2025 are set out in the Board Risk Committee Report on pages 165 to 167 of this Integrated Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

AEON Credit is committed to ensure that its communications with shareholders and various stakeholders, both internal and external are effective, clear, transparent, timely, regular and with quality information. The Group continuously discloses and disseminates comprehensive and relevant material information to the public through various channels to keep the relevant parties informed of business activities, strategies, financial performance and other material information that warrant their attention. This would enable various stakeholders, in particular shareholders and investors to make data-based informed decisions.

1. Corporate Website

- The Corporate website (www.aeoncredit.com.my) where updated information on corporate announcements, Integrated Annual Report, Board Charter, Purpose and Beliefs, and Whistle-Blowing channels, and other pertinent information are accessible;
- Announcements to Bursa Securities on the quarterly/annual financial performance and corporate developments in the Group; and
- Publication of Integrated Annual Report and CG Report, containing comprehensive information on the financial results, operations, prospects, activities conducted, sustainability statement and developments in corporate governance.

2. Consumer Website

The Consumer website (www.myaeoncredit.com.my) is updated with the latest product campaigns and product disclosure sheet that provides relevant information to facilitate customers in decision-making. Notably, there are also advisories for our customers in relation to protection against scams and protection against malicious activities in relation to facilities provided by the Group.

3. Investor Relations

The Group's investor relations activities incorporate regular, effective and transparent communication with shareholders analysts, fund managers and stakeholders. Amongst others, these cover:

- Briefing sessions for analysts and fund managers after announcements of quarterly/annual financial performance and corporate developments in the Group to Bursa Securities.
- Updates of the Group's activities, product launches and significant corporate announcements from time to time; and
- A dedicated investor relations e-mail contact: ir_info@aeoncredit.com.my for shareholders to submit queries or comments on any issues of concern.

4. Other Stakeholder Engagement

Meetings, engagements and participation in events involving regulators, industry associations, business partners, merchants, local community etc.

CONDUCT OF GENERAL MEETINGS

The Annual General Meeting (“AGM”) is the principal platform for dialogue and direct interaction between the shareholders, the Board and the Management. In line with best practice and in compliance to MCCG, the notice of AGM setting out the agenda together with the Integrated Annual Report is sent to shareholders at least twenty-eight (28) days prior to the date of the AGM.

The 27th AGM of the Company was held virtually on 20 June 2024 through live streaming and online remote voting via Remote Participation and Electronic Voting (“RPEV”) facilities. All Directors were in attendance to engage with shareholders and address issues raised by the shareholders. The CFO, Company Secretary and the Engagement Partner representing the external auditors, Deloitte PLT, were also present.

The Chairman and MD delivered separate presentations to shareholders on various pertinent topics including the Group’s FYE2024 performance review, significant milestones and initiatives, dividend payout, FYE2025 prospects and strategies, following which, the CFO addressed questions received from the Minority Shareholder Watch Group (“MSWG”) and from shareholders prior to the AGM. Subsequently, the floor was opened for an open Question and Answer (“Q&A”) session during which shareholders posed questions which were addressed by the Chairman, MD and CFO.

The meeting minutes were published on AEON Credit’s corporate website at <https://aeoncredit.com.my/investor-relations/generalmeeting/> within thirty (30) business days from the 27th AGM.

KEY FOCUS AND FUTURE PRIORITIES

As a major financial services provider with a significant and growing customer base, it is imperative that good and sound CG is incorporated into all aspects of AEON Credit’s business. Accordingly, CG best practices will continue to be unwavering focus as the Group continues on its growth path and create sustainable long-term value for our diverse stakeholders.

The leverage of IT has been a constant endeavour in the Group since the commencement of our Digital Transformation journey, indeed the leverage of IT tool is indispensable in the financial services industry’s continuous pursuit of enhancing customer value proposition and delivering better customer experiences. In this regard, the embrace and application of Artificial Intelligence (“AI”) has been prominent within our industry as a means to maintain competitiveness. Similarly, AEON Credit will look to leverage AI to catalyse greater innovation and further solidify our competitiveness. However, needless to say, in keeping with good corporate governance practices, the Group will apply AI responsibly and ethically, and be guarded against its inherent risks.

Sustainability and ESG remain key priorities as the Group enters the final year of our 3-Year Sustainability Roadmap (“SR”). Much has been achieved during the year under review (year 2 of the SR), which will be evident from a review of the Progress Report of the SR on pages 80 to 84. The achievements recorded will serve to spur the Group further in attaining sustainability maturity which contributes directly to a more pronounced resilience of the Group business, especially in addressing certain climate risks which have the potential to impact the Group’s value generation capabilities and capacity.

This Corporate Governance Overview Statement was approved by the Board of Directors on 13 May 2025. Notwithstanding the prescription of the MCCG, the Board has taken the decision not to disclose the top five (5) Management members’ remuneration in bands of RM50,000 as the Board is of the opinion that the disclosure on a named basis for the Management would not be in the best interests of the Group due to sensitivity of such information and the highly competitive nature of the industry.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE (“AC”)

The AC members are appointed by the Board from amongst its non-executive members. The AC consists of three (3) members, all of whom are Independent Non-Executive Directors.

The AC composition meets the requirement of Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements (“MMLR”) of Bursa Securities, which sets out that the AC must be composed of not fewer than three (3) members, all of whom must be non-executive directors, with the Chairman and a majority of the members being independent directors and at least one (1) member of the AC must be a member of the Malaysian Institute of Accountants, and no alternate director is appointed as a member of the AC. The AC Chairman, S Sunthara Moorthy A/L S Subramaniam and Chin Pik Yuen are members of the Malaysian Institute of Accountants.

The AC composition also meets the requirement set out in Practice 9.4 (Step Up) under Principle B of the Malaysian Code on Corporate Governance (“MCCG”) that the AC should comprise solely of independent directors.

MEETING AND ATTENDANCE

During the financial year ended 28 February 2025, the AC convened seven (7) meetings. The attendance of each AC member at the AC Meetings during the financial year is as set out in the Table below:

Name/Status of Directorship	Number of Meetings	
	Held During Tenure in Office	Attendance
S Sunthara Moorthy A/L S Subramaniam Chairman/Independent Non-Executive Director	7	7
Chin Pik Yuen Member/Independent Non-Executive Director	7	7
Farah Suhanah binti Ahmad Sarji (Appointed on 21 June 2024)⁽¹⁾ Member/Independent Non-Executive Director	5	5
Rashidah binti Abu Bakar (Retired on 20 June 2024)⁽¹⁾ Member/Independent Non-Executive Director	2	2

Notes:

⁽¹⁾ During the financial year, Farah Suhanah binti Ahmad Sarji was appointed as a member of the AC on 21 June 2024, succeeding Rashidah binti Abu Bakar, who retired as Director of the Company at the Twenty-Seventh AGM held on 20 June 2024.

The Company Secretary, being the Secretary of the AC, the Chief Financial Officer and Head of Internal Audit Division attended all the meetings held during the financial year for the purposes of briefing the AC on the developments and clarification of issues relating to their respective areas of responsibilities. Upon invitation, the Managing Director, Executive Director, Executive Officers, related management personnel and representatives of the External Auditors also attended specific meetings for matters that require their input.

The AC Chairman reports to the Board on matters deliberated during the AC Meetings and the recommendations of the AC for the Board’s consideration and approval. The minutes of each AC Meeting were circulated to all members of the Board and tabled at the Board Meetings for notation.

REVIEW OF THE AC’S TERM OF OFFICE AND PERFORMANCE

Pursuant to Paragraph 15.20 of the MMLR of Bursa Securities, the Board, through the Nomination and Remuneration Committee had on 9 May 2024, reviewed the term of office and performance of the AC and each of its members.

Having considered the Nomination and Remuneration Committee’s evaluation along with the results of the Board Evaluation Exercise for the financial year ended 29 February 2024, which was facilitated by the Company Secretary, and the AC members’ Self & Peer Evaluation tabled to the Board on 9 May 2024, the Board is satisfied with the overall effectiveness of the AC, in which the AC and each of its members have discharged their functions, duties and responsibilities in accordance with the AC’s Terms of Reference.

The AC's Terms of Reference was revised on 30 April 2024 to reflect the amendments made to the MMLR of Bursa Securities in relation to the AC's expanded role in the review of any conflict of interest or potential conflict of interest situation that arose, persist or may arise within the Group. The AC's Terms of Reference is available on the Company's corporate website under the Terms of Reference section at <https://aeoncredit.com.my/about-us/corporate-governance/>.

SUMMARY OF ACTIVITIES OF THE AC

The AC in discharging its functions and duties as set out in its Terms of Reference had carried out the following main activities:

1. Financial Statements and Reporting

- a) At the scheduled quarterly AC Meetings, reviewed and discussed with Management, the quarterly unaudited financial results before recommending the same to the Board for consideration and approval for release to Bursa Securities.
- b) At the AC Meeting held on 23 April 2024, reviewed the Audited Financial Statements of the Group and of the Company for the financial year ended 29 February 2024 and key audit matter presented by the External Auditors, Messrs. Deloitte PLT prior to its recommendation to the Board for consideration and approval.
- c) The AC had also reviewed the unaudited financial results for the fourth quarter ended 28 February 2025 at the AC Meeting held on 3 April 2025 and the draft Audited Financial Statements of the Group and of the Company for the financial year ended 28 February 2025 at the Special AC Meeting held on 22 April 2025.

2. External Audit

- a) Reviewed and deliberated the report issued by Messrs. Deloitte PLT, on audit findings and remedial actions taken by Management to address the issues raised arising from the statutory audit at the AC Meeting held on 1 April 2024.
- b) Reviewed and deliberated on the progress of remedial measures taken to address the findings reported in the Management Letter issued by Messrs. Deloitte PLT in connection with the audit for the financial year ended 29 February 2024.
- c) Reviewed and deliberated the Independent Auditors' Limited Assurance Report issued by Messrs. Deloitte PLT on the adequacy of controls for the Company's Trust Account in accordance with Paragraph 16 (Safeguarding of Funds) of the Bank Negara Malaysia's Policy Document on Electronic Money ("E-Money").

- d) Reviewed and evaluated with Management the performance, competency and professionalism demonstrated by the External Auditors and recommended to the Board on the re-appointment of the External Auditors, Messrs. Deloitte PLT for the financial year ended 28 February 2025. Input/feedbacks obtained from the relevant Management personnel, who had substantial contact and dealings with the External Auditors throughout the year, were also considered and assessed covering areas, such as professional reputation and independence of the external auditors, its quality control processes/performance, the competence of the audit partner and the audit team members assigned to the engagement, adequacy of the audit scope and planning as well as maintaining active communication with the AC and Management during the audit process and their responsiveness in attending to issues. Accordingly, the AC was satisfied with Messrs. Deloitte PLT's overall performance and technical competency and the AC also took note of Messrs. Deloitte PLT's 2023 Transparency Report.
- e) Reviewed and recommended to the Board for consideration the proposed audit and non-audit fees for the External Auditors, Messrs. Deloitte PLT in respect of the statutory audit and other non-audit services.
- f) Reviewed and discussed with the External Auditors, Messrs. Deloitte PLT on their terms of engagement, proposed audit remuneration and audit plan setting out the proposed scope of work, audit methodology, timetable and areas of audit focus prior to commencement of the audit for the financial year ended 28 February 2025.
- g) During the financial year, the AC had two (2) private sessions with the Engagement Partner of Messrs. Deloitte PLT, on 1 April 2024 and 19 September 2024, to discuss any areas of audit concerns in relation to their work, ensure audit issues were addressed on a timely basis and to obtain their feedback for improvements without the presence of the Executive Board members, Management and Internal Auditors. This is to ensure that the External Auditors can freely discuss and express their opinions on any matter to the AC and the AC can be sufficiently assured that the External Auditors have been fully provided with all relevant information and responses to all queries from the Management.

AUDIT COMMITTEE REPORT

3. Internal Audit

- a) At the scheduled quarterly AC Meetings, reviewed and deliberated the internal audit reports, which highlighted the audit findings, recommendations and root causes as well as Management's action plan thereto, to ensure that appropriate actions had been taken by Management to improve the systems of internal controls and the processes on the areas highlighted.
- b) Reviewed the status report on the progress of remedial actions taken or to be taken to resolve the outstanding audit issues along with the implementation status of the Management's remedial actions at the scheduled quarterly AC meetings, to ensure that the remedial measures are implemented promptly and appropriately.
- c) At the AC Meeting held on 1 April 2024, the AC evaluated the performance and effectiveness of the Internal Audit function pursuant to Paragraph 15.12 of the MMLR of Bursa Securities, which include the adequacy of the scope, functions, competency and resources of the Internal Audit Division, and that it has the requisite authority to carry out its work independently. In this relation, the AC is of the view that the Internal Audit Division is independent, effective and adequately resourced.
- d) During the financial year, the AC had two (2) private sessions with the Head of Internal Audit Division, on 3 July 2024 and 12 December 2024, without the presence of the Executive Board members and Management to enable the Head of Internal Audit Division to discuss any issues or significant matters with the AC privately.
- e) At the AC Meeting held on 12 December 2024, reviewed and approved the Annual Audit Plan of the Internal Audit Division for the financial year ending 28 February 2026, ensuring comprehensiveness and adequacy of the audit scope and plan, and resources of the internal audit function.

4. Related Party Transactions ("RPT")

- a) Reviewed the annual circular to shareholders in respect of the proposed renewal of existing Shareholders' Mandate for recurrent related party transactions and the proposed new Shareholders' Mandate for additional recurrent related party transactions of a revenue or trading nature, which were necessary for the day-to-day operations and recommended the same to the Board for consideration prior to obtaining the approval from the Shareholders.

- b) Reviewed the report on recurrent related party transactions at the scheduled quarterly AC Meetings taking into account the nature and amount of the transactions in ensuring that the transactions were conducted at arm's length basis and on normal commercial terms, and not detrimental to the interests of the minority shareholders and are in the best interest of the Company. To ensure proper reporting and disclosure, the aggregate value of the recurrent related party transactions are individually tracked and monitored against the estimated value set out in the Shareholders' Mandate.
- c) Reviewed and recommended to the Board for approval the following proposed Related Party Transactions and Recurrent Related Party Transactions to ensure that the terms and conditions of the transactions are commercially driven and at arm's length basis:
 - Business Advisory Fee and Brand Royalty Fee Agreement with AEON Financial Service Co., Ltd. for the financial year ended 28 February 2025.
 - Renewal of contract with AEON Delight (M) Sdn. Bhd. for placement of advertisement at its vending machines.
 - Rental of advertisement space at AEON BiG (M) Sdn. Bhd.'s stores.
 - Establishment of the Cost Contribution Agreement between the Company and AEON Bank (M) Berhad.

5. Conflict of Interest ("COI")

- a) Reviewed and recommended to the Board for approval and adoption of the Policy of COI that sets out the policy and control measures to ensure that the Board of Directors and Key Senior Management of the Group act in the best interests of the Group, and are free from any personal, financial, non-financial or other conflicts that may compromise their judgement or impartiality.
- b) Reviewed the semi-annual declaration of any COI/potential COI situations received from the Directors and Key Senior Management of the Company and the subsidiary company, AEON Insurance Brokers (M) Sdn. Bhd. for the First-Half Year Ended 31 August 2024 and Second Half-Year Ended 28 February 2025 at the AC Meetings held on 19 September 2024 and 3 April 2025 respectively. Save for the declaration received from the Managing Director of the Company, there was no COI or potential COI situation, including interest in any competing business with the Group being declared by the Key Senior Management of the Group.

In respect of the Managing Director, Non-Independent Directors and Independent Non-Executive Director of the Company, who hold current roles and/or directorships within the AEON Group of Companies with which the Company has related party transactions, the AC has accordingly reviewed the recurrent related party transactions. The Company will continue to address the conflict of interest where the Non-Independent Directors will abstain from voting on these transactions and shareholders' approval is sought, details of which are provided in the circular to shareholders. The AC has also received assurance from the Management that any related party transactions or recurrent related party transactions were conducted at arm's length basis and on normal commercial terms, and not detrimental to the interests of the minority shareholders and are in the best interest of the Company.

During the year under review, the AC received and reviewed one (1) instance of potential COI as disclosed by one (1) Independent Non-Executive Director, Chin Pik Yuen, for holding directorship as an Independent Non-Executive Director of Bondsupermart Sdn. Bhd. ("Bondssupermart"), where a related company, i.e. iFast Global Bank Limited ("iFAST Bank") is offering digital personal banking services in the United Kingdom. Chin Pik Yuen has declared that no impact is expected from her directorship, the reason being that Bondsupermart is separate and independent in Management and Board control, and iFAST Bank being a distant fellow subsidiary, both in terms of operation and geographical location. Accordingly, the AC reviewed the reported potential COI situation and resolved that the following measures be taken to mitigate any potential COI situation that may arise from her appointment as an Independent Non-Executive Director of Bondsupermart:

- In the event any COI matters are anticipated or may arise from the change of her status of directorship and/or change of shareholding structure/nature of business of Bondsupermart or its group of companies, a declaration shall be made and notified to the Company Secretary immediately after the relevant facts have come to her knowledge.
- Half-yearly declarations to the AC and the Board of the Group until such potential/perceived COI is no longer relevant.

6. Internal Control Over Financial Reporting ("Japanese Sarbanes-Oxley" or "J-SOX")

- a) Reviewed and deliberated J-SOX Internal Control Audit Report for the financial year ended 29 February 2024 issued by Messrs. Deloitte PLT on the findings and Management's action plan to address the issues raised arising from the independent assessment on the effectiveness of the internal control over financial reporting, which covered the areas of Entity Level Control, Financial Closing Reporting Process, Process Level Control and General IT Control.

7. Integrated Annual Report

- a) Reviewed and recommended for Board's approval, the AC Report, Statement on Risk Management and Internal Control, and Directors' Responsibility Statement in relation to the Audited Financial Statements for inclusion in the Integrated Annual Report for year 2024.

8. Other Matters

- a) Reviewed the proposals presented by Management on the declaration and distributions of interim and final dividends to shareholders, taking into consideration the solvency tests performed by Management before recommending such proposals to the Board for consideration.
- b) Reviewed and recommended to Board for approval the revision of the AC's Terms of Reference to reflect on the amendments made to the MMLR of Bursa Securities in relation to the requirement for the AC to review any conflict of interest situation that arose, persist or may arise within the Group, and the measures taken to resolve, eliminate or mitigate such conflicts.
- c) Reviewed and recommended to the Board for approval the Management's proposal for disposal of written-off receivables accounts.
- d) Reviewed and recommended to the Board for approval, the appointment of consulting firms:
 - To carry out benchmarking analysis and transfer pricing study for Brand Royalty Fee;
 - To carry out Transfer Pricing Documentation update in respect of tax filing for Year of Assessment 2024; and
 - To conduct Capital Allowance Study.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Internal Audit Division's primary responsibility is to provide independent and objective assessment on the adequacy and effectiveness of the risk management, internal control, anti-corruption, whistle-blowing and governance processes implemented by Management.

The Internal Audit Division's mission, scope of work, responsibilities and authority are governed by its Internal Audit Charter, which is approved by the AC. As guided by the Internal Audit Charter, Policy and Procedure, the Internal Audit Division maintained their independence and impartiality on the activities and functions it audits. In this regard, Internal Audit Division has no operational responsibilities for the areas it reviewed. To reflect the audit objectivity and independence, the Head of Internal Audit Division reports functionally to the AC and administratively to the Managing Director, and has unfettered access to the AC. Through this reporting relationship, the AC also ensured that the Internal Audit Division has the authority to carry out their work objectively and independently. The Head of Internal Audit Division and all internal auditors have confirmed to the AC in December 2024 via the annual declaration that they were free from any relationships or conflict of interest which could impair their objectivity and independence in their audit engagements.

The scope of Internal Audit Division's mandate is unrestricted, and the scope of audit coverage encompassed all business and support units within the Group. In relation to this, all auditable areas were risk ranked using risk-based audit planning methodology to prioritise the audit work and to scope the audits on high risk auditable areas. These were guided and defined in the Annual Audit Plan for the financial year ended 28 February 2025, which was approved by the AC in December 2023.

During the year under review, the Internal Audit Division conducted the internal audit engagements in accordance with the approved Annual Audit Plan to review the adequacy and effectiveness of the risk management, internal control, anti-corruption, whistle-blowing, Anti-Money Laundering ("AML")/ Counter-Financing of Terrorism ("CFT") measures and governance processes implemented by the Management as well as to evaluate

compliance with relevant policies, procedures and regulations, which encompassed auditing the Group's business and support functions (including the regional offices and branches), information systems, IT operations & security, J-SOX assessment, Outsourced Service Providers and the subsidiary company, AEON Insurance Brokers (M) Sdn. Bhd..

Accordingly, the Internal Audit Division also reviewed the recurrent related party transactions on a quarterly basis, and participated as an independent observer during the Business Continuity Plan test, Disaster Recovery Plan tests, and Cyber Security Drill Exercise. Other thematic internal audit reviews conducted during the year under review include Anti-Bribery Management System (ISO37001:2016), Information Security Management System (ISO27001:2022), Quality Management System (ISO9001:2015) and Environmental Management System (ISO14001:2015).

Control deficiencies/gaps and areas for improvements noted from these audits were highlighted to the appropriate level of Management for action plans in addressing control gaps identified. Root causes of issues noted were assessed to enable relevant recommendations and ensure remedial measures are taken to address the audit issues in a timely manner. Internal Audit Division also tabled the audit issues, root causes and remedial action plans thereto, as well as the progress of remedial actions taken on open audit issues, for discussion and deliberation at the monthly Internal Audit Meetings attended by the Managing Director, Executive Director and Executive Officers of the Group.

The Internal Audit Division provided the report to the AC at each quarterly AC Meeting, regarding the results of the audit reviews in the preceding quarter, findings from the audit reviews, root causes and Management's rectification actions plans to address the audit findings. Follow-up reviews on open audit issues were conducted by Internal Audit Division and status updates were provided to the AC on the progress of remedial measures, which have been or will be taken to address the audit findings.

The total cost incurred in respect of the internal audit function for the financial year under review was approximately RM2.51 million (FYE2024: RM2.23 million).

BOARD RISK COMMITTEE REPORT

INTRODUCTION

The Board Risk Committee (“BRC”) is a governing body appointed by the Board of Directors (“the Board”), which is charged with oversight of the organisation’s risk, internal control functions, and sustainability related matters as embodied in the Group’s Risk Management and Sustainability frameworks.

BRC also provides guidance and oversight to the Management on the Group’s risk appetite, strategy, and key risks that have an impact on its long-term objectives. It also oversees the Group’s sustainability strategy, sustainability reporting and ensures this permeates throughout the organisation.

COMPOSITION AND MEETING ATTENDANCE

The BRC members is appointed by the Board, from amongst its non-executive members. The BRC consists of three (3) members, all of whom are Independent Non-Executive Directors.

All of them possess sound judgement, independent attitude, management experience, professionalism, integrity and knowledge of the industry. None of the BRC members have appointed alternative directors.

The BRC composition meets the requirement set out in Practice 10.3 (Step Up) under Principle B of the Malaysian Code on Corporate Governance (“MCCG”) whereby the BRC should comprise a majority of independent directors to oversee the Company’s risk management framework and policies.

The appointment or termination of any BRC member is at the discretion of the Board, upon recommendation by Nomination and Remuneration Committee. The Secretary to the BRC is the Company Secretary. The Secretary shall, in conjunction with the Chairman, draw up an agenda, which shall be circulated together with relevant support papers, at least one (1) week prior to each meeting, to the BRC members.

To facilitate discussions on risk-related matters, the Managing Director, Executive Director, Executive Officers, other Board members, Management, consultants or other advisors may be invited to attend the BRC meetings as and when required, to provide input, advice, relevant information, and clarifications on agenda items.

The quorum for the meeting consists of two (2) and the majority of members present must be independent directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The BRC shall meet at least once a year with the Chief Risk Officer to discuss any matters without the presence of the Management and any executive members of the Board. The BRC may conduct its meetings to include participation by any member or invitee.

The Chairman of the BRC shall attend the Annual General Meeting to respond to any shareholders’ queries on the BRC’s activities, roles and responsibilities.

For the FYE2025, five (5) BRC meetings were held and the attendance of the BRC members was recorded as follows:

Name/Status of Directorship	Number of Meetings	
	Held During Tenure in Office	Attendance
Datuk Adinan bin Maning Chairman/Senior Independent Non-Executive Director	5	5
Datin Yasmin Ahmad Merican Member/Independent Non-Executive Director	5	5
Wan Chee Keong (Appointed on 1 December 2024) Member/Independent Non-Executive Director	1	1
Rashidah binti Abu Bakar (Retired on 20 June 2024) Member/Independent Non-Executive Director	2	2

During the financial year, Wan Chee Keong was appointed as a member of the BRC on 1 December 2024, succeeding Rashidah binti Abu Bakar, who retired as Director of the Company at the Twenty-Seventh AGM on 20 June 2024.

BOARD RISK COMMITTEE REPORT

In respect of Sustainability, the BRC ensures that the Group obtains precise and pertinent data regarding Environment, Social, and Governance (“ESG”) matters. It oversees the reporting process to promote transparency and consistency in ESG disclosures. The BRC works closely with Management to develop impactful ESG reports and disclosures and makes sure these disclosures are in line with the Group’s overarching strategy and mission. The BRC closely monitors the Group’s ESG performance, tracks progress towards sustainability goals and oversees the management of ESG risks, proactively identifying potential risks and opportunities.

SUMMARY OF BRC ACTIVITIES DURING THE FYE2025

For the FYE2025, the BRC in the discharge of its functions and duties as set out in its terms of reference, have carried out the following principal activities:

1. Risk Management

- a) Reviewed and discussed the quarterly risk management report of the Group:
 - Company Level KRI
 - Reported Incidents
 - Business Continuity Management Update
 - Stress Testing
- b) Reviewed and deliberated market/environment and emerging risks.
- c) Discussed matters arising from risk management reports and resolution of matters addressed.
- d) Reviewed the climate risk assessment i.e. climate-related risks, risk ratings and strategies.
- e) Reviewed the revision of the BRC’s Terms of Reference and recommended to the Board for approval.

2. Compliance

- a) Reviewed and discussed legal, regulatory and compliance matters.
- b) Reviewed and recommended the proposed adoption/revisions of the compliance related framework and policies to the Board for approval:

Adoption

- i. Policy of Fair Treatment of Financial Consumers; and
- ii. Policy of E-money Exit Plan

Revision

- i. Framework of Electronic Know Your Customer (“e-KYC”);
 - ii. Policy of Whistle Blowing; and
 - iii. Policy of Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Financial Institutions (AML/CFT/CPF and TFS for FIs).
- c) Reviewed the Anti-Money Laundering (“AML”) System replacement and recommended to the Board for approval.

3. Sustainability

- a) Reviewed the Group’s Sustainability Framework, 3-Year Sustainability Roadmap and key ESG initiatives.
- b) Reviewed the Sustainability-Linked Loans (“SLLs”) performance targets.
- c) Reviewed the Climate Action initiatives.
- d) Reviewed the Financial Inclusion Plan initiatives.
- e) Reviewed the Corporate Social Responsibility (“CSR”)’s activities.

4. Integrated Annual Report/Corporate Governance (“CG”) Report

- a) Reviewed the following statement and reports for inclusion in the Integrated Annual Report:
 - Board Risk Committee Report
 - Statement on Risk Management and Internal Control
 - Sustainability Statement
 - Corporate Governance Overview Statement
 - Corporate Governance Report

5. Others

- a) Reviewed the money lending operation of the Group and the release of the necessary quarterly announcements.
- b) Reviewed Bank Negara Malaysia (“BNM”)’s Payment Services Providers’ Self-Assessment Questionnaire (“PSAQ”) and recommended to the Board for approval before submission to BNM.
- c) Reviewed the subsidiary company’s risk management and compliance related issues.
- d) Reviewed the Policy of Anti-Bribery and Corruption Management System (“ABCMS”) and recommended to the Board for approval.
- e) Reviewed the report on ABCMS Management Review.

RESPONSIBILITIES

Risk Management

- Assessing the Group's processes relating to its risks and control environment.
- Reviewing and recommending risk management strategies, policies, and risk tolerance for the Board's approval.
- Reviewing the adequacy of the Group's risk management framework, monitoring principal risks that affects the Group and ensuring that the evaluation of risk management and mitigation measures are in place in order to safeguard shareholder interests and the Group's assets.
- Conducting annual review on the adequacy and effectiveness of risk management processes and practices.
- Reviewing the Group's stress test procedures including test scenarios, parameters, key assumptions and results.
- Reviewing Management's periodic report on risk appetite, risk exposure, risk portfolio composition, and risk management activities to ensure that the risk reports are provided with appropriate risk responses.
- Reviewing the Group's Business Continuity Management Framework and policy for dealing with extreme internal/external events and disasters.
- Reviewing and recommending corrective and preventive measures undertaken to remedy failings and/or weaknesses in the risk management processes and practices.
- Reviewing the risk management report and whether appropriate actions are taken by Management on the recommendations made.
- Reviewing the appointment, transfer and dismissal of the Chief Risk Officer as well as to evaluate the adequacy of the risk management function.
- Reviewing the Integrated Annual Report and recommending it to the Board for approval.

Compliance

- Reviewing and approving legal, regulatory and compliance frameworks and policies.
- Discussing and deliberating legal, regulatory and compliance risk issues regularly to ensure the issues are resolved effectively and in timely manner.
- Evaluating the effectiveness of the Group's compliance function and overall management of compliance risk.

Sustainability

- Facilitating and promoting integration of sustainability considerations into business strategy and operations.
- Overseeing the framing of sustainability initiatives.
- Supporting formulation of sustainability policies.

- Overseeing, governing and monitoring performance in relation to execution of sustainability initiatives.
- Reviewing sustainability related matters including the Sustainability Framework, material sustainability risk, material sustainability matters, sustainability performance and reporting.

Other responsibilities

- Reviewing governance related matters that may be considered/requested by the Board from time to time.
- Carrying out such other assignments as may be agreed upon or delegated by the Board.
- Reviewing the Integrated Annual Report prior to Board's approval.
- Reviewing the subsidiary company's risk and compliance issues.
- Providing reasonable oversight over the implementation and effectiveness of the Group's Anti-Bribery compliance programs.

AUTHORITY

The BRC has the following authority as empowered by the Board:

- Investigate any matter within its terms of reference.
- Seek any information it requires from employees who are required to cooperate with any request made by BRC.
- Have full and unrestricted access to any information pertaining to the Group.
- Have communication channels with internal and external auditors, through the Audit Committee, and with Senior Management of the Group.
- Have access to adequate resources required to perform its duties including legal or other independent professional advice as it considers necessary, at the expense of the Group.
- Report to Bursa Securities any matter that has not been satisfactorily resolved resulting in a breach of the MMLR of Bursa Securities, after the matter has been reported to the Board.

The Chairman of the BRC shall engage on a continuous basis, with the Chairman of the Board and Senior Management including the Managing Director and Chief Risk Officer in order to be kept informed of matters affecting the Group.

PERFORMANCE

On an annual basis, the Board via the Nomination & Remuneration Committee will review and evaluate the term of office and performance of the BRC and its members to determine whether the BRC and its members have carried out their duties in accordance with their terms of reference.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In line with Paragraph 15.26(b) of Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”), the Board of Directors (“the Board”) of a listed issuer is required to include in its Integrated Annual Report a Statement on Risk Management and Internal Control. This statement which outlines the nature and the key features of risk management and internal control systems within AEON Credit Service (M) Berhad and its subsidiary (“the Group”) for the financial year ended 28 February 2025 (“FYE2025”), has been prepared in accordance with:

- a) Statement on Risk Management and Internal Control; Guidelines for Directors of Listed Issuers which was endorsed by Bursa Securities; and
- b) Malaysian Code on Corporate Governance (“MCCG”) issued by Securities Commission Malaysia.

Board’s Responsibilities

The Board affirms its commitment and overall responsibility to review and approve the Group’s overall risk strategy, including risk appetite, risk tolerance and overseeing its implementation to support the sustainability initiatives of the Group. The Board has always placed significant emphasis on the presence of sound risk management and internal control systems that are necessary in safeguarding the Group’s assets and shareholders’ interest, as well as to ensure compliance with applicable laws and regulations. In light of the above, the Board ensures that there are proper risk management processes in place to identify, evaluate, review and manage significant or emerging risks that could derail the Group’s aim in meeting its objectives.

The Board recognises that the risk management and internal control systems are designed to manage and mitigate, rather than to eliminate the risk of failure in the achievement of goals and corporate objectives of the Group. The system can therefore only provide reasonable but not absolute assurance against the occurrence of material misstatement, fraud or loss, and that the risk management processes are designed to minimise or mitigate such risks.

In acknowledging that having sound risk management and internal control systems are crucial, the Group has a governance structure in place that ensures effective oversight of risks and internal controls in the Group. For this, the Board is assisted by the Audit Committee (“AC”) and Board Risk Committee (“BRC”) to provide primary effective oversight responsibilities on the Group’s risk management and internal control activities. The Board remains responsible for the governance of the risk and internal controls with regard to the execution of the delegated oversight responsibilities.

For the FYE2025, five (5) BRC meetings were conducted to oversee the Group’s risk management and compliance processes, with particular emphasis on their adequacy and effectiveness of these processes. The BRC sets the strategic direction for the risk-related roles, responsibilities and reporting structures. Periodic reporting on the risk management activities undertaken by the Management are reported by the BRC to the Board. The BRC is also responsible to review the Group’s sustainability related matters, including Sustainability Framework, material matters covering Environment, Social and Governance (“ESG”) risks, and sustainability reporting. For more details on the function of the BRC, please refer to BRC Report on pages 165 to 167.

Management Responsibilities

The Management’s overall responsibility is to assist the Board in implementing the Group’s frameworks, policies and procedures on risk and control by:

- Formulating and reviewing relevant frameworks, policies and procedures to manage risks in accordance with the Group’s strategic goals.
- Identifying, assessing, monitoring and reporting risks and internal control as well as taking proper actions. In identifying and mitigating or minimising the risks, it is essential for the Group to ensure the achievement of its business objectives and goals.
- Implementing remedial action to address deficiencies that were being identified and tracked for closure. Thereafter, to report to the Board for deliberation.
- Reviewing the changes in the market environment, be it economic, environmental, political or social and the impact of any emerging risks that can affect the Group and its businesses.
- Reporting in a timely manner to the Board on any changes in risks or emerging risks and the corresponding corrective actions taken.

The Management has further assured the Board that the Group’s risk management and internal control systems are operating adequately and effectively in all material aspects with the necessary processes being implemented.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The key functions and processes overseen by the Board to review the adequacy and effectiveness of the Group's risk management and internal control systems include the following:

Risk Management

The Enterprise Risk Management Framework ("ERMF") has become an important driver to address the risks the Group inevitably faces in delivering its objectives while balancing the appropriate level of risk taken without exposing itself to unacceptable potential losses or reputational damage. The ERMF has strengthened the risk management process through its integration with sound business practices for better decision making and ultimately enhance business performance to preserve the Group's long-term value.

The key features of the ERMF include:

Risk Appetite

It is defined as the amount and types of risk that the Group is willing to accept, in pursuit of its business objectives.

The Group's risk appetite is an integral component of the Group's robust risk management framework. The risk appetite also provides a structure in understanding risk and is embedded in the day-to-day business activities.

Risk Governance and Oversight

Risk governance provides a formalised and transparent structure that promotes involvement from the Board and Management in the risk management processes to ensure a uniform view of risk across the Group.

The three lines of defence address specific duties and responsibilities related to risk and control functions coordinated within the Group:

• 1st Line of Defence – Risk Taking

The first line of defence shall be managed by Business Units ("BUs") who have day-to-day ownership and management over risks and controls.

• 2nd Line of Defence – Risk Controlling

The second line of defence supports senior management to monitor and review the first line of defence to ensure risks and controls are properly managed. Essentially, this is a management and oversight function that owns aspects of the risk management and compliance processes.

• 3rd Line of Defence – Assurance Party

The third line of defence provides assurance to senior management and the Board that the first and second lines efforts are consistent and meet expectations. This assurance function is performed by Internal Audit Division.

In providing effective oversight function, BRC is assisted by the Risk Management Committee ("RMC") to review the effectiveness of risk management, compliance, legal, sustainability and other governance related matters. The RMC comprises the key management team of the Group, which include the Chief Risk Officer ("CRO") as Chairman and Group/Business Unit Heads as RMC members. The RMC meetings, coordinated by the Risk Management Department, are held on a monthly basis to address risk, compliance and other related matters together with mitigating measures, reviewing policies and procedures and deliberating emerging issues that possibly impact the Group. Any new or amended frameworks and policies related to risk, compliance and other related matters are reviewed by the RMC, recommended by the BRC and subsequently approved by the Board.

During the financial year, the Group has consistently prioritized incident management, in particular, any incident which has potential impact to the customers or disruption in operations and services. The Group has resolved all key incidents with thorough investigation and developed action plans effectively. Subsequently, the incidents are documented and reported to the relevant stakeholders including the Board and, if required, to the regulators. For the record, the Group had zero incident reported with regard to data breach and bribery.

The Group has also conducted a climate risk assessment in alignment with the Task Force on Climate-Related Financial Disclosures ("TCFD") requirements. The Group has identified the climate-related risks that can potentially impact the Group's operation and business i.e. physical risks (extreme weather events and changes in climate pattern) and transition risks (technology, market and reputation). Based on the climate risk assessment, short-term and long-term strategies have been developed to mitigate the climate-related risks and to ensure business continuity in the event of disaster. Moving forward, the Group shall conduct the climate risk assessment annually to identify other emerging risks.

In FYE2025, the Group's Compliance Department has established Policy of Fair Treatment of Financial Consumers ("FTFC"), consistent with Bank Negara Malaysia ("BNM")'s Policy Document on FTFC. The policy serves to strengthen protection for vulnerable consumers and ensure their interests are safeguarded. Moreover, the policy guides the Group to embed fair treatment of financial consumers into our corporate culture and values and ensures that it becomes an integral part of the Group's operations. The Group has also revised the Framework of Electronic Know-Your-Customer ("e-KYC") in alignment with BNM's Policy Document on e-KYC.

The focus of the revision was mainly on Board's responsibilities, effectiveness of e-KYC implementation, addressing ongoing weakness and reporting requirement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Additionally, the Group has undergone recertification for ISO 9001:2015 Quality Management System ("QMS"), ISO/IEC 27001:2022 Information Security Management System ("ISMS") and ISO 14001:2015 Environmental Management System ("EMS") which was conducted by the appointed external auditor, TUV Nord, in December 2024. The recertification demonstrates that the Group has reviewed the QMS, ISMS and EMS performances to ensure continued suitability, adequacy, effectiveness, and alignment with the Group's strategic direction. Furthermore, the Group has also undergone surveillance maintenance for ISO 37001:2016 Anti-Bribery Management System ("ABMS") in February 2025.

In FYE2025, the Group has supported its subsidiary company, AEON Insurance Brokers (M) Sdn. Bhd. ("AEON Insurance"), in enhancing their risk management tools i.e. Risk and Control Self-Assessment ("RCSA"), Company Level Key Risk Indicator ("KRI") and incident management, detection, reporting and control. Such enhancements include incorporating risk methodology for risk assessment, widening the scope of risk categories and detailing out the incident management process. The purpose is to foster good risk management culture and integrate risk-based decision making into AEON Insurance's business practices.

In ensuring the Board's and Management's roles and responsibilities are adequately discharged, the Group has various Management committees in place to assist and support the Board. Generally, there are two (2) meeting categories which are the Board Level Meeting and Company Level Meeting. The Board Level Meeting is supported by three (3) committees whereas the Company Level Meeting is supported by thirteen (13) committees. The committees have specific roles and mandates to provide comprehensive oversight and control functions within the Group.

The Group has been identified as a significant subsidiary of the holding corporation, AEON Financial Service Co., Ltd. ("AFS"), Japan. As a significant subsidiary, the Group is required to comply with the AFS's Framework of Internal Controls over Financial Reporting ("Japanese Sarbanes-Oxley" or "J-SOX"). Pursuant to this, the Management through Internal Audit Division, regularly conducts evaluation of internal controls in the Group to identify any significant impact on internal controls and financial reporting. In addition, on an annual basis, the Group has engaged Messrs. Deloitte PLT to assess the effectiveness of existing internal controls and financial reporting.

Risk and Compliance Culture

Risk Management Department and Compliance Department continuously seek to build a strong risk management and compliance culture by promoting awareness, ownership and accountability. Training, e-learning and awareness are being emphasised in order to promote the risk and compliance culture. The risk and compliance related frameworks, policies and procedures are reviewed on a periodic basis to meet changes in the business environment, as well as the requirements of applicable laws and regulations.

As part of the risk and compliance culture, the Group has instilled a culture where the Board, management and all employees of the Group are committed to adhere to the requirement of relevant laws and regulations. This commitment is clearly demonstrated through the enhancement and strengthening of the Group's policies, processes and controls in managing and preventing non-compliance.

Risk Management Process

a) Risk Identification

It is a process of identifying, understanding and assessing inherent risk for relevant products, new products or processes and business initiatives. It enables early detection of risk and ensures sound risk management practices are in place.

b) Risk Evaluation and Treatment

A combination of qualitative and quantitative methods are used by the Management to assess and evaluate the risk identified from two perspectives – risk likelihood and impact parameters. Management will then decide, in consultation with RMC on the risk treatment options for subsequent implementation. Treatment options are being monitored and tracked till closure in order to mitigate the identified risk effectively from future occurrence.

c) Risk Monitoring and Reporting

Monitoring of early warning and key indicators are crucial in alerting the management on any potential risk events, and to put in place timely action to mitigate the potential risk. The results are then being reported and communicated at the appropriate platforms for further actions.

d) Communication

The Group, through the RMC, continuously communicates and engages with stakeholders to identify possible risks in addition to the events and circumstances that could affect the objectives which includes the realisation of the opportunities.

Internal Control Systems

The Board is responsible for managing the key business risks of the Group and implementing an appropriate internal control systems to manage those risks. The AC, assisted by the Internal Audit Division, provides the Board with the assurance it requires on the adequacy and integrity of the system of internal controls. The AC has an oversight function of all activities carried out by the Internal Audit Division.

To ensure that sound system of controls is in place, the Group has upheld primary processes in reviewing the adequacy and integrity of the system of internal controls. The primary processes include:

- An annual business plan and budget which are submitted to the Board for approval. Actual performances are reviewed against the targeted results on a monthly basis for Management responses and actions, where applicable. Board reviews monthly reports from the management on the key operating statistics, and feedback on actions required are furnished to the senior management team.
- The AEON Foundational Ideals and AEON Group Future Vision share core values for all its people to practice and drive the Group as a market leader in enriching lives through innovative and sustainable solutions. AFS's "The Purpose" is a philosophy that reflects our commitment to delivering trusted financial services that promote prosperity for everyone.
- Built on these shared values and philosophy, the Group has established the Code of Ethics and Conduct which serves as a fundamental guide to ethical decision-making, ensures compliance with legal and regulatory frameworks, and protects the interests of the stakeholders of the group.
- The corporate decision authority matrix, corporate purchasing authority matrix and respective business units' authority matrix with defined empowerment and authority serves as a framework in regulating all business activities and decisions within the Group.
- The Group has in place written operating procedures in various areas of operations, which also incorporate risk management issues and updated as and when necessary to improve on the control environment and operational efficiency.

All the above mentioned processes are in place with the aim of providing reasonable assurance as to the accuracy of financial information, non-financial disclosures, the Group's compliance with applicable laws and regulations, and the effectiveness of the internal control systems. The Board will conduct reviews on a continuous basis to ensure the effectiveness, adequacy and integrity of the system of internal controls in safeguarding the Group's assets and stakeholders' interests.

Internal Audit Function

The Group has an adequately resourced in-house internal audit function. The primary responsibility of the Internal Audit Division is to provide independent and objective assessment on the adequacy and effectiveness of the risk management, internal control, anti-corruption, whistle-blowing and governance processes implemented by Management. The Internal Audit Division adopts a risk-based audit planning methodology to plan and prioritise

the audit work focusing on high risk auditable areas, which encompassed auditing the Group's business and support functions, information systems, IT operations & security, J-SOX assessment, outsourced service providers and the subsidiary company, AEON Insurance. These are guided by an annual internal audit plan, which is approved by the AC and internal audit reports are tabled at the AC Meetings for review and deliberation. Where applicable, the Internal Audit Division provides recommendations to improve the management of risks, control, anti-corruption, whistle-blowing and governance processes. The AC regularly reviews the status of rectification actions on the findings or recommendations by the Internal Audit Division.



For more details on the function of the Internal Audit Division, please refer to pages 160 to 164, Audit Committee Report.

Assessment of Risk Management and Internal Control Systems

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control systems. The Board has received assurance from the Managing Director and the Chief Financial Officer who represent the Management team of the Group that the Group's risk management and internal control systems, in all material aspects, are operating adequately and effectively. For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

Review of Statement by External Auditors

According to Paragraph 15.23 of the MMLR, this Statement has been reviewed by the external auditors for the FYE2025. The limited assurance was conducted in accordance with the Audit Assurance Practice Guide 3 ("AAPG3"), which was issued by the Malaysian Institute of Accountants ("MIA"), and it does not require the external auditors to form an opinion on the effectiveness and adequacy of the Group's risk management and internal control systems. Based on the procedures performed, the external auditors have reported to the Board that nothing has come to their attention that had caused them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is it factually inaccurate.

DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("CA") to prepare the financial statements for each financial year which have been made out in accordance with the applicable Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards ("IFRSs"), the requirements of the CA and the MMLR of Bursa Securities.

The Directors are responsible to ensure that the financial statements of the Group and of the Company are prepared with reasonable accuracy from the accounting records so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the annual audited financial statements on a going concern basis.

The Directors have overall responsibility for taking such steps necessary to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

1. MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

There were no material contracts entered into by the Group and the Company (not being contracts entered into in the ordinary course of business) involving the interests of Directors and major Shareholders which were still subsisting as at the end of the financial year ended 28 February 2025 under review or which were entered into since the end of the previous financial year.

2. AUDIT AND NON-AUDIT FEES

The details of the audit and non-audit fees paid or payable for the financial year ended 28 February 2025 to the External Auditors and a firm or corporation affiliated to the External Auditors are set out below:

	Group RM'000	Company RM'000
Audit Fees		
- Statutory audit	439	404
- J-SOX Audit	138	138
Total Audit Services	577	542
Non-Audit Fees		
- Statement of Risk Management and Internal Control review	12	12
- Regulatory reporting review	35	35
Total Non-Audit Services	47	47
Total Fees	624	589

3. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Twenty-Seventh (27th) Annual General Meeting ("AGM") held on Wednesday, 20 June 2024, the Company obtained a 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 28 February 2025 is set out on pages 221 to 224 of the IAR.

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180	Independent Auditors' Report
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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 28 February 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the provision of easy payment schemes, personal financing schemes, issuance of payment cards under the international brand names of Visa and MasterCard, and money lending service. The personal financing schemes and certain easy payment schemes are based on Islamic principles.

The details of the subsidiary company and the associate are disclosed in Note 7 and Note 8 to the financial statements respectively.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	370,611	436,664

The results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The dividends paid by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of the financial year ended 29 February 2024:	
- Final single-tier dividend of 14.00 sen per ordinary share, paid on 25 July 2024	71,486
In respect of the financial year ended 28 February 2025:	
- Interim single-tier dividend of 14.25 sen per ordinary share, paid on 7 November 2024	72,763
Total	144,249

The Directors have proposed a final single-tier dividend of 14.50 sen per ordinary share in respect of the current financial year amounting to RM74,039,000, computed based on the issued and paid-up capital in the Company of 510,615,380 ordinary shares.

The proposed final single-tier dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the final single-tier dividend payment will be accounted for in equity as an appropriation of retained earnings in the financial year ending 28 February 2026.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorised, issued and paid up capital of the Company during the financial year.

There was no issuance of new shares or debentures during the financial year.

DIRECTORS' REPORT

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS

The Directors of the Company in office during the financial year and for the period from the end of the financial year to the date of this report are:

Ng Eng Kiat

Daisuke Maeda

S Sunthara Moorthy A/L S Subramaniam

Datuk Adinan bin Maning

Datin Yasmin Ahmad Merican

Chin Pik Yuen

Lee Tyan Jen

Farah Suhanah binti Ahmad Sarji (appointed on 21 June 2024)

Naoya Okada (appointed on 21 June 2024)

Tsutomu Omodera (appointed on 21 June 2024)

Wan Chee Keong (appointed on 1 December 2024)

Rashidah binti Abu Bakar (retired on 20 June 2024)

Mitsugu Tamai (retired on 20 June 2024)

The names of the Directors of the Company's subsidiary in office during the financial year and for the period from the end of the financial year to the date of this report are:

S Sunthara Moorthy A/L S Subramaniam

Daisuke Maeda

Lee Kit Seong

Lee Siew Tee

Raja Zailan Putra bin Raja Azam

Tan Koon San (appointed on 1 April 2025)

Chen Heng Guan (resigned on 1 April 2025)

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the Register of Directors Shareholdings, the interests of Directors in office at the end of the financial year in the ordinary shares of the Company and of its related companies are as follows:

	At 1.3.2024	Number of ordinary shares		At 28.2.2025
		Bought	Sold	
The Company				
Direct interest:				
Ng Eng Kiat	42,642	-	-	42,642
Datin Yasmin Ahmad Merican	40,000	-	-	40,000
Lee Tyan Jen	84,514	-	-	84,514

	At date of appointment	Number of ordinary shares		At 28.2.2025
		Bought	Sold	
Ultimate holding company				
AEON Co., Ltd.				
Direct interest:				
Naoya Okada	219,900	83	-	219,983

None of the other Directors in office at end of the financial year hold shares or had beneficial interest in the shares of the Company or its related companies during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by Directors or the fixed salary of a full-time employee of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he/she is a member, or with a company in which the Director has a substantial financial interest.

	Group RM'000	Company RM'000
Directors' remuneration:		
Fees	1,626	1,432
Remuneration	2,984	2,185
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	203	203
	4,813	3,820

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had 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) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability 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 affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the Group's and of the Company's operations for the financial year in which this report is made.

INDEMNITY AND INSURANCE COSTS

The Company maintains Directors' and Officers' liability insurance for purposes of Section 289 of the Companies Act 2016, throughout the year, which provides appropriate insurance cover for the Directors of the Company. The amount of insurance coverage and premium paid for Directors and Officers of the Group during the year amounted to RM10,000,000 and RM28,700 respectively.

There was no indemnity given to, nor insurance effected for auditors of the Company during the financial year.

DIRECTORS' REPORT

HOLDING COMPANIES

The immediate and ultimate holding companies are AEON Financial Service Co., Ltd. ("AFS") and AEON Co., Ltd. respectively. Both companies were incorporated in Japan and are listed on the Tokyo Stock Exchange.

AUDITORS' REMUNERATION

For the financial year ended 28 February 2025, fees paid or payable to the auditors and other member firm of the auditors are disclosed in the table below.

	Group RM'000	Company RM'000
Auditors' remuneration:		
Audit fees		
- auditors of the Group		
- statutory audit	439	404
- assurance and compliance related service	138	138
Non-audit fees		
- auditors of the Group	47	47
	624	589

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 1 August 2024, the Company subscribed for an additional 100,000,000 ordinary shares in AEON Bank (M) Berhad ("AEON Bank"), an associate of the Company for a cash consideration of RM100,000,000 and its equity interest remained at 50%, as the additional subscription is in same proportion to the other equity holder, AFS.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

NG ENG KIAT

DAISUKE MAEDA

Kuala Lumpur
13 May 2025

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AEON CREDIT SERVICE (M) BERHAD

(Incorporated in Malaysia)

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **AEON CREDIT SERVICE (M) BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 28 February 2025, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 183 to 244.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 28 February 2025, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 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 Group and 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 Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Our audit performed and responses thereon
<p><i>Impairment of financing receivables</i></p> <p>As at 28 February 2025, financing receivables stand at RM13,341,781,000 (2024: RM11,535,657,000) representing 93.0% (2024: 91.4%) of total assets of the Group and of the Company. MFRS 9 requires such financing receivables to be measured using expected credit losses ("ECL") model.</p> <p>The measurement of ECL is complex and requires the application of significant judgement which includes the identification of credit exposures with significant deterioration in credit quality, assumptions used in the ECL models such as the expected future cash flows, time value of money, forward-looking macroeconomic factors and probability-weighted multiple scenarios.</p> <p>Refer to the material accounting policy in Note 3 to the financial statements, the key sources of estimation uncertainty in Note 4 to the financial statements, the disclosure of financing receivables in Note 12 to the financial statements.</p>	<p>Our audit procedures included, among others:</p> <p>Evaluation of the design and implementation of key controls over impairment of financing receivables, including the governance over the ECL methodology and model development.</p> <p>With the involvement of financial risk specialists, we have:</p> <ul style="list-style-type: none"> assessed whether the Group's and the Company's ECL models on financing receivables is in accordance with MFRS 9. The assessment includes assessment of significant assumptions and considerations applied by the Group and the Company in the ECL models to address the requirements of MFRS 9 such as criteria for significant deterioration in credit quality, time value of money, forward-looking macroeconomic factors and probability-weighted multiple scenarios; recomputed the Group's and the Company's impairment based on the ECL models and compared against the impairment of financing receivables recorded by the Group and the Company; and verified the inputs into the ECL models developed to ensure accuracy and completeness. <p>We involved our IT specialists in the performance of these procedures where their specific expertise was required.</p>

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AEON CREDIT SERVICE (M) BERHAD

(Incorporated in Malaysia)

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 the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and 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, 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.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and 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 Group and 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 Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AEON CREDIT SERVICE (M) BERHAD

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 Group's or the Company's ability 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 Group and 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group 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 Group and of the Company for the current year and are therefore the key audit matter. 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

DELOITTE PLT (LLP0010145-LCA)

Chartered Accountants (AF 0080)

MAK WAI KIT

Partner - 03546/12/2026 J

Chartered Accountant

13 May 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current Assets					
Plant and equipment	5	140,809	105,389	139,781	104,543
Right-of-use assets	6	57,913	48,549	57,913	48,549
Investment in a subsidiary company	7	-	-	489	489
Investment in an associate	8	190,094	158,425	275,000	175,000
Other investments	9	115	13,873	115	13,873
Goodwill on consolidation	10	511	511	-	-
Deferred tax assets	11	189,654	168,192	189,423	167,987
Financing receivables	12	9,379,840	8,031,227	9,379,840	8,031,227
Total Non-current Assets		9,958,936	8,526,166	10,042,561	8,541,668
Current Assets					
Financing receivables	12	3,961,941	3,504,430	3,961,941	3,504,430
Trade receivables	13	4,324	3,226	-	-
Other receivables, deposits and prepayments	14	131,438	66,852	131,140	66,525
Amount owing by related companies	30	10,503	14,030	10,346	14,030
Amount owing by a subsidiary company	30	-	-	418	-
Amount owing by an associate	30	1,269	447	1,269	447
Derivative financial assets	15	158,947	361,618	158,947	361,618
Cash, bank balances and deposits	16	116,500	143,568	108,484	136,929
Total Current Assets		4,384,922	4,094,171	4,372,545	4,083,979
TOTAL ASSETS		14,343,858	12,620,337	14,415,106	12,625,647

STATEMENTS OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	17	584,012	584,012	584,012	584,012
Hedging reserve	18	9,640	27,940	9,640	27,940
Fair value reserve	19	(8,535)	(7,790)	(8,535)	(7,790)
Retained earnings	20	2,246,831	2,033,469	2,320,336	2,040,921
Equity attributable to ordinary equity holders of the Company		2,831,948	2,637,631	2,905,453	2,645,083
Non-current Liabilities					
Borrowings	21	6,800,714	6,603,008	6,800,714	6,603,008
Lease liabilities	6	37,753	28,174	37,753	28,174
Total Non-current Liabilities		6,838,467	6,631,182	6,838,467	6,631,182
Current Liabilities					
Borrowings	21	3,982,755	2,801,538	3,982,755	2,801,538
Trade payables	22	49,424	41,644	48,887	40,038
Other payables and accruals	23	432,593	390,565	431,005	389,319
Amount owing to immediate holding company	30	15,925	6,227	15,925	6,227
Amount owing to related companies	30	6,511	7,523	6,511	7,523
Amount owing to a subsidiary company	30	-	-	-	1,156
Derivative financial liabilities	15	105,683	48,929	105,683	48,929
Lease liabilities	6	21,813	21,850	21,813	21,850
Tax liabilities		58,739	33,248	58,607	32,802
Total Current Liabilities		4,673,443	3,351,524	4,671,186	3,349,382
Total Liabilities		11,511,910	9,982,706	11,509,653	9,980,564
TOTAL EQUITY AND LIABILITIES		14,343,858	12,620,337	14,415,106	12,625,647

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income, profit revenue and finance charges		1,966,264	1,695,714	1,966,264	1,695,714
Fee income		234,459	216,777	220,061	203,516
Revenue	24	2,200,723	1,912,491	2,186,325	1,899,230
Staff costs	25	(280,466)	(246,082)	(274,770)	(241,795)
Depreciation of plant and equipment		(35,704)	(38,698)	(35,274)	(38,545)
Operating expenses		(1,052,175)	(972,312)	(1,051,058)	(971,511)
(Allowance)/Reversal for impairment loss on financing receivables		(81,697)	90,528	(81,697)	90,528
Other income		256,569	194,365	260,390	197,575
Profit from operations		1,007,250	940,292	1,003,916	935,482
Finance costs	26	(425,412)	(358,543)	(425,412)	(358,543)
Share of results in an associate	8	(68,331)	(16,575)	-	-
Profit before tax	27	513,507	565,174	578,504	576,939
Taxation	28	(142,896)	(141,156)	(141,840)	(139,804)
Profit for the financial year		370,611	424,018	436,664	437,135
Other comprehensive income/(loss), net of tax					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Net changes in cash flow hedge		(18,300)	38,188	(18,300)	38,188
<i>Item that will not be reclassified subsequently to profit or loss:</i>					
Net fair value changes on investments at fair value through other comprehensive income		(13,745)	(12,748)	(13,745)	(12,748)
Total other comprehensive income for the financial year		(32,045)	25,440	(32,045)	25,440
Total comprehensive income for the financial year		338,566	449,458	404,619	462,575
Profit attributable to equity holders of the Company		370,611	424,018	436,664	437,135
Total comprehensive income attributable to equity holders of the Company		338,566	449,458	404,619	462,575
Earnings per ordinary share attributable to owners of the Company (sen)					
Basic	29	72.58	81.08	85.52	83.65

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

Group	Note	Non-distributable				Distributable	
		Share capital RM'000	Perpetual notes and sukuk RM'000	Hedging reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 March 2023		584,012	200,000	(10,248)	4,958	1,746,108	2,524,830
Cash flow hedge, net of tax		-	-	38,188	-	-	38,188
Fair value through other comprehensive income		-	-	-	(12,748)	-	(12,748)
Profit for the year		-	-	-	-	424,018	424,018
Total comprehensive income for the year		-	-	38,188	(12,748)	424,018	449,458
Redemption of perpetual notes and sukuk		-	(200,000)	-	-	-	(200,000)
Bonus issuance expenses		-	-	-	-	(283)	(283)
Distribution on perpetual notes and sukuk, net of tax		-	-	-	-	(9,997)	(9,997)
Dividends	31	-	-	-	-	(126,377)	(126,377)
At 29 February 2024		584,012	-	27,940	(7,790)	2,033,469	2,637,631

Group	Note	Non-distributable			Distributable	
		Share capital RM'000	Hedging reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 March 2024		584,012	27,940	(7,790)	2,033,469	2,637,631
Cash flow hedge, net of tax		-	(18,300)	-	-	(18,300)
Fair value through other comprehensive income		-	-	(13,745)	-	(13,745)
Profit for the year		-	-	-	370,611	370,611
Total comprehensive income for the year		-	(18,300)	(13,745)	370,611	338,566
Dividends	31	-	-	-	(144,249)	(144,249)
Transfer upon the disposal of equity investment designated at fair value through other comprehensive income		-	-	13,000	(13,000)	-
At 28 February 2025		584,012	9,640	(8,535)	2,246,831	2,831,948

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

Company	Note	Non-distributable			Distributable		Total equity RM'000
		Share capital RM'000	Perpetual notes and sukuk RM'000	Hedging reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 March 2023		584,012	200,000	(10,248)	4,958	1,740,443	2,519,165
Cash flow hedge, net of tax		-	-	38,188	-	-	38,188
Fair value through other comprehensive income		-	-	-	(12,748)	-	(12,748)
Profit for the year		-	-	-	-	437,135	437,135
Total comprehensive income for the year		-	-	38,188	(12,748)	437,135	462,575
Redemption of perpetual notes and sukuk		-	(200,000)	-	-	-	(200,000)
Bonus issuance expenses		-	-	-	-	(283)	(283)
Distribution on perpetual notes and sukuk, net of tax		-	-	-	-	(9,997)	(9,997)
Dividends	31	-	-	-	-	(126,377)	(126,377)
At 29 February 2024		584,012	-	27,940	(7,790)	2,040,921	2,645,083

Company	Note	Non-distributable			Distributable		Total equity RM'000
		Share capital RM'000	Hedging reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000		
At 1 March 2024		584,012	27,940	(7,790)	2,040,921		2,645,083
Cash flow hedge, net of tax		-	(18,300)	-	-		(18,300)
Fair value through other comprehensive income		-	-	(13,745)	-		(13,745)
Profit for the year		-	-	-	436,664		436,664
Total comprehensive income for the year		-	(18,300)	(13,745)	436,664		404,619
Dividends	31	-	-	-	(144,249)		(144,249)
Transfer upon the disposal of equity investment designated at fair value through other comprehensive income		-	-	13,000	(13,000)		-
At 28 February 2025		584,012	9,640	(8,535)	2,320,336		2,905,453

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	513,507	565,174	578,504	576,939
Adjustments for:				
Interest/Profit income from deposits with licensed financial institutions	(3,871)	(9,147)	(3,721)	(9,002)
Gain on disposal of plant and equipment	(292)	(41)	(292)	(15)
Dividend income	(3)	(4)	(1,011)	(637)
Finance costs	423,469	356,976	423,469	356,976
Interest expense on lease liabilities	1,943	1,567	1,943	1,567
Depreciation of plant and equipment	35,704	38,698	35,274	38,545
Depreciation of right-of-use assets	22,744	21,420	22,744	21,420
Gain on termination of right-of-use assets	(201)	-	(201)	-
Allowance/(Reversal) for impairment loss on financing receivables	81,697	(90,528)	81,697	(90,528)
Write-off on financing receivables	675,990	660,440	675,990	660,440
Allowance for impairment loss on trade receivables	14	29	-	-
Write-off of plant and equipment	36	2,280	35	2,270
Share of results in an associate	68,331	16,575	-	-
Operating Profit Before Changes in Working Capital	1,819,068	1,563,439	1,814,431	1,557,975
Changes in working capital:				
Financing receivables	(2,563,811)	(2,056,956)	(2,563,811)	(2,056,956)
Trade receivables	(1,112)	(2,175)	-	-
Other receivables, deposits and prepayments	(64,586)	(6,358)	(64,615)	(6,098)
Amount owing by related companies	3,527	(2,848)	3,684	(2,848)
Amount owing by a subsidiary company	-	-	(418)	-
Amount owing by an associate	(822)	(447)	(822)	(447)
Trade payables	7,780	9,134	8,849	9,078
Other payables and accruals	34,382	(26,970)	34,040	(27,480)
Amount owing to immediate holding company	9,698	(4,128)	9,698	(4,128)
Amount owing to related companies	(1,012)	2,432	(1,012)	2,432
Amount owing to a subsidiary company	-	-	(1,156)	99
Cash held in trust for customers	(7,348)	(2,373)	(7,184)	(2,534)
Cash Used In Operations	(764,236)	(527,250)	(768,316)	(530,907)
Tax paid	(133,087)	(126,963)	(131,691)	(125,848)
Net Cash Used In Operating Activities	(897,323)	(654,213)	(900,007)	(656,755)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of plant and equipment	5	(71,623)	(31,761)	(71,010)	(30,896)
Proceeds from disposal of plant and equipment		755	434	755	408
Proceeds from disposal of other investment		13	-	13	-
Investment in an associate	8	(100,000)	(175,000)	(100,000)	(175,000)
Interest/Profit income from deposits with licensed financial institutions received		3,871	9,147	3,721	9,002
Dividend income		3	4	1,011	637
Net Cash Used In Investing Activities		(166,981)	(197,176)	(165,510)	(195,849)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid to equity holders of the Company		(144,249)	(126,377)	(144,249)	(126,377)
Proceeds from bank borrowings	(ii)	7,170,921	4,950,000	7,170,921	4,950,000
Repayment of bank borrowings	(ii)	(5,553,129)	(3,640,594)	(5,553,129)	(3,640,594)
Repayment of lease liabilities	(iii)	(24,308)	(23,498)	(24,308)	(23,498)
Increase in deposits held in trust account		(4)	(24)	(4)	(24)
Redemption of perpetual notes and sukuk		-	(200,000)	-	(200,000)
Bonus issue expenses		-	(283)	-	(283)
Distribution paid to perpetual notes and sukuk holders		-	(13,154)	-	(13,154)
Finance costs paid		(419,370)	(344,847)	(419,370)	(344,847)
Net Cash From Financing Activities		1,029,861	601,223	1,029,861	601,223
NET DECREASE IN CASH AND CASH EQUIVALENTS		(34,443)	(250,166)	(35,656)	(251,381)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		91,624	341,790	85,077	336,458
CASH AND CASH EQUIVALENTS AT END OF YEAR	(i)	57,181	91,624	49,421	85,077

(i) *Cash and cash equivalents*

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	16	80,603	82,872	79,224	76,301
Deposits placed with licensed financial institutions	16	35,897	60,696	29,260	60,628
		116,500	143,568	108,484	136,929
Bank overdraft		(23)	-	(23)	-
Cash held in trust for customers	16	(59,132)	(51,784)	(58,876)	(51,692)
Deposits held in trust account	16	(164)	(160)	(164)	(160)
		57,181	91,624	49,421	85,077

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

(ii) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities:

Group and Company	Note	At 1 March RM'000	Net changes from financing cash flows (a) RM'000	Non-cash changes (b) RM'000	At 28/29 February RM'000
2025					
Borrowings	21	9,404,546	1,617,792	(238,869)	10,783,469
Lease liabilities	6	50,024	(24,308)	33,850	59,566
2024					
Borrowings	21	8,006,969	1,309,406	88,171	9,404,546
Lease liabilities	6	38,093	(23,498)	35,429	50,024

(a) The cash flows are made up of proceeds and repayments of borrowings and lease liabilities including interest on lease liabilities.

(b) Non-cash changes consist of unrealised foreign exchange (gain)/loss arising from revaluation of term loans and additions on lease liabilities.

(iii) Cash outflow for leases as a lessee

	Group and Company 2025 RM'000	2024 RM'000
Included in net cash used in financing activities		
Payment for principal portion of lease liabilities	22,365	21,931
Interest paid in relation to lease liabilities	1,943	1,567
	24,308	23,498

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The principal place of business of the Company is located at Level 18, UOA Corporate Tower, Avenue 10, The Vertical, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The Company is principally engaged in the provision of easy payment schemes, personal financing schemes, issuance of payment cards under the international brand names of Visa and MasterCard, and money lending service. The personal financing schemes and certain easy payment schemes are based on Islamic principles.

The principal activities of the subsidiary company and the associate are disclosed in Note 7 and Note 8 respectively.

There have been no significant changes in the nature of these principal activities during the financial year.

The immediate and ultimate holding companies are AEON Financial Service Co., Ltd. ("AFS") and AEON Co., Ltd. respectively. Both companies are incorporated in Japan and are listed on the Tokyo Stock Exchange.

The financial statements were approved and authorised for issue in accordance with a Board of Directors' resolution dated 13 May 2025.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand (RM'000 or '000), unless otherwise stated.

Adoption of Amendments to MFRSs

In the current financial year, the Group and the Company adopted all the relevant Amendments to MFRSs issued by Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for financial periods commencing on or after 1 March 2024.

- Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Classification of Liabilities as Current and Non-current*
- Amendments to MFRS 101 *Non-current Liabilities with Covenants*
- Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*

The adoption of these Amendments to MFRSs did not have any material impact on the amounts reported in the financial statements of the Group and of the Company in the current financial year and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

New Standards and Amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the relevant new Standards and Amendments to MFRSs, which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 *Lack of Exchangeability*

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

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*

Effective date of these Amendments to Standards has been deferred, and yet to be announced

- Amendments to MFRS 10 and MFRS 128 *Sale or contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company will adopt the above New Standards and Amendments when they become effective and the adoption of these New Standards and Amendments is not expected to have any material impact on the financial statements of the Group and of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements by the Group and the Company, unless otherwise stated.

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company, subsidiary and associate, made up to the end of the financial year.

A subsidiary is an entity controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investment in subsidiary is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group. The identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. Acquisition-related costs are recognised in profit or loss as incurred.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the date of acquisition. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Non-controlling interests in subsidiary are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis.

Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

3.3 Associate

An associate is an entity in which the Group has significant influence, but not control or joint control over, the financial and operating policies of the investee company.

An associate is accounted for in the consolidated financial statements using the equity method less impairment losses, unless it is classified as held for sale or distribution. The consolidated financial statements include the Group'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 Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

In the Company's separate financial statements, investment in associate is accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3.4 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Plant and equipment (continued)

(ii) Depreciation

Depreciation is calculated based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. Assets under capital-work-in-progress are not depreciated until the assets are ready for their intended use.

The principal annual rates are as follows:

Office equipment	4 - 7 years
Computer equipment and software	2 - 10 years
Motor vehicles	5 years
Furniture and fittings	2 - 4 years
Renovation	4 - 5 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at end of each reporting period.

3.5 Leases

(i) Recognition and initial measurement

Company as a lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use 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. If that rate cannot be readily determined, the Group and the Company use their incremental borrowing 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 Group and the Company are reasonably certain to exercise the option; and
- Payments of penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease unless the Group and the Company are reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (continued)

(i) Recognition and initial measurement (continued)

Company as a lessee (continued)

The Group and the Company have excluded variable lease payments that are 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 Group and the Company have elected not to recognise right-of-use 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 Group and the Company recognised the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

(ii) Subsequent measurement

The right-of-use 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 right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment. In addition, the right-of-use 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 Group's and the Company's estimates of the amount expected to be payable under a residual value guarantee, or if the Group and the Company change their assessment of whether they will exercise a purchase, extension or termination option.

3.6 Impairment of non-financial assets

The carrying amounts of assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Financial assets

(i) Initial recognition and measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

A financial asset is initially measured at fair value plus or minus, for an item not measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance.

(ii) Classification and subsequent measurement

The Group and the Company have applied MFRS 9 and classified the financial assets in the following measurement categories – amortised cost, fair value through other comprehensive income (“FVTOCI”) or fair value through profit or loss (“FVTPL”).

The Group and the Company determine the classification of financial assets upon initial recognition. The financial assets are not subsequently reclassified unless the Group or the Company changes the 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.

(a) Amortised cost

Financial assets are measured at amortised cost if the financial assets are held within a business model whose objective is to collect contractual cash flows and its contractual terms give rise to specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, these financial assets are measured at amortised cost using the EIR method. Interest income/profit revenue and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(b) FVTOCI

The Group and the Company designated all investments in equity instruments that are not held for trading as financial assets measured at FVTOCI on initial recognition. Investments in equity instruments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments; instead, it is transferred to retained earnings.

Dividends on equity instruments are recognised in profit or loss when the Group’s or the Company’s right to receive payment is established.

(c) FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes derivative financial assets and financial liabilities. On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Financial assets (continued)

(iii) Derecognition of financial assets

(a) Derecognition due to substantial modification of terms and conditions

The Group and the Company derecognise a financial asset, such as a financing to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financing, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financing are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise a financing to a customer, amongst others, the Group and the Company consider the following factors:

- If the customer is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the customer is expected to be able to pay;
- Significant extension of the financing term when the customer is not in financial difficulty; and
- Significant change in the interest/profit rate.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group and the Company record a modification gain or loss, to the extent that an impairment loss has not already been recorded.

(b) Derecognition other than for substantial modification

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group or the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group or the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group or the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group or the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in an equity instrument which the Group or the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment of financial assets

Under MFRS 9, impairment model requires the recognition of expected credit loss ("ECL") for all financial assets, except for financial assets classified or designated as FVTPL and equity instruments classified under FVTOCI, which are not subject to impairment assessment.

The Group and the Company assess ECL associated with its debt instrument assets carried at amortised cost. The Group and the Company recognise a loss allowance for such losses at the end of each reporting period. The measurement of ECL reflects an unbiased amount that is determined by reasonable as well as supportable information that is available without undue cost or effort at the end of the reporting period about past events and current conditions.

Allowance for impairment will be made based on the following three-stage approach which reflects the change in credit quality of the financial instrument since initial recognition:

(i) Stage 1: 12-month ECL - not credit-impaired

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the ECL associated with the probability of default events occurring within next 12 months will be recognised.

(ii) Stage 2: Lifetime ECL - not credit-impaired

For exposures where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired, a lifetime ECL will be recognised.

(iii) Stage 3: Lifetime ECL - credit-impaired

Financial assets are assessed as credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that are credit-impaired, a lifetime ECL will be recognised.

The measurement of ECL is a function of the probability of default ("PD"), loss given default ("LGD") (i.e. the magnitude of the loss if there is a default) and the exposure at default ("EAD"). The assessment of the PD and LGD are based on the Group's and the Company's historical experience and informed credit assessment with consideration of forward-looking information.

As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's and the Company's understanding of the specific future financing needs of the customers, and other relevant forward-looking information.

In the measurement of ECL, forward-looking adjustment is in accordance with the expected future macroeconomic conditions, including combination of statistical analysis and expert judgements based on the availability of detailed information. In addition, key macroeconomic variables encompassed in ECL measurement include probability-weighted scenarios based on available forecasts.

For the financial assets measured at amortised cost other than financing receivables, the Group and the Company apply the simplified approach as permitted by MFRS 9, which requires an entity to recognise a loss allowance based on lifetime ECL at each reporting date. The ECL is computed based on provisional matrix.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment of financial assets (continued)

Significant increase in credit risk

At the end of each reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for exposures since initial recognition to determine whether the exposure is subject to 12-month ECL or lifetime ECL. This is performed by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. When determining whether the risk of default has increased significantly since initial recognition, the Group and the Company consider both quantitative information and analysis based on the Group's and the Company's historical experience.

The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on a basis of shared credit risk characteristics.

If, in a subsequent period, the asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance for that financial asset reverts from lifetime ECL to 12-month ECL.

The Group and the Company determine whether a significant increase in credit risk has occurred based on number of days past due since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Group and the Company presume that the credit risk of a borrower has increased significantly since initial recognition when contractual payment are more than 30 days past due.

Credit impaired (default)

At each reporting date, the Group and the Company assess whether financial assets 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 on the financial assets have occurred.

The Group and the Company consider a financial asset to be in default when the principal or interest/profit or both the financing is past due for more than 90 days and/or restructured.

Forward-looking information

Forward-looking information considered include the future prospects of the industries in which the Group's and the Company's customers work in, obtained from reports of economic experts, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's and the Company's core operations.

Write-offs

The Group and the Company write-off a financial asset when there is information indicating that the customer is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities are classified as either financial liabilities at “FVTPL” or “other financial liabilities”.

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the EIR method.

The EIR method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the differences in the respective carrying amount is recognised in profit or loss.

3.10 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Share capital

Ordinary shares are classified as equity instruments. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

Distributions to holders of ordinary shares are debited directly to equity and interim dividends declared on or before the end of the reporting date are recognised as liabilities. Final dividends are recognised upon the approval of shareholders in a general meeting.

3.11 Derivative instruments

The Group and the Company enter into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign currency forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated as an effective hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.12 Hedge accounting

At the inception of the hedge relationship, the Group and the Company document the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group and the Company document whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group and the Company actually hedges and the quantity of the hedging instrument that the Group and the Company actually uses to hedge that quantity of hedged item.

3.13 Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable in a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into 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 or cancelled or expired. 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.

3.14 Cash and cash equivalents

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents comprise cash and bank balances, deposits placed with licensed banks and short-term highly liquid investments which are subject to an insignificant risk of changes in value. For the purposes of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts, cash held in trust for customers and deposits held in trust account.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the Group's and the Company's best estimate of the amount required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

At the end of the reporting period, provisions are reviewed and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group and the Company will be required to settle the obligation.

3.16 Revenue recognition

Revenue is recognised when a performance obligation in the contract with a customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and Company's customary business practices.

- (i) Interest income/Profit revenue and finance charges from easy payment schemes, personal financing schemes and credit card business

Interest income/Profit revenue and finance charges from easy payment schemes, personal financing schemes and credit card business are recognised in profit or loss using the Effective Interest/Profit Rate ("EIR") method.

EIR is a method of calculating the amortised cost of financing receivables and of allocating the corresponding interest income/profit revenue and finance charges over the relevant year. EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financing receivable or, when appropriate, a shorter year to the net carrying amount of the financing receivables.

- (ii) Fee income from easy payment schemes, personal financing schemes, credit card business and extended warranty program

Fee income from easy payment schemes and personal financing schemes comprise late payment/penalty charges, processing fees and credit recovery charges. Fee income from credit card business comprises credit recovery charges, cash advance fees, transaction charges, annual fees, merchant commission and Visa/MasterCard interchange fees. Fee income from extended warranty program comprises commission earned for referral of extended warranty program.

Fee income is generally recognised when the relevant performance obligation has been fulfilled.

- (iii) Brokerage fee

Revenue from brokerage fee is recognised at a point in time when services are rendered.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.17 Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences for paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

The Group and the Company are required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan, for all its eligible employees based on certain prescribed rates of the employees' salaries. The Group's contributions to EPF are disclosed separately.

3.18 Foreign currency transactions

The financial statements of the Group and of the Company are presented in RM, the currency of the primary economic environment in which the Group and the Company operate (their functional currency).

In preparing the financial statements, transactions in currencies other than the Group's and the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

3.19 Income tax

(i) Current tax

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

(ii) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiary except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Income tax (continued)

(ii) Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it arises from a transaction which is recognised in other comprehensive income or directly in equity, in which case the deferred tax is also charged or credited directly in other comprehensive income or to equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and liabilities on a net basis.

3.20 Earnings per ordinary share

The Group and the Company present basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to equity holders of the Company, less distribution on perpetual notes and perpetual sukuk, by the weighted average number of ordinary shares outstanding. Ordinary shares that would be issued upon conversion of a mandatorily convertible instrument are included in the weighted average number of ordinary shares from the date of issuance of the instrument.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

4.1 Critical judgement in applying the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, which are described in Note 3, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements, except for those involving estimates which are dealt with in Note 4.2 below.

4.2 Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as follows:

(i) Impairment loss on financing receivables (Note 12)

The expected credit loss for measurement of impairment losses under MFRS 9 requires judgement. The impairment losses computed based on ECL models are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. A number of significant judgements are also required in applying the accounting requirements for measuring impairment losses, such as determining criteria for significant increase in credit risk, choosing the appropriate models, determining the suitability of forward-looking information and the number of probability weighting outcome scenarios.

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.2 Key sources of estimation uncertainty (continued)

(ii) Deferred tax assets (Note 11)

The Group and the Company assess at the end of the reporting period whether there are probable and sufficient future taxable profits will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(iii) Fair value estimation of financial instruments (Note 9 and Note 15)

The fair value of financial instruments measured at fair value is determined using a variety of valuation techniques. The Group and the Company generally use widely recognised valuation models with market observable inputs, but judgement is required where market observable data are not available. Such judgement normally incorporate assumptions that other market participants would use in their valuations, including assumptions about interest rate yield curves, exchange rates, volatilities, discount rates, growth rates and cash flow projections.

5. PLANT AND EQUIPMENT

Group	Office equipment RM'000	Computer equipment and software RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Renovation RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 March 2023	9,128	335,363	2,605	16,484	54,166	8,740	426,486
Additions	599	8,553	-	390	509	21,710	31,761
Disposals	(369)	(5,650)	(182)	(245)	-	-	(6,446)
Write-off	(1,604)	(11,348)	-	(1,417)	(522)	(2,204)	(17,095)
Reclassification	-	19,925	-	-	581	(20,506)	-
At 29 February 2024/ 1 March 2024	7,754	346,843	2,423	15,212	54,734	7,740	434,706
Additions	436	5,023	851	63	1,387	63,863	71,623
Disposals	(131)	(518)	(1,199)	(215)	-	(347)	(2,410)
Write-off	(1,054)	(3,594)	-	(1,826)	(6,673)	-	(13,147)
Reclassification	2,720	28,488	-	2,531	19,965	(53,704)	-
At 28 February 2025	9,725	376,242	2,075	15,765	69,413	17,552	490,772
Accumulated depreciation							
At 1 March 2023	7,653	234,061	1,782	16,321	51,670	-	311,487
Charge for the year	893	34,866	300	191	2,448	-	38,698
Disposals	(363)	(5,263)	(182)	(245)	-	-	(6,053)
Write-off	(1,579)	(11,312)	-	(1,416)	(508)	-	(14,815)
At 29 February 2024/ 1 March 2024	6,604	252,352	1,900	14,851	53,610	-	329,317
Charge for the year	961	30,756	274	812	2,901	-	35,704
Disposals	(101)	(510)	(1,122)	(214)	-	-	(1,947)
Write-off	(1,051)	(3,589)	-	(1,823)	(6,648)	-	(13,111)
Reclassification	16	-	-	15	(31)	-	-
At 28 February 2025	6,429	279,009	1,052	13,641	49,832	-	349,963
Carrying amounts							
At 29 February 2024	1,150	94,491	523	361	1,124	7,740	105,389
At 28 February 2025	3,296	97,233	1,023	2,124	19,581	17,552	140,809

NOTES TO THE FINANCIAL STATEMENTS

5. PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment RM'000	Computer equipment and software RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Renovation RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 March 2023	8,991	335,363	2,423	16,423	53,898	8,666	425,764
Additions	524	8,553	-	389	486	20,944	30,896
Disposals	(369)	(5,650)	-	(245)	-	-	(6,264)
Write-off	(1,542)	(11,348)	-	(1,362)	(255)	(2,204)	(16,711)
Reclassification	-	19,247	-	-	581	(19,828)	-
At 29 February 2024/ 1 March 2024	7,604	346,165	2,423	15,205	54,710	7,578	433,685
Additions	408	4,939	851	53	1,040	63,719	71,010
Disposals	(131)	(518)	(1,199)	(215)	-	(347)	(2,410)
Write-off	(1,054)	(3,594)	-	(1,824)	(6,673)	-	(13,145)
Reclassification	2,720	28,314	-	2,531	19,965	(53,530)	-
At 28 February 2025	9,547	375,306	2,075	15,750	69,042	17,420	489,140
Accumulated depreciation							
At 1 March 2023	7,572	234,061	1,600	16,263	51,413	-	310,909
Charge for the year	859	34,755	300	189	2,442	-	38,545
Disposals	(363)	(5,263)	-	(245)	-	-	(5,871)
Write-off	(1,517)	(11,312)	-	(1,361)	(251)	-	(14,441)
At 29 February 2024/ 1 March 2024	6,551	252,241	1,900	14,846	53,604	-	329,142
Charge for the year	926	30,452	274	806	2,816	-	35,274
Disposals	(101)	(510)	(1,122)	(214)	-	-	(1,947)
Write-off	(1,051)	(3,589)	-	(1,822)	(6,648)	-	(13,110)
Reclassification	16	-	-	15	(31)	-	-
At 28 February 2025	6,341	278,594	1,052	13,631	49,741	-	349,359
Carrying amounts							
At 29 February 2024	1,053	93,924	523	359	1,106	7,578	104,543
At 28 February 2025	3,206	96,712	1,023	2,119	19,301	17,420	139,781

NOTES TO THE FINANCIAL STATEMENTS

6. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

Right-of-use assets

Group and Company	Office floor space RM'000	Computer equipment RM'000	Total RM'000
Cost			
At 1 March 2023	75,022	17,167	92,189
Additions	12,501	19,581	32,082
Termination	(7,426)	-	(7,426)
At 29 February 2024/1 March 2024	80,097	36,748	116,845
Additions	35,068	-	35,068
Termination	(21,581)	(16,463)	(38,044)
At 28 February 2025	93,584	20,285	113,869
Accumulated depreciation			
At 1 March 2023	44,229	10,073	54,302
Charge for the year	16,869	4,551	21,420
Termination	(7,426)	-	(7,426)
At 29 February 2024/1 March 2024	53,672	14,624	68,296
Charge for the year	18,778	3,966	22,744
Termination	(21,429)	(13,655)	(35,084)
At 28 February 2025	51,021	4,935	55,956
Carrying amounts			
At 29 February 2024	26,425	22,124	48,549
At 28 February 2025	42,563	15,350	57,913

The Group and the Company lease several assets including office floor space and computer equipment. The remaining lease terms range from one to six years (2024: one to five years).

Lease liabilities

The lease liabilities component is analysed as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
Non-current	37,753	28,174
Current	21,813	21,850
	59,566	50,024

The maturity analysis of lease liabilities is presented in Note 34.

The following are amounts recognised in profit or loss:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Depreciation of right-of-use assets	22,744	21,420	22,744	21,420
Gain on termination of right-of-use assets	(201)	-	(201)	-
Interest expense on lease liabilities	1,943	1,567	1,943	1,567
Expenses relating to short-term leases	6,235	8,383	6,235	8,376
Expenses relating to leases of low value assets	1,690	2,407	1,690	2,407

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT IN A SUBSIDIARY COMPANY

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	489	489

The details of the subsidiary company are as follows:

Name of company	Country of incorporation	Effective equity interest		Principal activity
		2025 %	2024 %	
AEON Insurance Brokers (M) Sdn. Bhd.*	Malaysia	100	100	Insurance broker

* The subsidiary is audited by Deloitte PLT.

8. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares, at cost	275,000	175,000	275,000	175,000
Share of post-acquisition reserves	(84,906)	(16,575)	-	-
	190,094	158,425	275,000	175,000

The details of the associate are as follows:

Name of company	Country of incorporation	Effective equity interest		Principal activity
		2025 %	2024 %	
AEON Bank (M) Berhad ("AEON Bank")*	Malaysia	50	50	Islamic digital banking

* The associate is audited by KPMG PLT.

In the previous financial year, the Company subscribed for 175,000,000 ordinary shares in AEON Bank for a cash consideration of RM175,000,000, resulting in AEON Bank becoming an associate company of the Group and the Company. AEON Bank completed the operational readiness review and obtained approval from Bank Negara Malaysia ("BNM") and the Ministry of Finance to commence operations effective on 15 January 2024. As part of the approval, the Company has given an undertaking to BNM to provide adequate funds proportionate to its shareholding in AEON Bank at the material time, to ensure that AEON Bank has adequate funds to satisfy all its obligations and liabilities due including to pay and settle all outstanding customer deposits, in the event of implementation of an exit plan by AEON Bank during its foundational phase.

On 1 August 2024, the Company subscribed for an additional 100,000,000 ordinary shares in AEON Bank for a cash consideration of RM100,000,000 and its equity interest remained at 50%, as the additional subscription is in same proportion to the other equity holder, AFS.

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN AN ASSOCIATE (CONTINUED)

The summarised financial information of the Group's associate which is accounted for using the equity method and reconciliation of the summarised financial information to the carrying amount of the Group's interest in the associate are set out below:

	2025 RM'000	2024 RM'000
Non-current assets	111,504	116,654
Current assets	567,864	162,364
Non-current liabilities	-	(1,737)
Current liabilities	(367,301)	(28,576)
Net assets	312,067	248,705
Loss for the financial year	(136,662)	(85,843)
Total comprehensive loss for the financial year	(136,638)	(85,843)

Reconciliation to carrying amount:

At 1 March	158,425	-
Share of net assets at the acquisition date	-	140,928
Goodwill	-	34,072
Cost of investment	158,425	175,000
Capital injection	100,000	-
Share of results in an associate	(68,331)	(16,575)
At 28/29 February	190,094	158,425

The commitment relating to the Company's interest in the associate is as follows:

	2025 RM'000	2024 RM'000
Approved and contracted commitment to fund AEON Bank	-	100,000

The Company and AFS are jointly committed to subscribe for additional shares in AEON Bank to support its businesses.

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER INVESTMENTS

	Group and Company	
	2025	2024
	RM'000	RM'000
Non-current		
At 1 March	13,873	26,621
Changes in fair value recognised in other comprehensive income	(13,758)	(12,748)
At 28/29 February	115	13,873
Fair value through other comprehensive income:		
Quoted equity in Malaysia	115	150
Unquoted investments outside Malaysia	-	13,723
	115	13,873
At fair value	115	13,873

The details of the unquoted investments outside Malaysia are as follows:

Name of Company	Country of incorporation	Principal activities	Effective equity interest	
			2025	2024
			%	%
AEON Credit Service (Philippines) Inc. ("ACSP")	Philippines	Provision of financial services	-	5
AEON Credit Service India Private Limited ("ACSI")	India	Provision of non-banking financial services	4	4
PT. AEON Credit Service Indonesia ("ACSID")	Indonesia	Provision of financial services	5	5

The Group and the Company designated these investments as FVTOCI because it does not have influence over their activities and distribution policies. The Group and the Company intend to hold its interest for long-term strategic purposes.

On 27 September 2024, the Company disposed its shareholdings in ACSP for a cash consideration of PHP164,500, equivalent to RM12,862. As at the disposal date, the carrying value of the investment was RMNil. Consequently, RM13,000,000 relating to the investment was transferred from fair value reserve to retained earnings during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

10. GOODWILL ON CONSOLIDATION

	Group	
	2025 RM'000	2024 RM'000
Cost		
At 28/29 February	511	511

Goodwill will be assessed annually for impairment. The Group determines the recoverable amounts based on the value-in-use calculation using cash flow projections from financial budgets approved by management covering a three-year period.

11. DEFERRED TAX ASSETS

Deferred tax assets and liabilities are in respect of the tax effect of the following:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Plant and equipment	(14,618)	(9,049)	(14,573)	(9,006)
Hedging reserve	(3,052)	(8,832)	(3,052)	(8,832)
Impairment loss on financing receivables	142,317	128,708	142,317	128,708
Recognition of interest income/profit revenue	54,161	46,450	54,161	46,450
Provision for bonus and others	10,995	11,105	10,719	10,858
Right-of-use assets	(10,318)	(15,728)	(10,318)	(15,728)
Leases liabilities	10,169	15,538	10,169	15,537
Net deferred tax assets	189,654	168,192	189,423	167,987

Movement in temporary differences during the year

	At 1 March 2023 RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 29 February 2024/ 1 March 2024 RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 28 February 2025 RM'000
Group							
Plant and equipment	(9,953)	904	-	(9,049)	(5,569)	-	(14,618)
Hedging reserve	3,228	-	(12,060)	(8,832)	-	5,780	(3,052)
Impairment loss on financing receivables	151,269	(22,561)	-	128,708	13,609	-	142,317
Recognition of interest income/profit revenue	42,681	3,769	-	46,450	7,711	-	54,161
Provision for bonus and others	10,551	554	-	11,105	(110)	-	10,995
Right-of-use assets	(10,465)	(5,263)	-	(15,728)	5,410	-	(10,318)
Leases liabilities	10,397	5,141	-	15,538	(5,369)	-	10,169
	197,708	(17,456)	(12,060)	168,192	15,682	5,780	189,654

Note 28

Note 28

NOTES TO THE FINANCIAL STATEMENTS

11. DEFERRED TAX ASSETS (CONTINUED)

Movement in temporary differences during the year (continued)

Company	At 1 March 2023 RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 29 February 2024/ 1 March 2024 RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 28 February 2025 RM'000
Plant and equipment	(9,961)	955	-	(9,006)	(5,567)	-	(14,573)
Hedging reserve	3,228	-	(12,060)	(8,832)	-	5,780	(3,052)
Impairment loss on financing receivables	151,269	(22,561)	-	128,708	13,609	-	142,317
Recognition of interest income/profit revenue	42,681	3,769	-	46,450	7,711	-	54,161
Provision for bonus and others	10,406	452	-	10,858	(139)	-	10,719
Right-of-use assets	(10,465)	(5,263)	-	(15,728)	5,410	-	(10,318)
Leases liabilities	10,396	5,141	-	15,537	(5,368)	-	10,169
	197,554	(17,507)	(12,060)	167,987	15,656	5,780	189,423

Note 28

Note 28

12. FINANCING RECEIVABLES

	Group and Company	
	2025 RM'000	2024 RM'000
Financing receivables from customers	19,554,162	16,737,303
Less: Unearned interest income/profit revenue	(5,434,028)	(4,504,990)
Gross financing receivables	14,120,134	12,232,313
Less: Allowance for impairment loss	(778,353)	(696,656)
	13,341,781	11,535,657
Less: Non-current financing receivables	(9,379,840)	(8,031,227)
Current financing receivables	3,961,941	3,504,430

NOTES TO THE FINANCIAL STATEMENTS

12. FINANCING RECEIVABLES (CONTINUED)

Movements in allowance for impairment which reflects the ECL model on impairment are as follows:

Group and Company	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 March 2023	304,669	216,036	266,479	787,184
- Transfers to Stage 1	41,774	(35,067)	(6,707)	-
- Transfers to Stage 2	(8,582)	12,686	(4,104)	-
- Transfers to Stage 3	(5,884)	(17,064)	22,948	-
Net measurement of allowances	(70,800)	67,518	774,538	771,256
Changes to risk parameters	(74,859)	(49,327)	(36,209)	(160,395)
New financial assets originated	100,848	44,890	51,329	197,067
Financial assets derecognised	(32,884)	(60,718)	(144,414)	(238,016)
	(50,387)	(37,082)	657,381	569,912
Write-off (Note 27)	-	-	(660,440)	(660,440)
At 29 February 2024/At 1 March 2024	254,282	178,954	263,420	696,656
- Transfers to Stage 1	37,386	(30,449)	(6,937)	-
- Transfers to Stage 2	(10,247)	14,274	(4,027)	-
- Transfers to Stage 3	(6,564)	(18,755)	25,319	-
Net measurement of allowances	(67,853)	91,925	825,216	849,288
Changes to risk parameters	(45,759)	(33,420)	21,317	(57,862)
New financial assets originated	111,037	51,148	61,943	224,128
Financial assets derecognised	(35,702)	(56,113)	(166,052)	(257,867)
	(17,702)	18,610	756,779	757,687
Write-off (Note 27)	-	-	(675,990)	(675,990)
At 28 February 2025	236,580	197,564	344,209	778,353

Included in gross financing receivables are:

- (i) An amount of RM12,644,059,000 (2024: RM10,851,463,000) relating to the Company's easy payment and personal financing schemes based on Islamic principles; and
- (ii) An amount of RM2,143,000 (2024: RM1,580,000) owing by related companies which is subject to normal trade terms.

13. TRADE RECEIVABLES

	Group 2025 RM'000	2024 RM'000
Trade receivables	4,379	3,267
Less: Allowance for impairment loss	(55)	(41)
	4,324	3,226

Trade receivables mainly represent brokerage fee income due from insurance companies and clients with credit periods ranging from 30 to 60 days (2024: 30 to 60 days). No interest is charged on outstanding trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

13. TRADE RECEIVABLES (CONTINUED)

The table below shows the ageing of trade receivables as of the end of the reporting period:

Group	Gross carrying amount RM'000	Allowance for impairment loss RM'000	Net carrying amount RM'000
2025			
Not past due	2,821	-	2,821
Past due 31 to 60 days	608	-	608
Past due 61 to 180 days	950	(55)	895
	4,379	(55)	4,324
2024			
Not past due	1,579	-	1,579
Past due 31 to 60 days	443	-	443
Past due 61 to 180 days	1,245	(41)	1,204
	3,267	(41)	3,226

The Group measures the allowance for impairment loss for trade receivables at an amount equal to lifetime ECL.

The following table shows movement in allowance for impairment loss of trade receivables:

	Group	
	2025 RM'000	2024 RM'000
At 1 March	41	12
Loss allowances recognised during the year (Note 27)	14	29
At 28/29 February	55	41

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables	95,580	34,646	95,572	34,565
Deposits	9,646	8,304	9,646	8,303
Prepayments	26,212	23,902	25,922	23,657
	131,438	66,852	131,140	66,525

15. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Group and Company	Notional value RM'000	Assets RM'000	Liabilities RM'000
2025			
Derivatives used for hedging			
- Cross currency swaps	3,383,502	158,947	(105,683)
2024			
Derivatives used for hedging			
- Cross currency swaps	3,496,054	361,618	(48,929)

Cross currency swaps are used to manage foreign currency and interest rate exposures arising from borrowings denominated in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS

16. CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	80,603	82,872	79,224	76,301
Deposits placed with licensed financial institutions	35,897	60,696	29,260	60,628
	116,500	143,568	108,484	136,929

Included in cash, bank balances and deposits are the following:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash held in trust for customers in relation to AEON E-wallet	59,132	51,784	58,876	51,692
Deposits held in trust account with licensed banks	164	160	164	160
	59,296	51,944	59,040	51,852

17. SHARE CAPITAL

Group and Company	Number of shares 2025 '000	Amount 2025 RM'000	Number of shares 2024 '000	Amount 2024 RM'000
Issued and fully paid ordinary shares:				
At 1 March	510,615	584,012	255,308	584,012
Issuance of bonus shares	-	-	255,307	-
At 28/29 February	510,615	584,012	510,615	584,012

In the previous financial year, the Company completed the bonus issue of 255,307,690 shares on the basis of 1 bonus share for every 1 existing ordinary share held.

18. HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to borrowings denominated in foreign currencies.

19. FAIR VALUE RESERVE

The fair value reserve comprises the cumulative net change in the fair value of equity investment designated at FVTOCI until the investments are derecognised or impaired.

20. RETAINED EARNINGS

The Company is currently under the single-tier income tax system in accordance with Finance Act 2007 and accordingly, the entire retained earnings of the Company is available for distribution under the single-tier income tax system.

NOTES TO THE FINANCIAL STATEMENTS

21. BORROWINGS

		Group and Company	
	Note	2025 RM'000	2024 RM'000
Non-current (Unsecured)			
Term loans/Financing	(i)	4,653,032	5,354,516
Senior sukuk	(ii)	2,147,682	1,048,673
Subordinated sukuk	(ii)	-	199,819
		6,800,714	6,603,008
Current (Unsecured)			
Term loans/Financing	(i)	3,180,470	2,491,538
Subordinated sukuk	(ii)	199,994	-
Islamic commercial paper	(i)	247,268	-
Revolving credit	(i)	355,000	310,000
Bank overdraft	(i)	23	-
		3,982,755	2,801,538
		10,783,469	9,404,546

The currency profile of borrowings is as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
RM	7,399,967	5,908,492
United States Dollar ("USD")	3,014,773	3,100,666
Japanese Yen ("JPY")	368,729	395,388
	10,783,469	9,404,546

(i) Bank overdraft, Islamic commercial paper, term loans/financing and revolving credit

The bank overdraft, Islamic commercial paper, term loans/financing and revolving credit are provided on clean basis.

The long term loans/financing are granted for tenure ranging from three to seven years (2024: two to seven years) and are repayable by way of bullet payment upon expiry of the term loans/financing.

(ii) Senior sukuk/Subordinated sukuk

On 17 December 2019, the Company lodged the Sukuk Wakalah Programme ("sukuk programme") with the Securities Commission ("SC") Malaysia. The sukuk programme, under the Shariah principles of Wakalah Bi-Al Istithmar and Murabahah (via a Tawarruq arrangement), provides the Company with the flexibility to issue both senior sukuk and/or subordinated sukuk from time to time, subject to the aggregate outstanding nominal amount of the senior sukuk and/or subordinated sukuk not exceeding RM2.0 billion at any point in time.

On 20 September 2024, the Company lodged with the SC an upsizing of its sukuk programme to RM5.0 billion, with a sub-limit of RM2.0 billion in nominal value for the issuance of subordinated sukuk wakalah.

NOTES TO THE FINANCIAL STATEMENTS

21. BORROWINGS (CONTINUED)

(ii) Senior sukuk/Subordinated sukuk (continued)

(a) Senior sukuk

The details of the senior sukuk issuance are set out below:

Series no.	Tranche	Issue date	Principal RM'000	Maturity date	Profit rate per annum	Tenure years
1	1	10 February 2020	300,000	10 February 2027	3.80%	7
1	2	10 February 2020	200,000	10 February 2028	3.85%	8
3	1	4 September 2023	250,000	4 September 2028	4.43%	5
4	1	1 December 2023	300,000	1 December 2028	4.45%	5
5	1	22 April 2024	300,000	20 April 2029	4.26%	5
6	1	22 August 2024	130,000	22 August 2029	4.01%	5
6	2	22 August 2024	220,000	22 August 2030	4.10%	6
7	1	14 November 2024	250,000	14 November 2029	4.13%	5
7	2	14 November 2024	200,000	14 November 2030	4.23%	6

The profit payments for senior sukuk are payable on semi-annual basis in arrears.

(b) Subordinated sukuk

On 12 March 2020, the Company completed its first issuance of subordinated sukuk under the sukuk programme with a nominal value of RM200,000,000 with a tenure of ten (10) years maturing on 12 March 2030 with a profit rate of 3.95% per annum to be made on semi-annual basis in arrears.

Subject to the approval from BNM, the Company has the option to redeem the subordinated sukuk at the optional redemption date which shall be a date falling no earlier than the fifth (5th) anniversary from the issue date of the subordinated sukuk.

As at 28 February 2025, the Group and the Company have banking facilities totalling RM14,818,194,000 (2024: RM13,605,384,000) obtained from licensed banks and financial institutions.

The interest rates are disclosed in Note 34.

22. TRADE PAYABLES

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range between 2 to 90 days (2024: 2 to 90 days).

23. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other payables	221,382	202,563	221,096	202,563
Accruals	211,211	188,002	209,909	186,756
	432,593	390,565	431,005	389,319

NOTES TO THE FINANCIAL STATEMENTS

24. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income, profit revenue and finance charges	1,966,264	1,695,714	1,966,264	1,695,714
Fee income	220,061	203,516	220,061	203,516
Brokerage fee	14,398	13,261	-	-
	234,459	216,777	220,061	203,516
	2,200,723	1,912,491	2,186,325	1,899,230

Fee income is recognised as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Recognised at point in time	220,757	202,275	207,312	189,014
Recognised over time	13,702	14,502	12,749	14,502
	234,459	216,777	220,061	203,516

Except for fee income from annual fees, revenue from contracts with customers of the Group and of the Company are recognised at the point in time as and when the services are rendered.

25. STAFF COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries, wages, bonuses and allowances	235,247	206,165	230,451	202,583
Defined contribution plan	33,767	29,423	33,044	28,883
Other staff benefits	11,452	10,494	11,275	10,329
	280,466	246,082	274,770	241,795

26. FINANCE COSTS

	Group and Company	
	2025 RM'000	2024 RM'000
Interest/Profit expense on:		
Term loans/Financing	286,882	300,666
Senior sukuk and subordinate sukuk	76,050	36,178
Islamic commercial paper	11,366	2,683
Revolving credit	48,851	17,399
Bank overdraft	320	50
	423,469	356,976
Interest on lease liabilities (Note 6)	1,943	1,567
	425,412	358,543

NOTES TO THE FINANCIAL STATEMENTS

27. PROFIT BEFORE TAX

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
Audit fees				
- auditors of the Group				
- statutory audit	439	420	404	386
- assurance and compliance related service	138	132	138	132
Non-audit fees				
- auditors of the Group	47	46	47	46
- member firm of auditors	-	22	-	-
Directors' remuneration	4,813	4,702	3,820	3,859
Allowance/(Reversal) for impairment loss				
on financing receivables	81,697	(90,528)	81,697	(90,528)
Write-off on financing receivables (Note 12)	675,990	660,440	675,990	660,440
Allowance for impairment loss on				
trade receivables (Note 13)	14	29	-	-
And after crediting:				
Bad debts recovered	247,526	183,470	247,526	183,470
Gain on disposal of plant and equipment	292	41	292	15
Dividend income	3	4	1,011	637
Interest/Profit income from deposits with				
licensed financial institutions	3,871	9,147	3,721	9,002

Compensation of Key Management Personnel

The remuneration of the Directors during the year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' remuneration:				
Fees	1,626	1,650	1,432	1,538
Remuneration	2,984	2,853	2,185	2,122
Other short term employee benefits				
(including estimated monetary value of				
benefits-in-kind)	203	199	203	199
	4,813	4,702	3,820	3,859

NOTES TO THE FINANCIAL STATEMENTS

28. TAXATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income tax payable:				
Current year	159,533	123,590	158,434	122,189
(Over)/Under provision in prior years	(955)	110	(938)	108
	158,578	123,700	157,496	122,297
Deferred tax (Note 11):				
Current year	(17,245)	18,985	(17,219)	19,052
Under/(Over) provision in prior years	1,563	(1,529)	1,563	(1,545)
	(15,682)	17,456	(15,656)	17,507
Total tax expenses	142,896	141,156	141,840	139,804

A reconciliation of tax expense applicable to profit before tax at the applicable statutory income tax rate to tax expense at the effective income tax rate of the Group and of Company is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	513,507	565,174	578,504	576,939
Tax calculated using Malaysian income tax rate of 24%	123,242	135,642	138,841	138,465
Tax effect of:				
- non-deductible expenses	2,647	2,955	2,374	2,776
- share of results in an associate	16,399	3,978	-	-
	142,288	142,575	141,215	141,241
(Over)/Under provision in prior years				
- income tax	(955)	110	(938)	108
- deferred tax	1,563	(1,529)	1,563	(1,545)
	142,896	141,156	141,840	139,804
Deferred tax recognised directly in other comprehensive income				
Hedging reserve	5,780	(12,060)	5,780	(12,060)

NOTES TO THE FINANCIAL STATEMENTS

29. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The basic earnings per share is calculated by dividing the net profit after distribution on perpetual notes and sukuk, by the weighted average number of ordinary shares outstanding during the year.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit attributable to equity holders	370,611	424,018	436,664	437,135
Distribution to the holders of perpetual notes and sukuk, net of tax	-	(9,997)	-	(9,997)
Profit attributable to ordinary equity holders	370,611	414,021	436,664	427,138
Weighted average number of ordinary shares ('000 unit)	510,615	510,615	510,615	510,615
Basic earnings per share (sen)	72.58	81.08	85.52	83.65

Diluted earnings per ordinary share

Diluted earnings per share is equivalent to the basic earnings per share as there are no potential dilutive ordinary shares.

30. RELATED PARTY DISCLOSURES

Amount owing to immediate holding company, which arose mainly from corporate support fees and payments made on behalf of the Company, is unsecured, interest-free and repayable on demand.

Amount owing by/to related companies, which arose mainly from sales, management fees and payments on behalf, are unsecured, interest-free and repayable on demand.

Amount owing by/to a subsidiary company, which arose mainly from commission income, management fees and payments on behalf, are unsecured, interest-free and repayable on demand.

Amount owing by an associate, which arose mainly from payments on behalf, are unsecured, interest-free and repayable on demand.

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

The amount owing to/by related parties are all denominated in RM.

NOTES TO THE FINANCIAL STATEMENTS

30. RELATED PARTY DISCLOSURES (CONTINUED)

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are shown below:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Related companies				
AEON CO. (M) BHD.				
Trade				
Customers' transactions via related company				
Sales through easy payment schemes	2,911	3,496	2,911	3,496
Sales through AEON credit cards	1,524,331	1,348,238	1,524,331	1,348,238
Sales through E-Money	120,373	109,833	120,373	109,833
Revenue				
Credit cards commission income	9,560	8,884	9,560	8,884
E-Money commission income and processing fees	3,848	3,676	3,848	3,676
Non-Trade Expenses				
Office and promotion space rental	(12,522)	(8,334)	(12,522)	(8,334)
AEON Big (M) Sdn. Bhd.				
Trade				
Customers' transactions via related company				
Sales through easy payment schemes	1,851	2,029	1,851	2,029
Sales through AEON credit cards	243,393	364,787	243,393	364,787
Sales through E-Money	13,609	13,820	13,609	13,820
Revenue				
Credit cards commission income	1,448	2,412	1,448	2,412
E-Money commission income and processing fees	669	698	669	698
Non-Trade Expenses				
Office and promotion space rental	(4,329)	(5,118)	(4,329)	(5,118)

NOTES TO THE FINANCIAL STATEMENTS

30. RELATED PARTY DISCLOSURES (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
AEON Delight (Malaysia) Sdn. Bhd.				
Trade				
Provision of financing				
Easy payment scheme for purchase of equipment	957	1,140	957	1,140
Revenue				
Interest income/Profit revenue from easy payment scheme	89	103	89	103
Non-Trade Expenses				
Cleaning services	(803)	(715)	(803)	(715)
Advertisement space rental	(2,239)	(2,081)	(2,239)	(2,081)
AEON Fantasy (Malaysia) Sdn. Bhd.				
Trade				
Customers' transactions via related company				
Sales through AEON credit cards and E-Money	32,624	20,080	32,624	20,080
Revenue				
Credit cards commission income	187	113	187	113
Interest income/Profit revenue from easy payment scheme	6	15	6	15
A.C.S. Credit Management Co., Ltd.				
Non-Trade Expenses				
Data analysis service fee	(339)	-	(339)	-
Associate				
AEON Bank (M) Berhad				
Non-Trade				
Other income				
Support service fee	-	103	-	103
Business process outsourcing fee	1,103	122	1,103	122
Marketing support fee and services	214	-	214	-
Immediate holding company				
AEON Financial Service Co., Ltd.				
Non-Trade Expenses				
Corporate support fees	(11,910)	(7,215)	(11,840)	(7,215)
IT systems development cost	(1,354)	(1,474)	(1,354)	(1,474)
Royalties	(9,300)	-	(9,300)	-

NOTES TO THE FINANCIAL STATEMENTS

30. RELATED PARTY DISCLOSURES (CONTINUED)

	Company	
	2025 RM'000	2024 RM'000
Subsidiary company		
AEON Insurance Brokers (M) Sdn. Bhd.		
Non-Trade		
Other income		
Management fee	270	279
Insurance commission income	2,661	2,437
Dividend income	1,008	633
Expenses		
Administrative service fee	(137)	(167)

Key management personnel

The remuneration of the key management personnel, including Directors, during the financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' fees	1,626	1,650	1,432	1,538
Salaries, allowances and bonuses	6,015	5,676	5,326	5,046
Defined contribution plan	669	559	559	458
Other short-term employee benefits	258	348	258	348
	8,568	8,233	7,575	7,390

The above includes Directors' remuneration as disclosed in Note 27.

31. DIVIDENDS

Dividends recognised in the current year by the Company are:

	Net dividend per ordinary share sen	Total amount RM'000	Date of payment
2025			
Interim single-tier for 2025	14.25	72,763	7 November 2024
Final single-tier for 2024	14.00	71,486	25 July 2024
		144,249	
2024			
Interim single-tier for 2024	28.50	72,763	2 November 2023
Final single-tier for 2023	21.00	53,614	20 July 2023
		126,377	

NOTES TO THE FINANCIAL STATEMENTS

32. DIVIDENDS (CONTINUED)

After the end of the reporting period, the following dividend was proposed by the Directors:

	Net dividend per ordinary share sen	Total amount RM'000
Final single-tier for 2025	14.50	74,039

The proposed final single-tier dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the final single-tier dividend payment will be accounted for in equity as an appropriation of retained earnings in the financial year ending 28 February 2026.

32. OPERATING SEGMENTS

The principal activity of the Company is the provision of easy payment schemes, personal financing schemes based on Islamic principles, payment cards business and money lending service, all of which are categorised under consumer financing business. The contribution from the subsidiary company which is principally engaged in business operations as an insurance broker remains insignificant to the Group.

On this basis, the Managing Director ("MD") reviews the business performance of the Group as a whole.

Accordingly, the segmental reporting used is equivalent to the presentation reflected in the Statements of Financial Position and Statements of Profit or Loss and Other Comprehensive Income.

33. CAPITAL COMMITMENT

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Capital expenditure commitments				
Plant and equipment				
Contracted but not provided for	21,558	33,610	21,473	33,449

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group and of the Company's business whilst managing their risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board of Directors and the Group's and the Company's policies are not to engage in speculative transactions or activities.

Material Accounting Policies

Details of the material accounting policies and methods adopted (including the criteria for recognition, the basis of measurement, and the basis for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Categories of Financial Instruments

Group	Amortised cost RM'000	FVTOCI RM'000	FVTPL derivatives used for hedging RM'000
2025			
Financial assets			
Other investments	-	115	-
Financing receivables	13,341,781	-	-
Trade receivables	4,324	-	-
Other receivables and deposits	105,226	-	-
Amount owing by related companies	10,503	-	-
Amount owing by an associate	1,269	-	-
Derivative financial assets	-	-	158,947
Cash, bank balances and deposits	116,500	-	-
Financial liabilities			
Borrowings	10,783,469	-	-
Trade payables	49,424	-	-
Other payables and accruals	432,593	-	-
Amount owing to immediate holding company	15,925	-	-
Amount owing to related companies	6,511	-	-
Derivative financial liabilities	-	-	105,683
Lease liabilities	59,566	-	-
2024			
Financial assets			
Other investments	-	13,873	-
Financing receivables	11,535,657	-	-
Trade receivables	3,226	-	-
Other receivables and deposits	42,950	-	-
Amount owing by related companies	14,030	-	-
Amount owing by an associate	447	-	-
Derivative financial assets	-	-	361,618
Cash, bank balances and deposits	143,568	-	-
Financial liabilities			
Borrowings	9,404,546	-	-
Trade payables	41,644	-	-
Other payables and accruals	390,565	-	-
Amount owing to immediate holding company	6,227	-	-
Amount owing to related companies	7,523	-	-
Derivative financial liabilities	-	-	48,929
Lease liabilities	50,024	-	-

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Categories of Financial Instruments (continued)

Company	Amortised cost RM'000	FVTOCI RM'000	FVTPL derivatives used for hedging RM'000
2025			
Financial assets			
Other investments	-	115	-
Financing receivables	13,341,781	-	-
Other receivables and deposits	105,218	-	-
Amount owing by related companies	10,346	-	-
Amount owing by a subsidiary company	418	-	-
Amount owing by an associate	1,269	-	-
Derivative financial assets	-	-	158,947
Cash, bank balances and deposits	108,484	-	-
Financial liabilities			
Borrowings	10,783,469	-	-
Trade payables	48,887	-	-
Other payables and accruals	431,005	-	-
Amount owing to immediate holding company	15,925	-	-
Amount owing to related companies	6,511	-	-
Derivative financial liabilities	-	-	105,683
Lease liabilities	59,566	-	-
2024			
Financial assets			
Other investments	-	13,873	-
Financing receivables	11,535,657	-	-
Other receivables and deposits	42,868	-	-
Amount owing by related companies	14,030	-	-
Amount owing by an associate	447	-	-
Derivative financial assets	-	-	361,618
Cash, bank balances and deposits	136,929	-	-
Financial liabilities			
Borrowings	9,404,546	-	-
Trade payables	40,038	-	-
Other payables and accruals	389,319	-	-
Amount owing to immediate holding company	6,227	-	-
Amount owing to related companies	7,523	-	-
Amount owing to a subsidiary company	1,156	-	-
Derivative financial liabilities	-	-	48,929
Lease liabilities	50,024	-	-

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The main risks and corresponding management policies arising from the Group's and the Company's normal course of business are as follows:

(i) Financial risk management objectives and policies

Risk management forms an integral part of the Group's and of the Company's activities and remains an important feature in all its business, operations, delivery channels and decision making processes. The extent to which the Group and the Company are able to identify, assess, monitor, manage and report each of the various types of risk is critical to its strength, soundness and profitability. The Group's and the Company's risk management function is independent of its operating units. All new businesses, introduction of new products, engagement in new activities or entry into new strategic alliances are subject to review by the Risk Management Committee ("RMC") and Board Risk Committee ("BRC") prior to Board of Directors' ("the Board") approval.

The objectives of the Group's and of the Company's risk management activities are to:

- Identify and monitor the various risk exposure and risk requirements;
- Ensure high risk activities are in accordance with the approved policies and the aggregate risk position is within the risk level approved by the Board; and
- Help to create shareholders value through proper allocation and management of risk, and facilitate the risk assessment of new business and products independently.

(ii) Risk management framework

The Group and the Company employ an Enterprise-wide Risk Management Framework ("ERMF") to manage its risks effectively. The framework involves on-going process of identifying, evaluating, monitoring, managing and reporting significant risks affecting the Group and the Company through the RMC and subsequently to BRC and Board. This framework provides the Board and management with a tool to anticipate and manage both existing and potential risks, taking into consideration the dynamic risk profiles, as dictated by changes in business strategies, regulatory environment and functional activities throughout the year.

(iii) Risk organisation and reporting

The responsibility of risk management lies with the Board. In line with best practices, the Board determines the risk policy objectives for the Group and the Company, and assumes responsibility for the supervision of risk management. To this end, the Board is assisted by BRC to provide primary oversight responsibilities on the Group's and the Company's risk management.

The day-to-day responsibility for risk management and control is delegated to the RMC which undertakes the oversight function for overall risk limit and ensures that the Group and the Company are within the risk appetite as established by the Board. The RMC also deliberates the implementation of the ERMF which addresses credit, market, operational and strategic risks within the policies established by the respective business units and recommending policy changes to BRC for review, and subsequently to the Board for approval.

Risk exposures, impact and mitigation measures which cover all areas of risk faced by the Group and the Company are reviewed and updated regularly to BRC and the Board to ensure relevance and compliance with current and applicable laws and regulations.

The Group and the Company have exposure to the following significant risks in the course of undertaking its ordinary business activities:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company due to the deterioration in credit worthiness of its borrowers and consequently, their ability to discharge their contractual obligations to the Group and the Company. Credit risk remains the most significant risk to which the Group and the Company are exposed. The purpose of credit risk management is to manage or maintain credit risk exposure at an acceptable level, in line with the Group's and the Company's risk appetite and to ensure that the returns are commensurate to the risk taken.

The Group's and the Company's exposures to credit risk arises principally from its financing receivables, trade receivables, cash, bank balances and deposits, other receivables and amount owing by related companies and an associate.

Receivables

(i) Risk management objectives, policies and processes for managing the risk

The Group and the Company have a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit and the credit acceptance procedures are monitored by the management. Collateral is required for the business of financing vehicles, equipment and machineries. Other than this, the Group and the Company do not require collateral in respect of the easy payment schemes, personal financing schemes and credit cards issuance business.

The Group and the Company conduct regular monitoring on credit exposure trend and portfolio concentration analysis. Asset quality is closely monitored so that deteriorating exposure is promptly identified, analysed and reviewed with relevant business units.

(ii) Exposure to credit risk, credit quality and collateral

At end of the reporting period, the Group and the Company do not have any significant exposure to any individual customer or industry sector. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The Group and the Company do not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with hire purchase financing receivables is mitigated because they are secured over the vehicles, equipment and machineries of customers. The carrying amount of hire purchase financing receivables is RM7,881,782,000 (2024: RM6,872,908,000). There has not been any significant change in the quality of the collateral held for hire purchase financing. The Group and the Company recognise a loss allowance for these hire purchase financing receivables based on the ECL model of the Group and of the Company.

In addition, the Group and the Company are exposed to unutilised credit card lines granted to customers amounted to RM1,853,495,000 (2024: RM1,495,540,000).

(iii) Credit risk reporting and monitoring

The Group's and the Company's credit portfolios are monitored through monthly and/or ad hoc reporting to ensure credit deterioration is promptly detected and mitigated through implementation of risk remediation strategies. Credit Planning Department undertakes regular and comprehensive analysis of credit portfolios and reports to the RMC on emerging credit issues.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(a) Credit risk (continued)

Receivables (continued)

(iv) Credit risk mitigation

All credit facilities are granted on the credit standing of the borrower, source of repayment, debt servicing ability and the collateral pledged. Personal guarantees are obtained when the borrower's credit worthiness is insufficient to justify granting facilities.

(v) Concentration risk

Concentration of credit risk arises when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Group and the Company monitor various portfolios to identify and assess risk concentrations. The credit portfolios are monitored and reviewed to identify, assess and guard against unacceptable risk concentrations.

Credit quality and allowance for impairment losses

The ageing of financing receivables for the Group and the Company as at the end of the financial year is shown below:

Staging	Credit quality by days past due	Basis for recognition of ECL provision	Gross receivables RM'000	Allowance for impairment losses RM'000	Net receivables RM'000
2025					
Stage 1	0 to 30	12-months expected losses. Where expected lifetime of an asset is less than 12-months, expected losses are measured at its expected lifetime.	12,608,203	(236,580)	12,371,623
Stage 2	31 to 60	Lifetime expected losses.	590,458	(123,008)	467,450
	61 to 90		221,782	(74,556)	147,226
			812,240	(197,564)	614,676
Stage 3	More than 90 and/or restructured	Lifetime expected losses.	699,691	(344,209)	355,482
			14,120,134	(778,353)	13,341,781

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(a) Credit risk (continued)

Receivables (continued)

Credit quality and allowance for impairment losses (continued)

Staging	Credit quality by days past due	Basis for recognition of ECL provision	Gross receivables RM'000	Allowance for impairment losses RM'000	Net receivables RM'000
2024					
Stage 1	0 to 30	12-months expected losses. Where expected lifetime of an asset is less than 12-months, expected losses are measured at its expected lifetime.	11,048,817	(254,282)	10,794,535
Stage 2	31 to 60	Lifetime expected losses.	458,766	(112,157)	346,609
	61 to 90		151,732	(66,797)	84,935
			610,498	(178,954)	431,544
Stage 3	More than 90 and/or restructured	Lifetime expected losses.	572,998	(263,420)	309,578
			12,232,313	(696,656)	11,535,657

Renegotiated/Restructured activities include extended payment arrangements, and the modification and deferral of payments. The Group and the Company have recognised allowance for impairment loss of RM159,378,000 (2024: RM104,072,000) for these renegotiated/restructured financing receivables. The status of net renegotiated/restructured receivables are as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
Past due 0 to 30 days	202,104	185,439
Past due 31 to 60 days	1,061	2,325
Past due 61 to 90 days	371	620
Past due more than 90 days	464	1,138
	204,000	189,522

Cash, bank balances and deposits

The cash, bank balances and deposits are placed only with reputable licensed banks and financial institutions and have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the risk of loss for this category of financial instrument is low, and no loss allowance is provided.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(a) Credit risk (continued)

Trade receivables

The Group and Company perform ongoing credit evaluation of their customers' financial condition and generally does not require collateral. This evaluation includes the assessment and valuation of customers' credit reliability.

The carrying amount of financial assets recognised in the financial statements represents the Group's and Company's maximum exposure to credit risk without taking into account collateral or other credit enhancements held, except for the Group and Company do not bear the credit risk associated with premiums due from insured parties amounting to RM82,000 (2024: RM25,000).

Other receivables

Credit risks on other receivables are mainly arising from sundry receivables. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. At the end of the reporting period, the Group and the Company do not consider it necessary to recognise any allowance for impairment losses.

Amount owing by related companies and an associate

The Group and the Company provide unsecured advances to related companies and an associate. The Group and the Company monitor the ability of the related companies and associate to repay the advances on an individual basis. 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 Group and the Company consider balances with related companies and associate as having low credit risk. At the end of the reporting period, the Group and the Company do not recognise any allowance for impairment losses.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group's and the Company's liquidity risk management practices are to maintain high quality and well diversified portfolios of liquid assets and source of funds under both normal business and stressed conditions. The Group and the Company maintain optimum ratio of long-term funding, i.e. debts maturing after 12 months from the end of the reporting period against total debts. This ratio significantly matches the ratio of long-term financing receivables determined based on customers' contracted terms of repayment and payment pattern for revolving credit limits granted.

The Treasury unit reviews the asset and liability maturity profile and identifies any maturity mismatch for escalation to the RMC which is responsible for the independent monitoring of the Group's and of the Company's liquidity risk profile. The RMC meets every month to discuss the liquidity risk and funding profile of the Group and of the Company and works closely with the Treasury unit on the surveillance of market conditions and stress testing analysis on liquidity positions. The Group maintains sufficient credit lines to ensure that all current obligations are able to be met. As at 28 February 2025, the Group and the Company have unutilised lines of credit amounting to RM4,034,725,000 (2024: RM4,200,838,000) obtained from licensed banks and financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(b) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's and of the Company's non-derivative financial assets and non-derivative financial liabilities as at the end of the reporting period based on remaining contractual maturity.

Group	Weighted average effective interest/profit rate %	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	No specific maturity RM'000	Total RM'000
2025							
Financial assets							
Other investments	-	-	-	-	-	115	115
Financing receivables	16.30	3,961,941	2,644,312	5,103,529	1,631,999	-	13,341,781
Trade receivables	-	4,324	-	-	-	-	4,324
Other receivables and deposits	-	105,226	-	-	-	-	105,226
Amount owing by related companies	-	10,503	-	-	-	-	10,503
Amount owing by an associate	-	1,269	-	-	-	-	1,269
Cash and bank balances	-	80,603	-	-	-	-	80,603
Deposits placed with licensed financial institutions	2.61	35,897	-	-	-	-	35,897
Total assets		4,199,763	2,644,312	5,103,529	1,631,999	115	13,579,718
Financial liabilities							
Bank overdraft	4.07	23	-	-	-	-	23
Unsecured term loans/ financing/ revolving credit	4.20	3,535,470	2,685,601	1,967,431	-	-	8,188,502
Islamic commercial paper	3.85	247,268	-	-	-	-	247,268
Senior sukuk/ Subordinated sukuk	4.12	199,994	299,758	1,428,450	419,474	-	2,347,676
Trade payables	-	49,424	-	-	-	-	49,424
Other payables and accruals	-	432,593	-	-	-	-	432,593
Amount owing to immediate holding company	-	15,925	-	-	-	-	15,925
Amount owing to related companies	-	6,511	-	-	-	-	6,511
Lease liabilities	3.86	21,813	17,056	18,331	2,366	-	59,566
Total liabilities		4,509,021	3,002,415	3,414,212	421,840	-	11,347,488
Net liquidity gap		(309,258)	(358,103)	1,689,317	1,210,159	115	2,232,230

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(b) Liquidity risk (continued)

Group	Weighted average effective interest/profit rate %	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	No specific maturity RM'000	Total RM'000
2024							
Financial assets							
Other investments	-	-	-	-	-	13,873	13,873
Financing receivables	16.62	3,504,430	2,401,149	4,348,608	1,281,470	-	11,535,657
Trade receivables	-	3,226	-	-	-	-	3,226
Other receivables and deposits	-	42,950	-	-	-	-	42,950
Amount owing by related companies	-	14,030	-	-	-	-	14,030
Amount owing by an associate	-	447	-	-	-	-	447
Cash and bank balances	-	82,872	-	-	-	-	82,872
Deposits placed with licensed financial institutions	2.91	60,696	-	-	-	-	60,696
Total assets		3,708,651	2,401,149	4,348,608	1,281,470	13,873	11,753,751
Financial liabilities							
Unsecured term loans/ financing/ revolving credit	4.28	2,801,538	1,472,904	3,881,612	-	-	8,156,054
Senior sukuk/ Subordinated sukuk	4.10	-	199,819	1,048,673	-	-	1,248,492
Trade payables	-	41,644	-	-	-	-	41,644
Other payables and accruals	-	390,565	-	-	-	-	390,565
Amount owing to immediate holding company	-	6,227	-	-	-	-	6,227
Amount owing to related companies	-	7,523	-	-	-	-	7,523
Lease liabilities	3.73	21,850	11,845	16,329	-	-	50,024
Total liabilities		3,269,347	1,684,568	4,946,614	-	-	9,900,529
Net liquidity gap		439,304	716,581	(598,006)	1,281,470	13,873	1,853,222

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(b) Liquidity risk (continued)

Company	Weighted average effective interest/profit rate %	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	No specific maturity RM'000	Total RM'000
2025							
Financial assets							
Other investments	-	-	-	-	-	115	115
Financing receivables	16.30	3,961,941	2,644,312	5,103,529	1,631,999	-	13,341,781
Other receivables and deposits	-	105,218	-	-	-	-	105,218
Amount owing by related companies	-	10,346	-	-	-	-	10,346
Amount owing by a subsidiary company	-	418	-	-	-	-	418
Amount owing by an associate	-	1,269	-	-	-	-	1,269
Cash and bank balances	-	79,224	-	-	-	-	79,224
Deposits placed with licensed financial institutions	2.52	29,260	-	-	-	-	29,260
Total assets		4,187,676	2,644,312	5,103,529	1,631,999	115	13,567,631
Financial liabilities							
Bank overdraft	4.07	23	-	-	-	-	23
Unsecured term loans/ financing/ revolving credit	4.20	3,535,470	2,685,601	1,967,431	-	-	8,188,502
Islamic commercial paper	3.85	247,268	-	-	-	-	247,268
Senior sukuk/ Subordinated sukuk	4.12	199,994	299,758	1,428,450	419,474	-	2,347,676
Trade payables	-	48,887	-	-	-	-	48,887
Other payables and accruals	-	431,005	-	-	-	-	431,005
Amount owing to immediate holding company	-	15,925	-	-	-	-	15,925
Amount owing to related companies	-	6,511	-	-	-	-	6,511
Lease liabilities	3.86	21,813	17,056	18,331	2,366	-	59,566
Total liabilities		4,506,896	3,002,415	3,414,212	421,840	-	11,345,363
Net liquidity gap		(319,220)	(358,103)	1,689,317	1,210,159	115	2,222,268

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(b) Liquidity risk (continued)

Company	Weighted average effective interest/profit rate %	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	No specific maturity RM'000	Total RM'000
2024							
Financial assets							
Other investments	-	-	-	-	-	13,873	13,873
Financing receivables	16.62	3,504,430	2,401,149	4,348,608	1,281,470	-	11,535,657
Other receivables and deposits	-	42,868	-	-	-	-	42,868
Amount owing by related companies	-	14,030	-	-	-	-	14,030
Amount owing by an associate	-	447	-	-	-	-	447
Cash and bank balances	-	76,301	-	-	-	-	76,301
Deposits placed with licensed financial institutions	2.89	60,628	-	-	-	-	60,628
Total assets		3,698,704	2,401,149	4,348,608	1,281,470	13,873	11,743,804
Financial liabilities							
Unsecured term loans/ financing/ revolving credit	4.28	2,801,538	1,472,904	3,881,612	-	-	8,156,054
Senior sukuk/ Subordinated sukuk	4.10	-	199,819	1,048,673	-	-	1,248,492
Trade payables	-	40,038	-	-	-	-	40,038
Other payables and accruals	-	389,319	-	-	-	-	389,319
Amount owing to immediate holding company	-	6,227	-	-	-	-	6,227
Amount owing to related companies	-	7,523	-	-	-	-	7,523
Amount owing to a subsidiary company	-	1,156	-	-	-	-	1,156
Lease liabilities	3.73	21,850	11,845	16,329	-	-	50,024
Total liabilities		3,267,651	1,684,568	4,946,614	-	-	9,898,833
Net liquidity gap		431,053	716,581	(598,006)	1,281,470	13,873	1,844,971

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(b) Liquidity risk (continued)

The table below summarises the maturity profile of the Group and the Company's non-derivative financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	No specific maturity RM'000
2025							
Financial liabilities							
Bank overdraft	23	23	23	-	-	-	-
Unsecured term loans/financing/revolving credit	8,188,502	8,626,151	3,750,722	2,864,959	2,010,470	-	-
Islamic commercial paper	247,268	249,966	249,966	-	-	-	-
Senior sukuk/Subordinated sukuk	2,347,676	2,707,166	289,583	388,761	1,598,446	430,376	-
Trade payables	49,424	49,424	49,424	-	-	-	-
Other payables and accruals	432,593	432,593	432,593	-	-	-	-
Amount owing to immediate holding company	15,925	15,925	15,925	-	-	-	-
Amount owing to related companies	6,511	6,511	6,511	-	-	-	-
Lease liabilities	59,566	64,210	23,884	18,275	19,645	2,406	-
	11,347,488	12,151,969	4,818,631	3,271,995	3,628,561	432,782	-
2024							
Financial liabilities							
Unsecured term loans/financing/revolving credit	8,156,054	8,500,126	2,988,016	1,547,017	3,965,093	-	-
Senior sukuk/Subordinated sukuk	1,248,492	1,435,784	51,425	243,785	1,140,574	-	-
Trade payables	41,644	41,644	41,644	-	-	-	-
Other payables and accruals	390,565	390,565	390,565	-	-	-	-
Amount owing to immediate holding company	6,227	6,227	6,227	-	-	-	-
Amount owing to related companies	7,523	7,523	7,523	-	-	-	-
Lease liabilities	50,024	53,261	23,421	12,762	17,078	-	-
	9,900,529	10,435,130	3,508,821	1,803,564	5,122,745	-	-

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(b) Liquidity risk (continued)

Company	Carrying amount RM'000	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	No specific maturity RM'000
2025							
Financial liabilities							
Bank overdraft	23	23	23	-	-	-	-
Unsecured term loans/ financing/ revolving credit	8,188,502	8,626,151	3,750,722	2,864,959	2,010,470	-	-
Islamic commercial paper	247,268	249,966	249,966	-	-	-	-
Senior sukuk/ Subordinated sukuk	2,347,676	2,707,166	289,583	388,761	1,598,446	430,376	-
Trade payables	48,887	48,887	48,887	-	-	-	-
Other payables and accruals	431,005	431,005	431,005	-	-	-	-
Amount owing to immediate holding company	15,925	15,925	15,925	-	-	-	-
Amount owing to related companies	6,511	6,511	6,511	-	-	-	-
Lease liabilities	59,566	64,210	23,884	18,275	19,645	2,406	-
	11,345,363	12,149,844	4,816,506	3,271,995	3,628,561	432,782	-
2024							
Financial liabilities							
Unsecured term loans/ financing/ revolving credit	8,156,054	8,500,126	2,988,016	1,547,017	3,965,093	-	-
Senior sukuk/ Subordinated sukuk	1,248,492	1,435,784	51,425	243,785	1,140,574	-	-
Trade payables	40,038	40,038	40,038	-	-	-	-
Other payables and accruals	389,319	389,319	389,319	-	-	-	-
Amount owing to immediate holding company	6,227	6,227	6,227	-	-	-	-
Amount owing to related companies	7,523	7,523	7,523	-	-	-	-
Amount owing to a subsidiary company	1,156	1,156	1,156	-	-	-	-
Lease liabilities	50,024	53,261	23,421	12,762	17,078	-	-
	9,898,833	10,433,434	3,507,125	1,803,564	5,122,745	-	-

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(c) Market risk

Market risk is the risk of potential loss as a result of changes in the intrinsic value of financial instruments caused by movement in market variables such as interest rate/profit rate, currency exchange rates, equity pricing and other related macro-economic factors that will eventually affect the Group's and the Company's profitability, cash flows and capital preservation.

The Group's and the Company's market risk management include the monitoring of the fluctuations in net interest income/profit revenue or investment value due to changes in relevant risk factors. RMC monitors the exposure on monthly basis through reports and analysis with the support of the Treasury unit.

In managing interest income/profit revenue rate, the Group and the Company intend to maximise net interest income/profit revenue and to minimise the significant volatility in relation to the Group's and the Company's assets and liabilities.

Interest rate risk

The Group's and the Company's fixed rate financing receivables, borrowings and derivatives are exposed to a risk of change in their fair value due to changes in the interest income/profit revenue rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. The other financial assets and liabilities are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group and the Company borrow for their operations at fixed and variable rates and monitor the interest rate exposure by assessing the interest rate gap of interest bearing financial assets and financial liabilities. The Group and the Company also use cross currency swaps to hedge its interest rate risk on bank borrowings as stated in hedging activities below. The management continuously seeks for alternative banking facilities, which provide competitive interest rates to finance their capital expenditure, financing and working capital requirements.

Exposure to interest risk

The interest rate profile of the Group's and of the Company's interest-bearing borrowings, based on carrying amounts as at the end of the reporting period is shown below:

	Group and Company	
	2025	2024
	RM'000	RM'000
Fixed rate instruments		
Borrowings	7,399,967	5,908,492
Floating rate instruments		
Borrowings	3,383,502	3,496,054

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(c) Market risk (continued)

Interest rate risk (continued)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss and the Group and the Company designate derivatives as hedging instruments under the cash flow hedge accounting model. Therefore, a change in interest rate at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bps) in interest/profit rates at the end of the reporting period would have impact on profit after tax and equity by the amounts shown below. This analysis assumes that all other variables remained constant.

Group and Company	Profit or loss			
	2025	2025	2024	2024
	100 bps increase RM'000	100 bps decrease RM'000	100 bps increase RM'000	100 bps decrease RM'000
Floating rate instruments	(25,715)	25,715	(26,570)	26,570

Hedging activities

Cash flow hedge

The Group and the Company have entered into cross currency swaps to hedge the variability of cash flow risk in relation to the foreign currency denominated borrowings of RM3,383,502,000 (2024: RM3,496,054,000). The cross currency swaps have the same notional value of RM3,383,502,000 (2024: RM3,496,054,000) and are to be settled in full upon maturity, on terms matching the hedged items.

The following table indicates the years in which the cash flows associated with the derivative financial assets with carrying amount is RM158,947,000 (2024: RM361,618,000) and derivative financial liabilities of RM105,683,000 (2024: RM48,929,000) that are expected to occur and affect profit or loss.

Group and Company	Expected cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	More than 2 years RM'000
2025				
Cross currency swaps (gross settled):				
Outflow	(3,586,496)	(1,169,525)	(1,077,176)	(1,339,795)
Inflow	3,620,130	1,187,719	1,086,366	1,346,045
	33,634	18,194	9,190	6,250
2024				
Cross currency swaps (gross settled):				
Outflow	(3,499,566)	(750,095)	(1,138,437)	(1,611,034)
Inflow	3,565,298	792,699	1,159,848	1,612,751
	65,732	42,604	21,411	1,717

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Risk organisation and reporting (continued)

(c) Market risk (continued)

Currency risk

The Group and the Company are exposed to foreign currency risk mainly on borrowings that are denominated in a currency other than the functional currency of the Group and of the Company. The currency which gives rise to this risk is primarily USD and JPY.

Risk management objectives, policies and processes for managing the risk

The repayment of all borrowings in foreign currencies is fully hedged by cross currency swaps entered into by the Group and the Company upon initial drawdown of the borrowings.

Foreign currency risk management

The Group's and the Company's exposure to foreign currency risk, based on carrying amounts at the end of the reporting period is shown below:

	Group and Company	
	2025	2024
	RM'000	RM'000
Borrowings		
Denominated in:		
- USD	(3,014,773)	(3,100,666)
- JPY	(368,729)	(395,388)
Net exposure	(3,383,502)	(3,496,054)

Currency risk sensitivity analysis

No sensitivity analysis is presented for USD and JPY currency on borrowings which have been fully hedged.

NOTES TO THE FINANCIAL STATEMENTS

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Group and Company	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2025										
Financial assets										
Financing receivables										
– Non-current	-	-	-	-	-	-	9,348,033	9,348,033	9,348,033	9,379,840
Other investments	115	-	-	115	-	-	-	-	115	115
Derivatives										
financial assets	-	158,947	-	158,947	-	-	-	-	158,947	158,947
	115	158,947	-	159,062	-	-	9,348,033	9,348,033	9,507,095	9,538,902
Financial liabilities										
Term loans/Financing										
– Non-current (unsecured)	-	-	-	-	-	-	6,671,189	6,671,189	6,671,189	6,800,714
Derivatives										
financial liabilities	-	105,683	-	105,683	-	-	-	-	105,683	105,683
	-	105,683	-	105,683	-	-	6,671,189	6,671,189	6,776,872	6,906,397
2024										
Financial assets										
Financing receivables										
– Non-current	-	-	-	-	-	-	7,814,344	7,814,344	7,814,344	8,031,227
Other investments	150	-	13,723	13,873	-	-	-	-	13,873	13,873
Derivatives										
financial assets	-	361,618	-	361,618	-	-	-	-	361,618	361,618
	150	361,618	13,723	375,491	-	-	7,814,344	7,814,344	8,189,835	8,406,718
Financial liabilities										
Term loans/Financing										
– Non-current (unsecured)	-	-	-	-	-	-	6,751,818	6,751,818	6,751,818	6,603,008
Derivatives										
financial liabilities	-	48,929	-	48,929	-	-	-	-	48,929	48,929
	-	48,929	-	48,929	-	-	6,751,818	6,751,818	6,800,747	6,651,937

NOTES TO THE FINANCIAL STATEMENTS

35. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The methods and assumptions used by management to determine the fair value of the financial instruments are as follows:

(i) Financing receivables

The fair value of financing receivables with remaining maturity of less than one year are estimated to approximate their carrying amounts. For financing receivables with remaining maturity of more than one year, the fair values are estimated based on discounted cash flows using prevailing rates of loans and receivables of similar credit profile.

(ii) Term loans/Financing

The fair value of term loans/financing with remaining maturity of less than one year are estimated to approximate their carrying amounts. For term loans/financing with remaining maturity of more than one year, the fair values are estimated using discounting technique. The discount rates are based on market rates available to the Group and the Company for similar instruments.

(iii) Derivative financial instruments

The fair value of cross currency swap derivatives is the estimated amount that the Group and the Company would receive or pay to terminate the contracts at the end of reporting period and is determined based on discounted future cash flows. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period), forward exchange rates (from observable forward exchange rates at the end of reporting period), contract interest rates and contract forward rates, discounted at a rate that reflects the credit risk of counterparties.

(iv) Other investments

The fair value of other investments is based on the discounted future cash flows derived from the investments as at the reporting date. The discounted cash flow method was used to calculate the present value of the expected future economic benefits of these investments.

For quoted securities in general, fair values have been estimated by reference to last done market price quoted on Bursa Malaysia at end of the reporting year.

(v) Other financial instruments

The fair value of other instruments are determined to approximate to its carrying value due to the short term nature of these financial instruments.

The fair value hierarchies used to classify financial instruments not measured at fair value in the statements of financial position, but for which fair value is disclosed, are as follows:

- (i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (iii) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Group and Company	
	2025	2024
	RM'000	RM'000
At 1 March	13,723	26,383
Changes in fair value recognised in other comprehensive income	(13,723)	(12,660)
At 28/29 February	-	13,723

NOTES TO THE FINANCIAL STATEMENTS

35. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of the Group's and of the Company's financial assets that are measured at fair value on a recurring basis.

The Group's and the Company's investments are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of the financial asset is determined (in particular, the valuation technique and inputs used).

Financial assets	Fair value 2025 RM'000	Fair value 2024 RM'000	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Other investments	-	13,723	Level 3	<u>Technique:</u> Discounted cash flows <u>Key inputs:</u> <ul style="list-style-type: none"> Discount rate Terminal growth rate Discount for lack of control 	Discount rate: Nil (2024: 10.50% - 11.50%) Terminal growth rate: Nil (2024: 3.65% - 6.43%) Discount for lack of control: Nil (2024: 60.00% - 70.00%)	A slight increase in the discount rate used would result in a significant decrease in fair value, and vice versa. A slight increase in the terminal year growth rate used would result in a significant increase in fair value, and vice versa. A slight increase in the discount for lack of control used would result in a significant decrease in fair value, and vice versa.

36. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

During the financial year, the Group and the Company have complied with debt-to-equity ratio requirement of less than 5.25:1. The debt-to-equity ratio in year 2025 and 2024 are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total borrowings	10,783,469	9,404,546	10,783,469	9,404,546
Less: Cash, bank balances and deposits	(116,500)	(143,568)	(108,484)	(136,929)
Net debt	10,666,969	9,260,978	10,674,985	9,267,617
Total equity	2,831,948	2,637,631	2,905,453	2,645,083
Debt-to-equity ratio	3.77	3.51	3.67	3.50

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of **AEON CREDIT SERVICE (M) BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 Group and of the Company as at 28 February 2025 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 13 May 2025.

NG ENG KIAT

DAISUKE MAEDA

Kuala Lumpur
13 May 2025

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **LEE SIEW TEE**, being the officer primarily responsible for the financial management of **AEON CREDIT SERVICE (M) BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LEE SIEW TEE

MIA Membership No: 22869

Subscribed and solemnly declared by the abovenamed **LEE SIEW TEE** at **KUALA LUMPUR** on this 13th day of May, 2025.

Before me,

SIM LIEW FONG

No. W865

COMMISSIONER FOR OATHS

Kuala Lumpur

247	Analysis of Shareholdings
249	GRI Content Index
256	Notice of Annual General Meeting Proxy Form

Other Information



ANALYSIS OF SHAREHOLDINGS

STATISTICS ON SHAREHOLDINGS AS AT 30 APRIL 2025

Paid-up share capital	: RM584,011,570
Class of shares	: Ordinary shares
Voting rights	: One vote per ordinary share
Number of shareholders	: 10,631

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 - 99	948	8.92	10,017	0.00
100 - 1,000	3,246	30.53	1,922,865	0.38
1,001 - 10,000	4,889	45.99	18,948,205	3.71
10,001 - 100,000	1,326	12.47	38,360,793	7.51
100,001 - to less than 5% of issued shares	221	2.08	137,338,996	26.90
5% and above of issued shares	1	0.01	314,034,504	61.50
Total	10,631	100.00	510,615,380	100.00

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	Direct Interest		Indirect Interest	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1.	AEON FINANCIAL SERVICE CO., LTD.	314,034,504	61.50	-	-
2.	AEON CO., LTD.	-	-	323,322,504*	63.32

Note

* Deemed interested in the shares held by AEON FINANCIAL SERVICE CO., LTD. and AEON CO. (M) BHD. by virtue of Section 8 of the Companies Act 2016.

DIRECTORS' DIRECT INTEREST AND DEEMED INTEREST BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest		Indirect Interest	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1.	Ng Eng Kiat	42,642	0.01	-	-
2.	Daisuke Maeda	-	-	-	-
3.	S Sunthara Moorthy A/L S Subramaniam	-	-	-	-
4.	Datuk Adinan bin Maning	-	-	-	-
5.	Datin Yasmin Ahmad Merican	40,000	0.01	-	-
6.	Chin Pik Yuen	-	-	-	-
7.	Farah Suhanah binti Ahmad Sarji	-	-	-	-
8.	Wan Chee Keong	-	-	-	-
9.	Naoya Okada	-	-	-	-
10.	Tsutomu Omodera	-	-	-	-
11.	Lee Tyan Jen	84,514	0.02	-	-

ANALYSIS OF SHAREHOLDINGS

LIST OF TOP THIRTY (30) SHAREHOLDERS AS AT 30 APRIL 2025

No.	Name	No. of Shares	% of Shares
1.	AEON FINANCIAL SERVICE CO., LTD.	314,034,504	61.50
2.	AEON CO. (M) BHD.	9,288,000	1.82
3.	EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	9,055,638	1.77
4.	PAMB FOR PRULINK EQUITY FUND	6,418,400	1.26
5.	PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	4,895,200	0.96
6.	TMF TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG WHOLESALE EQUITY FUND 2	4,350,000	0.85
7.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	3,991,548	0.78
8.	HSBC (M) TRUSTEE BHD FOR AHAM SELECT OPPORTUNITY FUND	3,097,300	0.61
9.	EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)	2,853,700	0.56
10.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AHAM AM EQ)	2,821,000	0.55
11.	HSBC (M) TRUSTEE BHD FOR PERTUBUHAN KESELAMATAN SOSIAL (UOB AMM6939-406)	2,202,100	0.43
12.	TNTC FOR BARINGS ASEAN FRONTIERS FUND	2,123,600	0.42
13.	KONG GOON KHING	1,983,000	0.39
14.	PUBLIC INDEX FUND	1,917,600	0.38
15.	HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT PROGRESS FUND (4082)	1,849,100	0.36
16.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	1,765,565	0.35
17.	MOTOYA OKADA	1,728,000	0.34
18.	GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	1,719,200	0.34
19.	EXEMPT AN FOR NOMURA SECURITIES CO LTD (CLIENT AC)	1,645,360	0.32
20.	LEONG LI NAR	1,600,774	0.31
21.	NATIONAL TRUST FUND (IFM AHAM) (410195)	1,600,000	0.31
22.	BNPP SIN/2S FOR PERTUBUHAN KESELAMATAN SOSIAL (AHAM EQ)	1,475,200	0.29
23.	HSBC (M) TRUSTEE BHD FOR SINGULAR VALUE FUND	1,400,500	0.27
24.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AHAM ABSR EQ)	1,380,100	0.27
25.	MAYBANK TRUSTEES BERHAD FOR SAHAM AMANAH SABAH (ACC 2-940410)	1,328,000	0.26
26.	EXEMPT AN FOR MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO., LTD.	1,303,000	0.26
27.	KONG GOON KHING	1,301,700	0.25
28.	HONG LEONG ASSET MANAGEMENT BHD FOR HONG LEONG ASSURANCE BERHAD (LP FUND ED102)	1,300,000	0.25
29.	NATIONAL TRUST FUND (IFM UOBAM) (446560)	1,273,700	0.25
30.	CBNY FOR EMERGING MARKETS CORE EQUITY 2 PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP INC.	1,264,557	0.25
TOTAL		392,966,346	76.96

GRI CONTENT INDEX

AEON Credit Service (M) Berhad has reported the information cited in this GRI Content Index for the period 1 March 2024 - 29 February 2025 with reference to GRI standards.

GRI Standard	Section	Information Location
GRI 2 General Disclosures 2021		
1. The Organization and its reporting practices		
2-1 Organisational details	(a) Corporate Information	(a) Integrated Annual Report ("IAR") page 5
2-1-a Legal name	(b) About AEON Credit Service (M) Berhad	(b) IAR pages 6 - 8
2-1-b Nature of ownership and legal form		
2-1-c Location of its headquarters		
2-2 Entities included in sustainability reporting	(a) About This Report	(a) IAR page 2
2-2-a List all its entities included in sustainability reporting	(b) Introduction	(b) Sustainability Statement ("SS") pages 63 - 65
2-2-c Approach used for consolidating information from multiple entities	(c) Our Presence	(c) IAR page 17
2-3 Reporting period, frequency and contact point	(a) Introduction	(a) SS page 63
2-3-a Reporting period for, and the frequency of sustainability reporting	(b) Corporate Governance Overview Statement	(b) IAR pages 144 - 159
2-3-d Contact point for questions about the report or reported information		
2-4 Restatements of information	No restatement of information from previous reporting period	
Report restatements of information made from previous reporting periods		
2-5 External assurance	(a) Independence Assurance	(a) IAR page 2
2-5-a Policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved	(b) Sustainability Governance in Action	(b) SS page 68
2-5-b The organization's sustainability reporting has been externally assured	(c) Validation of Sustainability Statement by SIRIM QAS International Sdn. Bhd.	(c) SIRIM QAS International Sdn. Bhd., pages 136 - 139
	(d) Validation of Company's Selected Sustainability Information by KPMG PLT	(d) KPMG PLT pages 140 - 143
2. Activities and workers		
2-6 Activities, value chain and other business relationships	(a) About AEON Credit Service (M) Berhad	(a) IAR pages 6 - 8
2-6-a Report the sector(s) in which it is active	(b) Our Presence	(b) IAR page 17
2-6-b Describe value chain		
2-6-c Report other relevant business relationships		
2-7 Employees	Workforce Diversity and Inclusion	(a) SS page 109
2-7-a Report the total number of employees, and a breakdown of this total by gender and by region		
2-7-b Report the total number of permanent employees, temporary employees, full-time employees, part-time employees		
2-7-c Methodologies and assumptions used to compile the data: the numbers are reported in head count methodology		
3. Governance		
2-9 Governance structure and composition	(a) Corporate Governance Framework	(a) Corporate Governance Overview Statement ("CGOS") page 149
2-9-a Governance structure, including committees of the highest governance body	(b) Board Responsibilities and Senior Leadership Oversight	(b) CGOS pages 145 - 147
2-9-b List committees of the highest governance body responsible for decision making on and overseeing the management of impacts on the economy, environment and people	(c) Board Size and Composition, Board Balance and Diversity	(c) CGOS pages 147 - 148
2-9-c The composition of the highest governance body and its committees by executive and non-executive members, independence, tenure of members on the governance body; number of other significant positions and commitments held by each member, and the nature of the commitments, gender, competencies relevant to the impacts of the organization, and stakeholder representation	(d) Board Committees	(d) CGOS page 149
	(e) Board of Directors' Profiles	(e) IAR pages 51 - 56
	(f) Sustainability Governance	(f) SS pages 67 - 68
2-10 Nomination and selection of the highest	(a) Board Size and Composition	(a) CGOS pages 147 - 148
2-10-a Nomination and selection processes for the highest governance body and its committees		
2-10-b Criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration views of stakeholders (including shareholders), diversity, independence, and competencies relevant to impacts of the organisation		
2-11 Chair of the highest governance body	(a) Separation of Roles of Non-Executive Chairman and Managing Director	(a) CGOS page 146
2-11-a Report whether the chair of the highest governance body is also a senior executive in the organization		
2-12 Role of the highest governance body in overseeing the management of impacts	(a) Board Responsibilities And Senior Leadership Oversight	(a) CGOS pages 145 - 147
2-12-a The role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development;	(b) Sustainability Governance	(b) SS page 67 - 68
2-12-b The role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people		

GRI CONTENT INDEX

GRI Standard	Section	Information Location
2-13 Delegation of responsibility for managing impacts 2-13-a The highest governance body delegates responsibility for managing the impacts on the economy, environment, and people 2-13-b The process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people	(a) Board Committees (b) Board Risk Committee ("BRC") (c) Sustainability Governance (d) Introduction, Composition and Meeting Attendance	(a) CGOS page 149 (b) CGOS pages 157 - 158 (c) SS pages 67 - 68 (d) BRC Report page 165
2-14 Role of highest governance body in sustainability reporting 2-14-a Report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information	(a) BRC (b) Summary of BRC Activities During the FYE2025, item 3. Sustainability, item 4. Annual Report/Corporate Governance ("CG") Report	(a) CGOS pages 157 - 158 (b) BRC Report page 166
2-15 Conflicts of interest 2-15-a The processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated 2-15-b Report whether conflicts of interest are disclosed to stakeholders	(a) Board Responsibilities And Senior Leadership Oversight (b) Board Size and Composition (c) Related Party Transactions ("RPT") and Conflict of Interest ("COI")	(a) CGOS pages 145 - 147 (b) CGOS pages 147 - 148 (c) Audit Committee ("AC") Report pages 162 - 163
2-16 Communication of critical concerns 2-16-a How critical concerns are communicated to the highest governance body 2-16-b Total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period	(a) Stakeholder Engagement (b) How We Engage Our Stakeholders (c) Whistleblowing (d) Whistle-Blowing Policy and Procedure	(a) SS pages 68 - 74 (b) SS pages 71 - 74 (c) SS page 89 (d) CGOS page 154
2-17 Collective knowledge of the highest governance body 2-17-a Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development	(a) Directors' Training	(a) CGOS pages 151 - 153
2-18 Evaluation of the performance of the highest governance body 2-18-a The processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people 2-18-b Report whether the evaluations are independent or not, and the frequency of the evaluations 2-18-c Actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices	(a) Remuneration of Directors and Senior Management (b) Board Effectiveness Evaluation	(a) CGOS page 150 (b) CGOS pages 150 - 151
2-19 Remuneration policies 2-19-a The remuneration policies for members of the highest governance body and senior executives	(a) Remuneration of Directors and Senior Management	(a) CGOS page 150
2-20 Process to determine remuneration 2-20-a The process for designing its remuneration policies and for determining remuneration 2-20-b Report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable	(a) Remuneration of Directors and Senior Management (b) Remuneration and Employee Benefits (c) Minutes of 26th Annual General Meeting	(a) CGOS page 150 (b) SS pages 111 - 112 (c) https://aeoncredit.com.my/wp-content/uploads/1.-Minutes-of-27th-AGM-20.06.2024.pdf
4. Strategy, policies and practices		
2-22 Statement on sustainable development strategy 2-22-a Report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development	(a) Chairman's Statement, Sustainability And Community Empowerment (b) Management Discussion and Analysis, Steadfast Sustainable Progress	(a) IAR pages 27 - 31 (b) IAR pages 32 - 39
2-23 Policy commitments 2-23-a The policy commitments for responsible business conduct 2-23-b The specific policy commitment to respect human rights 2-23-c Provide links to the policy commitments 2-23-d Report the level at which each of the policy commitments was approved within the organization 2-23-e Report the extent to which the policy commitments apply to the organization's activities and to its business relationships 2-23-f How the policy commitments are communicated to workers, business partners, and other relevant parties	(a) Board Responsibilities and Senior Leadership Oversight (b) Corporate Governance Policies	(a) CGOS pages 145 - 147 (b) https://aeoncredit.com.my/about-us/corporate-governance/
2-24 Embedding policy commitments 2-24-a How it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships	(a) Conduct and Trust	(a) SS pages 85 - 93

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GRI Standard	Section	Information Location
2-25 Processes to remediate negative impacts		
2-25-a Its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to	(a) Stakeholder Engagement	(a) SS pages 68 - 70
2-25-b Its approach to identify and address grievances	(b) Conduct And Trust	(b) SS pages 85 - 93
2-25-c Other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to	(c) Employee Engagement	(c) SS pages 113 - 114
2-25-d How the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanism	(d) Whistle-Blowing Policy and Procedure	(d) CGOS page 154
2-25-e How the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback		
2-26 Mechanisms for seeking advice and raising concerns		
2-26-a The mechanisms for individuals to seek advice on implementing the organization's policies and practices for responsible business conduct and raise concerns about the organization's business conduct	(a) Stakeholder Engagement (b) Whistleblowing (c) Employee Engagement (d) Whistle-Blowing Policy and Procedure	(a) SS pages 68 - 74 (b) SS page 89 (c) SS pages 113 - 114 (d) CGOS page 154
5. Stakeholder engagement		
2-29 Approach to stakeholder engagement		
Its approach to engaging with stakeholders	(a) Stakeholder Engagement (b) How We Engage Our Stakeholders	(a) SS pages 68 - 74 (b) SS pages 71 - 74
GRI 201: Economic Performance 2016		
201-1 Direct economic value generated and distributed		
201-1-a Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations	(a) Financial Performance	(a) SS page 105
201-2 Financial implications and other risks and opportunities due to climate change		
201-2-a Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure	(a) Climate Action, Risk Management	(a) SS pages 118 - 121
GRI 202: Market Presence 2016		
202-2 Proportion of senior management hired from the local community		
202-2-a Percentage of senior management at significant locations of operation that are hired from the local community	(a) Staff Composition by Nationality (b) Board Balance and Diversity	(a) SS page 110 (b) CGOS page 148
202-2-b The definition used for 'senior management'		
202-2-c The organization's geographical definition of 'local'		
GRI 203: Indirect Economic Impacts 2016		
203-2 Significant indirect economic impacts		
203-2-a Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts	(a) Financial Inclusion	(a) SS pages 102 - 105
203-2-b Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities		
GRI 204: Procurement Practices 2016		
204-1 Proportion of spending on local suppliers		
204-1-a Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally)	(a) Proportion of Local Procurement	(a) SS page 93
204-1-b The organization's geographical definition of 'local'		
GRI 205: Anti-corruption 2016		
205-1 Operations assessed for risks related to corruption		
204-1-a Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally)	(a) Anti-Bribery and Anti-Corruption (b) Internal Audit Function	(a) SS pages 86 - 87 (b) AC Report page 164
204-1-b The organization's geographical definition of 'local'		

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GRI Standard	Section	Information Location
205-2 Communication and training about anti-corruption policies and procedures 205-2-a Total number and percentage of governance body members that the organization's anticorruption policies and procedures have been communicated to, broken down by region 205-2-b Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region 205-2-c Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region 205-2-d Total number and percentage of governance body members that have received training on anti-corruption 205-2-e Total number and percentage of employees that have received training on anticorruption, broken down by employee category and region	(a) Anti-Bribery and Anti-Corruption (b) Employee Training (c) Directors Training	(a) SS pages 86 - 87 (b) SS pages 112 - 113 (c) CGOS pages 151 - 153
205-3 Confirmed incidents of corruption and actions taken 205-3-a Total number and nature of confirmed incidents of corruption	(a) Compliance No cases of bribery or corruption in year under review.	(a) SS page 89
GRI 207: Tax 2019		
207-1 Approach to tax 207-1-a Description of the approach to tax	(a) Financial Performance	(a) SS page 105
GRI 3 Material Topics 2021		
3-1 Process to determine material topics 3-1-a The process it has followed to determine its material topics 3-1-b Specify the stakeholders and experts whose views have informed the process of determining its material topics	(a) Materiality Assessment and Material Sustainability Matters	(a) SS page 75
3-2 List of material topics 3-2-a List material topics 3-2-b Report changes to the list of material topics compared to the previous reporting period	(a) Materiality Assessment and Material Sustainability Matters	(a) SS page 75
3-3 Management of material topics 3-3-a The actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights	(a) Conduct And Trust (b) Customer Experience (c) Digital Product and Service Transformation (d) Employee Health, Safety and Wellbeing (e) Environmental Stewardship (f) Contributing to Communities	(a) SS pages 85 - 93 (b) SS pages 94 - 98 (c) SS pages 99 - 105 (d) SS pages 106 - 114 (e) SS pages 115 - 123 (f) SS pages 124 - 133
GRI 302: Energy 2016		
302-1 Energy consumption within the organization 302-2-a Energy consumption outside of the organization, in joules or multiples	(a) Responsible Consumption, Energy Management	(a) SS page 117
302-3 Energy intensity 302-3-a Energy intensity ratio for the organization 302-3-b Organization-specific metric (the denominator) chosen to calculate the ratio	(a) Carbon intensity Metrics	(a) SS page 123
GRI 303: Water and Effluents 2018		
303-5 Water consumption 303-5-a Total water consumption from all areas in megaliters	(a) Responsible Consumption, Water Management	(a) SS page 118
GRI 304: Biodiversity 2016		
304-3 Habitats protected or restored 304-3-a Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals 304-3-b Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures 304-3-c Status of each area based on its condition at the close of the reporting period	(a) Reforestation Activities	(a) SS pages 116 - 117

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GRI Standard	Section	Information Location
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions 305-1-a Gross direct (Scope 1) GHG emissions in metric tons of CO ₂ equivalent 305-1-b Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all 305-1-d Base year for the calculation 305-1-e Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source 305-1-f Consolidation approach for emissions 305-1-g Standards, methodologies, assumptions, and/or calculation tools used	(a) GHG Emission Data	(a) SS pages 122 – 123
305-2 Energy indirect (Scope 2) GHG emissions 305-2-a Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent 305-2-d Base year for the calculation 305-2-f Consolidation approach for emissions; whether equity share, financial control, or operational control	(a) GHG Emission Data	(a) SS pages 122 – 123
305-3 Other indirect (Scope 3) GHG emissions 305-3-a Gross other indirect (Scope 3) GHG emissions in metric tons of CO ₂ equivalent 305-3-b If available, the gases included in the calculation; whether CO, CH ₄ , NO, HFCs, PFCs, SF ₆ , NF ₃ , or all 305-3-d Other indirect (Scope 3) GHG emissions categories and activities included in the calculation 305-3-f Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source 305-3-g Standards, methodologies, assumptions, and/or calculation tools used	(a) GHG Emission Data	(a) SS pages 122 – 123
305-4 GHG emissions intensity 305-4-a GHG emissions intensity ratio for the organization 305-4-b Organization-specific metric (the denominator) chosen to calculate the ratio 305-4-c Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3) 305-4-d Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all	(a) Carbon Intensity Metrics	(a) SS page 123
305-5 Reduction of GHG emissions 305-5-a GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO equivalent 305-5-b Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all 305-5-c Base year or baseline, including the rationale for choosing it 305-5-d Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3) 305-5-e Standards, methodologies, assumptions, and/or calculation tools used	(a) Lowered carbon footprint through introduction of Virtual Card (b) GHG Emissions Data	(a) SS page 118 (b) SS pages 122 – 123
GRI 306: Waste 2020		
306-1 Waste generation and significant waste-related impacts 306-1-a The organization's significant actual and potential waste-related impacts	(a) Responsible Consumption, Waste Management Waste-related impact is insignificant	(a) SS pages 117 – 118
306-4 Waste diverted from disposal 306-4-a Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste 306-4-b Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations 306-4-c Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations	(a) Responsible Consumption, Waste Management	(a) SS pages 117 – 118
GRI 401: Employment 2016		
401-1 New employee hires and employee turnover 401-1-a Total number and rate of new employee hires during the reporting period, by age group, gender and region 401-1-b Total number and rate of employee turnover during the reporting period, by age group, gender and region	(a) Attrition Rate	(a) SS page 111
401-3 Parental leave 401-1-a Total number and rate of new employee hires during the reporting period, by age group, gender and region 401-1-b Total number and rate of employee turnover during the reporting period, by age group, gender and region	(a) Remuneration and Employee Benefits	(a) SS pages 111 – 112

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GRI Standard	Section	Information Location
GRI 403: Occupational Health and Safety 2018		
403-1 Occupational health and safety management system 403-1-a A statement of whether an occupational health and safety management system has been implemented	(a) Occupational Safety and Health	(a) SS pages 107 - 108
403-2 Hazard identification, risk assessment, and incident investigation 403-2-a A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks 403-2-d The processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system	(a) Occupational Safety and Health	(a) SS pages 107 - 108
403-3 Occupational health services 403-3-a The occupational safety and health's functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them	(a) Occupational Safety and Health	(a) SS pages 107 - 108
403-4 Worker participation, consultation, and communication on occupational health and safety 403-4-a A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers 403-4-b Formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority	(a) Occupational Safety and Health (b) Employee Engagement	(a) SS pages 107 - 108 (b) SS pages 113 - 114
403-5 Worker training on occupational health and safety 403-5-a A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.	(a) Occupational Safety and Health	(a) SS pages 107 - 108
403-6 Promotion of worker health 403-6-a An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided	(a) Occupational Safety and Health, Employee Assistance Programme ("EAP") (b) Remuneration and Employee Benefits	(a) SS pages 107 - 108 (b) SS pages 111 - 112
403-9 Work-related injuries 403-9-a The number and rate of recordable work-related injuries	(a) Occupational Safety and Health	(a) SS pages 107 - 108
GRI 404: Training and Education 2016 2018		
404-1 Average hours of training per year per employee Average hours of training that the organization's employees have undertaken during the reporting period by gender	(a) Employee Training	(a) SS pages 112 - 113
404-2 Programs for upgrading employee skills and transition assistance programs 404-2-a Type and scope of programs implemented and assistance provided to upgrade employee skills	(a) Employee Training	(a) SS pages 112 - 113
404-3 Percentage of employees receiving regular performance and career development reviews 404-3-a Percentage of total employees who received a regular performance and career development review during the reporting period	(a) Remuneration and Employee Benefits (b) Employee Training	(a) SS pages 111 - 112 (b) SS pages 112 - 113

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GRI Standard	Section	Information Location
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees Percentage of individuals within the organization's governance bodies in each of the following diversity categories; gender and age group	(a) Workforce Diversity and Inclusion (b) Board Balance and Diversity	(a) SS pages 109 - 111 (b) CGOS page 148
GRI 406: Non-discrimination 2016		
406-1 Incidents of discrimination and corrective actions taken 406-1-a Total number of incidents of discrimination during the reporting period	(a) Respect for Human Rights A strict no discrimination policy is practiced	(a) SS pages 108 - 109
GRI 413: Local Communities 2016		
413-1 Operations with local community engagement, impact assessments, and development programs 413-1-a Operations with implemented local community engagement, impact assessments, and/or development programs	(a) Contributing to Communities	(a) SS pages 124 - 133
GRI 415: Public Policy 2016		
415-1 Political contributions 415-1-a Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary	(a) Anti-Bribery and Anti-Corruption In line with the Group's integrity principles, no political contributions were made either directly or indirectly	(a) SS pages 86 - 87
GRI 417: Marketing and Labeling 2016		
417-1 Requirements for product and service information and labeling 417-1-a Whether each of the following types of information is required by the organization's procedures for product and service information and labeling	(a) Responsible Marketing Marketing materials do not bear any sensitive or misleading information	(a) SS page 92
GRI 418: Customer Privacy 2016		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data 418-1-a Total number of substantiated complaints received concerning breaches of customer privacy	(a) Cyber Security No reported incident of cyber-attack in FYE2025 nor were there any customer complaints in relation to data breaches	(a) SS pages 90 - 91

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth Annual General Meeting (“28th AGM”) of AEON Credit Service (M) Berhad (“the Company”) will be held at Grand Ballroom, Level 2, InterContinental Kuala Lumpur, 165, Jalan Ampang, 50450 Kuala Lumpur, Malaysia (“Meeting Venue”) on Wednesday, 25 June 2025 at 10.00 a.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

- | | |
|--|--|
| 1. To receive the Audited Financial Statements for the financial year ended 28 February 2025 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Notes (i)) |
| 2. To approve the payment of final single-tier dividend of 14.50 sen per share in respect of the financial year ended 28 February 2025. | Ordinary Resolution 1 |
| 3. To approve the Directors’ fees and allowances up to an aggregate amount of RM1.518 million in respect of the financial year ended 28 February 2025 and payment thereof. | Ordinary Resolution 2 |
| 4. To approve the benefits payable to the Chairman/Non-Independent Non-Executive Director up to an aggregate amount of RM35,000 from 26 June 2025 until the conclusion of the next Annual General Meeting (“AGM”) of the Company to be held in 2026. | Ordinary Resolution 3
(Please refer to the Explanatory Notes (ii)) |
| 5. To re-elect the following Directors who are retiring pursuant to Clause 148 of the Constitution of the Company: | |
| (a) Ng Eng Kiat | |
| (b) Daisuke Maeda | |
| (c) S Sunthara Moorthy A/L S Subramaniam | |
| (d) Datuk Adinan bin Maning | |
| (e) Datin Yasmin Ahmad Merican | |
| (f) Chin Pik Yuen | |
| (g) Lee Tyan Jen | |
| | Ordinary Resolution 4 |
| | Ordinary Resolution 5 |
| | Ordinary Resolution 6 |
| | Ordinary Resolution 7 |
| | Ordinary Resolution 8 |
| | Ordinary Resolution 9 |
| | Ordinary Resolution 10
(Please refer to Explanatory Notes (iii)) |
| 6. To re-elect the following Directors who are retiring pursuant to Clause 153 of the Constitution of the Company: | |
| (a) Farah Suhanah binti Ahmad Sarji | |
| (b) Wan Chee Keong | |
| (c) Naoya Okada | |
| (d) Tsutomu Omodera | |
| | Ordinary Resolution 11 |
| | Ordinary Resolution 12 |
| | Ordinary Resolution 13 |
| | Ordinary Resolution 14
(Please refer to the Explanatory Notes (iii)) |
| 7. To re-appoint Messrs. Deloitte PLT as Auditors of the Company for the financial year ending 28 February 2026 and to authorise the Board of Directors to determine their remuneration. | Ordinary Resolution 15 |

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications:

8. Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and Waiver of Pre-Emption Rights Pursuant to Section 85 of the Act

Ordinary Resolution 16
(Please refer to
Explanatory Notes (iv))

“THAT pursuant to Sections 75 and 76 of the Act, the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, or allot shares under an agreement or option or offer (“New Shares”) from time to time, at such issue price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such New Shares issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being (“Proposed General Mandate”).

THAT such approval of the Proposed General Mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company held after the approval was given;
- (b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.

THAT pursuant to Section 85 of the Act, read together with Clause 82 of the Constitution of the Company, approval be and is given to waive the statutory pre-emption rights of the existing shareholders of the Company arising from the issuance of the New Shares in the Company to the allottees pursuant to the Proposed General Mandate.

THAT the Directors be and are hereby authorised to issue any New Shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including the execution of such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

NOTICE OF ANNUAL GENERAL MEETING

9. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Existing Shareholders' Mandate")**

Ordinary Resolution 17

(Please refer to

Explanatory Notes (v))

"THAT, subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiary company(ies) ("the Group") to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders dated 23 May 2025 ("the Circular") with the related parties mentioned therein which are necessary for the day-to-day operations of the Group.

THAT the Company be and is hereby authorised to enter into the recurrent transactions with the related parties mentioned therein provided that:

- (a) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders of the Company; and
- (b) the disclosure will be made in the Integrated Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions entered into pursuant to the Proposed Renewal of Existing Shareholders' Mandate during the financial year with details on the nature and type of Recurrent Related Party Transactions, the names of the related parties involved in each type of Recurrent Related Party Transactions and their relationships with the Company.

THAT the authority conferred shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which the Proposed Renewal of Existing Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including the execution of all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Existing Shareholders' Mandate."

NOTICE OF ANNUAL GENERAL MEETING

10. **Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed New Shareholders' Mandate")**

Ordinary Resolution 18

(Please refer to Explanatory Notes (v))

"THAT, subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiary company(ies) ("the Group") to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders dated 23 May 2025 ("the Circular") with the related parties mentioned therein which are necessary for the day-to-day operations of the Group.

THAT the Company be and is hereby authorised to enter into the recurrent transactions with the related parties mentioned therein provided that:

- (a) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders of the Company; and
- (b) the disclosure will be made in the Integrated Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions entered into pursuant to the Proposed New Shareholders' Mandate during the financial year with details on the nature and type of Recurrent Related Party Transactions, the names of the related parties involved in each type of Recurrent Related Party Transactions and their relationships with the Company.

THAT the authority conferred shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which the Proposed New Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed New Shareholders' Mandate."

11. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the 28th AGM, a final single-tier dividend of 14.50 sen per ordinary share in respect of the financial year ended 28 February 2025 will be paid to shareholders on 24 July 2025 to Depositors whose names appear in the Record of Depositors of the Company on 3 July 2025.

A Depositor shall qualify for entitlement to the Dividend in respect of:

- (a) Shares transferred into the Depositor's securities account before 4.30 p.m. on 3 July 2025 in respect of transfers; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

TAI YIT CHAN

(SSM PC No. 202008001023) (MAICSA 7009143)

Company Secretary

Selangor Darul Ehsan

Date: 23 May 2025

NOTES:

1. The 28th AGM of the Company will be held on a physical mode whereby member(s), proxy(ies), corporate representative(s) or attorney(s) to attend physically in person at the Meeting Venue.
2. A member of the Company entitled to attend, participate, speak and vote at the AGM is entitled to appoint up to two (2) proxies to attend, participate, speak and vote in his/her stead at the same meeting. Where a member appoints up to two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy by a member who is entitled to participate and vote at the AGM, shall be in writing, executed by the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company's Share Registrar office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting, otherwise the instrument of proxy shall not be treated as valid. Alternatively, the instrument appointing a proxy can be electronically submitted via Share Registrar's website, Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> (for Individual Shareholders, Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee) before the Proxy Form lodgement cut-off time as mentioned below.
5. Last date and time for lodging the proxy form is on Monday, 23 June 2025 at 10.00 a.m.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 June 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, participate and/or vote on his/her behalf.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities ("Listing Requirement"), all the resolutions set out in the Notice of the AGM will be put to vote by way of poll.

EXPLANATORY NOTES:

(i) Item 1 of the Agenda - To receive the Audited Financial Statements for the financial year ended 28 February 2025

This agenda item is meant for discussion only as under the provision of Section 340(1)(a) of the Act, the Audited Financial Statements do not require a formal approval of the members and hence, this item will not be put forward for voting.

(ii) Ordinary Resolution 3 - To approve the payment of Benefits Payable to the Chairman/Non-Independent Non-Executive Director

The benefits payable (excluding Directors' Fees) to Mr. Ng Eng Kiat, the Chairman/Non-Independent Non-Executive Director of the Company, comprises benefits-in-kind (computed in accordance with Lembaga Hasil Dalam Negeri's guideline) for the use of a company car, driver and petrol.

NOTICE OF ANNUAL GENERAL MEETING

(iii) Ordinary Resolutions 4 to 14 - Re-election of Directors

Each of the Director standing for re-election had undergone a performance evaluation and had provided his/her annual declaration on his/her fitness and propriety to continue acting as Directors of the Company in accordance with the Fit and Proper Policy of the Group, as well as the confirmation of their independence (as the case may be). Upon the Nomination and Remuneration Committee's ("NRC") assessment, the performance and suitability of each of the retiring Directors was found to be satisfactory and that each of the retiring Directors had demonstrated his/her commitment to the role and continues to be an effective and valuable member of the Board. Based on the above premise, the NRC had recommended for the retiring Directors to be re-elected at the 28th AGM and the Board had endorsed NRC's recommendations. The retiring Directors had abstained from deliberations and decisions on their re-election at the NRC and Board meetings.

The profiles of the Directors who are standing for re-election under Ordinary Resolutions 4 to 14 are set out in the Board of Directors' profiles of the Integrated Annual Report 2025.

(iv) Ordinary Resolution 16 - Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act and Waiver of Pre-emption Rights Pursuant to Section 85 of the Act

The proposed Ordinary Resolution 16, if passed, would empower the Directors of the Company to allot and issue new shares in the Company or allot new shares under an agreement or option or offer, provided that the aggregate number of new shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of the issued shares of the Company (excluding treasury shares) for the time being ("Proposed General Mandate").

The authority for the Proposed General Mandate will, unless revoked by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The proposed Resolution intended to seek a renewal of the general mandate to provide flexibility for the Company to issue new shares without the need to convene a separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The Company has not issued any new shares pursuant to the general mandate obtained at the 27th AGM held on 20 June 2024 and which will lapse at the conclusion of the 28th AGM. Hence, no proceeds were raised from the previous general mandate.

The purpose of the Proposed General Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to placement of new shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of new shares as settlement of purchase consideration, or other circumstances arising which involve grant of rights to subscribe for new shares, conversion of any securities into new shares, or allotment of new shares under an agreement or option or offer, or such other situations as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the Proposed General Mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of new shares.

Pursuant to Section 85(1) of the Act be read together with Clause 82 of the Constitution of the Company, shareholders have pre-emption rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities convertible into new shares. By voting in favour of this resolution, the shareholders of the Company would be waiving their statutory pre-emption rights. The resolution, if passed, would allow the Directors to issue new shares to any person without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to issuance.

(v) Ordinary Resolutions 17 to 18 - Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate

The Ordinary Resolutions 17 and 18 are proposed and if passed, will allow the Group to enter into the recurrent related party transactions in accordance with Paragraph 10.09 of the Listing Requirements and without the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Company or affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

Further information on the Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate are set out in the Circular to Shareholders dated 23 May 2025.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purpose, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



I/We (name in full and in block letters) _____
(NRIC No./Passport No./Registration No. _____) of _____ (full address)
_____ being a *member/members of **AEON CREDIT SERVICE (M) BERHAD** ("**Company**"), hereby appoint (name in full and in block letters),
_____ (NRIC/Passport No. _____) of _____ (full address/email/tel no.)
and/or failing *him/her, (name in full and in block letters) _____
(NRIC/Passport No. _____) of _____ (full address/email/tel no.)

or failing *him/her, **THE CHAIRMAN OF THE MEETING** as *my/our proxy/proxies to vote for *me/us and on *my/our behalf at the Twenty-Eighth Annual General Meeting ("28th AGM") of the Company to be held at Grand Ballroom, Level 2, InterContinental Kuala Lumpur, 165, Jalan Ampang, 50450 Kuala Lumpur, Malaysia ("Meeting Venue") on Wednesday, 25 June 2025 at 10.00 a.m. and at any adjournment thereof.

* Strike out whichever is inapplicable.

* Please delete the words "**THE CHAIRMAN OF THE MEETING**" if you wish to appoint some other person to be your proxy.

I/We indicate with an "x" in the spaces below how I/we wish my/our vote to be cast.

No.	Resolutions	For	Against
ORDINARY BUSINESS			
Ordinary Resolution 1	To approve the payment of final single-tier dividend of 14.50 sen per share in respect of the financial year ended 28 February 2025		
Ordinary Resolution 2	To approve the Directors' fees and allowances up to an aggregate amount of RM1.518 million in respect of the financial year ended 28 February 2025 and payment thereof		
Ordinary Resolution 3	To approve the benefits payable to the Chairman/Non-Independent Non-Executive Director up to an aggregate amount of RM35,000 from 26 June 2025 until the conclusion of the next AGM of the Company to be held in 2026		
Ordinary Resolution 4	Re-election of Ng Eng Kiat as Director		
Ordinary Resolution 5	Re-election of Daisuke Maeda as Director		
Ordinary Resolution 6	Re-election of S Sunthara Moorthy A/L S Subramaniam as Director		
Ordinary Resolution 7	Re-election of Datuk Adinan bin Maning as Director		
Ordinary Resolution 8	Re-election of Datin Yasmin Ahmad Merican as Director		
Ordinary Resolution 9	Re-election of Chin Pik Yuen as Director		
Ordinary Resolution 10	Re-election of Lee Tyan Jen as Director		
Ordinary Resolution 11	Re-election of Farah Suhanah binti Ahmad Sarji as Director		
Ordinary Resolution 12	Re-election of Wan Chee Keong as Director		
Ordinary Resolution 13	Re-election of Naoya Okada as Director		
Ordinary Resolution 14	Re-election of Tsutomu Omodera as Director		
Ordinary Resolution 15	Re-appointment of Messrs. Deloitte PLT as Auditors of the Company for the financial year ending 28 February 2026 and to authorise the Board of Directors to determine their remuneration		
SPECIAL BUSINESS			
Ordinary Resolution 16	Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and Waiver of Pre-Emptive Rights Pursuant to Section 85 of the Act		
Ordinary Resolution 17	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Existing Shareholders' Mandate")		
Ordinary Resolution 18	Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed New Shareholders' Mandate")		

Subject to the abovestated voting instructions, my/our proxy/proxies may vote or abstain from voting on any resolutions as *he/*she/*they may think fit.

Signed this _____ day of _____ 2025.

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

<p>If appointment of proxy is under hand</p> <p>Signed by *individual member/*officer or attorney of member/*authorised nominee of _____ (beneficial owner)</p>	<p>No. of shares held : _____ Securities Account No. : _____ (CDS Account No.) (Compulsory)</p> <p>Contact No. : _____ Email address : _____ Date : _____</p>
<p>If appointment of proxy is under seal</p> <p>The Common Seal of _____ was hereto affixed in accordance with its Constitution in the presence of:</p> <p>Director _____ Director/Secretary _____ In its capacity as *member/*attorney of member/*authorised nominee of _____ (beneficial owner)</p>	<p>Seal</p> <p>No. of shares held : _____ Securities Account No. : _____ (CDS Account No.) (Compulsory)</p> <p>Contact No. : _____ Email address : _____ Date : _____</p>

* Strike out whichever is not desired. Unless otherwise instructed, the proxy may vote as he/she thinks fit.

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Postage
Stamp

The Share Registrar

AEON CREDIT SERVICE (M) BERHAD
(Registration No. 199601040414 (412767-V))

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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Notes:-

1. The 28th AGM of the Company will be held on a physical mode whereby member(s), proxy(ies), corporate representative(s) or attorney(s) to attend physically in person at the Meeting Venue.
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PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 23 May 2025.



AEON CREDIT SERVICE (M) BERHAD

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