

APPENDIX B**28TH ANNUAL GENERAL MEETING: LIVE QUESTIONS & RESPONSES****1. Question 1**

Mr. Ariivazhagan Bin Supramaniam (“Mr. Ariivazhagan”), a shareholder, commented that the long queues during the Annual General Meeting (“AGM”) registration process had resulted in some shareholders only being able to complete their registration and receive their breakfast and lunch vouchers after 10.00 a.m. Consequently, these shareholders missed the breakfast session, which was served between 8.00 a.m. and 10.00 a.m. He added that when small details were overlooked, it may lead to bigger failures and further commented that the registration delays were a poor reflection of the Company's Japanese origins as the Japanese took pride in their culture of punctuality and attention to detail.

Answer

Mr. Ng Eng Kiat (“Mr. Ng”), Non-Independent Non-Executive Chairman, thanked Mr. Ariivazhagan for his observations. He explained that while the Company had anticipated a certain level of attendance, the actual turnout had far exceeded expectations. Although the high attendance was welcomed, it was not easy to manage a big crowd. He conveyed the Company's apologies for the inadequate time allocated for the registration, and assured that improvements will be made in the future.

2. Question 2

Ms. Yeap Hong Jin, a shareholder, commented on her same experience with the registration process. She mentioned that she was in queue for at least half an hour and was unsure why the process took so long, especially as registration can be completed within 5 minutes at other shareholders' meetings. Having obtained her breakfast voucher, she had joined another queue in the breakfast room where a person bumped into her and spilled a drink which soaked her shoes. She suggested that the Company should look into leveraging data and Artificial Intelligence (“AI”) tools to better plan for such events in the future.

Answer

Mr. Ng conveyed the Company's sincere apologies for the shortcomings in the registration process and assured that Management will take into consideration the feedback provided by the shareholders to make improvements.

3. Question 3

Mr. Jeremie Ting (“Mr. Ting”), a shareholder, congratulated the Group on its performance and expressed his appreciation for both bonus issue and the dividend.

Mr. Ting then raised the following questions:

- 3.1 Mr. Ting referred to the Notes to the Financial Statements on page 210 of the Company's Annual Report 2025, in particular to the disclosure which read: *"On 27 September 2024, the Company disposed its shareholdings in ACSP (AEON Credit Service (Philippines) Inc.) 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."*

Mr. Ting sought clarification on the transfer of RM13 million from fair value reserve to retained earnings.

Answer

Ms. Lee Siew Tee ("Ms. Lee"), Chief Financial Officer, explained that the disposal of the Company's shareholdings in AEON Credit Service (Philippines) Inc. ("ACSP") was aligned with the divestment by its immediate holding company, AEON Financial Service Co. Ltd., ("AFS") of its stake in ACSP. In accordance with the accounting treatment under MFRS, any loss on the investment was transferred from the fair value reserve to retained earnings.

Mr. Ng further explained that, as the investment was carried out at fair value, the year-to-year changes were recorded in the fair value reserve rather than in the profit or loss statement. Upon disposal of the investment, the balance in the fair value reserve will be transferred to retained earnings. This was purely accounting reclassification within the equity accounts, with no impact on the profit or loss statement.

- 3.2 Mr. Ting's next question was on the potential need for a further capital injection into AEON Bank (M) Berhad ("AEON Bank" or "Digital Bank" or "the Bank"). He requested more information be provided to shareholders on AEON Bank's operations, as its losses have been accumulating.

Answer

Ms. Lee highlighted that shareholders had previously approved a capital injection of RM550 million into AEON Bank, with AEON Credit's portion amounting to RM275 million. Based on AEON Bank's current business plan, an additional capital injection is anticipated, and a formal announcement will be made in due course.

- 3.3 Mr. Ting referred to the section on AEON Credit's Strategic Direction on page 48 of the Company's Annual Report 2025. He noted that the targets set for the financial year ending 28 February 2026 ("FYE2026") in relation to loan growth, Cost to Income Ratio ("CIR"), ROE and Dividend Payout Ratio were lower than the achievements in the financial year ended 28 February 2025 ("FYE2025"). Mr. Ting commented that the anticipated decline in these key metrics did not inspire confidence among shareholders.

Answer

Ms. Lee explained that receivables growth was anticipated to be 10% at the minimum due to the ongoing uncertainties in the economic environment and tariff situation. Nevertheless, the Group aimed to surpass the target.

As for the CIR, the target was set at 30% but the Group aimed to achieve 28% to 29% based on the current downward trend. The higher FYE2026 figure was mainly due to the higher equity base and adoption of MFRS 9 which impacted the provision for impairment loss. The higher losses expected from the investment in AEON Bank has also influenced the targets set for FYE2026.

- 3.4 Mr. Ting directed his next question to Mr. S Sunthara Moorthy A/L S Subramaniam (“Mr. Sunthara”), the Chairman of Audit Committee.

Mr. Ting referred to page 4 of the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders’ Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature, which listed the recurrent related party transactions (“RRPT”) expenses of AEON Credit, actual value transacted from 30 June 2024 to 30 April 2025, estimated value of preceding year’s mandate, and estimated value during the validity period of mandate.

Mr. Ting sought clarification on the following RRPT:

- (a) The rental expense payable to AEON CO. (M) Berhad, where the actual rental from 30 June 2024 to 30 April 2025 was RM10 million while the mandate was RM25 million. He commented that the rental amount was on the high side.
- (b) The Corporate Support Fees payable to AFS, where the actual expense from 30 June 2024 to 30 April 2025 was RM10 million while the mandate was RM17 million. He enquired about the support required from AFS, given that AEON Credit has its own resources and a large workforce.
- (c) The Procurement of information technology (“IT”) systems, services and outsourcing expenses payable to AFS, where the actual expense from 30 June 2024 to 30 April 2025 was RM1.4 million while the mandate was RM5 million.

Answer

Mr. Sunthara explained that the RRPT listed were all in the normal course of business, and in view of a long-term relationship with the parent company. He then explained the RRPTs as follows:

- (a) Rental expense payable to AEON CO. (M) Bhd. (“AEON CO.”)

Mr. Sunthara commented that Management had proposed a higher amount to allow for flexibility in accommodating any additional activities or future business space requirements. This will avoid the need to seek another shareholders’ mandate, thereby

reducing administrative burden and costs. However, based on past trends, the rental expenses have remained consistent over the years.

(b) Corporate Support Fees payable to AFS

With regard to the corporate support services, Mr. Sunthara commented that the parent company extends substantial operational and strategic support to AEON Credit. The charges have been fairly consistent, typically increasing by 5% to 10% annually. However, the total amount is subject to foreign exchange fluctuations, as payments are made in Japanese yen. The Management has taken steps to hedge against currency volatility. The additional provision this year is a precautionary measure to accommodate any potential exchange rate fluctuations.

Ms. Lee added that benchmarking studies had been carried out and reviewed by the appointed tax consultant to ensure that the 10% markup applied is consistent with market practices. The services provided by the holding company include business advisory support in strategic domains such as management planning, business development, IT strategy formulation, system risk management, system development, and sustainability strategy development. The fees essentially cover personnel-related costs and advisory services. She also clarified that the RM11.8 million fee disclosed in the audited financial statements represents a 12-month period, whereas the RM10 million cited in the circular corresponds to a 10-month period. The Company engaged a tax agent to review these transactions to ensure full compliance with applicable transfer pricing guidelines.

Mr. Ting commented that as AEON Credit has been operating as an independent entity for a number of years, with a stable and proficient business model in credit provision to the public, the corporate support fee can be reduced going forward in line with the reduction of dependence on the parent company. The reduction in the RRPT expenses overall would help to improve the performance of the Group.

(c) Procurement of IT systems, services and outsourcing expenses payable to AFS

Mr. Sunthara highlighted that the mandate for IT services had been reduced from RM5 million in the previous financial year to RM3 million. As the Group is undergoing a digital transformation, significant support will be required from AFS to ensure a smooth transition. As a result, a slightly higher amount has been allocated this year to accommodate any additional needs that may arise.

- 3.5 Mr. Ting enquired about the potential shift of part of the existing AEON Credit customer base to AEON Bank, which offered similar products. This may result in a reduction in AEON Credit's income growth prospects.

Answer

Mr. Ng commented that at the early stage of AEON Bank's growth, the Company does expect some dilution of the existing customer base. However, as the Bank grows, an expansion of the customer base was anticipated as a bank can offer a broader array of financial products and will be able to capture the M40 market. Hence while there may be some initial cannibalization between AEON Credit's existing business and the Digital

Bank, over time, the Bank is expected to diversify the customer reach. The Digital Bank was also a strategic move to defend AEON Credit's market position and prevent other digital banks from capturing its customer base. Additionally, as a licensed bank, AEON Bank can accept customer deposits, providing AEON Credit with access to lower-cost funding.

- 3.6 Mr. Ting suggested that based on the Company's commendable performance over the years, an Employee Share Option Scheme ("ESOS") can be considered for the benefit of employees. The Company could also consider providing financing support to employees who wish to subscribe to the ESOS.

Answer

Mr. Ng commented that the Company was still exploring various options including an ESOS. He was, however, uncertain if there were regulatory prohibitions on financing the purchase of the company's own shares. This matter will be further reviewed and studied.

4. Question 4

Mr. Ariivazhagan commended the Management for successful consolidation of AEON points into the AEON wallet, providing a smooth experience with transactions with AEON Bank and AEON credit cards.

Mr. Ariivazhagan then raised the following queries:

- 4.1 Mr. Ariivazhagan enquired if cash deposits can be made into an AEON Bank account via bank cash deposit machines.

Answer

Ms. Lee explained that at this juncture, the interbank cash deposits are not available for AEON Bank and will be subject to the approval of Bank Negara Malaysia. It is also a strategic decision not to offer cash deposit machine services by AEON Bank, as it would incur higher operational costs for the Bank.

- 4.2 Mr. Ariivazhagan enquired about the plans for a listing of AEON Bank on Bursa Malaysia Securities Berhad in the future, and if the shareholders of AEON Credit would be given preference at the Initial Public Offering.

Answer

Mr. Ng thanked Mr. Ariivazhagan for being a loyal customer of AEON Credit. He commented that any potential listing of AEON Bank would only be considered in the distant future. While every company looked forward to growth and expansion, and eventually tapping capital from the capital markets, the journey would not be an easy one. The Company would need to demonstrate profitability and operational stability.

- 4.3 Mr. Ariivazhagan enquired if AEON Credit would consider establishing an AEON REIT in the future to monetize its properties. He commented that businesses should monetize assets when possible to reduce operational costs and provide opportunities for shareholders participation.

Answer

Mr. Ng commented that AEON Credit does not invest in properties unlike AEON CO., which operates malls and supermarkets. In fact, not all of AEON CO's premises are owned, as some are under long-term tenancy agreements. In the case of AEON Credit, the Company only required space for the headquarters, branches and service centers. With the ongoing digitalization, even the need for physical presence is reducing as more services are now available online. Of course, space was still required for the head office and back-office operations, but the Company does not make property investments.

5. Question 5

Ms. Lim Cian Yao ("Ms. Lim"), representative of Minority Shareholders Watch Group ("MSWG"), enquired about the resignation of Independent Non-Executive Director Datin Yasmin Ahmad Merican ("Datin Yasmin") on 23 June 2025, 2 days before the AGM. She noted that Datin Yasmin had also expressed intention not to seek re-election one week before 2024 AGM but had subsequently retracted the letter. Given the 2 resignations by Datin Yasmin, a seasoned corporate veteran, in 2 consecutive years, Ms. Lim enquired if these were triggered by underlying issues within the Board and the majority shareholder, or governance issues, material matters of the Company, or audit issues.

Answer

Datuk Adinan Bin Maning ("Datuk Adinan"), Chairman of the Nomination and Remuneration Committee ("NRC"), commented that in terms of corporate governance, the full process and procedures have been duly complied. The NRC had recommended the re-appointment of Datin Yasmin following the Board evaluation exercise, and the Board had endorsed the recommendation. However, Datin Yasmin had subsequently tendered her resignation for personal reasons.

Ms. Lim enquired if Datin Yasmin had other reasons for her decision to step down.

Datuk Adinan shared that the Board had successfully persuaded Datin Yasmin to step forward for re-election at the 2024 AGM, but in 2025 she was firm in her decision to resign. There were no conflicts or issues between Datin Yasmin and the Board, or the NRC. He suggested that Ms. Lim may reach out to Datin Yasmin directly if she wished to get a better understanding of the latter's decision to step down.

6. Question 6

Mr. Eric Lee Kong Sim (“Mr. Eric Lee”), a proxy holder, raised the following questions.

- 6.1 Mr. Eric Lee enquired about the impact of the expanded sales & services tax (“SST”) on the Company as most of AEON Credit’s business locations are on leased properties.

Answer

Ms. Lee informed that the Company’s lease payments are approximately RM24 million annually. With the SST scope expansion, an additional cost of around RM2 million is expected to be incurred for the rental properties. Including the lease of other assets, the total additional cost related to the SST scope expansion is projected to be close to RM3 million for a full financial year. However, for the FYE2026, the impact will be prorated, and the estimated cost is approximately RM1.8 million.

- 6.2 Mr. Eric Lee enquired why all of AEON Credit’s Directors are retiring and seeking re-election at this AGM 2025.

Answer

Mr. Ng explained that under Clause 148 of the Company’s Constitution, all Directors are required to retire at each AGM. This practice provides shareholders with the opportunity to vote on the Directors’ re-election annually. While some companies follow the traditional one-third retirement rotation, AEON Credit’s approach is more forward-looking as it allows shareholders to decide on the reappointment of the entire Board every year.

7. Question 7

Mr. Ng Kim Soon @ Ng Kim Seng, a shareholder, enquired about the AEON Credit’s expected share of losses from AEON Bank, and the funding for its upcoming capital injection into the Bank.

Answer

Ms. Lee informed that AEON Bank is projecting a higher loss for the for FYE2026, estimated to be in the range of RM80 million to RM90 million for AEON Credit’s share of losses. Regarding the upcoming capital injection, AEON Credit will be utilizing internally generated funds

8. Question 8

Mr. Rein Hashim (“Mr. Rein”), a proxy holder, raised the following questions:

- 8.1 Mr. Rein enquired about the cost of printing of the Company's Annual Report and suggested the provision of tablets for shareholders to access the Annual Report during the AGM due to the limited physical copies.

Answer

Ms. Lee informed that the total printing cost was approximately RM50,000, and the reduced number of printed copies aligns with the Company's sustainability initiatives. The number of printed copies will be provided later, if required.

- 8.2 Mr. Rein enquired about the discrepancy in the numbers recorded as the cash and bank balances between the Balance Sheet and other sections of the Annual Report.

Answer

Ms. Lee explained that the cash and bank balances recorded in the Balance Sheet, amounting to RM116.5 million, were the total cash and bank deposits inclusive of restricted cash. Excluding the bank overdraft, cash and deposits held in trust for customers, the free cash flow was RM57.2 million.

Ms. Lee further explained that the cash and cash equivalents reported in the Balance Sheet comprised total cash and cash equivalents, including cash and bank balances and deposits, while the figures presented in the Cash Flow Statements are shown net of bank overdrafts, cash held in trust for customers and deposits held in trust account. This presentation complies with the accounting standards and disclosure requirements. Ms. Lee also offered to provide a separate explanation to shareholders, if required.

- 8.3 Mr. Rein also commented that the operating cash flow recorded a negative figure, while the financing cash flow was positive, and enquired if this indicated that the Company's income was primarily derived from financing activities.

Answer

Ms. Lee explained that as AEON Credit is not a banking institution, it relies on bank borrowings to finance its customer disbursements. The negative operating cash flow primarily reflects the funding of disbursements to merchants and customers, which is supported through bank facilities. She assured that the Company has sufficient banking facilities in place to finance its working capital needs. Currently, the available banking facilities amount to approximately RM3.5 billion to RM4 billion, enabling AEON Credit to support its operations, fulfill customer financing requirements, and drive future income growth.

Mr. Ng explained that in the context of a consumer financing business, the operating cash flows must be read together with the financing side, as the Company is dependent on borrowings to fund disbursements. In the cash flow statement, the operating cash outflows are largely due to the financing of receivables, while the financing cash inflows reflected the proceeds from bank loans. While the accounting standards require these items to be presented separately, they are interrelated. The Company was not short on cash as its lines of available credit amounted to RM3.5 to RM4 billion.

Ms. Lee also offered to provide a further separate explanation to shareholders, if required.

- 8.4 Mr. Rein noted that the Group had achieved a stronger performance in Q4 FYE2025 compared to the preceding quarter and enquired if the positive trend will continue in the next few quarters.

Answer

Ms. Lee shared that the Q1 FYE2026 results are expected to be released in early July 2025. However, the Group is currently not in a position to disclose its performance at this juncture. She added that the financial results may fluctuate due to seasonal factors, including such festive periods and collection performance.

- 8.5 Mr. Rein highlighted that customers who wish to update their details with AEON Credit are currently required to do so via telephone, rather than at the AEON Credit counters. He commented that this was not a secure system as customers could be easily impersonated over the telephone.

Answer

Mr. Daisuke Maeda (“Mr. Maeda”), Managing Director, thanked the shareholder for his feedback. The Management will consider his suggestion to improve operational processes.

- 8.6 Mr. Rein commented that AGM attendees who received the RM50 token of appreciation via the AEON Credit Card or e-wallet had been informed that the annual fee of RM12 would be waived. However, the charge continued to be imposed on some customers. He requested that Management investigate and rectify the matter.

Answer

Ms. Lee requested Mr. Rein to email the necessary information to the Investor Relations unit at ir@aeoncredit.com.my, for further action.

- 8.7 Mr. Rein enquired about the cost of the breakfast and lunch packs provided to shareholders attending the AGM and suggested that shareholders who were unable to utilise the vouchers due to registration delays be compensated via credit to their e-wallet.

Answer

Mr. Maeda informed that the Management will revert with the requested information on the breakfast and lunch packs.

- 8.8 Mr. Rein further enquired if shareholders are required to remain present at the AGM until its conclusion to receive the token of appreciation, as he had already submitted his votes. He also requested for the token of appreciation to be provided to the shareholders before 1 July 2025 when the expansion of the SST comes into force.

Answer

Ms. Lee informed that the Management will strive to ensure that the token of appreciation is received by shareholders within 7 days, which may be after 1 July 2025.