

Press Release

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AEON CREDIT OBTAINS BANK NEGARA APPROVAL FOR INSURANCE BROKER ACQUISITION

The Company acquires 100% interest in shares of Insurepro Sdn. Bhd.

KUALA LUMPUR, 16 AUGUST 2021 – AEON Credit Service (M) Berhad (“**AEON Credit**” or “**the Company**”) today announced that it has obtained the approval from Bank Negara Malaysia (“**BNM**”) to acquire 100% interest in shares of Insurepro Sdn. Bhd. (“**Insurepro**”), representing 1,440,000 ordinary shares for a purchase consideration of up to RM1.7 million (“**Sale Shares**”), subject to certain potential adjustments upon completion of the Sale Shares and due diligence exercise and the terms and conditions provided in the Share Sale Agreement entered into between the Company and Trans Dimension Sdn. Bhd.. The Sale Shares is expected to be completed by the end of October 2021, and Insurepro will become a wholly owned subsidiary of AEON Credit upon completion.

Insurepro, a private limited company incorporated in Malaysia under the Companies Act, 1965 and licensed by BNM, is principally engaged in Insurance and Takaful broking business with primary business focus to provide comprehensive insurance services to strategic and specialised industries in Malaysia, particularly in the state of Sarawak.

The acquisition will allow AEON Credit to grow its insurance business through the insurance broking platform under Insurepro for distribution of both commercial and personal insurance products, including life insurance products by leveraging on our AEON Group Retail network and Eco system. The Company plans to offer insurance products from multiple Insurers and Takaful Operators through Insurepro to meet the needs of both consumer and business sectors in Malaysia. In addition, it aims to increase the Company’s product portfolio and generate positive earnings to the Company.

Currently, the overall income earned from the insurance is less than 5% of the Company’s total income and the Company sees a huge potential for us to expand into, as we believe that there are prospective business opportunities due to the rising demand of insurance.

The newly acquired subsidiary will be transformed into a Digital Insurtech Company. The subsidiary’s main strategy is Direct-to-Consumer (DTC) approach. With the new Insurtech availability in the market, Insurepro can offer vast insurance and protection schemes to consumers via online tools with more pricing and product options as an advantage of being a broker. Furthermore, we shall provide a one-stop service to our customer base of more than 3 million mainly from the B40 group as well as to enhance our service offerings as compared to aggregators with stricter compliance to BNM guidelines. Similar with AEON Credit’s main strategy, the Company shall continue to serve the underserved customer segments with micro-insurance products, by offering affordable premium with simple insurance plans.

We firmly believe that the acquisition of Insurepro will allow AEON Credit to further expand into the insurance market and we want to capitalise on any opportunities to realise the Company's potential in this industry.

ABOUT AEON CREDIT SERVICE (M) BERHAD

AEON Credit Service (M) Berhad ("AEON Credit" or the "Company") was incorporated on 6 December 1996 and was converted into a public limited company on 9 February 2007 and listed on the Main Market at Bursa Malaysia Securities Berhad on 12 December 2007. AEON Credit commenced operations in 1997 by providing Easy Payment schemes for purchase of consumer durables through appointed retail merchants and chain stores.

Today, the business of the Company had expanded to include issuance of Credit Cards, Prepaid Card, Easy Payment, hire purchases financing for motor vehicles, Personal Financing schemes, insurance sales business and other services.

The Company currently has five Regional Offices, 64 branches and Service Centres located in the major shopping centres and towns and a network of more than 13,479 participating merchant outlets nationwide.

Issued by Esente Communications (M) Sdn Bhd on behalf of AEON Credit Service (M) Berhad

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