

## PRESS RELEASE

### SEDANIA enters lucrative Islamic mortgage market worth some RM200 billion

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#### Key highlights:

- Completes proposed acquisition of 20% equity stake in Shariah-compliant inheritance solutions provider Wasiyyah Shoppe for purchase consideration of RM3 million
- FinTech segment's long-term prospects enhanced by venture into Islamic estate planning with some RM70 billion in unclaimed assets belonging to Muslims nationwide
- Synergistic development set to elevate SEDANIA to the next level of providing innovative, sustainable Islamic fintech solutions

**KUALA LUMPUR, 1 MARCH 2023** - SEDANIA Innovator Berhad ("SEDANIA" or the "Group") is eyeing another level of growth as it enters into the lucrative Islamic mortgage market worth some RM200 billion, of which about 75% are taken up by the Muslim population in the country.

This is made possible following the completion of a 20% stake acquisition in Wasiyyah Shoppe Berhad ("Wasiyyah Shoppe"), the No. 1 Shariah-compliant trustee in the country.

The acquisition of the provider of Shariah-compliant inheritance and wealth planning solutions was made via SEDANIA's FinTech unit Sedania As Salam Capital Sdn Bhd for a purchase price of RM3 million cash.

Under the equity purchase agreement, Wasiyyah Shoppe is providing a profit after tax (PAT) guarantee of RM3 million over the 24-month financial period starting from 30 June 2024.

SEDANIA's Founder and Managing Director Datuk Azrin Mohd Noor said, "The acquisition of Wasiyyah Shoppe is undoubtedly a strategic move to elevate SEDANIA to the next level of providing innovative, sustainable Islamic fintech solutions to its customers.

"The business model and values of Wasiyyah Shoppe correspond strongly with our mission to improve lives sustainably, as the *hibah* method promotes socio economic sustainability by ensuring surviving family members are unburdened in the event of unanticipated deaths."

Datuk Azrin added that the incorporation of *hibah* services will enhance SEDANIA's FinTech segment's long-term success, as only 0.2% of 15 million Muslims in Malaysia have executed *hibah* to date.

As it is, the country's total unclaimed assets stood at RM70 billion, with the majority belonging to Muslims. Going forward, this could potentially unlock opportunities to penetrate global markets with a total population of 3 billion Muslims.

*Hibah* is gaining popularity in Malaysia as an estate planning instrument due to its unique Shariah-focused perspective. It is to be noted that *Fara'id* is a Shariah law that ensures heirs of a deceased person are able to receive an inheritance and distribution of the inheritance based on the rulings of Islamic Law, while *hibah* provides Muslim individuals with the ability to plan in advance the distribution of their inheritance, whether to heirs or non-heirs.

*Hibah* addresses the Maqasid-al-Shariah as it complies with Shariah requirements and also achieves the intended outcome of Shariah which focuses on the enhancement of human wellbeing through preservation of wealth, faith, lives, posterity and intellect.

Nisa Ismail, the Chief Executive Officer of Sedania As Salam Capital Sdn Bhd said, "This latest addition to our portfolio of Shariah-compliant fintech solutions enables us to provide a wider array of Islamic financial products digitally, in this case, a digital *hibah* platform to the local financial services institutions (FSIs).

"Backed with an established track record within the Islamic fintech space, Sedania As Salam will strive to develop and implement a digital automated system for *hibah* which enables efficient and profitable operations for Wasiyyah Shoppe, thus enhancing our returns on investment over the long-term.

"This represents a strong synergistic development as we can offer the digital *hibah* platform to financial institutions as a supplementary value-added Islamic estate planning service for their Muslim clients who purchase assets such as property.

"As a sustainable technology enabler to almost 95 FSIs nationwide through digital banking & commodity murabahah initiatives, we can combine our capabilities with that of Wasiyyah Shoppe to further enable sustainability from a social and economic perspective.

"Through better awareness and increasing adoption of *hibah*, we can improve financial literacy and financial inclusion, thereby helping people better safeguard their wealth and assets."

With more than 68,000 clients nationwide, Wasiyyah Shoppe is the No. 1 Shariah-compliant trustee in Malaysia in terms of estate values managed on behalf of its clients. By 2025, it is projected to settle assets worth RM35 billion that have been planned and entrusted by the clients to be executed upon their demise.

It has an established track record in providing Shariah-compliant inheritance solutions for the wealth planning and inheritance management industry in Malaysia.

Since its establishment in 2004, the objective of Wasiyyah Shoppe is to systematically introduce and promote Shariah-compliant property planning solutions among Malaysian Muslims, having pioneered the *hibah* method for the Malaysian market in 2004.

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#### **About SEDANIA Innovator Berhad**

SEDANIA Innovator Berhad is an investment holding company with a focus in sustainability-enabling businesses. Since its listing in 2015 on the ACE Market of Bursa Malaysia, SEDANIA has invested in innovative businesses which lead to the reduction of carbon emissions and enable sustainability.

SEDANIA invests in its corporate clients' future energy sustainability by financing and deploying energy efficiency solutions and renewable energy systems which to date saved over 66 gigawatt-hours and RM30 million in clients' energy cost.

For consumers, SEDANIA offers preventive healthcare products which reduce carbon emissions through the selection of eco-friendly ingredients and biodegradable material. Over 170 products are sold under the brand Offspring online and through selected retail stores in over 20 countries worldwide.

Through its subsidiary SEDANIA As Salam Capital Sdn Bhd, SEDANIA also plays a role in accelerating digital banking adoption having powered close to 95 financial institutions with various FinTech solutions including its patented API-based Digital Commodities Platform. Additionally, it empowers financial inclusion among the mass market of consumers through its GoHalal Financing Programme.

***We are Innovators. We improve lives sustainably.*** Log onto [www.sedaniainnovator.com](http://www.sedaniainnovator.com) to find out more about our Sustainable innovations.

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