

Senheng inks IPO underwriting agreement

- *Appoints Mercury Securities Sdn Bhd, CIMB Investment Bank Berhad and AmlInvestment Bank Berhad as underwriters for its initial public offering*
- *IPO proceeds to fund investments to elevate shopping experiences for customers, as well as building capacity and enhancing capabilities of operations*

Kuala Lumpur, Malaysia, 13 December 2021 - Malaysia's leading consumer E&E retailer Senheng New Retail Berhad (Senheng; the Group; 新兴集团) inked an underwriting agreement with Mercury Securities Sdn Bhd, CIMB Investment Bank Berhad and AmlInvestment Bank Berhad to underwrite a total of 52.5 million shares in conjunction with the Group's Initial Public Offering (IPO) on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia).

The IPO exercise entails a public issue of 250.0 million new shares and an offer-for-sale of 139.5 million existing shares.

Of the 250.0 million new shares, 149.5 million shares will be placed out to institutional and selected investors, and 48.0 million shares will be placed out to Bumiputera investors approved by the Ministry of International Trade and Industry (MITI). Another 22.5 million shares will be made available for application by eligible directors, employees, and persons who have contributed to the Group's success.

The remaining 30.0 million new shares will be made available for application by the Malaysian public via balloting.

Meanwhile, 139.5 million offer-for-sale shares will be placed out to Bumiputera investors approved by MITI.

“Today’s underwriting signing marks a key milestone in our IPO journey, bringing us a step closer to enabling the investing public to participate in our growth.

We have undergone several transformations over the years, including our transition into the seamless New Retail Model, to cater to the rapid digitalisation of Malaysia’s consumer landscape. This proved to be a success, as we continued to grow our sales despite the challenges posed by the COVID-19 pandemic.

The IPO proceeds to be raised will fund our growth strategies to cater to future market trends - through building capacity and enhancing capabilities of our operations and improving our customers’ shopping experience.

These initiatives will continue to drive Senheng’s sustainable growth well into the future, as well as enable us to continue providing the best customer experience. This will also strengthen our market position in the consumer retail space.”

*Mr Lim Kim Heng (“林金兴”)
Executive Chairman, Senheng New Retail Berhad*

Senheng transitioned into the seamless New Retail Model in 2017, which integrates physical stores and backend functions to the Group’s online platforms and Senheng App. This model enabled the Group to leverage on its nationwide chain of physical stores as well as its robust online presence to better capitalise on shifting consumer preferences - whereby product purchases are increasingly done online, while physical stores serve as experiential centres to explore and test products, as well as collection points for e-commerce orders.

Senheng has an extensive store coverage of over 100 physical stores across Peninsular and East Malaysia. The Group operates multiple store concepts, under the brands “Senheng”, “senQ”, “Grand Senheng”, as well as the newly launched “Grand Senheng Elite” flagship store in SS2, Petaling Jaya.

The Group intends to use a majority of its IPO proceeds to fund the enhancement of in-store shopping experiences, via opening new stores and upgrading existing stores to larger concept stores. These enhanced stores will be able to display a wider range of products and provide a richer shopping experience to customers.

Furthermore, some of the proceeds will be used to enhance Senheng’s back-end support systems by increasing the capacity and capabilities of the Group’s digital infrastructure and warehouse/logistic network.

Barring any unforeseen circumstances, Senheng will be listed on Bursa Malaysia in January 2022.

Mercury Securities Sdn Bhd is the principal adviser, managing underwriter, joint underwriter and joint bookrunner for the IPO exercise, while CIMB Investment Bank Berhad and AmlInvestment Bank Berhad are the joint bookrunners and joint underwriters.

About Senheng New Retail Berhad

Senheng is Malaysia's leading consumer electrical and electronics retailer. Founded in 1989, the Group has grown its retail network to over 100 physical stores across Peninsular and East Malaysia, and is supported by various online retail platforms.

The Group's stores carry more than 280 renowned consumer E&E brands, featuring a comprehensive range of digital gadgets, audio visuals, home appliances and related products.

An early adopter of digitalisation and business transformation, Senheng continues to deliver excellent customer satisfaction via its seamless New Retail Model. The Group has a growing customer base, with over 3 million PlusOne loyalty members to-date.

Issued for and on behalf of SENHENG NEW RETAIL BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd

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