

Senheng IPO oversubscribed by 10.4 times

- *Leading consumer E&E retailer attracts applications worth RM367.3 million for public tranche*
- *Set to be first Main Market listing on Bursa Malaysia for 2022*

Kuala Lumpur, Malaysia, 12 January 2022 - Malaysia's leading consumer E&E retailer Senheng New Retail Berhad (Senheng; the Group; 新兴集团) garnered strong interest for its Initial Public Offering (IPO) on the Main Market of Bursa Malaysia Securities Berhad with its public portion oversubscribed by 10.4 times.

Senheng received a total of 16,548 applications for 343.2 million shares with an aggregate value of RM367.3 million, for the public portion of the Group's IPO comprising 30.0 million shares made available for application by the Malaysian public.

Senheng is expected to list on the Main Market of Bursa Malaysia on 25 January 2022, and is slated to be the first Main Market listing for the year.

“The oversubscription of Senheng’s IPO indicates the public confidence our over 30-year track record of building one of Malaysia’s best and most progressive retail brands, and our growth strategies that will transform the way consumers shop.

Going forward, we are expanding our nationwide store network, enhancing in-store and online shopping experiences, as well as bringing a wider range of quality products to our customers. We are also upgrading our digital infrastructure and logistics capabilities to enhance our seamless retail experience in the digital era.

Furthermore, we are targeting dividend payouts of at least 30% of net profit to shareholders, for their commitment in joining us in our transformative journey towards shaping Malaysia’s New Retail Landscape.”

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

In 2017, Senheng integrated its physical store operations and back-end functions to its online platforms and Senheng App, as part of innovative business transformation efforts.

This positioned the Group as the leading consumer E&E retailer to adopt a seamless New Retail Model, where customers enjoy seamless experience across online platforms and physical stores nationwide, including access to comprehensive product offerings, as well as same pricing and promotions across all channels.

Notably, the digitally-integrated operations supported the Group's sales even amidst disruptions to physical store operations during Malaysia's Covid-19 lockdowns. The Group recorded a 21.2% jump in net profit to RM34.1 million for the nine months ended 30 September 2021 (9M21) compared to RM28.1 million previously (9M20), on the back of 12.3% revenue growth to RM987.7 million in 9M21 from RM879.6 million in 9M20.

Senheng's IPO exercise entails the public issue of 250.0 million new shares and an offer-for-sale of 139.5 million existing shares at an issue price of RM1.07 per share.

Of the proceeds to be raised from the public issue, 60.0% or RM160.5 million will go towards setting up new stores as well as upgrading existing stores into bigger, enhanced concept stores. The Group aims to upgrade or set up 61 new and existing stores from 2022 to 2024 to elevate the shopping experience of its customers.

Another 19.3% or RM51.7 million will be used to strengthen the Group's back-end capacities and capabilities. This includes developing new brand distribution business, expanding and upgrading the warehouse and logistics network, and boosting the Group's digital infrastructure.

The remaining 20.7% or RM55.3 million will be utilised to repay bank borrowings and defray listing expenses.

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 AmInvestment Bank Berhad are the joint bookrunners and joint underwriters.



About Senheng New Retail Berhad (新兴集团, <https://www.senheng.com>)

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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