

## Senheng earmarks RM22 million to grow brand distribution business

- *To increase product portfolio through international distributorships and in-house brand*

Kuala Lumpur, Malaysia, 25 January 2022 - Malaysia's leading consumer E&E retailer Senheng New Retail Berhad (Senheng; the Group; 新兴集团) has earmarked RM22 million from its Initial Public Offering (IPO) proceeds within three years to grow its brand distribution business.

Senheng commenced its brand distribution business in 2020, where it was awarded the exclusive distributorship of international brands "ROBAM" kitchen appliances and "JIMMY" vacuum cleaners and hair dryers. Senheng also launched its own in-house cookware brand "Delighto" in August 2021.

"As Malaysia's largest retailer of consumer electronics, we have equipped Malaysian homes with the latest home electronics, electrical appliances and digital gadgets across many generations.

We want to take this a step further, by offering a greater variety of products to our customers, especially in home- and personal care. As a case in point, we have sold almost RM2 million worth of our in-house "Delighto" products within five months of its launch, which shows strong market acceptance.

This gives us confidence to expand our brand distribution business by investing RM22 million from our IPO proceeds within three years from our listing. We continue to identify suitable brands of kitchen appliances, personal and beauty care appliances, home electricals and IoT products, to give wider choices to Malaysian consumers and further elevate the standard of living of the rakyat.

Plus, we will complement the larger product portfolio with the all-new Senheng App, where we aim to bring a whole new lifestyle ecosystem to our loyal PlusOne members. The seamless convenience, with attractive S-Coin cashback rewards, will surely increase customer traffic and make us "Different... Truly Different".

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

Senheng raised a total of RM267.5 million in IPO proceeds, of which RM22.0 million would be used for developing new brand distribution business, and 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.

A further RM29.7 million will be used to expand and upgrade the warehouse and logistics network and boosting the Group's digital infrastructure. The remaining RM55.3 million will be utilised to repay bank borrowings and defray listing expenses.

Senheng targets to distribute dividends of at least 30% of net profit to shareholders.

Mr Lim commented, "With our seamless New Retail platform, Senheng has a resilient business model that has proven able to withstand and even outperform the competition."

"Our financial performance for the nine-months ended 30 September 2021 shows this clearly; despite two months of closures due to the Movement Control Order, our revenue still increased by 12.3% year-on-year, which is faster than the industry's 6.8% growth in total E&E retail monthly average sales. With our growth strategies in place, we are confident of our future prospects."



**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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