



SENHENG NEW RETAIL BERHAD 202101019079 (1419379-T)

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PRESS RELEASE

Senheng to raise RM267.5 million from its IPO

- *Leading consumer electrical & electronics (E&E) retailer to embark on store upgrades and expansions; and enhance digital infrastructure, warehouse and logistics capabilities*
- *Applications for Main Market IPO to start today and close on 10 Jan 2022*

Kuala Lumpur, Malaysia, 29 December 2021 - Malaysia's leading consumer E&E retailer Senheng New Retail Berhad (Senheng; the Group; 新兴集团) plans to raise RM267.5 million in new proceeds from its Initial Public Offering (IPO) on the Main Market of Bursa Securities to fund Senheng's next transformation phase and shape the nation's new retail landscape.

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, the majority 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.

Based on an issue price of RM1.07 per Share, Senheng will achieve a market capitalisation of RM1.6 billion upon listing.

“In an era of rapid digitalisation, Senheng is at the forefront of shaping the New Retail landscape to meet latest consumer trends.

Today, our customers are increasingly purchasing from our online platforms due to the additional convenience, while our physical retail stores serve as experiential centres for customers to get up close with the brands and products of their liking. We aim to be the territory champion within every 5-kilometre radius of our stores, with the largest floor space and variety of products.

Going forward, we will enhance our in-store shopping experiences and upgrade our operational capabilities to continue providing the best of seamless retail experiences to all our customers.

These investments will not only extend our strong growth seen over the years, but also propel us to higher ground as we head into the next phase of our transformation journey.”

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

Senheng embarked on multiple transformations since inception, including its digital transformation in 2015 to improve operational efficiencies and customer experiences. The Group’s latest transition into the seamless New Retail Model in 2017 also integrated its physical stores and back-end functions to its online platforms and Senheng App.

The Group’s commitment to continuous innovation has contributed to its success, with annual revenue consistently exceeding RM1 billion from the financial year ended 31 December 2018 (FYE 2018) to 2020 (FYE 2020).

Notably, despite store operation disruptions due to COVID-19-induced lockdowns, Senheng achieved RM1.3 billion in revenue in FYE 2020, growing 13.1% from RM1.1 billion in the previous corresponding year (FYE 2019), as the Group upgraded stores by increasing floor space and offering larger product variety, and leveraged on its PlusOne loyalty programme, digital marketing and personalised telemarketing initiatives to continue serving its customers.

Mr Lim added: “Going forward, we are targeting dividend payouts of at least 30% of the net profit attributable to shareholders, to reward our shareholders for their confidence in Senheng.”

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.

Applications for Senheng's IPO are open on 29 December 2021 and will close on 10 January 2022. Senheng is expected to list on the Main Market of Bursa Malaysia on 25 January 2022.

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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