

Senheng posts record-high net profit of RM65.3 million for FY2021

- *Double-digit growth rates of top and bottom lines driven by increasing use of technology and data analytics, combined with strategic store expansions*
- *Allocates RM49.0 million capital expenditure (CAPEX) for expansion plans to launch 21 new or upgraded stores in 2022*
- *Declares maiden interim single tier dividend of 1.3 sen per share in respect of FY2021; ex-date on 11 April 2022 & payment date on 29 April 2022*

Kuala Lumpur, Malaysia, 28 February 2022 - Senheng New Retail Berhad (Senheng or the Group; Bloomberg: SENHENG MK; 新兴集团), the leading consumer electrical and electronics retailer in Malaysia, recorded its highest ever net profit of RM65.3 million for the financial year ended 31 December 2021 (FY2021), 17.3% higher than the previous year's RM55.6 million, driven by strong sales from both physical stores and online channels.

Despite the closures of the Group's physical stores in June to August 2021 to comply with COVID-19 lockdowns, group revenue for the year still grew 11.5% to RM1,444.1 million from RM1,294.8 million previously.

The improved sales reflected the Group's increasing use of technology and data analytics to enable more curated and personalised marketing *and* wider consumer reach, resulting in higher conversion rates on digital marketing campaigns carried out by Senheng during the year.

Senheng also benefited from its ongoing store expansion and upgrading programme. The Group has upgraded some of its stores to become "*territory champions*" - leading stores within a five-kilometre radius of consumer catchment district, in terms of floor space and product range. The improved stores provide greater choices and better consumer experiences, which resulted in more customers and contributed to higher average spend by customers at its stores.

"Our tech-enabled omnichannel strategy has continued to drive our growth, as we provide seamless shopping experiences via integration of technology platforms and retail stores to attract and retain more customers. Notably, we achieved our best-ever results in FY2021, attaining double-digit growth rates even amidst the tough operating environment.

We are also seeing the results of our strategy in building "*territory champion*" stores that have proven to boost store sales for us.

Going forward, we will continue with our expansion plans to launch even more large and enhanced stores in major cities across Malaysia in 2022."

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



Senheng plans to allocate RM49.0 million in CAPEX for its expansion plans to launch 21 new or upgraded stores in 2022. The new stores are expected to contribute positively to the Group for the financial year ending 31 December 2022 (FY2022).

The Group's bigger and enhanced "Grand Senheng" and "Grand Senheng Elite" stores on average record 30% to 50% higher sales compared to typical "Senheng" stores.

In total, the Group upgraded eight existing "Senheng" stores into "Grand Senheng" stores and "Grand Senheng Elite" stores, as well as opened two new "Grand Senheng" stores in FY2021.

For the quarter ended 31 December 2021 (4Q21), the Group recorded net profit of RM31.2 million, a 13.3% increase over the previous year's corresponding quarter (4Q20). This was on the back of higher revenue of RM456.4 million in 4Q21, a 9.9% increase over 4Q20, mainly driven by strong contributions from new and/or upgraded "Grand Senheng" stores.

On the Group's growth prospects, Mr Lim said: "We will continue to enhance our customers' shopping experience in both our physical stores and online channels, as well as invest in revenue-enhancing technologies with an eye on maintaining our double-digit growth rate in the years ahead."

Senheng's revenue growth rate for FY2021 of 11.5% outpaced Malaysia retail sector's growth rate of 4.4% as reported by the Department of Statistics Malaysia.

Senheng declared a maiden interim single-tier dividend of 1.3 sen per share in respect of FY2021, with ex-date on 11 April 2022 and payment date on 29 April 2022. This translates to a total dividend payout of RM19.6 million or 30% of FY2021 net profit, in line with the Group's target dividend payout.

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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