

SENHENG

Senheng New Retail Berhad
202101019079 (1419379-T)

Annual Report **2024**

FUTURE-READY RETAIL, REDEFINED



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4th Annual General Meeting



Ballroom III, Main Wing
Tropicana Golf & Country Resort
Jalan Kelab Tropicana
47410 Petaling Jaya
Selangor



26 June 2025



10.00 a.m.



FUTURE-READY RETAIL, REDEFINED

Senheng is redefining retail in the digital age, bringing refined omnichannel experiences to the fore. We continuously optimize our model to drive sustainable growth and create exceptional customer experiences.

This involves a deep dive into the customer journey, leveraging data-driven insights and AI-driven solutions to optimize operations and personalize customer interactions. By continuously improving our digital infrastructure and investing in our people, we are building a more resilient organization ready to meet the opportunities of the future of retail.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. LIM KIM HENG

Non-Independent Executive Chairman

MR. LIM KIM CHIENG

President/Non-Independent Executive Director

MR. LIM KIM YEW

Non-Independent Non-Executive Director

DATO' YEOW WAH CHIN

Independent Non-Executive Director

MS. AIREEN OMAR

Independent Non-Executive Director

MS. HO KIM POI

Independent Non-Executive Director

MR. OH KENG LENG

Independent Non-Executive Director

**AUDIT AND RISK
MANAGEMENT COMMITTEE****MS. HO KIM POI**

Chairperson

MS. AIREEN OMAR

Member

MR. OH KENG LENG

Member

REMUNERATION COMMITTEE**MR. OH KENG LENG**

Chairman

DATO' YEOW WAH CHIN

Member

MS. AIREEN OMAR

Member

NOMINATION COMMITTEE**DATO' YEOW WAH CHIN**

Chairman

MS. AIREEN OMAR

Member

MS. HO KIM POI

Member

COMPANY SECRETARIES**MS. TEO SOON MEI**(MAICSA 7018590)
(SSM PC No. 201908000235)**MS. LIM JIA HUEY**(MAICSA 7073258)
(SSM PC No. 201908000929)**REGISTERED OFFICE**No. D-09-02, Level 9
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Millerz Square @ Old Klang
Road, Megan Legasi
No. 357, Jalan Kelang Lama
58000 Kuala Lumpur
Tel. No. : +603 7971 8080
Fax No. : +603 7972 8585
Email : info@amerits.com.my**HEAD/MANAGEMENT OFFICE**No. 44B, Jalan Pandan 3/2
Pandan Jaya, 55100 Kuala Lumpur
Tel. No. : +603 9285 4544
Email : ir@senheng.com.my
Website : www.senheng.com.my**AUDITORS & REPORTING
ACCOUNTANTS**BDO PLT
201906000013
(LLP0018825-LCA) & AF 0206
Level 8, BDO @ Menara Centara
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel. No. : +603 2616 2888
Fax No. : +603 2616 3190**SHARE REGISTRAR**Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. No. : +603 2783 9299
Email : is.enquiry@vistra.com**STOCK EXCHANGE LISTING**Main Market of Bursa Malaysia
Securities Berhad
Stock Name : SENHENG
Stock Code : 5305
Shariah-compliant

CORPORATE PROFILE

Senheng New Retail Berhad (Senheng), established in 1989, has grown into Malaysia's leading omnichannel retailer of consumer electrical and electronics (E&E) goods. We put the customer at the heart of everything we do, providing access to a comprehensive selection of the latest E&E products and exceptional service, through our extensive network of physical stores and our user-friendly website and app.

We transform everyday moments into opportunities for connection and enjoyment, enriching our customers' lives through the best shopping experience – a rewarding journey filled with great service and unparalleled choice that bring joy and satisfaction. Through continuous innovation, we strive to exceed expectations and shape the future of retail.

Our Story: **A Legacy of Innovation and Customer Trust**

Building a Foundation of Trust and Convenience (2000-2004)

Senheng established a strong foundation of trust and convenience. We implemented the 'Chain Store Concept' in 2000, standardizing store designs and customer service procedures nationwide for a consistent brand experience.

In 2002, we ensured fair and transparent pricing with our 'Fixed Price Policy' and launched the prestigious 'PlusOne' loyalty program to reward our customers with exclusive benefits.

We also expanded our reach by setting up new 'senQ' stores to complement the 'Senheng' network in 2003 ('senQ' concept stores feature a wider range of digital gadgets and smart electronics, predominantly in shopping malls), and leveraged data analytics and business intelligence for smarter, customer-centric decisions in 2004.



CORPORATE PROFILE

Embracing the Digital Future (2015-2021)

To further enhance the shopping experience, Senheng undertook a 'Digital Transformation' in 2015, embracing technology to automate and digitalize our operations and business processes, as well as harness data analytics.

We launched our 'Seamless Retail Model' in 2017, becoming Malaysia's first E&E retailer to introduce omnichannel sales and touch points and provide customers a seamless online and offline shopping experience

Furthermore, in 2021, we launched our platform business model, leveraging the innovative Senheng App as the digital platform that gives our members one-stop convenience for all their shopping and lifestyle needs and a world of shopping experiences at their fingertips.

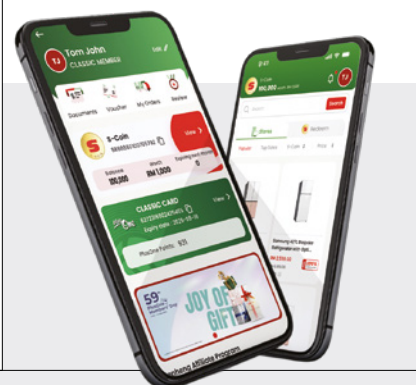


Redefining the Future of E&E Retail (2023-Present)

Today, Senheng is redefining the retail experience. In 2023, we launched our 'Online First' initiative to uplift our customer journey.

Building on our innovations, we introduced 'New Retail 3.0' in 2024, an evolution from earlier iterations of our Seamless Retail Model, focusing on strategic enhancements like fine-tuning our Customer Data Platform (CDP), diving into Marketing Automation (MA), and adopting AI solutions for hyper-personalized marketing. These initiatives are crafting an even more personalized omnichannel experience, enabling customers to shop how, when, and where they want, with an unbeatable selection, rewarding cashback options, exceptional support, and engaging content on social media.

Today, Senheng operates over 100 stores across Malaysia, including our flagship Grand Senheng, Grand Senheng Elite, and Grand senQ formats, alongside our online channels. We constantly seek new ways to enrich the lives of our customers and shape the future of E&E retail.



CORPORATE PROFILE

AWARDS

Senheng's progressive growth has garnered us numerous international and domestic accolades, such as:

2022

- **CXP Best Customer Experience Awards**

2021

- **The Peak, from SME100® AFFIN SME Icon Award**
- **Putra Brands Awards:**
Home Improvement Product and Stores Category (**Bronze**)

2020

- **EY Entrepreneur of the Year:**
Master Entrepreneur
- **CXP Best Customer Experience Awards**
- **Star Outstanding Business Awards (SOBA):**
 - Male Entrepreneur of the Year (**Par Excellence Achievement**)
 - Malaysian Business of the Year Award
 - Best Innovation
 - Best Use of Technology
 - Best in Marketing
 - Best Brand
 - Best Employer
 - Best in Retail
 - Best in Customer Service (**Platinum Award**)
 - Best Green Initiative (**Silver Award**)
- **Putra Brands Awards:**
Home Improvement Product and Stores Category (**Bronze**)

2019

- **Sin Chew Business Excellence Awards:** Business Excellence Person of the Year
- **Putra Brands Awards:**
Home Improvement Product and Stores Category (**Bronze**)
- **Billion Dollar Club Award**
- **Malaysia Franchise Award:**
Best Franchise Employer



2018

- **Star Outstanding Business Awards (SOBA):**
 - Male Entrepreneur of the Year (**Outstanding Achievement**)
 - Malaysian Business of the Year Award
 - Best Innovation
 - Best Use of Technology (**Platinum Award**)
 - Best in Marketing
 - Best Brand
 - Best in Corporate Social Responsibility (CSR)
 - Best Employer (**Gold Award**)
- **Putra Brands Awards:**
Home Improvement Product and Stores Category (**Bronze**)
- **Largest Distribution of Electronics in Malaysia**
- **Mycybersale:** Top Category Electronics

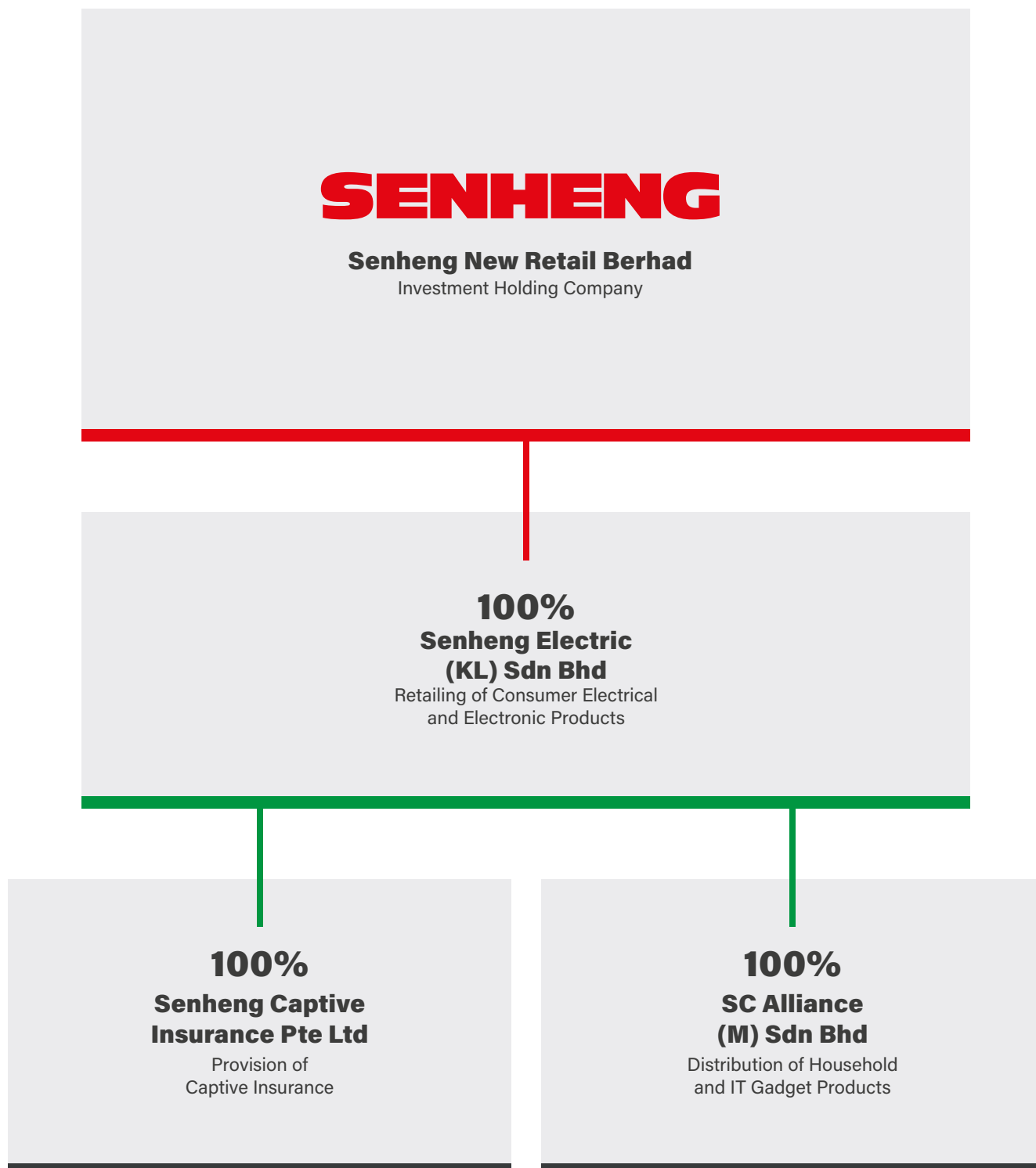
2017

- **Putra Brand Awards:**
Home Improvement Product and Stores Category (**Silver**)
- **Retail Asia-Pacific Top 500 Award:** Top 10 Retailers, Malaysia
- **Malaysia Franchise Awards:**
Best Franchise Corporate Social Responsibility (CSR)
- **Revolutionary Hero Brand Award:** Outstanding Performer
- **Mycybersale:** Top 3 Electronics and Top 10 Local Gross Merchandise Value Achiever

2016

- **Retail Asia-Pacific Top 500 Award:** Top 10 Retailers, Malaysia
- **Seller Adoption Pilot Programme:** Top 30 Sellers by Domestic Gross Merchandise Value

CORPORATE STRUCTURE



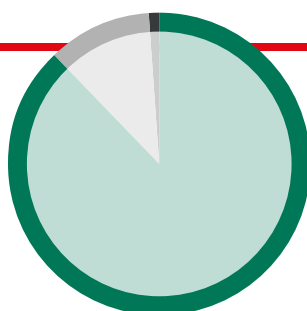
FINANCIAL HIGHLIGHTS

FY2024 Performance Highlights

REVENUE

RM **1,216.9** million

FY2023: RM1,315.0 million



- Physical Stores
88%
- Online Stores
11%
- Others
1%

NET PROFIT

RM **11.0** million

FY2023: RM25.0 million

TOTAL ASSETS

RM **855.3** million

FY2023: RM911.7 million

TOTAL STORES

116

FY2023: 125 stores

NEW/UPGRADED STORES

9

FY2023: 11 stores

DIVIDEND PAYOUT RATIO

30 %

PLUSONE MEMBERS (31 DECEMBER 2024)

4.27 million

FY2023: 3.88 million



DIVIDEND PER SHARE

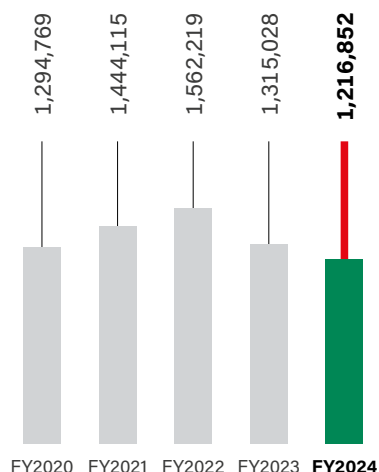
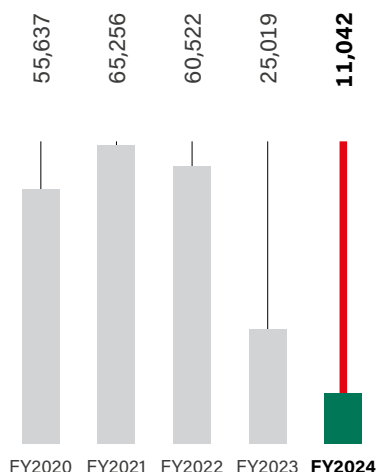
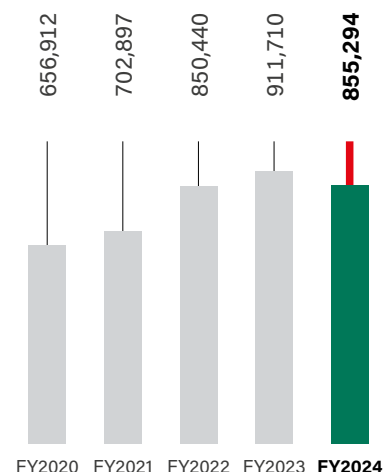
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REVENUE FROM PAID PLUSONE MEMBERS

90 %

FY2023: 94%

FINANCIAL HIGHLIGHTS

REVENUE
(RM' 000)NET PROFIT ATTRIBUTABLE TO
SHAREHOLDERS
(RM' 000)TOTAL ASSETS
(RM' 000)

5-Year Group Financial Highlights

Financial Summary	2020	2021	2022	2023	2024
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER (RM'000)					
Revenue	1,294,769	1,444,115	1,562,219	1,315,028	1,216,852
Gross Profit	270,001	303,648	340,794	276,978	256,822
Earnings before Interest, Tax, Depreciation and Amortisation	113,792	127,022	130,962	83,394	70,545
Profit Before Tax	73,615	84,524	85,261	33,641	18,781
Net Profit Attributable to Shareholders	55,637	65,256	60,522	25,019	11,042
AS AT 31 DECEMBER (RM'000)					
Total Shareholders' Fund	166,206	233,664	529,122	543,698	547,090
Total Assets	656,912	702,897	850,440	911,710	855,294
Total Current Assets	367,385	431,770	539,671	517,171	467,405
Total Liabilities	490,706	469,233	321,318	368,012	308,204
Total Borrowings	55,192	56,997	24,000	71,500	54,865
Cash and Bank Balances	68,755	51,742	155,492	87,401	73,772
Net Gearing Ratio	N/A	2.3%	N/A	N/A	N/A

CHAIRMAN'S STATEMENT

Dear valued shareholders,

The year 2024 presented a period of transformation in the retail sector. Economic factors, including inflationary pressures and rising interest rates influenced consumer sentiment, with a pronounced effect on consumer electrical and electronics and other larger ticket items.

Mr Lim Kim Heng
Executive Chairman



Consumer spending moderated, reflecting a return to typical purchasing behaviour following the exceptional surge in demand for home appliances and consumer electronics during the lockdowns and immediate post-pandemic years of 2020-2022.

To address these market conditions, retailers need to adapt to shifting consumer expectations. Today's consumers are more discerning than ever, prioritizing value and experiences, demanding both compelling products and seamless engagement. Retailers therefore need to provide not only innovative reasons to buy, but also connect with consumers in meaningful ways, fostering relationships built on trust and value.

Throughout this period, our focus remained on reinforcing our leadership as Malaysia's premier omnichannel consumer electrical and electronics retailer. Our strategic response prioritized adaptation, agility, and a sharpened focus on strengthening our core competencies in omnichannel retail. This included enhancing our retail network and digital platforms, and leveraging social media to build community engagement, reinforcing our position as a leading retailer deeply embedded in the lives of Malaysian consumers.

On behalf of the Board of Directors, I am pleased to present the Annual Report of Senheng New Retail Berhad ("Senheng" or "the Group") and audited financial statements for the financial year ended 31 December 2024 (FY2024).

**OUR CUSTOMERS
ARE CENTRAL TO
SENHENG'S PLUSONE
LOYALTY PROGRAMME,
NOW WITH OVER 4
MILLION MEMBERS
CONTRIBUTING MORE
THAN 90% OF OUR
ANNUAL REVENUE,
DEMONSTRATES
THE STRENGTH OF
OUR EXCLUSIVE
MEMBERSHIP
ECOSYSTEM.**

CHAIRMAN'S STATEMENT

FINANCIAL PERFORMANCE: NAVIGATING MARKET DYNAMICS WITH RESILIENCE AND FORESIGHT

Our financial results in FY2024 reflect the impact of shifting market dynamics and more cautious consumer sentiment. Group revenue demonstrated resilience, standing at RM1.2 billion in FY2024 compared to RM1.3 billion in the previous year. While revenue experienced moderation, we remained significantly above the billion-ringgit mark, demonstrating our enduring market position.

At the same time, group net profit amounted to RM11.0 million compared to RM25.0 million last year. This performance also reflects higher expenses from our expanded operations, marked by ongoing strategic investments to build a stronger foundation for the future.



STRATEGIC TRANSFORMATION: EMBRACING THE FUTURE OF RETAIL THROUGH "FLYWHEEL 1.0"

Our narrative extends beyond financials, highlighting a year of strategic transformation and positioning Senheng for the future of retail. Our strategic initiatives in 2024 laid the foundation for our "Flywheel 1.0" strategy, a comprehensive framework designed to cultivate growth across six core dimensions, the core driver of our strategic direction and operational execution in 2025 and beyond: profitability, revenue growth, customer loyalty, operational efficiency, customer experience, and competitive advantage.

Our key initiatives in 2024 have positioned us for this future direction:

Customer Loyalty and Engagement - Deepening Relationships for Enduring Value

Our customers are central to Senheng's success. Our *PlusOne Loyalty Programme*, now with over 4 million members contributing more than 90% of our annual revenue, demonstrates the strength of our exclusive membership ecosystem.

We prioritized deepening this loyalty by focusing on creating a more rewarding customer journey through personalized rewards and enhanced engagement.

Elevating Brand Presence through Social Media - Cultivating Community and Digital Leadership

Recognizing the pivotal role of social media in shaping consumer behaviour and building brand affinity, we amplified our digital marketing efforts with precision-targeted marketing, dynamic social media engagement, and compelling content strategies.

This strategic pivot aims to strengthen our brand presence, cultivate a vibrant online community, and position Senheng as a leading retailer in the minds of consumers. This initiative is crucial for driving expanded customer reach and enhancing brand perception, while solidifying our competitive advantage in the digital age.

Strengthening our Omnichannel Leadership - Seamless Integration for Enhanced Customer Experience

Looking ahead to 2025, Senheng is intensifying efforts to deepen customer loyalty, simultaneously optimizing our retail presence and digital engagement.

Enhancing Retail Footprint

We continue to upgrade and expand our stores, featuring our Grand Senheng, Grand Senheng Elite, and Grand senQ formats, which redefine retail excellence by providing customers with an immersive and experiential shopping environment showcasing an extensive production selection.

We are also optimizing our retail footprint through selective store closures while strengthening or expanding in high-potential locations. These efforts enable us to prioritize quality over quantity, enhancing customer experience and supporting long-term growth.

Accelerating Digital Growth

We also continue to improve our e-commerce platforms, leveraging data analytics and AI-driven recommendations to create a personalized shopping journey. Our commitment to digital innovation has helped push customer engagement and accelerated online sales growth.

CHAIRMAN'S STATEMENT



Expanding Product Offerings – Diversification for Future Growth

To stay ahead, we must continuously evolve our offerings to meet latest consumer demands.

Senheng's leading market presence and deep understanding of consumers make us a valuable partner for brands seeking to expand their market reach and connect with a wide customer base. This enables us to curate a wide selection of products, providing our customer access to a large range of local and international brands.

In 2024, we broadened our product range, successfully introducing solar solutions through partnerships with leading solar brands, making it more convenient for Malaysians to adopt solar energy. Our efforts also include growing our distribution with brands across various categories including home appliances and personal care.

Boosting Operational Efficiency and Delivering Sustainable Financial Performance

Senheng's strategic initiatives are geared towards enhancing productivity and profitability across our operations.

Our integrated approach includes leveraging data and AI to enhance various operational aspects such as precision marketing, optimizing our retail network and omnichannel capabilities, and expanding our brand distribution. These efforts are crucial for creating a more agile and cost-effective organization, ready for the future of retail.

FINANCIAL STEWARDSHIP AND SHAREHOLDER VALUE

The Group prioritizes financial stewardship and creation of long-term shareholder value by investing for future growth alongside rewarding our shareholders. Consistent with our dividend policy, we are pleased to declare an interim dividend of 0.22 sen per share in respect of FY2024, representing a payout of RM3.3 million, payable to shareholders on 15 May 2025.

ACKNOWLEDGING OUR STAKEHOLDERS AND LOOKING AHEAD

Senheng's progress to date would not have been possible without the dedication and relentless efforts of our Board of Directors, management team, and employees. Their commitment to excellence has been instrumental in driving Senheng's continued success.

Our heartfelt appreciation also goes to our business partners, brand owners, suppliers, PlusOne members, customers, and shareholders. We look forward to strengthening our partnership as we continue to execute our strategic vision.

Mr Lim Kim Heng
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Dear valued shareholders,

In the financial year ended 31 December 2024 ("FY2024"), Senheng New Retail Berhad and its subsidiaries ("Senheng" or "the Group") navigated a retail environment shaped by significant change, including moderated consumer sentiment and heightened competition.

In response, we swiftly adapted to the preferences of increasingly discerning consumers. Our key priorities in this adaptation were customer loyalty, operational efficiencies, strong value propositions, and seamless experiences.

FY2024 was marked by notable progress in key strategic initiatives. We broadened our omnichannel presence, deepened customer relationships through enriched engagement, and amplified our brand presence within communities.

Mr Lim Kim Chieng

President and Executive Director



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Senheng is Malaysia's leading retailer of consumer electrical and electronics ("E&E") products, underpinned by an integrated retail system that combines strategically located physical stores and dynamic digital infrastructure.

Since its establishment in 1989, the Group has expanded its retail presence to encompass a wide network of over 100 physical stores across Peninsular and East Malaysia, complemented by online channels that cater to diverse consumer preferences. Our stores showcase a meticulously curated selection of domestic and international E&E brands, including digital devices, audiovisual solutions, home appliances, and other merchandise.

Senheng has established a strong market position as an early adopter of digitalization, demonstrating commitment to delivering excellent customer satisfaction through its integrated New Retail Model designed for optimal convenience.

The Group has cultivated a valuable and expanding customer base, currently exceeding 4 million members in our PlusOne loyalty program. We are dedicated to continuous retail innovation, providing exemplary customer service experiences, and adopting new technologies to consistently exceed expectations.

The Group's core business activities are structured into two key areas:

Consumer E&E Product Retailing

This primary segment involves the merchandising of an extensive selection of consumer E&E goods. These are sourced through partnerships with leading international and local brands, ensuring a compelling and relevant offering.

Value-Added Extended Warranty Solutions

Complementing our retail offerings, the Group provides a suite of extended warranty options, structured on top of manufacturer warranties, giving consumers greater peace of mind and comprehensive protection.

OPERATIONAL PERFORMANCE

Throughout FY2024, Senheng concentrated on key operational areas to adapt to market conditions and drive sustainable growth.

Cultivating Enduring Customer Relationships

Senheng prioritized nurturing customer relationships through personalized rewards and enriched engagement, resulting in improved retention and repeat business. The PlusOne Loyalty Program, a cornerstone of our customer-centric philosophy, expanded to 4.27 million members (2023: 3.88 million members).

To further refine the customer journey, we deployed Customer Relationship Management (CRM) projects to personalize incentives and elevate the experience. This included improvements to our S-Coin cashback rewards program, offering a broader range of redemption options and rewards to maximize customer satisfaction.

WE AIM TO FURTHER REINFORCE OUR LEADERSHIP POSITION IN OMNICHANNEL RETAILING, PROVIDING A COHESIVE AND INTEGRATED SHOPPING EXPERIENCE THAT CATERES TO DIVERSE PREFERENCES.


Amplifying Digital Brand Visibility and Consumer Engagement

Recognizing the increasingly pivotal role of social media in shaping contemporary consumer behaviour and lifestyle, Senheng amplified its digital marketing to fortify brand equity and foster customer interaction.

This encompassed deploying data-driven and precisely targeted marketing campaigns, active engagement across social media platforms, and developing compelling content to build brand affinity and foster trust.

This digital realignment aimed to strengthen our brand presence within the digital sphere, cultivate a thriving and interactive online community of engaged consumers, and firmly establish Senheng as a leading and preferred retailer. These initiatives are expected to catalyse revenue expansion through increased customer reach, positively influencing brand perception, and strengthening our competitive advantage within the digital marketplace.

MANAGEMENT DISCUSSION AND ANALYSIS



Everything In One Place

Senheng App Keeps You On Track With The Latest Promotions!

Fortifying Omnichannel Leadership and Enhancing Customer Access

As a prominent omnichannel retailer, Senheng is deeply entrenched in the lives of consumers, seamlessly connecting through digital interfaces and physical touchpoints.

We aim to further reinforce our leadership position in omnichannel retailing by providing a cohesive and integrated shopping experience. This involved a dual-pronged approach encompassing optimization of our physical retail network to improve in-store experiences, and acceleration of our digital growth initiatives to meet increasing demand for online convenience.

Refining our physical retail footprint involved a recalibration of our store portfolio through selective closures to improve efficiency, relocations to higher-traffic areas to maximize customer reach, and store upgrades to align with contemporary retail design principles – an ongoing process focused on consistently delivering modern and engaging shopping environments that consumers increasingly expect.

In FY2024, we recalibrated our store portfolio, aligning with our focus on innovation, agility, and effective resource allocation. We took several key actions: closure of Senheng Mobile stores to right-size our earlier growth initiative involving small-format

mobile-focused brand operation, phased out from FY2024 to the first quarter of 2025; upgrades or relocations of six existing stores; and opening of three new Grand Senheng, Grand Senheng Elite, and senQ stores. Our optimized network stood at 116 stores as at 31 December 2024 (compared to 125 at the end of 2023).

Our flagship Grand Senheng, Grand Senheng Elite, and Grand senQ formats continue to redefine retail excellence, offering captivating experiential shopping destinations with extensive product assortments.

Accelerating Digital Growth and Enhancing Online Value

Senheng is dedicated to driving increased contribution from online revenue streams as part of its omnichannel strategy.

This involved continuous refinement of our e-commerce platforms, encompassing enhancements to user interface and user experience (UI/UX) for better navigability and engagement, and the use of data analytics and AI-powered recommendations for personalized shopping journeys.

Our efforts on boosting online market penetration yielded robust online sales growth, reaching RM128.3 million in FY2024, a 54% increase from RM83.5 million in the previous year, underscoring the effectiveness of our digital strategy.

To further elevate customer interaction and ensure a cohesive brand experience, Senheng is committed to seamlessly integrating the convenience of digital channels with the personalized support and expertise available within our physical retail locations, ensuring that online shoppers benefit from a high-touch service experience.

MANAGEMENT DISCUSSION AND ANALYSIS

Diversifying Product Portfolio and Expanding Consumer Choice

Senheng focused on diversifying the range of products offered to better align with the preferences of the Malaysian consumer, and to effectively capture a wider spectrum of market demand across various product categories.

This initiative included establishing new distribution agreements and collaborative partnerships with brands in high-growth categories such as solar energy solutions, premium home appliances, and personal care.

These partnerships serve to reinforce our value proposition to our customers, simultaneously providing leading brands with a trusted platform to reach broad consumer audiences, leveraging Senheng's market presence, deep understanding of consumer dynamics, and extensive retail infrastructure.

FINANCIAL PERFORMANCE REVIEW AND KEY INDICATORS

During FY2024, the Group navigated a demanding retail climate marked by moderation in overall consumer sentiment, while maintaining a focus on the execution of its long-term strategic growth initiatives and improving profitability.

Senheng's topline growth moderated following a period of accelerated consumer purchasing during the pandemic and post-pandemic recovery years spanning 2020-2022, which saw elevated demand for consumer electronics and home appliances. The current market scenario reflects a combination of factors influencing the broader industry landscape:

Revenue Performance

Group revenue moderated to RM1.2 billion in FY2024, a 7.5% decrease compared to RM1.3 billion in the preceding year, due to the more cautious consumer sentiment which exerted a broad impact across the retail sector.

Gross Profit Performance

The Group reported lower gross profit for FY2024, mainly due to the reduced topline. Nevertheless, gross margins were sustained, supported by the positive impact of our strategic initiatives, encompassing expanding distribution brands, growing online sales through intensified digital marketing, and enhancing customer engagement.

Net Profit Performance

Net profit for FY2024 stood at RM11.0 million compared to RM25.0 million previously in line with the topline performance, and impacted by one-off tax adjustment and write-off of fixed assets pertaining to the closure of Senheng Mobile store network.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION

The Group maintained a robust financial position throughout the year, providing a resilient foundation for its growth initiatives.

Total assets as at 31 December 2024 stood at RM855.3 million, compared to RM911.7 million in the prior year. Total liabilities decreased to RM308.2 million as at 31 December 2024 from RM368.0 million in the prior year.

Additionally, the sale of a vacant 2.6-acre land during the year for RM11.2 million represented a forward-looking financial decision to optimize asset utilization. The decision enabled us to unlock value from non-core assets and facilitate effective deployment of financial resources.

Risks, Challenges, and Mitigation Strategies

The Group's operational and financial performance is subject to a range of economic and operational risks common to the retail sector, including:

Macroeconomic Volatility and Consumer Spending

The Group's performance is linked to macroeconomic forces that can influence consumer behaviour and discretionary spending patterns. Fluctuations in economic and business circumstances, governmental policies such as taxation regulations and interest rate adjustments, and variations in unemployment rates can impact consumer confidence levels and their propensity to spend on discretionary items.

The observed moderation in consumer expenditure reflects a normalization of purchasing habits following the surge in demand for home appliances and consumer electronics experienced during 2020-2022.



Intensified Competitive Landscape and Market Dynamics

The retail industry operates with intense competition, with Senheng facing significant competition from an array of market participants, including brick-and-mortar retailers, online marketplaces, and e-commerce platforms.

To sustain its competitive advantage within this environment, Senheng is prioritizing the delivery of appealing value through affordability and flexible ownership solutions, such as our Senang Milik program, designed to facilitate access to essential products.

The Group also actively collaborates with a diverse range of financial institutions, such as major banks and credit card providers, to offer a comprehensive suite of flexible payment solutions and financing schemes, with the aim of providing superior value, convenience, and exceptional service.

Supply Chain Resilience and Operational Continuity

The Group's ability to meet consumer demand relies on an efficient network of domestic and international suppliers for sourcing its extensive product range.

Potential disruptions within the global and regional supply chain, whether stemming from unforeseen geopolitical events, trade disputes, or logistical issues affecting delivery networks, could adversely impact the Group's operational efficiency and its capacity to effectively meet customer demand.

Such disruptions could potentially manifest as product shortages, increased procurement costs, and delays in delivery timelines. To mitigate these risks, Senheng prioritizes proactive supply chain management, diversifying sourcing across reliable suppliers and geographical regions, and maintaining optimal inventory levels.

Technological Evolution and Digital Disruption

The retail sector is undergoing rapid technological transformation, driven by changing consumer preferences and new technologies. The Group must continuously adapt and innovate its business model, digital platforms, and operational processes to maintain a competitive edge. Failure to embrace and seamlessly integrate new technologies, such as AI, data analytics, and e-commerce functionalities could potentially result in diminished efficiency and market share.

MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGIC GROWTH DRIVERS AND FUTURE OUTLOOK

Senheng is driving sustainable growth through several key strategic initiatives.

Strategic Growth Blueprint - "Flywheel 1.0"

A strategic initiative for Senheng is the "Flywheel 1.0" framework unveiled in 2025, a comprehensive blueprint to cultivate growth across six interconnected core dimensions, each mutually supportive in driving business success:

Profitability Enhancement

We are focused on boosting profitability across all facets of our operations. This includes optimizing our store network, enhancing S-Coin redemption options, and expanding our distribution brands.

Revenue Expansion Initiative

We are driving topline growth through multifaceted initiatives. This includes widening customer reach to encompass new customer segments through targeted engagement on social media platforms, improving sales conversion, and diversifying our product offerings.

Customer Loyalty Deepening

We are making significant investments in nurturing our customer relationships. The PlusOne loyalty program is central to this, and we leverage data and technology to provide personalized rewards and improve customer engagement. Our efforts aim to strengthen customer retention rates, accelerate new membership acquisition, and expand our customer base.

Operational Efficiency Optimization

Senheng is streamlining operational workflows to boost productivity and profitability. This involves leveraging data and AI to optimize key operational areas, as well as implementing new retail solutions and platforms, such as the New Retail System (NRS) powered by our Centre of Excellence (COE), and



the Outlet Performance Platform (OPP) for operations standardization and improved efficiency.

Customer Experience Enrichment

We are committed to offering an unparalleled shopping experience across all touchpoints. Investments in upgrading our online platforms, including UI/UX refinements, and integrated digital marketing initiatives are delivering stronger results, and we are committed to continued investment to accelerate our momentum.

Furthermore, we are enhancing our physical retail environments to create modern and engaging spaces, featuring improved product displays, customer service zones, and compelling experiential elements.

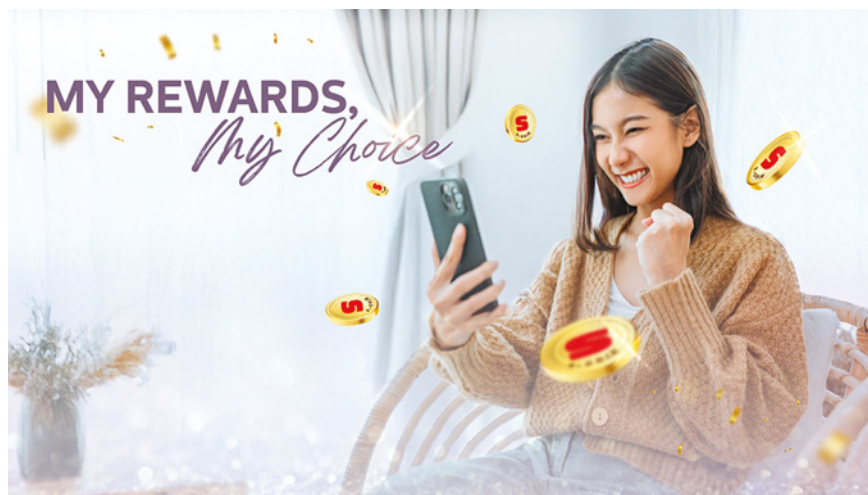
Competitive Advantage Fortification

We are focused on deepening our competitive advantages. This includes extending our customer reach through engagement on social media platforms, strengthening our brand presence as a recognized and trusted leading retailer, and offering a broader and more compelling range of products and value-added services, including exclusive brand partnerships and innovative solutions that differentiate ourselves in the market.

This also encompasses curating an expanded selection of household products sourced directly from manufacturers or brands to provide our customers with access to a diverse selection of popular brands.

MANAGEMENT DISCUSSION AND ANALYSIS

SENHENG IS FOCUSED ON PROVIDING A BEST-IN-CLASS SHOPPING EXPERIENCE ACROSS ALL CHANNELS. THIS INVOLVES ENHANCING ITS DIGITAL ECOSYSTEM AND OPTIMIZING ITS PHYSICAL STORE NETWORK, AND DIGITAL MARKETING CAMPAIGNS.



Elevating Customer Loyalty and Engagement

Senheng is refining its brand positioning with the new tagline "My Rewards, My Choice", offering greater flexibility and value to customers. We are delivering this through expanded cashbacks, warranties, a seamless shopping experience, and multiple payment options. Our focus remains on building stronger customer relationships with personalized rewards, redemption choices, and a consistently satisfying shopping experience.

Optimizing the Omnichannel Experience

To deliver a premier shopping experience, Senheng is refining its digital ecosystem and optimizing its physical store network. Simultaneously, Senheng is improving its online platforms, digital marketing campaigns and content.

Boosting Operational Efficiency

We are streamlining operations to boost productivity and profitability. This involves leveraging data and AI to optimize key operational areas, as well as implementing new retail solutions and platforms to enhance operational efficiency.

Expanding Customer Reach

Senheng is pursuing strategies to engage new customers and connect with them on the platforms they use most. This entails growing our presence on social media, creating compelling brand and lifestyle content, and utilizing live-stream shopping to broaden our reach and capture new market segments.

APPRECIATION

I extend my sincere appreciation for the collective spirit and dedication that has defined Senheng's journey. My deepest gratitude is directed to our Board of Directors for their guidance, our exceptional management team for their leadership, and every member of the Senheng family for their tireless efforts.

Expanding Brand Distribution

The Group is broadening its range of brands and products offered, including forming exclusive tie-ups with popular and innovative brands internationally. These initiatives fortify our competitive advantage, as we provide customers with more innovative and high-quality options, improving our value proposition and attracting new customers.

Furthermore, I wish to acknowledge the invaluable support of our PlusOne members, whose loyalty continually motivate us to pursue excellence. To our esteemed business partners and shareholders, thank you for your steadfast belief in our vision as we chart the future of Senheng.

Mr Lim Kim Chieng
President and Executive Director



BOARD OF DIRECTORS' PROFILE

LIM KIM HENG

Non-Independent Executive Chairman

Age	Gender	Nationality
64	Male	Malaysian

Number of Board Meetings Attended 10/10



Mr. Lim Kim Heng joined our Board as Non-Independent Executive Chairman ("Chairman") on 21 May 2021, bringing with him over 40 years of extensive experience in the Malaysian retail industry. In this pivotal role, he is responsible for shaping the business model, defining strategic direction, and leading the overall planning for our Group. The Chairman's vision and expertise have been instrumental in guiding our Group's growth trajectory.

His journey in the industry began in 1981 as a sales representative at Campbell Electronics Sdn Bhd after completing pre-university studies at Tunku Abdul Rahman College in 1980. Over the years, he climbed the ranks, eventually becoming a shop supervisor, where he oversaw the daily operations of the shop. In 1986, he joined Senhong Sales and Services Sdn Bhd as the Head of Operations, responsible for overseeing the operations of retail outlets. In 1989, he, along with his brothers Lim Kim Chieng and Lim Kim Yew, co-founded Senheng Electric. The business was later transferred to Senheng Electric (KL) Sdn Bhd ("Senheng KL") in 1994, with the business licence expired on 12 September 2002.

Under the Chairman's leadership, our Group has undergone significant expansion, evolving from a single shop to the largest consumer electrical and electronics chain retailer in Malaysia, over 100 physical stores and a workforce of approximately 1,840 employees. He has played a pivotal role in shaping the Group's strategic direction, introducing key initiatives such as the chain store concept, fixed price policy, PlusOne loyalty programme, digital transformation, and our seamless retail model. Lim Kim Heng's leadership has garnered recognition through numerous awards received by both the Group and him personally.

In addition to his role as Non-Independent Executive Chairman, Lim Kim Heng holds various directorships within the Senheng Group of Companies and several private limited companies. Notably, his siblings, Lim Kim Chieng and Lim Kim Yew, also serve on our Board. The Chairman holds a direct shareholding in our Company's substantial shareholder, SQ Digital Sdn Bhd.

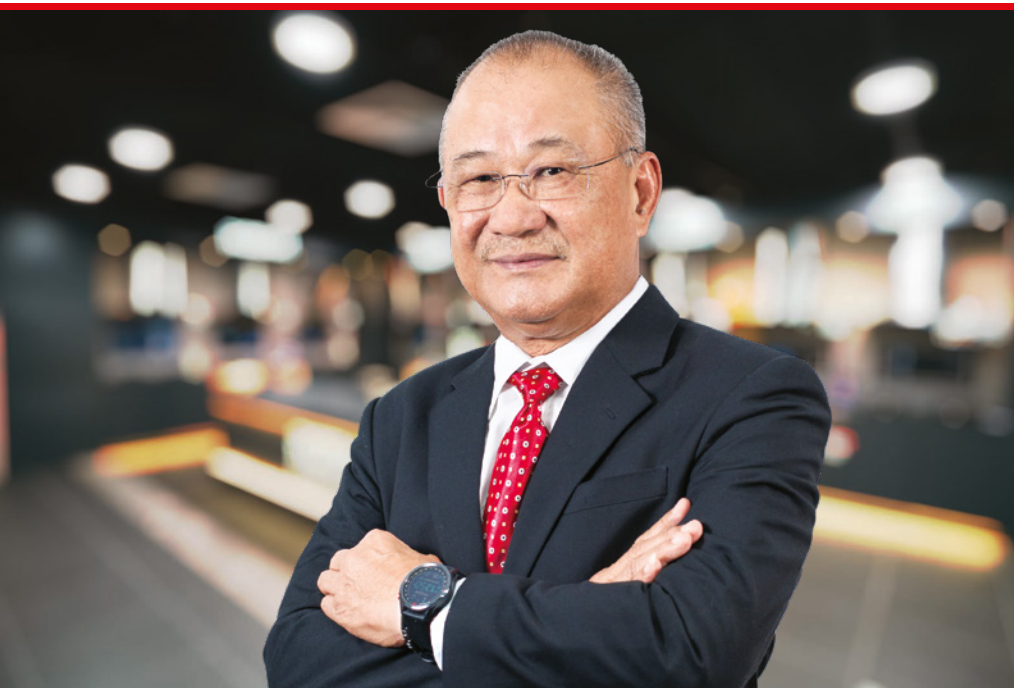
BOARD OF DIRECTORS' PROFILE

LIM KIM CHIENG

President/Non-Independent Executive Director

Age	Gender	Nationality
66	Male	Malaysian

Number of Board Meetings Attended 10/10



He began his career as a sales representative in a stationery shop in Kuala Lumpur in 1980 before becoming self-employed and carrying out small-scale renovations for offices, shop lots, and residential units in 1983. In 1989, he co-founded Senheng Electric with our Chairman and Lim Kim Yew (our business was transferred to Senheng KL in 1994). Initially, he worked part-time, delivering goods to customers, before joining full-time as our sales manager in 1990, overseeing the sales and operations of all our physical outlets.

President holds other directorships in Senheng Group of Companies and various private limited companies. His siblings, Chairman and Mr. Lim Kim Yew, also serve on the Board. He holds a direct shareholding in the Company's substantial shareholder, SQ Digital Sdn Bhd.

Mr. Lim Kim Chieng serves as our President and Non-Independent Executive Director ("President"), having joined the Board on 21 May 2021. In his role, he oversees the sales, operations, and marketing aspects of our Group's business, including identifying business opportunities and sales trends. He is also responsible for developing and implementing new operational policies and strategies, such as our centralised logistics model, which has improved our supply chain's efficiency. Additionally, he works closely with our Chairman to implement digital transformation initiatives, including the implementation of our electronic document management system, business-to-business portal, warehouse management system, and mobile application, which have streamlined our operations.

Looking ahead, President will continue to oversee our Group's overall human resources and business solutions, finance and business compliance, retail operations, logistics and services, digital commerce and supply chain, and the implementation of our future growth plans and key initiatives.

BOARD OF DIRECTORS' PROFILE

LIM KIM YEW

Non-Independent Non-Executive Director

Age	Gender	Nationality
63	Male	Malaysian

Number of Board Meetings Attended 10/10



Mr. Lim Kim Yew ("Mr. LKY") serves as our Non-Independent Non-Executive Director, was appointed to the Board on 21 May 2021. Mr. LKY is a member of Institute of Corporate Directors Malaysia ("ICDM") since August 2021.

Over the years, he has been instrumental in formulating and executing outlet expansion plans, including the identification of suitable new locations. Additionally, he played a crucial role in implementing our Enterprise Resource Planning (ERP) system and establishing franchise and incentive programmes for store managers. Although he stepped back from the day-to-day operations of our Group in 2017, Mr. LKY continues to provide valuable expertise and guidance to the Management in his capacity as a Director.

Mr. LKY completed his secondary school education at SMK Sultan Sulaiman Shah, Selangor in 1980. He commenced his career as an assistant interior designer at Interior Graphic (Malaysia) Sdn Bhd in 1981, contributing to the interior design of offices and residential units. Subsequently, he worked as an interior designer at Planscape (M) Sdn Bhd, focusing on the interior design of open-space offices. In 1986, he was promoted to the position of manager, where he contributed to the day-to-day operations of the company.

In 1989, he co-founded Senheng Electric as a partnership business with our Chairman and President. Initially involved in part-time responsibilities such as delivering goods to customers and bill collections, he later joined full-time as our Administration Manager in 1992. In this role, he managed human resources and administrative matters, as well as billings and collections.

Mr. LKY holds additional directorships in Senheng Group of Companies and various private limited companies. His siblings, Chairman and President, also serve on the Board. He has a direct shareholding in the Company's substantial shareholder, SQ Digital Sdn Bhd.

BOARD OF DIRECTORS' PROFILE

OH KENG LENG

Independent Non-Executive Director

Age
57Gender
MaleNationality
MalaysianChairman of Remuneration Committee
Member of Audit and Risk Management Committee

Number of Board Meetings Attended 10/10



Oh Keng Leng ("Mr. Oh") is an Independent Non-Executive Director on our Board, appointed on 14 June 2021. He holds a Bachelor of Commerce degree from the University of Melbourne, Australia, earned in 1992. Since 1995, he has been a member of both the Malaysian Institute of Accountants ("MIA") and Certified Practising Accountant ("CPA") Australia. Mr. Oh is also a member of ICDM since August 2021.

Mr. Oh initiated his career in 1992 as an Audit Associate with Arthur Anderson & Co. Subsequently, in 1995, he joined our Group as a Finance Manager, overseeing financial and management accounting functions. Notably, he played a pivotal role in the development and implementation of our fixed price policy, loyalty program, and franchising scheme.

After his tenure with our Group until 2005, Mr. Oh assumed the role of Finance Controller at Borneo Technical Co (M) Sdn Bhd in early 2006. There, he managed several departments, including finance, accounts, banking, administration, human resource, and information technology. In 2010, he was promoted to Finance and Operation Director, expanding his responsibilities to include warehouse and logistics departments. Moving on in 2015, he joined Yokohama Distribution Services Sdn Bhd as Finance and Operation Director. In this position, he oversaw finance, accounts, banking, administration departments, and played a pivotal role in setting up branch offices and a distribution center.

Mr. Oh does not hold directorships in any other public or public-listed company and has no family relationship with other directors or major shareholders of Senheng.

BOARD OF DIRECTORS' PROFILE

DATO' YEOW WAH CHIN

Independent Non-Executive Director

Age	Gender	Nationality
65	Male	Malaysian

Chairman of Nomination Committee
Member of Remuneration Committee

Number of Board Meetings Attended 10/10



Dato' Yeow Wah Chin ("Dato' Yeow") serves as an Independent Non-Executive Director on our Board since 14 June 2021. He earned his Bachelor of Economics (Honours) degree from Universiti Kebangsaan Malaysia in 1984. In 1989, he furthered his studies, obtaining a Bachelor of Laws (Honours) degree from Aberystwyth University UK in 1991, and a certificate in legal practice in 1992. Subsequently, he was admitted to the Malaysian Bar as an Advocate and Solicitor in 1993. Dato' Yeow has been a member of ICDM since August 2021.

His professional journey commenced as a Trainee Officer with Malayan Banking Berhad ("Maybank") in 1984, where he later served as Legal Counsel in the bank's legal department. After departing from Maybank in 1993, he co-founded Yeow & Salleh, where he currently holds the position of Managing Partner, specialising in banking and commercial law matters.

In addition to his legal career, Dato' Yeow has been the Legal Advisor for the Yeow See Association in Melaka since 2015. He has also been associated with the Bar Council Malaysia's Advocates and Solicitors Disciplinary Committee, Conveyancing Practice Committee, and the Society of Interpreters of the Deaf in Selangor and Wilayah Persekutuan.

Actively involved in the Lions Club of Kuala Lumpur Central since 1994, Dato' Yeow initiated the formation of the Lions Education Foundation in 2011, providing financial assistance to students with average academic results to pursue tertiary education. He also serves as the Chairman of Lions Education Foundation, a board member of Institut Integriti Malaysia and University Kebangsaan Malaysia. Importantly, Dato' Yeow does not hold any directorship in other public and/or public-listed companies and has no family relationship with other directors or major shareholders of Senheng.

BOARD OF DIRECTORS' PROFILE

HO KIM POI

Independent Non-Executive Director

Age
62**Gender**
Female**Nationality**
Malaysian**Chairperson of Audit and Risk Management Committee**
Member of Nomination Committee**Number of Board Meetings Attended** 10/10

Ms. Ho Kim Poi ("Ms. Ho") is an Independent Non-Executive Director who joined our Board on 14 June 2021. She graduated from the University of Adelaide, Australia in 1987 with a Bachelor of Science degree and obtained a Master of Business Administration from the University of Lincoln, United Kingdom in 2001. Ms. Ho has been a member of the MIA and CPA Australia since 1990 and 1991 respectively. She has also been a member of ICDM since August 2021.

Ms. Ho started her career as a Tax Assistant with KPMG Malaysia in 1987 and rose to the position of Senior Tax Consultant in 1988. She then moved to OYL Industries Berhad group of companies ("OYL Group") in 1990 as a Finance and Human Resources Manager. In this role, she was responsible for overseeing finance, human resource, and business development matters of the OYL Group.

In 1993, Ms. Ho joined Astra Pharmaceutical Sdn Bhd as its Finance and Human Resources Director, and following the worldwide merger between Astra AB and Zeneca group in 2000, she was re-designated as the Finance and Human Resources Director of AstraZeneca Sdn Bhd. Ms. Ho was promoted to the position of Regional Chief Financial Officer of South East Asia, India, and South Africa in 2001. In this role, she was responsible for financial matters and strategies, including setting up shared service centres for the aforementioned regions.

Ms. Ho joined Amway Malaysia Sdn Bhd in 2012 as the Regional Chief Financial Officer and Strategic Planning Director for the South East Asia & Australia New Zealand region, and concurrently held the position as the Chief Financial Officer of Amway (Malaysia) Holdings Berhad ("Amway"). In 2018, she was promoted to the position of Regional Chief financial Officer for the Asia Pacific region with the addition of two markets in Japan and South Korea, where she was responsible for finance matters. She left Amway group in 2019 and has not taken up any employment thereafter.

Ms. Ho currently serves as an Independent Non-Executive Director on the board of directors of Mah Sing Group Berhad and Amway. She has no family relationship with other directors or major shareholders of Senheng.

BOARD OF DIRECTORS' PROFILE

AIREEN OMAR

Independent Non-Executive Director

Age	Gender	Nationality
52	Female	Malaysian

Member of Audit and Risk Management Committee
Member of Nomination Committee
Member of Remuneration Committee

Number of Board Meetings Attended 5/5



Ms. Aireen Omar ("Ms. Aireen") is an Independent Non-Executive Director who joined our Board on 21 June 2024. She holds degrees from the London School of Economics and New York University.

Ms. Aireen began her career at Deutsche Bank Securities Inc. and has served in major financial institutions in Malaysia. Her achievements include the Outstanding CEO Achievement Award and APAC CEO of the Year 2017. With a career spanning over two decades, Ms. Aireen joined AirAsia in 2006 as Director of Corporate Finance. Her roles expanded to include Treasury, Fuel Procurement, Insurance

and Investor Relations, playing a pivotal part in AirAsia's rapid growth. She was appointed Executive Director and CEO of AirAsia Berhad in 2012 and later became Deputy Group CEO, overseeing digital transformation initiatives that transformed AirAsia into a global cloud and data-driven platform company. Effective 2023 Ms. Aireen was responsible for Capital A's investment and fund raising initiatives for its venture arm in her role as President, Investment & Ventures.

Ms. Aireen is currently the Group CEO of BigPay and CEO of BigLife (AirAsia Rewards), both are subsidiaries of Capital A Berhad. She oversees the companies' strategic growth, product development and regional expansion, ensuring BigPay and AirAsia Rewards to drive innovation and financial inclusion across ASEAN.

Ms. Aireen is also Non-Independent Non-Executive Director of Tune Protect Group Berhad from 2019 until to-date. She has no family relationship with other directors or major shareholders of Senheng.

Notes:-

1. Lim Kim Heng, Lim Kim Chieng and Lim Kim Yew are siblings.
2. Except as disclosed above, none of the other Directors have any family relationship with any Directors and / or major shareholders of the Company.
3. Except as disclosed above, none of the Directors hold any directorships in other public companies.
4. None of the Directors have any conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.
5. None of the Directors have been convicted for offences within the past 5 years other than traffic offences.
6. None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE

KIEW KOR SHIN

Chief Financial Officer / Vice President of Finance & Corporate Compliance

Age	Gender	Nationality
34	Female	Malaysian

Academic/Professional Qualification(s):

- Member of Association of Chartered Certified Accountants ("ACCA")
- Member of Malaysian Institute of Accountants

Ms. Kiew is a Chartered Certified Accountant with over 10 years of experience in corporate accounting, financial planning and strategic financial management. Ms. Kiew was appointed as Chief Finance Officer of the Company on 1 June 2022. As the Chief Financial Officer, she leads the Group's financial operations, including financial compliance, reporting, and funding. She has a solid background in managing treasury, tax, and audit matters, and has a track record of successful financial management and planning. Additionally, effective 1 July 2024, she also oversees the Group's corporate compliance including internal audit, corporate secretarial, sustainability reporting, enterprise risk management and legal affairs.

PHANG WENG NAM

Senior Vice President of Digital Commerce and Supply Chain

Age	Gender	Nationality
44	Male	Malaysian

Academic/Professional Qualification(s):

- Bachelor of Science (Human Resource Development), Universiti Teknologi Malaysia

Mr Phang was appointed to Senior Vice President of Digital Commerce and Supply Chain on 1 September 2020. Mr. Phang has more than 17 years of experience in supply chain management, digital commerce, and operations. He is responsible for driving the growth of our Group's online business and implementing supply chain strategies to enhance operational efficiency.

With a proven track record in streamlining supply chain processes, leveraging digital innovations, and enhancing business agility, Mr. Phang plays a key role in strengthening the Group's competitive edge. His leadership ensures a robust and adaptive supply chain that supports the Group's long-term growth and digital transformation initiatives.

HO WENG HUNG

Senior Vice President of Retail Operations, Support & Management

Age	Gender	Nationality
45	Male	Malaysian

Academic/Professional Qualification(s):

- Bachelor of Mass Communication, Universiti Putra Malaysia

Mr. Ho was appointed as Vice President of Retail Operations, Support & Management on 1 September 2020 and subsequently promoted to Senior Vice President of Retail Operation, Support & Management on 1 January 2025. Mr. Ho has more than 17 years of experience in sales, inventory management, and retail operations. He oversees the outlets located in the central region, Sabah, and Sarawak, and executes policies and procedures for retail, logistic and service operations at all outlets and distribution centres nationwide. In addition, he leads the franchise division, driving initiatives to expand and strengthen the Group's franchise operations.

KEY SENIOR MANAGEMENT'S PROFILE

TENG KEAN KHENG

Vice President of Retail Operations and New Retail Management

Age 45	Gender Male	Nationality Malaysian
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Academic/Professional Qualification(s):

- Bachelor of Arts (Honours) in Business Administration, Anglia Ruskin University

Mr. Teng was appointed as Vice President of Retail Operations and New Retail Management on 2 January 2025. Mr. Teng has over 17 years of experience in sales, inventory management, and retail operations, playing a key role in optimizing retail performance across the Group. He oversees outlets in the southern, northern, and east coast regions of Peninsular Malaysia, driving strategies to achieve sales targets and enhance operational efficiency.

In addition to his retail leadership, he also oversees the New Business Development division, focusing on identifying growth opportunities, expanding market presence, and executing strategies for new product lines.

TAI TZE YEN

Vice President of Marketing and Communication

Age 53	Gender Female	Nationality Malaysian
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Academic/Professional Qualification(s):

- Bachelor of Business, University of Southern Queensland, Australia

Ms. Tai was appointed as the Vice President of Marketing and Communication on 1 April 2020. Ms. Tai has 21 years of experience in marketing and advertising across various industries, including beauty, fashion, and telecommunications. She oversees the branding, advertising, and promotional activities of brands under the Group, ensuring strong market positioning and brand growth.

In addition to her marketing leadership, she also oversees the Customer Relations operations, focusing on enhancing customer engagement, satisfaction, and loyalty. She plays a key role in developing and executing marketing strategies, conducting market research, and leading brand-building and customer experience initiatives to strengthen the Group's relationship with its customer.

Notes:-

1. None of the key senior management hold any directorship in other public companies and listed issuers.
2. None of the key senior management have any family relationship with any director and/or major shareholder of the Company.
3. None of the key senior management have any conflict of interest with the Company.
4. Other than traffic offences, none of the key senior management have been convicted for offences within the past 5 years.
5. None of the key senior management have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

SUSTAINABILITY STATEMENT

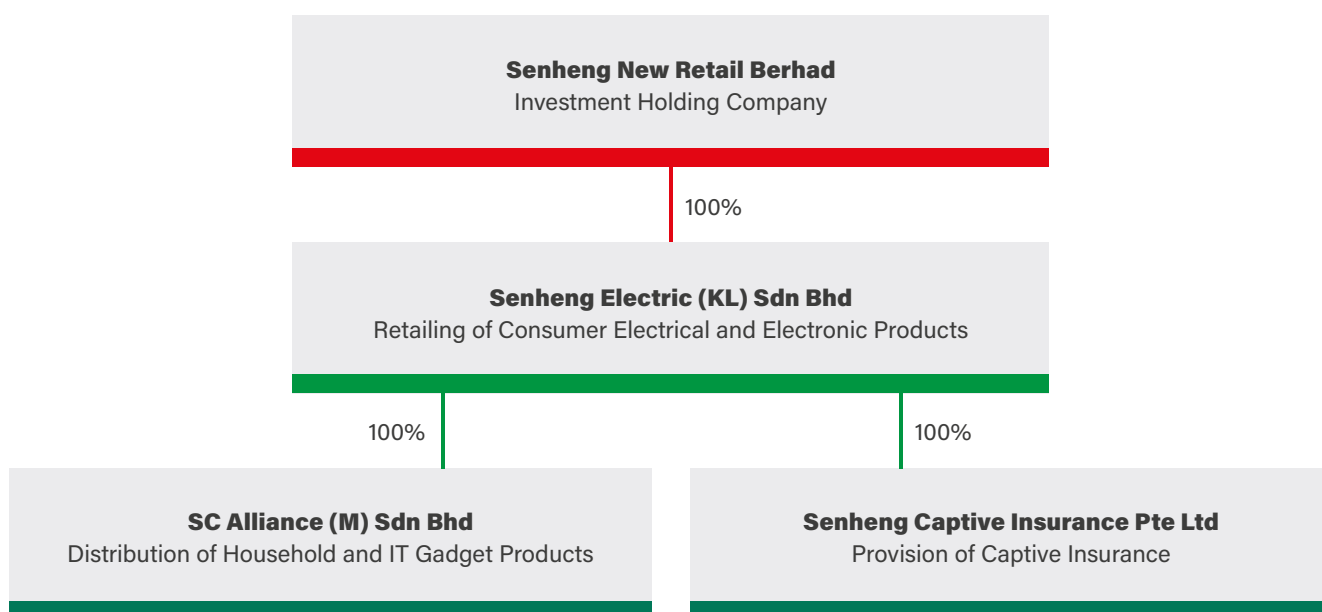
OUR SUSTAINABILITY COMMITMENT

At Senheng New Retail Berhad and its subsidiaries (hereinafter referred to as "Senheng," "the Group," "we," "our," or "us"), we are committed to enhance the quality of life for our customers while upholding environmental stewardship and sustainable development. Our dedication to sustainability is deeply embedded in our core values of Quality, Peace of Mind, and Convenience. Guided by our mission, "Together, towards better quality of living," we recognise sustainability as a shared responsibility that drives long-term value.

This Sustainability Statement showcases key initiatives and progress in integrating sustainability across our operations. It also reaffirms our commitment to fostering a more sustainable business, preserving the environment, and creating lasting value for all stakeholders.

REPORTING COVERAGE AND PERIOD

This Sustainability Statement details the Group's sustainability activities and performance for the financial year ended 31 December 2024 (FY2024), covering the period from 1 January to 31 December 2024. It highlights key initiatives, progress in integrating sustainability into our operations, and the reporting scope, which includes Senheng and its subsidiaries, as outlined below:



REPORTING FRAMEWORKS AND STANDARDS

The Statement has been developed as guided by the following recognised guidelines, standards and frameworks:

Bursa Malaysia's Main
Market Listing Requirements
Sustainability Reporting
Guide (3rd Edition)



Malaysian Code on
Corporate Governance,
updated in April 2021



Global Reporting Initiative
("GRI"), 2021



United Nations Sustainable
Development Goals
("UN SDG")



SUSTAINABILITY STATEMENT

CLIMATE-RELATED DISCLOSURES AND REPORTING TRANSITION

At Senheng, we recognise the importance of managing climate-related risks and opportunities. We previously worked toward aligning with the Task Force on Climate-related Financial Disclosures (TCFD). However, the evolving sustainability landscape has shifted to the adoption of International Financial Reporting Standards (IFRS) Sustainability Disclosures (S1 and S2) under the National Sustainability Reporting Framework (NSRF). To align with these developments, the Group is transitioning to IFRS S1 and S2, which aim to enhance consistency and comparability in climate-related disclosures. We are expected to progressively adopt IFRS S1 and S2 beginning in 2026.

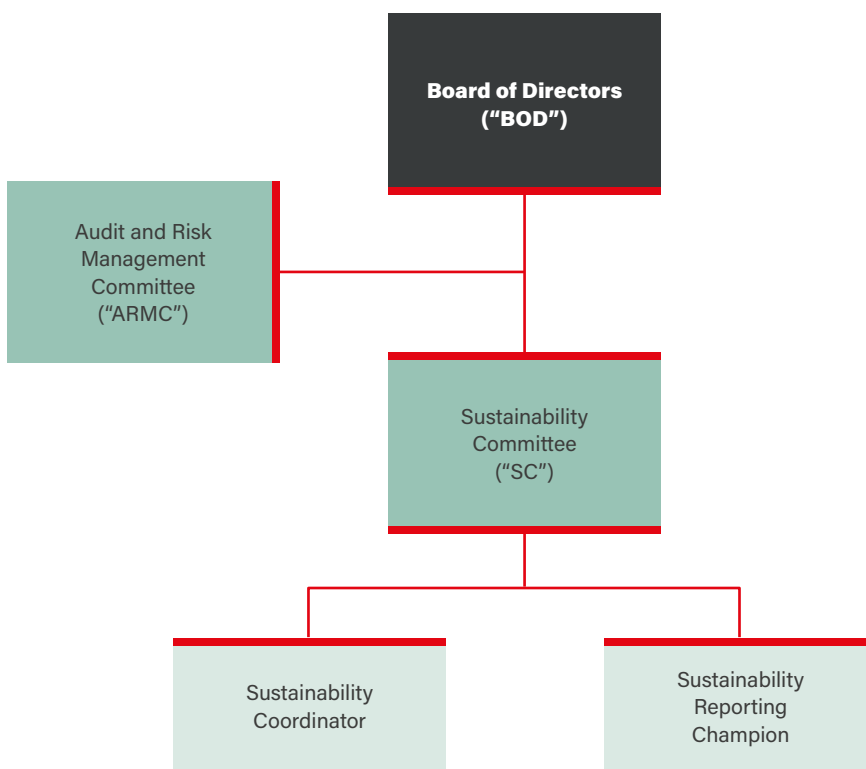
FEEDBACK

We appreciate and value the feedback, suggestions, and input from our stakeholders regarding this Statement. Your insights on any aspect of our sustainability practices and performance are welcome. Any queries and feedback can be submitted to ir@senheng.com.my.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

Sustainability governance is essential for organisations as it ensures a structured, transparent, and accountable approach to managing environmental, social, and governance (ESG) matters. At Senheng, sustainability is embedded in our governance structure, which plays a pivotal role in advancing our sustainability initiatives. The sustainability governance structure is led by the Board of Directors ("Board"), who are responsible for overseeing the Group's overall sustainability strategy. The Board is supported by the Audit and Risk Management Committee ("ARMC") and the Sustainability Committee ("SC"). The ARMC is tasked with monitoring the implementation and effectiveness of sustainability-related actions within the organisation. To emphasise the importance of sustainability, we incorporate sustainability-focused evaluations into the Board Assessment Form.



The Sustainability Coordinator, which includes the Corporate Compliance Management ("CCM") Department, reports directly to the SC. Additionally, the Head of Divisions assumes the role of Sustainability Reporting Champion. Both the Sustainability Coordinator and Sustainability Reporting Champion are entrusted with the day-to-day execution of sustainability initiatives across the Group.

SUSTAINABILITY STATEMENT

Sustainability matters are regularly addressed in monthly management meetings and, when necessary, in quarterly Board meetings to ensure continuous oversight and strategic alignment. The key roles and responsibilities within the sustainability governance framework are as follows:



Board of Directors

- The BOD is ultimately accountable for the sustainability framework;
- Provides overall direction and oversight of all sustainability initiatives;
- Drives the strategy for sustainability progressively;
- BOD will be briefed and updated on the status of sustainability matters;
- Endorses any Terms of Reference ("TOR") for the SC; and
- Review and Approves the Sustainability Statement and/or Summary Report for disclosure purposes in the Annual Report.



Audit and Risk Management Committee

- Based on defined ARMC TOR; and
- ARMC will be briefed and updated on the status of sustainability matters.



Sustainability Committee

- Reviews and updates the TOR for SC;
- Development of sustainability policies and frameworks for BOD endorsement;
- Operational monitoring of the implementation of sustainability;
- Receives the sustainability updates through appropriate report to be reviewed accordingly;
- Annual review of the sustainability policy, frameworks, and TOR to enable any possible recommendation to the board for changes; and
- Provides briefing and updates to the Board on a regular or periodic basis depending on any time as required by BOD.



Sustainability Coordinator

- Drafting the TOR for SC;
- Facilitates stakeholders' engagement session for identification of key sustainability matters;
- Disseminate sustainability reporting information request template to the respective champions;
- Co-ordinates input of disclosure information, sustainability information and measurement initiatives from respective champions;
- Monitors and follow-up on the implementation status of sustainability initiatives;
- Prepares appropriate sustainability progress report to SC;
- Manages sustainability initiatives within the stipulated timeline before the release of the Annual Report; and
- Prepares the Sustainability Statement and/or Summary Report for disclosure purposes in the Annual Report.



Sustainability Reporting Champion

- Supporting the Sustainability Coordinator for sustainability initiatives for Senheng Group;
- Assesses key sustainability matters and stakeholders involved for Senheng Group, divisional and/or subsidiaries;
- Drives sustainability initiatives in line with the sustainability frameworks used;
- Evaluates the need to outsource sustainability initiatives in which Senheng does not possess the expertise; and
- Liaises with Sustainability Coordinator on the implementation status update of sustainability reporting initiatives and input of disclosure information.

SUSTAINABILITY STATEMENT

Code of Ethics

Anti-Bribery & Anti-Corruption Policy

GOVERNANCE EXCELLENCE POLICIES AND GUIDELINES

We are committed to maintaining the highest standards of corporate governance throughout the Group. Sustainability governance at Senheng is reinforced by the following policies and guidelines designed to address our responsibilities in economic, environmental and social domains:

Safety & Health Policy

Fit & Proper Policy

Whistleblowing Policy

Enhanced Conflict of Interest Policy



SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

We drive sustainable value creation by actively engaging with our stakeholders to ensure alignment between their expectations and our business objectives. Through ongoing collaboration across our operations, we foster meaningful relationships that support long-term growth.

The table below outlines our key stakeholder groups, the engagement and communication platforms utilised, the primary areas of concern raised, and our corresponding responses.

Frequency & Methods of Engagement	Key Concern	Our Response
EMPLOYEES		
Ongoing <ul style="list-style-type: none"> Training and Development Programmes Safety Briefing 	<ul style="list-style-type: none"> Employees' rewards and recognitions Well-being and benefits Personal development 	<ul style="list-style-type: none"> Employee Training and Talent Development, page 47 Occupational Health & Safety, pages 49-50
CUSTOMERS		
Ongoing <ul style="list-style-type: none"> Advertisements Promotional Campaigns Personalised engagement in the physical retail store and online stores. 	<ul style="list-style-type: none"> Customer experience Product quality 	<ul style="list-style-type: none"> Economic Performance, pages 37-38
VENDORS / SUPPLIERS		
Annual / Ongoing <ul style="list-style-type: none"> Supplier Assessment 	<ul style="list-style-type: none"> Compliance with terms and conditions of transaction 	<ul style="list-style-type: none"> Supply Chain Management, page 38
REGULATORS / CERTIFICATION BODIES		
Ongoing <ul style="list-style-type: none"> Audits Site Visits Dialogues with Government / Non-government Bodies, Regulators & Agencies 	<ul style="list-style-type: none"> Maintenance of corporate governance and best business practice Commitment to regulatory compliance 	<ul style="list-style-type: none"> Product Quality & Safety, pages 48-49 Governance & Ethics, page 38
LOCAL COMMUNITIES		
Ad-hoc <ul style="list-style-type: none"> Community Events Environmental Awareness and Education Livelihood Support Employment Support 	<ul style="list-style-type: none"> Corporate social responsibility Donations and financial aids 	<ul style="list-style-type: none"> Corporate Social Responsibilities, page 51
SHAREHOLDERS		
Annual <ul style="list-style-type: none"> Annual Report Annual General Meeting Ad-hoc <ul style="list-style-type: none"> Fund / Analyst Briefings Investor Relations Website 	<ul style="list-style-type: none"> Transparency and profitability Compliance and governance 	<ul style="list-style-type: none"> Economic Performance, pages 37-38

SUSTAINABILITY STATEMENT

MATERIALITY MATTERS

Materiality Assessment is essential for identifying and prioritising the ESG issues that matter most to both our business and stakeholders. It enables a strategic focus, enhances risk management, improves stakeholder alignment, ensures regulatory compliance, and optimises resource allocation. By fostering transparency and integrating sustainability into core business strategies, it drives long-term value creation and strengthens corporate resilience in an evolving ESG landscape.

Materiality Assessment Process



Identification

Identification of sustainability matters



Prioritisation

Prioritisation of material sustainability matters



Review and Validation

Review and validation of the identified material topics

In FY2024, we conducted a review of our materiality matters to ensure their continued relevance, with deliberation by the Sustainability Committee and endorsed by the Board. This review was carried out guided by the Sustainability Reporting Guide (3rd Edition), ensuring that material matters remain aligned with our business environment.

Based on the review, we conclude there were no changes to our materiality profile as there were no significant changes to our business model, our retail sector and internal business processes and structures. Consequently, we maintain our materiality profile consistent with the previous year's assessment.

We are committed to continuously enhancing our practices and taking proactive steps to address evolving challenges and opportunities related to these material topics. A comprehensive overview of our approach to managing these matters will be provided in the subsequent sections

Materiality Profile FY2024



ECONOMIC

- 1 Economic Performance
- 2 Supply Chain Management
- 3 Governance & Ethics

ENVIRONMENT

- 4 Energy Consumption
- 5 Water
- 6 Waste Management
- 7 Emissions
- 8 Environmental Compliance

SOCIAL

- 9 Diversity and Equal Opportunities
- 10 Employee Training and Talent Development
- 11 Product Quality and Safety
- 12 Occupational Health and Safety
- 13 Corporate Social Responsibilities
- 14 Data Privacy and Security

SUSTAINABILITY STATEMENT

No.	Materiality Matter	Relevant Stakeholders	Relevant SDGs
ECONOMIC			
1	Economic Performance	Employees, Shareholders	
2	Supply Chain Management	Employees, Shareholders, Vendors, Suppliers	
3	Governance & Ethics	Employees, Customers	
ENVIRONMENT			
4	Energy Consumption	Regulators, Community	
5	Water	Regulators, Community	
6	Waste Management	Regulators, Community	
7	Emissions	Regulators, Community	
8	Environmental Compliance	Regulators, Community	
SOCIAL			
9	Diversity and Equal Opportunities	Employees	
10	Employee Training and Development	Employees	
11	Product Quality and Safety	Employees, Customers	
12	Occupational Health and Safety	Employees	
13	Corporate Social Responsibilities	Employees, Communities	
14	Data Privacy and Security	Employees, Customers	

SUSTAINABILITY STATEMENT

RISKS AND OPPORTUNITIES

By systematically assessing risks and opportunities, organisations can navigate uncertainties, capitalise on emerging trends, and strengthen business resilience. Guided by the ISO 31000 standard, our structured and proactive risk management approach ensures that risks and opportunities across all material topics are effectively addressed, fostering sustainable growth and long-term success. Our risks & opportunities for each materiality matters are as follows:

Materiality Matters	Risks	Opportunities
Economic Performance	<ul style="list-style-type: none"> Ineffective monitoring on the business strategies and future plan Market competition threats 	<ul style="list-style-type: none"> Cost savings initiative Investment in sustainable practices provide competitive advantage
Governance & Ethics	<ul style="list-style-type: none"> Non-compliance with rules & regulations 	<ul style="list-style-type: none"> Enhance governance best practices
Supply Chain Management	<ul style="list-style-type: none"> Non-performing vendor 	<ul style="list-style-type: none"> Improve procurement transparency to improve supplier relationships and mitigate risks
Environmental Compliance	<ul style="list-style-type: none"> Health, safety & environmental hazards Non-compliance with rules & regulations 	<ul style="list-style-type: none"> Ongoing compliance with regulatory requirements
Energy Consumption	<ul style="list-style-type: none"> Health, safety & environmental hazards 	<ul style="list-style-type: none"> Resource-efficient practices
Water	<ul style="list-style-type: none"> Health, safety & environmental hazards 	<ul style="list-style-type: none"> Optimise resource use
Waste Management	<ul style="list-style-type: none"> Health, safety & environmental hazards 	<ul style="list-style-type: none"> Minimise waste generation
Emissions	<ul style="list-style-type: none"> Health, safety & environmental hazards 	<ul style="list-style-type: none"> Initiatives to adapt to climate conditions
Diversity & Equal Opportunities	<ul style="list-style-type: none"> Difficulty to retain and attract key personnel 	<ul style="list-style-type: none"> Improve productivity of employees through employee well-being programme
Employee Training & Talent Development	<ul style="list-style-type: none"> Competency gap 	<ul style="list-style-type: none"> Focus on employee skills development
Data Privacy & Security	<ul style="list-style-type: none"> Data governance 	<ul style="list-style-type: none"> Implementation of data privacy and security measures can enhance customer trust
Product Quality & Safety	<ul style="list-style-type: none"> Inability to meet consumer demand for environmentally friendly products Slow-moving and inventory turn monitoring 	<ul style="list-style-type: none"> Enhance customer satisfaction
Occupational Health & Safety	<ul style="list-style-type: none"> Health, safety & environmental hazards 	<ul style="list-style-type: none"> Effective safety management practices
Corporate Social Responsibility	<ul style="list-style-type: none"> Non-compliance with rules & regulations 	<ul style="list-style-type: none"> Improve public perception on the brand reputation

SUSTAINABILITY STATEMENT

FY2024 KEY SUSTAINABILITY HIGHLIGHTS

Senheng’s key sustainability milestones and initiatives in FY2024 include:

<p>ECONOMIC</p> <p>Achieved</p> <p>ZERO corruption cases reported in 2024</p> <p>Spending on local suppliers remained above 90%</p>	<p>ENVIRONMENT</p> <p>Achieved</p> <p>ZERO violations of DOE environmental regulations in 2024</p>	<p>SOCIAL</p> <p>Recorded</p> <p>Maintained a last-mile customer satisfaction score above 90% in 2024</p>
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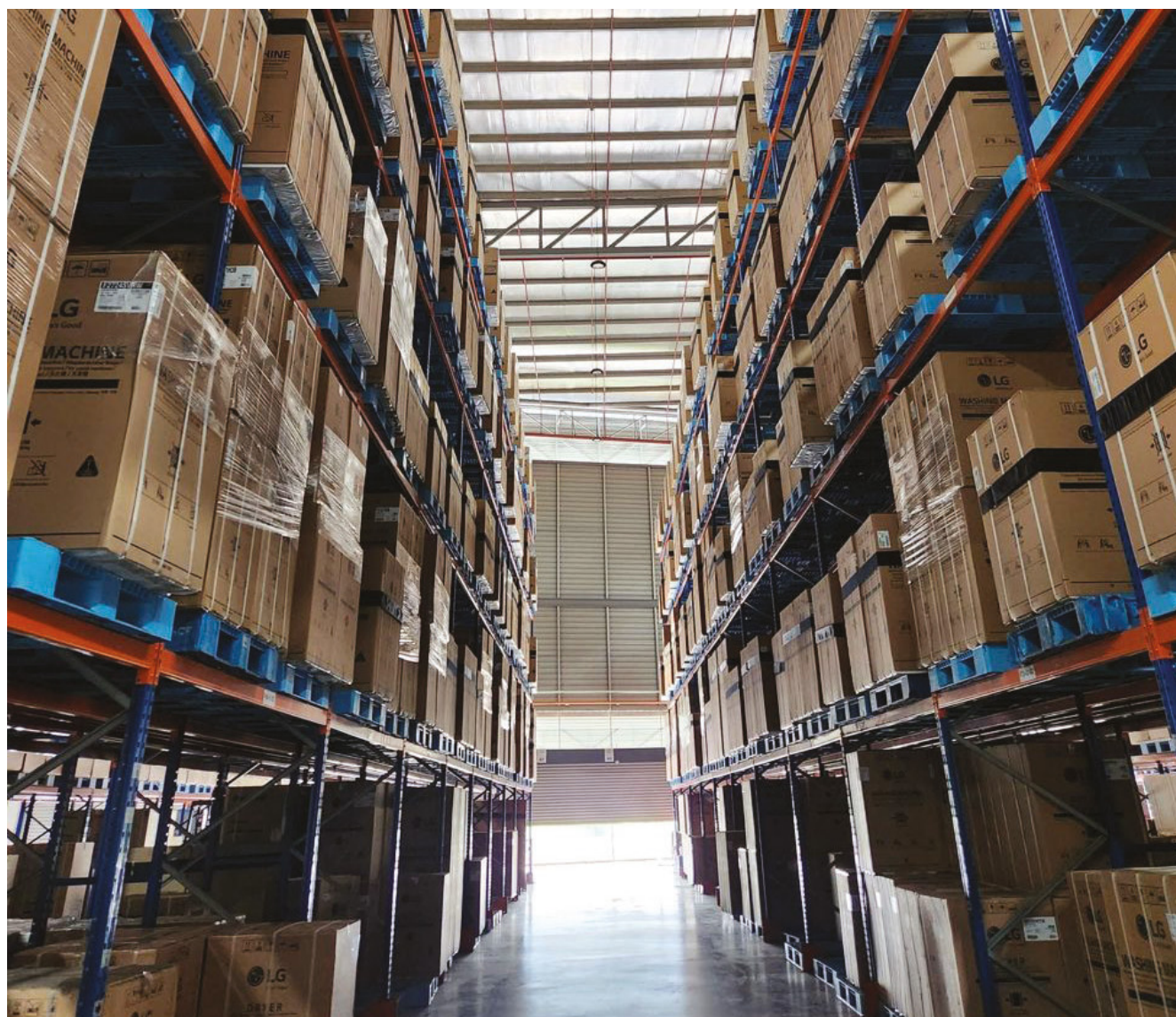
SUSTAINABILITY PERFORMANCE SCORECARD

The table below provides an overview of the Group’s performance against its sustainability targets, highlighting progressive achievements:

Material Matters	Focus Areas	Targets FY2024	Current Progress FY2024
Economic Performance	Annual sales growth	Above 10%	Below 10%
	Annual profit growth	Above 10%	Below 10%
	Dividend distribution policy	At least 30%	Payout of 30%
Governance & Ethics	Percentage of employees on ABAC training	All employees	1. Executive – 100% 2. Non-Executive – 98% 3. Overall – 98%
	Corruption case reported and action taken	Maintain 0 cases	Zero cases reported
	Percentage of operation assessed for corruption-related risk	100%	100%
Supply Chain Management	Proportion of spending on local suppliers (SSM registered)	90% for local suppliers	Maintained above 90%
	Suppliers to meet Group Supplier-Code-of-Conduct (“SCOC”)	All suppliers	All suppliers
Environmental Compliance	Paperless initiatives – digitalised documents	95% issued in electronic format	Maintained above 95%
	Compliance to DOE environmental regulatory	0 cases compounded from DOE	0 cases compounded from DOE
Energy Consumption	Reduce electricity consumption by installing LED lights	100% for all outlets by 2025	100%

SUSTAINABILITY STATEMENT

Material Matters	Focus Areas	Targets FY2024	Current Progress FY2024
Water	Install harvesting rainwater system	To install harvesting rainwater system in all LO by 2024	Total of 5 installed
Waste Management	Styrofoam and item boxes recycled	80 tonnes	103 tonnes collected
Data Privacy & Safety	Number of breaches of customer and privacy data	0 breaches	0 cases reported
Product Quality & Safety	Customer Net Promoter Score ("NPS")	Above 80%	79%
	Last mile customer satisfaction survey	Above 85%	Scored above 90%
	Small appliances defective rate	Below 5%	Below 5%
Occupational Health & Safety	Percentage of employees training on H&S	100%	94%



SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY PROGRESS



ECONOMIC

ECONOMIC PERFORMANCE

GRI 201-1

As a leading player in the consumer electronics retail sector, we acknowledge that strong economic performance is essential for sustaining growth and driving positive contributions to the economy. Our commitment to economic sustainability drives job creation and supports local communities, ensuring that we can continue delivering high-quality products that meet the needs of our customers.

Our Approach

We implement robust strategic planning, prudent financial management and innovative business processes to drive sustainable economic growth and long-term success. We focus on enhancing the digital ecosystem by strengthening our online presence, optimising e-commerce platforms and engaging with customers through social media. Additionally, we are refining our Online-Merge-Offline retail strategy to seamlessly integrate both digital and physical shopping experiences.

We continue to evolve our omnichannel retail model, with an increased focus on digital engagement through targeted online and social media marketing campaigns. We use data-driven insights to drive higher online traffic and improve customer footfall to physical stores.

Further strengthening our brand positioning, the Group recently relaunched the “My Rewards, My Choice” programme, which offers personalised rewards across a broad range of products and services. This includes an improved S-Coin redemption policy, designed to provide greater value and flexibility to our loyal customers.

Aligned with these initiatives is the Territory Champion store expansion programme, which focuses on strategic new store openings and upgrades, with plans set to continue through 2026. This expansion will follow a measured pace, ensuring sustainable growth. Alongside this, the Group is also committed to optimising its physical store network by regularly reviewing and consolidating store locations, ensuring cost effectiveness while preserving a strong market presence.

Our Performance

The Group recorded a total revenue of **RM1.2 billion in FY2024**, a 7.5% decline from the previous year primarily due to the weaker consumer sentiment and reduced spending on higher-value goods.

Target & Commitments	Unit	Performance in		
		FY2022	FY2023	FY2024
Economic value generated ¹	RM'000	1,582,297	1,333,109	1,235,609
Economic value distributed ²	RM'000	1,521,775	1,308,090	1,224,567
Economic value retained ³	RM'000	60,522	25,019	11,042

Notes:

¹ Economic value generated comprises of revenue and other income.

² Economic value distributed includes operating costs, employee wages and benefits, payments to providers of capital, payments to government and community investments.

³ The figure of Economic Value Retained have been restated for FY2022 due to revision in calculation methodology. Economic Value Retained is the difference between Economic Value Generated and Economic Value Distributed.



For further details on financial performance, please refer to the Financial Statements.

SUSTAINABILITY STATEMENT

Target & Commitments	Performance Target	Performance in		
		FY2022	FY2023	FY2024
Annual sales growth	Above 10%	Maintained at above 10%	Below 10%	Below 10%
Annual profit growth	Above 10%	Maintained at above 10%	Below 10%	Below 10%
Dividend distribution policy	At least 30%	Payout of 30%	Payout of 30%	Payout of 30%

GOVERNANCE & ETHICS

GRI 205-1 | GRI 205-2 | GRI 205-3

Governance and ethics are the foundation of trust and integrity in our business. At Senheng, we uphold rigorous governance practices and ethical conduct, ensure transparent decision-making, safeguard stakeholder interests and ensure the compliance with regulatory requirements, foster long term sustainability and corporate responsibilities.

Our Approach

Anti-Bribery and Corruption Policy

At Senheng, we commit to transparency, integrity, and a zero-tolerance policy on bribery and corruption, ensuring strict adherence to legal requirements. The policy governs all interactions with commercial and government entities and applies to all individuals associated with Senheng, including employees, Board members, and business partners.

The Policy is periodically reviewed to reflect changes in legislation and industry standards, with any updates requiring approval from the Board of Directors. This commitment underscores our dedication to upholding strong governance and ethical principles.

Whistleblowing Policy

At Senheng, we are committed to doing the right thing. Our Whistleblowing Policy ensures a secure and confidential platform for anyone to report concerns about misconduct or unethical behavior without fear of retaliation. To uphold integrity, we have established an independent reporting channel, managed by an external service provider, for reporting integrity and misconduct incidents.

Whistleblowing Channel



www.4uwecare.com

Our Performance

In FY2024, 98% of employees successfully completed Anti-Bribery and Anti-Corruption (ABAC) training, with no reported cases of corruption. This reflects our steadfast commitment to upholding integrity, transparency, and the highest ethical standards across the organisation.

Target & Commitments	Performance Target	Performance in		
		FY2022	FY2023	FY2024
Percentage of employees on ABAC training ¹	All employees	-	1. Executive – 79% 2. Non-Executive – 69% 3. Overall – 71%	1. Executive – 100% 2. Non-Executive – 98% 3. Overall – 98%
Corruption case reported and action taken	Maintain 0 cases	0 cases reported	0 cases reported	0 cases reported
Percentage of operation assessed for corruption-related risk	100%	All ABAC risk registers assessed	All ABAC risk registers assessed	All ABAC risk registers assessed

Note:

¹ No data collection was conducted in FY2022.

SUSTAINABILITY STATEMENT

SUPPLY CHAIN MANAGEMENT

GRI 204-1

Effective supply chain management is crucial to Senheng as it impacts the product availability, cost efficiency and overall customer satisfaction. Efficient operations not only enhance business performance but also support our sustainability goals by minimising environmental impact.

We are committed to driving economic growth in the communities where we operate by prioritising local suppliers. This approach not only bolsters local businesses but also strengthens our supply chain resiliency, ensuring it aligns with both our operational and sustainability objectives.

Our Approach

We include environmental responsibility at the core of our Supplier Code of Conduct (SCOC), reinforcing our unwavering commitment to driving sustainability and accountability throughout the supply chain. We are committed to promote environmental sustainability across our supply chain and expects our suppliers to uphold the same standards. Suppliers must at least comply with all applicable environmental laws and regulations in Malaysia while actively working to reduce their environmental impact. This includes implementing efficient resource management, responsible waste disposal, and strict adherence to pollution control measures for emissions, wastewater, and hazardous materials.

To enhance carbon reduction efforts, our suppliers are encouraged to assess their carbon footprint and identify key areas for improvement across their operations. Implementing continuous monitoring, employee training, and effective environmental management systems is crucial for ensuring long-term sustainability. By implementing these practices, suppliers contribute to a greener supply chain while reinforcing our commitment to responsible and sustainable business practices.

Our Performance

In FY2024, the percentage of spending on local suppliers is at 96.7% which shows our strong commitment to support the local businesses and strengthening of the domestic supply chain.

Besides, all our suppliers complied with the Group Supplier Code of Conduct.

Target & Commitments	Performance Target	Performance in		
		FY2022	FY2023	FY2024
Proportion of spending on local suppliers (SSM registered)	90% for local suppliers	Maintained at above 90%	Maintained at above 90%	Maintained at above 90%
Suppliers to meet Group Supplier Code of Conduct (SCOC) ¹	All suppliers	-	More than 90% of the suppliers	All suppliers

Note:

¹ No data collection was conducted in FY2022.

Indicator	Unit	Performance in		
		FY2022	FY2023	FY2024
Spending on local suppliers	RM'000	1,291,748	1,150,069	1,023,544
Spending on foreign suppliers	RM'000	26,812	16,666	35,351
Percentage of spending on local suppliers	Percentage	98.0%	98.6%	96.7%
Percentage of spending on foreign suppliers	Percentage	2.0%	1.4%	3.3%

SUSTAINABILITY STATEMENT



ENVIRONMENT

ENVIRONMENTAL COMPLIANCE

GRI 2-27

Environmental compliance is crucial for Senheng to minimise the environmental impact of our operations while ensuring adherence to regulatory requirements. Upholding compliance not only strengthens our reputation but also fosters customer trust and position us as a responsible corporate entity in an increasingly sustainability and eco-conscious driven market.

Our Approach

We are committed to environmental compliance as a key aspect of our responsible business practices and sustainability commitment. Beyond meeting regulatory requirements, we prioritise environmental protection and public well-being, reflecting our dedication to ethical operations and long-term sustainability. This proactive approach reinforces our values as a socially responsible organisation, committed to environmental stewardship and sustainable growth.

Our Performance

In FY2024, we recorded zero non-compliance cases, underscoring its strong commitment to adhering to environmental regulatory requirements. These achievements reinforce our dedication to sustainability and responsible business practices.

Target & Commitments	Performance Target	Performance in		
		FY2022	FY2023	FY2024
Paperless initiatives – digitalised documents	95% issued in electronic format	Maintained above 95%	Maintained above 95%	Maintained above 95%
Compliance to DOE environmental regulatory	0 cases compounded from DOE	0 confirmed cases reported	0 confirmed cases reported	0 confirmed cases reported

ENERGY CONSUMPTION

GRI 302-1 | GRI 302-4

Effective energy management reduces greenhouse gas emissions and supports global climate change mitigation. By optimising energy consumption, we demonstrate our commitment to environmental sustainability principles.

Our Approach

Driven by our unwavering commitment to sustainability, we are intensifying our energy efficiency efforts to drive sustainable impacts. We have implemented a series of energy-saving measures, including the installation of energy-efficient air-conditioning systems and LED lighting across our retail stores, offices, and facilities. Additionally, to further optimise energy consumption, we have introduced a fixed air-conditioning temperature setting and transitioned to energy-saving T8 light tubes, reinforcing our dedication to responsible energy management.

Beyond infrastructure upgrades, we are fostering a culture of energy consciousness among our employees by promoting simple yet impactful practices, such as unplugging idle electronic devices and switching off lights and air-conditioning when not in use. To sustain these efforts, regular reminders are communicated to our headquarters and strategic business units (SBUs), ensuring continued engagement and accountability in our energy-saving initiatives.

Taking our commitment to the next level, we have embarked on the installation of solar panels across 14 locations, and we have also started selling solar solutions, a transformative initiative set for completion by FY2024. This bold step will significantly reduce electricity consumption and accelerating progress towards our long-term sustainability goals.

SUSTAINABILITY STATEMENT

Our Performance

Target & Commitments	Unit	Performance in		
		FY2022	FY2023	FY2024
Electricity consumption ¹	kWh	22,507,486	21,775,117	18,921,045
Fuel (Diesel) ²	litres	678,766 ^{1,2}	641,628 ²	720,754
Fuel (Petrol)	litres	10,670	12,986	18,350
Total energy consumption ³	GJ	107,639	103,659	96,645
Reduce electricity consumption by installing LED lights	100% for all outlets by 2025	-	100%	100%

Note:

¹ The electricity consumption for FY2023 only available in amount of RM8,984,914. The data is derived by using the data in FY2022 as reference, which is recorded at RM9,287,106. The data in FY2023 has been revised to reflect slight adjustments and recalculations in the figures.

² The conversion factors are: 1 kWh = 3.6 MJ and 38.6 megajoules per litre (MJ/l). Figures for FY2022 and FY2023 has been reinstated.

³ Energy consumption values were converted using the following standard conversion factors:

Electricity Consumption: 1 kWh = 3.6 MJ

Fuel Consumption (Diesel & Petrol): 1 litre = 38.6 MJ

Total energy consumption in megajoules (MJ) is calculated as: Total Energy Consumption (MJ) = (Electricity×3.6)+(Diesel×38.6)+(Petrol×38.6)

To convert to gigajoules (GJ): Total Energy Consumption (GJ) = Total Energy Consumption (MJ)/1000



SUSTAINABILITY STATEMENT

WATER

GRI 303-5

Efficient water management plays a vital role in preventing water scarcity and supporting conservation efforts. By prioritising water conservation, we actively contribute to global sustainability initiatives, particularly the United Nations Sustainable Development Goal (SDG) 6: Clean Water and Sanitation. We are committed to responsible water usage, ensuring sustainable resource management across our operations.

Our Approach

The Group has implemented measures to optimise water usage across our operations. We focus on water conservation initiatives such as promoting responsible water practices among employees.

Our Performance

Target & Commitments	Unit	Performance in		
		FY2022	FY2023	FY2024
Water consumption	RM'000	83	99	94
Total volume of water used	Megalitres (ML) ¹	-	26.47	31.57
To install harvesting rainwater system in all LO by 2024 ²	Number	-	4	5

Notes:

¹ Conversion factor is 1ML = 1,000 m³.

² No data collection process was conducted in FY2022.

WASTE MANAGEMENT

GRI 306-4

Effective waste management is essential for Senheng to minimise the environmental impact of our operations. As a company that deals with electronic products, managing waste responsibly is particularly important due to the potential environmental harm caused by improper disposal of electronic waste ("e-waste") and packaging materials.

Our Approach

We are committed to minimising waste across all areas of our business, by implementing strategies to reduce, reuse and recycle materials wherever possible. This includes optimising packaging and encouraging recycling of e-waste to our customers.

- **E-Waste Recycling Program:** Senheng facilitates the recycling of non-bulky e-waste items by offering loyalty reward points in exchange for used electronic devices. Accepted items include both functional and non-functional electrical products such as mobile PCs, tablets, LCD monitors, smartphones, VCD/DVD players, and printers.
- Rubbish sent to municipal landfill is 20,720kg




Go Green for a better world!

Join our effort for positive environmental, social, and governance principles



Items entitled in this program include

FRIDGE | SIDE BY SIDE REFRIGERATOR | WASHER | DRYER | AIR CONDITIONER | TV
MOBILE PHONE | LAPTOP | TABLET PC

SUSTAINABILITY STATEMENT

Our Performance

Senheng collected 12,640 units of e-waste and 103 tonnes of styrofoam and items boxes recycled.

Target & Commitments	Performance Target	Performance in		
		FY2022	FY2023	FY2024
Styrofoam and item boxes recycled	80 tonnes	98 tonnes collected	100 tonnes collected	103 tonnes collected
E-waste collected ¹	-	5,698 units	11,223 units	12,640 units

Note:

¹ No performance target was set for e-waste collection.

EMISSIONS

GRI 305-1 | GRI 305-2 | GRI 305-3

Acknowledging the urgent need to address climate change and its effects on ecosystems and communities, we are committed to achieving carbon neutrality. To support this goal, we have launched multiple initiatives to reduce GHG emissions across our operations. From enhancing energy efficiency and adopting renewable energy to optimising logistics and transportation, we continuously strive to integrate sustainable practices into our business model.

Our Approach

We are committed to reducing emissions by embedding sustainability into our business operations. This involves enhancing energy efficiency across our stores and central distribution centres (CDC) while integrating renewable energy sources. To further minimise our carbon footprint, we optimise transportation and logistics by implementing fuel-saving measures such as route planning with Geo-fence technology.

By strategically assigning trucks to delivery zones based on area codes and utilising geo-fencing, we reduce unnecessary travel between distant locations. These initiatives reflect our dedication to environmental responsibility and sustainable business practices.

Our Performance

Indicator	Unit	Performance in		
		FY2022	FY2023	FY2024
Scope 1 ^{1,4}	tonnes of CO ₂ e	1,734	1,617	1,538
Scope 2 ^{2,4}	tonnes of CO ₂ e	17,421	15,921	13,626
Scope 3 ^{3,5}	tonnes of CO ₂ e	2,165,799	4,163,261	4,024,532

Notes:

¹ The emission factors used to calculate Scope 1 emissions are based on those published by the UK Department for Environment, Food & Rural Affairs (DEFRA). Specifically, for mobile combustion, the emission factor for diesel fuel is 0.00248 tCO₂e/kWh per litre, and for petrol is 0.00207 tCO₂e/kWh per litre.

² Emission factors used to calculate Scope 2 are based on factors of 0.000774 tCO₂e/kWh as per Malaysia's Grid Emission Factor (GEF).

³ Emission factors used to calculate Scope 3 are based on factors km is kg CO₂e = 0.178189 published by UK Government GHG Reporting Conversion Factors for Company Year 2023. Greenhouse gas reporting: conversion factors 2023 - GOV.UK (www.gov.uk).

⁴ Scope 1 covers non-stationary emissions from petrol and diesel consumption, while Scope 2 accounts solely for emissions from electricity usage.

⁵ Scope 3 includes emissions from Categories 1, 2, 4, 5, 6, 7, and 15. However, certain investments under Category 15 could not be included due to the unavailability of updated information as of the reporting date.

SUSTAINABILITY STATEMENT



SOCIAL

DIVERSITY AND EQUAL OPPORTUNITIES

GRI 401-1 | GRI 401-2 | GRI 401-3 | GRI 405-1

Senheng is committed to fostering an inclusive organisational culture that values and supports employees of all genders, cultural backgrounds, and age groups. As our workforce continues to grow in diversity, this commitment has become increasingly vital. Guided by our core values, we uphold diversity and transparency across the company and in our interactions with customers, partners, and stakeholders.

Our Approach

At Senheng, we place a strong emphasis on diversity and inclusion within our workforce, ensuring that diverse talent is fairly represented at all levels through inclusive recruitment practices. Driven by our Code of Ethics Policy, we are committed to equal opportunity and non-discrimination in all employment decisions, ensuring that selections are based on merit and cultivating an inclusive workplace culture. There are no reported concerns related to human rights or unfair treatment.

As we consider our employees to be our most valuable asset, and we offer comprehensive compensation and benefits packages that go beyond competitive salaries. In addition to health insurance, retirement savings plans and paid time off, we are committed to fostering career development and growth opportunities. To further recognise and reward outstanding performance, we provide a range of perks and incentives, creating a positive and motivating work environment.

In further improving overall workforce well-being and satisfaction, Senheng conducted a comprehensive assessment and revision of its employee benefits and handbook in FY2023. These updates focused on key areas to better align with industry best practices and the evolving needs of employees.

Flexible working arrangement

Maximum working hours

Maternity leave

Paternity leave

Notice of resignation

Mileage claim rate

Hotel claim rate

Staff purchase



SUSTAINABILITY STATEMENT

Physical Well-Being

- Yearly health check-up
- Personal Accident Insurance Coverage (Death or Permanent Disability due to accident)
- Hospitalisation and Surgical Benefits
- Dental Benefits
- And more

Balance and Sustainable Working Norms

- Flexible Working Hours in HQ
- Parental leaves
- Paid time off, including vacation, holidays, sick leave and bereavement
- Employee's first legal marriage leaves
- Transportation benefits
- Natural disaster leaves
- And more

Incentives

- Attendance performance incentives
- Performance based bonus
- Special benefits as listed in the Employee Handbook
- And more

Reimbursements

- Mileage claim
- Hotel claim
- Phone claim
- Medical claim
- Dental claim

Career Growth and Community Support

- On the job training
- Office events/programs and healthy food and drink options
- Discounts, perks, and recognition
- And more

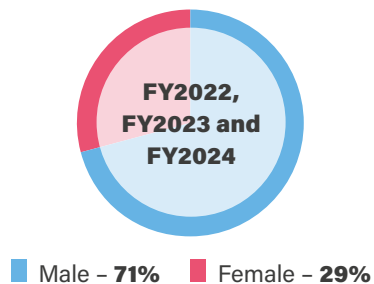
SUSTAINABILITY STATEMENT

Our Performance

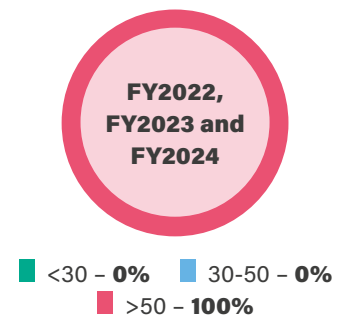
Board of Directors

The composition of the Board remained unchanged in FY2024 compared to the previous year. At present, female representation on the Board stands at 29%, which is slightly below 30%, the target recommended by the MCCG. Senheng continues to prioritise future appointments based on relevant experience, expertise, and the overall contribution to the Group.

Board of Directors
by Gender



Board of Directors
by Age



Employees

Total Number of Employees

1,836

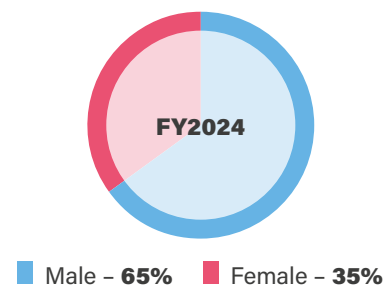
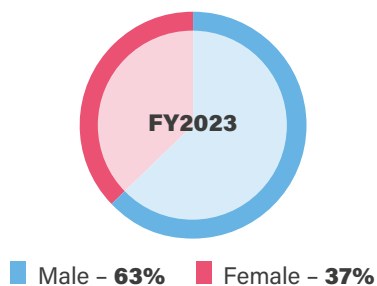
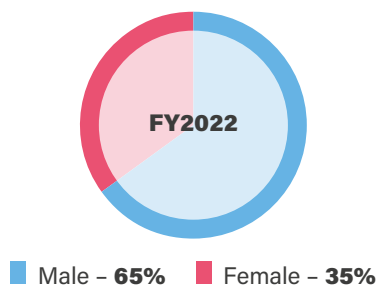
FY2022 – 1,837 FY2023 – 1,970

Employee Turnover Rate (%)¹

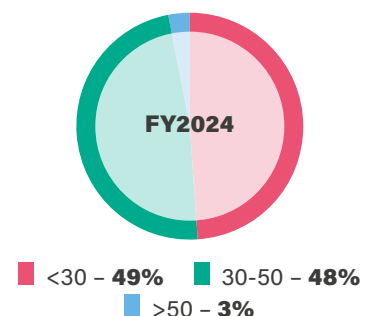
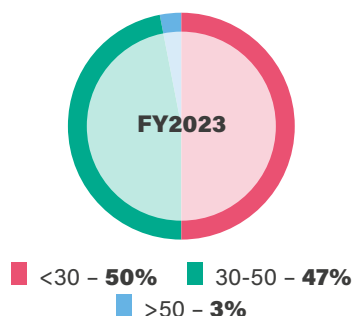
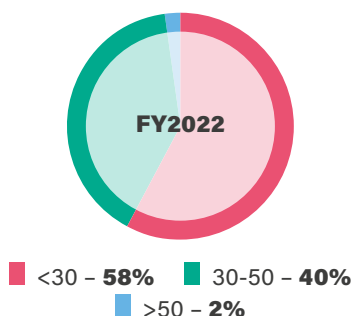
43%

FY2022 – 38% FY2023 – 40%

Employees by Gender



Employees by Age



Notes:

¹ The Employee Turnover Rate (%) for FY2024 excludes intern & contractors.

SUSTAINABILITY STATEMENT

EMPLOYEE TRAINING & TALENT DEVELOPMENT

GRI 404-1 | GRI 404-2

Employee training and development are crucial to Senheng's long-term success and sustainability. Investing in our employees' skills and knowledge enhances productivity, improves customer service and drives innovation within the company.

Our Approach

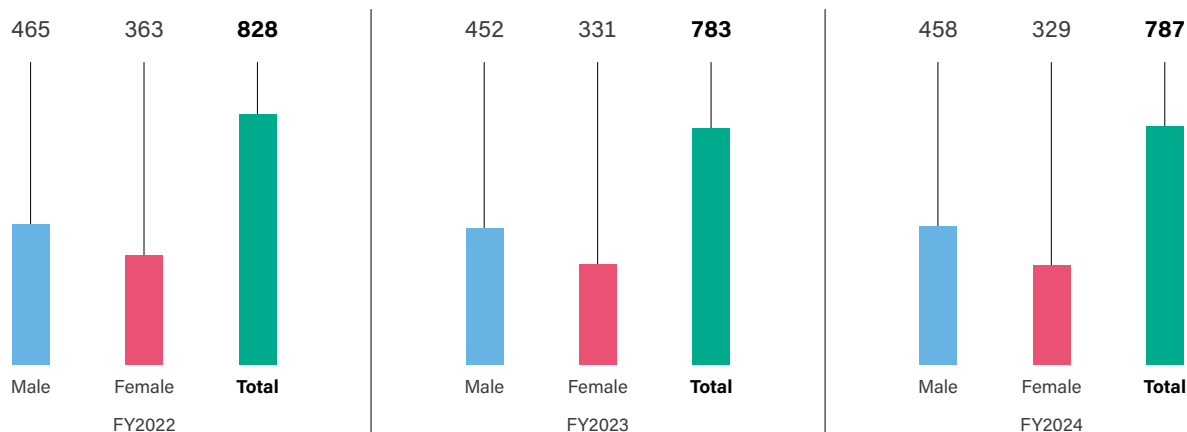
At Senheng, we believe that a well-trained workforce is the backbone of a thriving retail business. Through our partnership with SH Retail Academy Sdn Bhd, we deliver specialised training programs that empower employees with the expertise and confidence needed to excel in the industry.

Beyond upskilling, we foster a culture of growth and continuous improvement, ensuring that every employee has the opportunity to unlock their full potential. Annual performance and career growth reviews serve as key touchpoints, helping individuals assess their strengths, refine their skills, and progress in their careers. This unwavering commitment to professional development reflects Senheng's vision of building a high-performing culture and future-ready workforce.

To further enhance employee development, new training programs, including Diversity, Equity, and Inclusion (DEI) initiatives, are planned for 2025. Additionally, Senheng is introducing a new in-house trainer initiative, allowing for more structured and customised training sessions to better meet the evolving needs of its workforce. These efforts demonstrate the company's commitment to continuous learning and professional growth.

Our Performance

Employees that received regular performance and career development review in Senheng is stated below:



Description	2022	2023	2024
Total Hours of Training ¹	40,124	36,248	33,141
Total Hours of Training by Employee Category:			
Executive (Management)	7,998	11,122	8,550
Non-executive (Non-Management)	32,126	25,126	24,591
Average Training Hours Per Employee	21.8	18.4	17.2

Note:

¹ The figure of Total Training Hours for FY2022 and Average Training Hours Per Employee in FY2022 have been restated due to revision in calculation methodology.

SUSTAINABILITY STATEMENT

DATA PRIVACY AND SECURITY

GRI 418-1

Data privacy and security are fundamental to the Group's operations, as we handle sensitive customer and business information. By adhering to the guidelines of Personal Data Protection Act 2010 ("PDPA"), we ensure the protection of this data is critical to maintaining customer trust, meeting regulatory requirements and safeguarding the integrity of our brand.

Our Approach

At Senheng, we adopt a comprehensive approach to data privacy and security, implementing advanced encryption technologies, firewalls, and multi-factor authentication to protect sensitive information. We regularly update our security protocols and conduct internal audits to ensure compliance with data protection laws and industry best practices. Additionally, we provide ongoing training for employees to reinforce the importance of data security and the necessary measures to mitigate risks.

Our Performance

As a result of strict adherence to the PDPA, we managed to achieve the performance target of zero breaches in FY2024.

Target & Commitments	Performance Target	Performance in		
		FY2022	FY2023	FY2024
Number of breaches of customer and privacy data	0 breaches	0 confirmed breaches	0 confirmed breaches	0 confirmed breaches

PRODUCT QUALITY & SAFETY

GRI 416-2

At Senheng, product quality and safety are essential to customer satisfaction, trust, brand integrity, and regulatory compliance. As a consumer electronics retailer, we are committed to the highest safety and quality standards, ensuring that every product functions reliably and meets stringent regulations. Through proactive risk management and stringent quality controls, we minimise defects and hazards, reinforcing customer confidence and strengthening our industry reputation.

Our Approach

We are dedicated to maintaining the highest safety and quality standards, ensuring that our products comply with Regulations 97-101 of the Electricity Regulations 1994 set by the Energy Commission. In line with the Minimum Energy Performance Standards ("MEPS"), we conduct regular and thorough evaluations through reliable audits to maintain product safety and reliability. As part of our commitment, these assessments are also incorporated into supplier visits as part of our study tour to understand their business practices.

Beyond regulatory compliance, we proactively obtain industry-recognised certifications, including the Certification of Approval from the Energy Commission, SIRIM Certification, MCMC Certification, and MEPS energy rating labels. These certifications reflect our unwavering commitment to delivering safe, high-quality, and energy-efficient products that not only meet but exceed industry standards.

SUSTAINABILITY STATEMENT

Our Performance

Senheng remains committed to delivering exceptional customer experiences, as reflected in our key performance metrics. In FY2024, we achieved a Customer Net Promoter Score (NPS) of 79%, slightly below our performance target. While slightly below our performance target, the NPS reflects a methodological adjustment made during the year, allowing customers a period of seven days to respond to surveys instead of the previous one-day window. Moving forward, our 2025 focus is to enhance customer satisfaction and retention, guided by our Flywheel Business Direction model. Our last-mile customer satisfaction survey exceeded 90%, demonstrating our dedication to seamless service delivery. Additionally, we maintained a small appliance defective rate of below 5%, underscoring our focus on product quality and reliability.

Target & Commitments	Performance Target	Performance in		
		FY2022	FY2023	FY2024
Customer Net Promoter Score ("NPS")	Above 80%	Maintained at above 80%	Maintained at above 80%	79%
Last mile customer satisfaction survey	Above 85%	Scored above 85%	Scored above 90%	Scored above 90%
Small appliances defective rate	Below 5.0%	3.4%	3.3%	3.5%

OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1 | GRI 403-4 | GRI 403-5 | GRI 403-7 | GRI 403-8 | GRI 403-9

Occupational health and safety are fundamental to the well-being of employees, customers, and the overall success of the business. Maintaining a safe work environment is not only essential for compliance with regulatory requirements but also for promoting productivity and preventing work-related injuries.

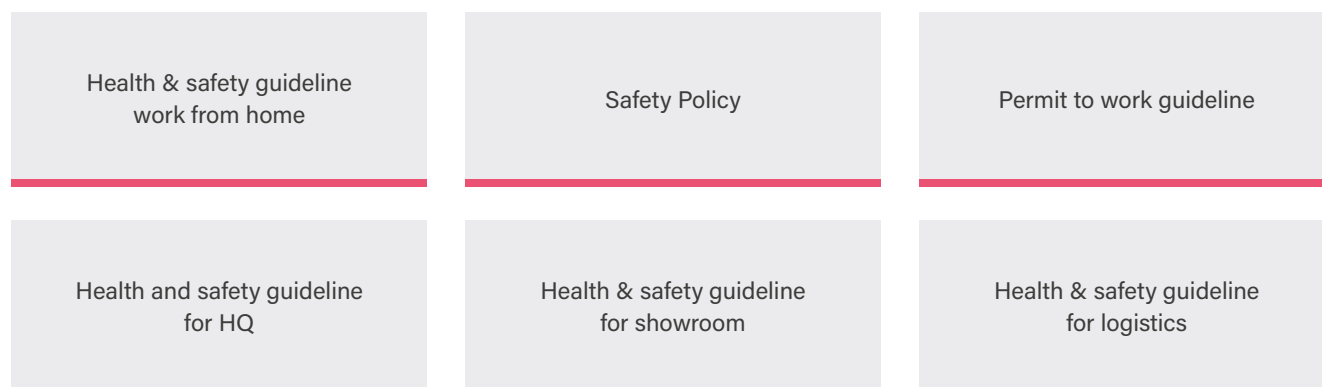
Our Approach

We actively implement the best practices throughout our operations and this is to ensure a safe and healthy work environment for our employees, propelling to a secure working environment. Our Occupational Health and Safety Management System ensures compliance with key legislation and industry standards, supported by carefully developed Standard Operating Procedures (SOPs).

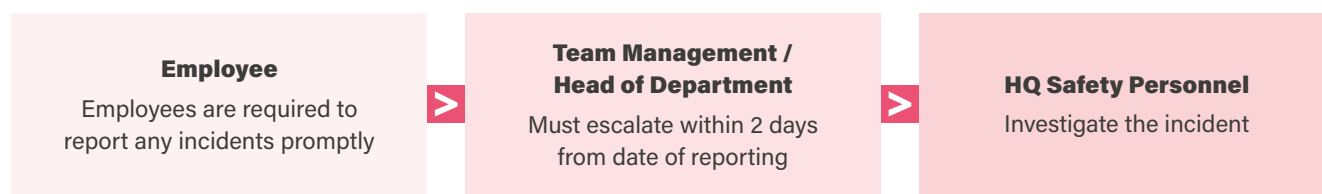
Legislation and Standards:		Standard Operating Procedures (SOPs) and Compliance Measures: Developed in consultation with industry experts and regulatory bodies, including:	
Factories and Machinery Act 1967 Regulates workplace safety and the use of machinery within Senheng's operational jurisdiction.	Occupational Safety and Health Act 1994 Establishes guidelines for maintaining a safe and healthy work environment.	Fire and Rescue Service Ensures fire safety measures and emergency preparedness.	Department of Occupational Health and Safety (DOSH) Oversees workplace health and safety standards.

SUSTAINABILITY STATEMENT

These measures reflect Senheng's proactive approach to ensuring a safe, compliant, and well-regulated workplace.



To strengthen workplace safety, we have implemented additional measures such as displaying safety notices in showrooms and conducting regular inspections to ensure adherence to safety protocols. The process for reporting incidents is outlined in the flowchart below:



At Senheng, safety is not just a priority—it is a commitment embedded in our culture. Regular training sessions, such as OHS Induction seminars, empower employees with critical awareness of workplace hazards, fostering a proactive mindset toward incident reporting and risk prevention.

Driving this mission forward is Senheng's dedicated Health & Safety Committee, a powerhouse of representatives from various departments, united in their pursuit of a safer work environment. This committee stands at the frontline of safety governance, spearheading the development, execution, and enforcement of health and safety policies. Through frequent meetings, they rigorously assess safety protocols, analyse incident reports, and implement continuous improvement strategies—ensuring that workplace safety remains not just a standard, but an evolving force for protection and well-being.

Our Performance

Target & Commitments	Performance Target ²	Performance in		
		FY2022	FY2023	FY2024
Number of work fatalities ²	-	0	0	0
Lost time incident rate ²	-	0	0	0
Number of employees trained on health and safety training	-	-	1,970	1,625
Percentage of employees training on H&S	100%	-	100%	94%

Notes:

¹ No data collection process was conducted in FY2022.

² No performance target was set for Number of work fatalities, Lost time incident rate and Number of employees trained on health and safety training.

SUSTAINABILITY STATEMENT

CORPORATE SOCIAL RESPONSIBILITIES

GRI 203-2 | 413-1

At Senheng, we are committed to responsible business practices that create positive impacts for society and the environment. Through our initiatives, we strive to contribute and build trust with our stakeholders.

Our Approach

The Group's approach to CSR focuses on key areas such as environmental sustainability, community engagement, and ethical business practices. We support local communities through charitable partnerships, educational programs, and environmental initiatives, such as sponsoring school supplies to B40 students, supporting renewable energy, environmental conservation, and education programmes. Our efforts are driven by the belief that a responsible approach to business leads to a more sustainable future for everyone.

Our Performance

In FY2024, Senheng contributed RM164,885 to community programs focused on environmental conservation, community welfare, education, and sustainability. While this represents a decrease from RM575,000 in 2023, it reflects a shift toward long-term, strategic investments.

In 2023, Senheng committed RM500,000 through a 10-year Memorandum of Understanding (MoU) with TAR UMT, funding a scholarship program and the Graduate Entrepreneurial Leadership Bootcamp. This initiative underscores our dedication to fostering future leaders and driving long-term social impact.

Rather than focusing on one-time contributions, our approach prioritises sustained community engagement, ensuring continued progress in sustainability, education, and social empowerment for years to come.

Key highlights of the Group's contributions are as follows:

	2022	2023	2024
Total amount invested	RM876,486	RM 575,000	RM164,885
Total number of beneficiaries of the investment in communities (by number of entity)	6	2	4



SUSTAINABILITY STATEMENT



MOVING FORWARD / INITIATIVES FOR FY2025

Moving forward into FY2025, we are dedicated to upholding and furthering our sustainability efforts across the group. One of the key initiatives we are focusing on involves aligning with the recommendations outlined by the NSRF. In particular, we are committed to adhering to the guidelines set forth in the Bursa Malaysia's Sustainability Reporting Guide to ensure comprehensive and transparent reporting practices.

Assurance Statement

Senheng conducted independent audits and assurance for selected financial information in this report, aligning with the Financial Report. However, third-party assurance has not been undertaken for non-financial and sustainability-related data.

While external assurance providers and internal auditors were not engaged for this reporting period, we remain committed to strengthening our sustainability reporting practices. Moving forward, we will explore opportunities for independent assurance to enhance the credibility and reliability of our disclosures.

Scope and Methodology

This Sustainability Statement has been prepared based on data and information collected from various departments within our Group. We have implemented robust internal processes to ensure the accuracy and completeness of the information presented. However, it is important to note that this statement has not been subjected to external assurance by a third party or internal auditors.

Stakeholder Engagement

We value the feedback and insights of our stakeholders, including customers, employees, investors, and community members. Their input is crucial in shaping our sustainability strategy and identifying areas for improvement. We encourage stakeholders to review our Sustainability Report and provide feedback to help us strengthen our sustainability initiatives.

Conclusion

Senheng remains committed to advancing our sustainability journey and upholding the highest standards of transparency and accountability. We are committed to making a positive impact on the environment and society while delivering value to our stakeholders. We will consider external assurance for our future sustainability statements.

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Executive	Percentage	-	79.00	100.00
Non-Executive	Percentage	-	69.00	98.00
Overall	Percentage	-	71.00	98.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	876,486.00	575,000.00	164,885.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	6	2	4
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Executive (Management) Under 30	Percentage	-	31.00 *	36.00
Executive (Management) Between 30-50	Percentage	-	61.00 *	59.00
Executive (Management) Above 50	Percentage	-	8.00 *	5.00
Non-executive Under 30	Percentage	-	55.00 *	54.00
Non-executive Between 30-50	Percentage	-	43.00 *	44.00
Non-executive Above 50	Percentage	-	2.00 *	2.00
Gender Group by Employee Category				
Executive (Management) Male	Percentage	-	53.00 *	60.00
Executive (Management) Female	Percentage	-	47.00 *	40.00
Non-executive Male	Percentage	-	68.00 *	67.00
Non-executive Female	Percentage	-	32.00 *	33.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	-	71.00 *	71.00
Female	Percentage	-	29.00 *	29.00
Under 30	Percentage	-	0.00 *	0.00
Between 30-50	Percentage	-	0.00 *	0.00
Above 50	Percentage	-	100.00 *	100.00

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2022	2023	2024
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	3.41	3.29 *	3.06
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	1,970 *	1,625
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Executive (Management)	Hours	7,998	11,122	8,550
Non-executive (Non-Management)	Hours	32,126	25,126	24,591
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	15.00	0.30
Bursa C6(c) Total number of employee turnover by employee category				
Executive (Management)	Number	105	108	111
Non-executive (Non-management)	Number	504	601	666
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.00	98.60 *	96.70
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	-	26.470000	31.570000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	-	-	518.77
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	301.23	452.26 *	498.05
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	20.72
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,734.00	1,617.00 *	1,538.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	17,421.00	15,921.00 *	13,626.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	2,165,799.00	4,163,261.00 *	4,024,532.00

SUSTAINABILITY STATEMENT

GRI CONTENT INDEX

Statement of use: Senheng New Retail Berhad has reported information cited in this GRI content index for the period of 1 January 2024 to 31 December 2024 in accordance with the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI Standard / Other Source	Disclosure Item	Reference Page(s) In Annual Report
GRI 2: General Disclosures 2021		
2-1	Organisation details	27
2-2	Entities included in the organisation's sustainability reporting	27
2-3	Reporting period, frequency and contact point	27-28
2-4	Restatement of information	37, 47
2-5	External assurance	No external assurance
2-6	Activities, value chain and other business relationship	27
2-7	Employees	46-47
2-8	Workers who are not employees	46-47
2-9	Governance structure and composition	28-30
2-10	Nomination and selection of highest governance body	57-68
2-11	Chair of the highest governance body	57-68
2-12	Role of the highest governance body in overseeing the management of impacts	28-29
2-13	Delegation of responsibility for managing impacts	28-29
2-14	Role of the highest governance body in sustainability reporting	28-29
2-15	Conflict of interest	18-24, 57-69
2-16	Communication of critical concerns	Corporate Governance Report
2-17	Collective knowledge of the highest governance body	Corporate Governance Report
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report
2-19	Remuneration policies	Corporate Governance Report
2-20	Process to determine remuneration	Corporate Governance Report
2-21	Annual total compensation ratio	Corporate Governance Report
2-22	Statement on sustainable development strategy	Corporate Governance Report
2-23	Policy commitments	Corporate Governance Report
2-24	Embedding policy commitments	52
2-25	Processes to remediate negative impacts	32-34
2-26	Mechanism for seeking advice and raise concerns	32-34
2-27	Compliance with laws and regulations	44-51
2-29	Approach to stakeholder engagement	31

SUSTAINABILITY STATEMENT

GRI Standard / Other Source	Disclosure Item	Reference Page(s) In Annual Report
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	32-33
3-2	List of material topics	32-33
3-3	Management of material topics	32-33
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	39
GRI 205: Anti-corruption 2016		
205-1	Operation assessed for risks related to corruption	38
205-2	Communication and training about anti-corruption policies and procedures	38
205-3	Confirmed incidents of corruption and actions taken	38
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	40-41
302-4	Reduction of Energy Consumption	40-41
GRI 303: Water and Effluents 2018		
303-5	Water consumption	42
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	46-47
401-2	Benefit provided to full-time employees that are not provided to temporary or part-time employees	44-45
401-3	Parental leave	44
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	49-50
403-2	Hazard identification, risk assessment, and incident investigation	49-50
403-3	Occupational health services	49-50
403-4	Worker participation, consultation, and communication on occupational health and safety	49-50
403-5	Worker training on occupational health and safety	49-50
403-6	Promotion of worker health	49-50
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	49-50
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	47
404-2	Programs for upgrading employee skills and transition assistance programs	47
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	44-46
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	51
413-2	Operations with significant actual and potential negative impacts on local communities	51
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	48

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Syariah Compliant

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Senheng New Retail Berhad ("Senheng" or the "Company"), along with its subsidiaries, (collectively referred to as the "Group" or "Senheng Group"), recognises the significance of adhering to the principles and practices outlined in the Malaysian Code on Corporate Governance ("MCCG"). These principles play a crucial role in fostering business prosperity and corporate accountability, with the ultimate goal of realising long-term shareholder value while considering the interests of various stakeholders.

The Board is pleased to present this Corporate Governance ("CG") Overview Statement, which provides an overview on the Board's initiatives and commitments in promoting good corporate governance across the Group throughout the financial year ended 31 December 2024 ("FY2024"). This CG Overview Statement has been prepared in compliance with Paragraph 15.25(1) and Practice Note 9 of the MMLR with reference to the following three (3) key corporate governance principles as guided by the MCCG:-

- (i) Principle A: Board Leadership and Effectiveness;
- (ii) Principle B: Effective Audit and Risk Management; and
- (iii) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Overview Statement shall be read together the Corporate Governance Report ("CG Report") for FY2024, which further outlined the details and explanations on the application of the corporate governance practices. The CG report accessible on the Company's corporate website at www.senheng.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I: BOARD RESPONSIBILITIES

BOARD COMPOSITION

The Board of Directors currently consists of seven (7) members, adhering to the Company's Constitution which permits a minimum of two (2) and a maximum of fifteen (15) Directors. This composition includes one (1) Executive Chairman, one (1) President/Non-Independent Executive Director, one (1) Non-Independent Non-Executive Director, and four (4) Independent Non-Executive Directors ("INEDs"). This structure aligns with the Company's commitment to fostering objectivity in the decision-making process by presenting a board majority composed of INEDs.

Collectively, the Board shoulders the responsibility for the Group's long-term growth and the delivery of sustainable value to its stakeholders. In fulfilling its fiduciary duties and leadership functions, the Board establishes the strategic direction and exercises effective oversight over the management of the Group. Key responsibilities include providing effective oversight of the Group's business operations, ensuring the existence of robust risk management and internal control systems, and conducting regular reviews to ensure their adequacy, integrity, and effectiveness.

The effective Board assumes principal responsibilities in discharging its stewardship role, fiduciary duties, and leadership functions. These include:

- Reviewing and adopting strategic plans, addressing the sustainability of the Group's business.
- Overseeing the conduct of the Group's businesses and evaluating their proper management.
- Identifying principal business risks and implementing appropriate systems for risk management.
- Considering and implementing succession planning for the Board and Senior Management.
- Developing and implementing an investor relations program or shareholder communications policy.
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, ensuring compliance with applicable laws, regulations, rules, directives, and guidelines.
- Promoting good corporate governance culture alongside Senior Management, by reinforcing ethical, prudent, and professional behavior.
- Reviewing, challenging, and deciding on Management's critical proposals for the Company and overseeing their implementation by Management.

This comprehensive approach underscores the Board's commitment to effective governance, strategic planning, risk management, and ethical business practices for the benefit of all stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Independence of the Board

Based on current board structure, the Board consist of four (4) INEDs, representing a majority of its Board members are independent Directors. The current board structure fulfils the prescribed requirement of at least two (2) or one-third (1/3) of the Board, whichever is higher, are independent directors, pursuant to Paragraph 15.02(1)(a) of the MMLR of Bursa Securities as well as Practice 5.2 of the MCCG's recommendation of having at least half of the board comprises of independent directors.

In addition, the Board Chairman of the Company does not serve as a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee to ensure there is check and balance and objective reviews of feedbacks from Board Committees and this is in comply with Practice 1.4 of the MCCG's recommendation. This is also to ensure the independence and objectivity during the Board Meetings and Board Committee Meetings.

Given the recent listing of the Company, it's noteworthy that none of the INEDs have served a cumulative term of nine (9) years. This reflects the Company's commitment to ensuring a fresh and diverse perspective within its leadership, enhancing independence, and aligning with best corporate governance practices.

Skills, Experience and Expertise

The Board is meticulously composed, bringing together members with a well-rounded blend of skills, experience, and independence that align with the Company's objectives and strategic goals. Distinguished by their diverse backgrounds and expertise in areas such as retail, marketing, accounting and finance, legal, and risk management, the Board members collectively contribute to a comprehensive skill set.

This diverse composition extends beyond a mere balance in skills, qualifications, and experience. The Board exhibits a profound ability to make judicious business decisions, underpinned by a commitment of significant time to deliberate on business strategies, financial performance, and the annual business plans of the Company. Their dedication ensures a robust governance framework that supports the realisation of long-term shareholder value.

In addition to their professional acumen, the Board adheres to high ethical standards, further promoting sustainability in all aspects of the Company's operations. This commitment to ethical conduct, combined with their strategic insights and business acuity, positions the Board as a driving force in achieving the Company's long-term goals.

Gender Diversity

The Board is committed to embracing best practices outlined in the MCCG, particularly endorsing the establishment of a gender diversity policy. In response, the Board Diversity Policy has established and emphasising the creation of an inclusive environment that respects individuals irrespective of their gender in all business dealings. This policy underscores the Company's dedication to fostering a workplace free from harassment and discrimination based on gender, physical or mental state, ethnicity, nationality, religion, age, or family status.

Aligned with the Practice 5.9 of the MCCG regarding the requirement for a minimum of thirty per centum (30%) female directors, currently, the Board remains attuned to this directive. Ongoing efforts are in place to actively attract and facilitate the inclusion of women in the Board. Currently, there are two (2) female directors, representing approximately twenty nine per centum (29%) of women director actively contributing to the Board's proceedings. Additionally, among the Key Senior Management personnel, two (2) out of five (5) are women, demonstrating the Company's strides toward gender diversity at both the leadership and management levels. The Board is dedicated to furthering these initiatives to create a more diverse and inclusive corporate landscape.

BOARD COMMITTEES

In fulfilling its fiduciary duties, the Board judiciously delegates certain responsibilities to three (3) Board Committees, each operating in accordance with their approved Terms of Reference ("TOR"). The Board has rigorously reviewed and assessed the TORs of these Committees at periodic intervals. This meticulous process ensures that the TORs consistently align with the latest developments in the MMLR of Bursa Securities and the MCCG.

By regularly revisiting and evaluating the TORs, the Board strives to maintain their relevance and adequacy in effectively governing the functions and responsibilities of the respective Committees. This commitment to continuous assessment reflects the Board's dedication to upholding the highest standards of corporate governance and ensuring that the Committees are equipped to address evolving regulatory landscapes and industry best practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(a) Audit and Risk Management Committee ("ARMC")

The ARMC was established to oversee the financial, accounting and reporting practices to ensure proper disclosure to the shareholders of the Company.

The ARMC comprises three (3) members as follows, all of whom are INEDs:-

Chairperson	Ms Ho Kim Poi (Independent Non-Executive Director)
Members	Mr Oh Keng Leng (Independent Non-Executive Director)
	Ms Aireen Omar (Independent Non-Executive Director)

The ARMC has the principal objectives of overseeing:-

- the Group's internal and external audit processes including issues pertaining to the system of internal control, risks management and governance;
- financial reporting including the integrity of the financial statements of the Group;
- the quality of the audits conducted both by the internal and external auditors;
- the conflict of interest ("COI") and/or potential COI situations and related party transactions;
- the compliance by the Group with legal and regulatory requirements and observance of a proper code of conduct; and
- the risk management and internal control framework of the Group to ensure the adequacy of the Group's risks and control environment.

For details of its activities during FY2024, please refer to the ARMC Report of this Annual Report.

The roles and responsibilities of the ARMC are detailed in its Terms of Reference, which can be accessed on the Company's website.

(b) Nomination Committee ("NC")

The NC was established to provide valuable assistance to the Board in fulfilling its statutory duties and responsibilities, particularly concerning board succession planning. This includes pivotal tasks such as recruiting and recommending new appointments of Board members to the Board and/or its subsidiaries. The overarching objective is to ensure the overall effectiveness of the Board and to continuously enhance its performance over time. The NC plays a crucial role in contributing to the robust governance and sustained success of the organisation.

The NC comprises three (3) members, all of whom are INEDs. The NC members are as below:-

Chairman	Dato' Yeow Wah Chin (Independent Non-Executive Director)
Members	Ms Ho Kim Poi (Independent Non-Executive Director)
	Ms Aireen Omar (Independent Non-Executive Director)

The NC is mainly responsible for the following functions:-

- to review the NC's TOR periodically or as and when necessary;
- to review the Board and Senior Management's succession plans and make recommendations to the Board on succession planning policy for the Senior Management;
- to identify and recommend to the Board, suitable candidates for appointment as Directors as well as candidates to fill the Committees, after taking into consideration the following attributes of candidates:-
 - skills, qualifications, knowledge, expertise, experience, professionalism and integrity;
 - commitment which includes time commitment;
 - in the case of the candidates for the position of INEDs, the NC would also evaluate the candidates' ability to discharge such responsibilities as expected from INEDs; and
 - the Board's diversity in terms of age, gender and culture background;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- to review the structure, size, balance and composition of the Board on an annual basis to ensure that the Board has the appropriate mix of skills, independence, experience and other qualities including core competencies to function effectively and efficiently;
- to perform annual evaluation and appraisal on the performance of the Board as a whole, the committees of the Board as well as the contribution and performance of each individual Director, on an annual basis;
- to deliberate and recommend any termination or removal of Director of the Company (if necessary) due to appropriate reasons in accordance with the relevant laws and regulations;
- to facilitate and recommend suitable orientation, educational and training programmes to ensure Directors receive appropriate continuous training in order to maintain an adequate level of competency to discharge their responsibilities and performance;
- to consider and examine such other matters as the Committee considers appropriate; and
- to consider any other matters as delegated by the Board.

The roles and responsibilities of the NC are detailed in its Terms of Reference, which can be accessed on the Company's website.

The activities of the NC in discharging its duties in FY2024 were as follows:-

- Reviewed the performance and effectiveness of each individual Directors, the Board and Board Committees;
- Reviewed the term of office and effectiveness of the ARMC and each of its members;
- Reviewed the length of service and independence of each INEDs;
- Reviewed the tenure of each Director and recommended the re-election of the retiring Directors at the forthcoming Annual General Meeting ("AGM");

- Reviewed the performance and effectiveness of Chief Financial Officer of the Company;
- Reviewed the Succession Planning Framework and recommended them to the Board;
- Reviewed the meeting attendance of the Board and Board Committees, as well as the adequacy of time commitment to fulfilling their roles and responsibilities within the Company;
- Reviewed the Board Committees composition and made recommendation to the Board for changes in compliance with the best practices in the MMLR and MCGG;
- Evaluated and appraised qualifications and suitability of shortlisted candidates, and thereafter recommend appointment of Independent Non-Executive Director to the Board;
- Evaluated and assessed the qualifications and suitability of shortlisted candidates for the proposed appointment of Key Senior Management positions of the Company, and subsequently recommended their appointment to the Board;
- Deliberated on Chief Financial Officer's expanded role to include supervising the Corporate Compliance and Management Department; and
- Deliberated on proposed changes in portfolio of members of Key Senior Management.

The Constitution also provides that one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third, shall retire from office once at least every three (3) years as required by the MMLR of Bursa Securities. A retiring Director shall retain office until the close of the meeting at which he/she retires and shall be eligible for re-election.

Ms Aireen Omar will be retiring pursuant to Clause 114 of the Company's Constitution is subject to re-election at the 4th AGM.

Dato' Yeow Wah Chin and Ms Ho Kim Poi will be retiring by rotation pursuant to Clause 129.1 of the Company's Constitution are subject to re-election at the 4th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The NC has diligently conducted a thorough review of the performance, declaration, and undertaking made by each retiring Director. In its assessment, the NC recognises the substantial value that the Independent Non-Executive Directors, as retiring Directors, bring to the Group.

The NC acknowledges their wealth of experience and knowledge, which is deemed invaluable to the Group. Their deep understanding of the Group's operations and strategies positions them as valuable contributors, offering insightful perspectives to the Board. Furthermore, the presence of these retiring Directors plays a pivotal role in ensuring continuity and stability within the operations of the Group, underscoring their significance to the ongoing success of the organisation.

Based on the recommendation of the NC, the Board will be tabling the resolution on the re-election of Ms Aireen Omar, Dato' Yeow Wah Chin and Ms Ho Kim Poi for shareholders' approval at the forthcoming 4th AGM of the Company.

(c) Remuneration Committee ("RC")

The RC has implemented a formal and transparent procedure aimed at determining equitable remuneration packages for both Directors and Senior Management. This process is meticulously designed to consider various factors, including merit, qualifications, competence, skills, and experience. Additionally, the complexities inherent in the Company's business, individual performance, operational results, and relevant market statistics are taken into account.

The remuneration framework is closely aligned with the business strategy and long-term objectives of the Company. The objective is to create a remuneration structure that not only attracts but also motivates and retains top-tier talents within both the Board and Senior Management. By integrating these considerations into the remuneration determination process, the RC plays a crucial role in ensuring the Company's ability to secure and retain skilled professionals vital for the accomplishment of its strategic goals.

The RC comprises three (3) members, all of whom are INEDs. The RC members are as below:-

Chairman	Mr Oh Keng Leng (Independent Non-Executive Director)
Members	Dato' Yeow Wah Chin (Independent Non-Executive Director)
	Ms Aireen Omar (Independent Non-Executive Director)

The roles and responsibilities of the RC are detailed in its Terms of Reference, which can be accessed on the Company's website.

The main activities of the RC in discharging its duties in FY2024 were as follows:-

- Reviewed and recommended to the Board, the remuneration packages and benefits for Executive Directors and Senior Management;
- Reviewed the fees and benefits payable to the Non-Executive Directors; and
- Reviewed Key Performance Indicator ("KPI") for Executive Directors and Senior Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Details of the Directors' remuneration for FY2024 in the Group are as follows:-

Company	Fee RM'000	Salaries, emoluments, and statutory contribution RM'000	Allowances RM'000	Bonuses RM'000	Benefit in-kinds RM'000	Total RM'000
Senheng New Retail Berhad						
Executive Directors						
Lim Kim Heng	-	-	-	-	-	-
Lim Kim Chieng	-	-	-	-	-	-
Non-Executive Directors						
Lim Kim Yew	63	-	-	-	-	63
Dato' Yeow Wah Chin	100	-	16	-	-	116
Oh Keng Leng	102	-	18	-	-	120
Ho Kim Poi	132	-	17	-	-	149
Tan Ler Chin*	48	-	13	-	-	61
Aireen Omar**	54	-	9	-	-	63

Group	Fee RM'000	Salaries, emoluments, and statutory contribution RM'000	Allowances RM'000	Bonuses RM'000	Benefit in-kinds RM'000	Total RM'000
Executive Directors						
Lim Kim Heng	-	1,413	23	55	-	1,491
Lim Kim Chieng	-	1,413	23	55	-	1,491
Non-Executive Directors						
Lim Kim Yew	63	-	-	-	-	63
Dato' Yeow Wah Chin	100	-	16	-	-	116
Oh Keng Leng	102	-	18	-	-	120
Ho Kim Poi	132	-	17	-	-	149
Tan Ler Chin*	48	-	13	-	-	61
Aireen Omar**	54	-	9	-	-	63

* Ms Tan Ler Chin retired on 21 June 2024 as Independent Non-Executive Director of the Company.

** Ms Aireen Omar was appointed on 21 June 2024 as Independent Non-Executive Director of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD CHARTER

The Board Charter serves as a comprehensive document delineating the roles, responsibilities, duties, and authority vested in the Board. Embedded within this charter are key governance principles aimed at ensuring the Board's unwavering adherence to laws, regulations, and best practices governing their conduct. The Board is committed to upholding high standards of corporate governance across the entirety of the Group.

The Board Charter undergoes periodic reviews and updates to align with the evolving needs of the Company and to accommodate any new regulations that may impact the discharge of the Board's responsibilities. This dynamic approach reflects the Board's commitment to staying abreast of industry changes and regulatory developments.

The Board Charter, a vital reference for understanding the governance framework, was last reviewed by the Board on 26 May 2023 and the revised Board Charter is readily accessible on the Company's website at www.senheng.com, demonstrating the Company's commitment to transparency and ensuring stakeholders have easy access to key corporate governance information.

SEPARATION OF ROLES BETWEEN CHAIRMAN AND PRESIDENT

The Chairman plays a pivotal leadership role in guiding the conduct of the Board and managing its interactions with shareholders and other stakeholders. A key responsibility lies in instilling and upholding good corporate governance practices, fostering effective leadership, and ensuring the overall effectiveness of the Board. The Chairman serves as a linchpin in promoting a culture of transparency, accountability, and ethical decision-making, contributing significantly to the organisation's success and stakeholder confidence. Through these actions, the Chairman establishes a tone at the top that resonates throughout the organisation, reinforcing the importance of sound governance and leadership principles.

The key responsibilities of the Chairman of the Board include the following, among others:-

- providing leadership to lead the Board in its collective oversight of Management;
- leading the Board in establishing and monitoring good corporate governance in the Company;

- establishing the agenda for Board meetings in consultation with the President and Company Secretary;
- ensuring that all Directors are enabled and encouraged to participate at Board meetings. This includes ensuring that all relevant issues are on the agenda and that all Directors receive timely and relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings;
- ensuring that Executive Directors look beyond their executive functions and accept their full share of the responsibilities of governance;
- managing the interface between the Board and Management;
- in conjunction with the President, undertaking appropriate public relations activities to provide effective communication with stakeholders and to communicate their views to the Board;
- be the spokesperson for the Company at the AGM and in the reporting of performance and profit figures; and
- performing other responsibilities as assigned by the Board, from time to time.

The President holds the primary responsibility for driving the continuous success of the Company. Tasked with overseeing all facets of management and development, the President plays a crucial role in charting the Company's course for growth and success. A key aspect of the President's role is to explore new and innovative strategies to enhance the Company's competitiveness and business practices. Leveraging industry knowledge and credibility, the President fulfills the requirements of the role with a focus on steering the Company towards excellence.

To ensure clear accountability and facilitate a well-defined division of responsibilities, the Company has opted to maintain separate positions for the Chairman and President. This structural choice promotes effective governance and delineates distinct roles, allowing each position to contribute optimally to the Company's overall objectives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DIRECTORS' FIT & PROPER POLICY

The Group has adopted the Directors' Fit & Proper Policy ("Guidelines"). The Guidelines serves as a guide to the NC and the Board to evaluate and assess the candidates to be appointed to the Board, as well as the Directors who are seeking for re-election.

The fitness and propriety of a Board candidate or Directors seeking re-election will be assessed in accordance with the following areas under the Directors' Fit and Proper Policy:-

- (a) Character and integrity;
- (b) Experience and Competence; and
- (c) Time and Commitment.

The Directors' Fit and Proper Policy also set out that the Board and Senior Management shall possess competence, character, diligence, honesty, integrity and judgement to discharge the duties of their respective positions appropriately, upholding high corporate governance standard.

The Directors' Fit and Proper Policy is available on the Company's website at www.senheng.com and is subject for review periodically.

WHISTLE-BLOWING POLICIES AND PROCEDURES

The Group has adopted the Whistle-Blowing Policies and Procedures ("WBPP") to provide an avenue for concerned parties/stakeholders to raise their concerns about malpractices/improper conduct in a confidential manner and to facilitate inquiries into the reported concerns. The Group has engaged Axcelasia Roots Sdn Bhd to manage the Whistle-Blower channels, with independent role in facilitating investigation process.

The WBPP outlines the policies and procedures to facilitate all Whistle-Blowers to report misconducts through a proper channel. A Whistle-Blower may lodge his/her complaint/allegation of bribery or corruption or any misconduct by writing to the Axcelasia Roots whistle-blower platform.

All reported concerns will be treated with confidentiality and protected against any unauthorised use and access, except where applicable laws require disclosure or where prior adequate notification has been given to the Whistle-Blower.

The WBPP is available on the Company's website at www.senheng.com.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Senheng Group has taken a firm stance against bribery and corruption by adopting and implementing its Anti-Bribery and Anti-Corruption Policy ("ABAC Policy"). This policy comprehensively prohibits all forms of bribery and corruption within the organisation.

The ABAC Policy underscores Senheng Group's commitment to ethical business practices, aligning with the government's dedication to combating corruption, enhancing integrity, and fostering good corporate governance. This commitment is particularly emphasised in accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, which came into effect on 1 June 2020, along with the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

Importantly, the ABAC Policy promotes a culture of transparency and accountability. Individuals who refuse to engage in bribery, decline involvement in corrupt practices, actively raise concerns, or report potential wrongdoing will not face penalties, even if such actions result in Senheng Group losing business, missing targets, or encountering other disadvantages.

The ABAC Policy serves as a guiding framework, clearly outlining Senheng Group's position on bribery in all its forms. It provides valuable information and guidance on how to identify and address potential acts of bribery and corruption throughout the organisation's operations, reinforcing a commitment to ethical conduct and compliance with relevant laws.

ETHIC STATEMENT REGARDING ANTI-BRIBERY AND ANTI-CORRUPTION

Senheng is committed to maintaining the highest ethical standards and has articulated its stance on Anti-Bribery and Anti-Corruption through the Ethic Statement. This Statement is applicable to a broad spectrum of individuals, including all staff, officers, directors, and employees (inclusive of contractors and temporary workers/interns) across Senheng's operations. Moreover, it extends to cover the Group's agents, suppliers, business partners, resellers, distributors, contractors, and other intermediaries who act on behalf of or represent Senheng Group.

Irrespective of local laws or cultural differences, all activities conducted on behalf of the Group must adhere to the principles outlined in this Statement. Senheng Group enforces a policy of individual accountability, emphasising that each member of the organisation, as well as external partners and intermediaries, must comply with the anti-bribery and anti-corruption guidelines articulated in the Statement. This unwavering commitment underscores Senheng's dedication to fostering an ethical business environment globally.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

ACCESS TO INFORMATION AND ADVICE

The Board convenes meetings on a quarterly basis to conduct comprehensive reviews of the Group's business, operational, and financial performance. Additionally, special meetings are arranged as needed to address specific matters requiring the decision or approval of the Board.

Directors will receive a detailed agenda and comprehensive set of Board papers encompassing financial, operational, corporate, regulatory, business development, and audit information, prior to the Board meetings. This pre-meeting preparation ensures that the Board can make informed decisions and effectively fulfill its responsibilities.

Regular updates on the Company's activities and operations are provided to Board members. To facilitate the discharge of their duties, all Directors have access to comprehensive information about the Company. The Board has the discretion to seek advice from Management, request further explanations, or seek updates on the Group's operations and business concerns.

Circular resolutions approved by the Board are presented for notation at subsequent Board meetings. The decisions taken by Board Committees are reviewed through the minutes of these Committees. The Chairman or Chairperson of each Board Committee reports to the Board at each meeting, highlighting any significant matters that may require the Board's attention or direction.

Board members enjoy unrestricted access to the advice and services of the Company Secretaries and Key Senior Management. Furthermore, they have the authority to seek independent professional advice at the Company's expense to fulfill their duties and obligations, whether as a full board or individually. This commitment ensures that the Board is well-informed and equipped to make sound decisions in the best interest of the Company.

QUALIFIED COMPANY SECRETARIES

The Board is assisted by proficient Company Secretaries who are esteemed members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). These Company Secretaries possess the qualifications necessary to act in accordance with Section 235(2) of the Companies Act 2016.

The Company Secretaries fulfill an advisory role to the Board, ensuring adherence to proper procedures, compliance with relevant rules and regulations governing the Board's conduct, and overseeing all matters associated with the efficient operation of the Board. Regular updates and briefings are provided by the Company Secretaries to the Board, offering seamless advice and services to Directors whenever needed. This collaborative effort enhances the overall effectiveness of the Board and ensures meticulous regulatory compliance.

In order to facilitate the smooth operation of the Board and to ensure regulatory compliance, all Board members have direct access to the advice and services of the Company Secretaries. This accessibility promotes open communication and enables Directors to seek guidance on various matters related to the Board's affairs and business, thereby contributing to the effective governance of the Company.

The Company Secretaries' roles include:-

- ensuring that Board procedures and applicable rules are observed;
- advising the Board on its roles and responsibilities;
- maintaining records of the Board and ensuring effective management of the Company's records;
- attending and preparing minutes to document Board and Committee proceedings and ensuring conclusions are accurately recorded;
- advising the Board on corporate disclosures and compliance with company and securities regulations and MMLR of Bursa Securities;
- advice the Management on the processes pertaining to the annual shareholder meeting;
- monitoring corporate governance developments and update the Board on governance practices so that the Board can apply the same to meet the Board's needs and stakeholders' expectations; and
- carrying out other functions as deemed appropriate by the Board from time to time.

The appointment and removal of the Company Secretary is subject to the Board's approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Attendance at Meetings

The attendance of the Directors at Board and Board Committee meetings in FY2024 are as below:-

Name	Designation	Board	ARMC	NC	RC
Lim Kim Heng	Non-Independent Executive Chairman	10/10	-	-	-
Lim Kim Chieng	President / Non-Independent Executive Director	10/10	-	-	-
Lim Kim Yew	Non-Independent Non-Executive Director	10/10	-	-	-
Dato' Yeow Wah Chin	Independent Non-Executive Director	10/10	-	5/5	6/6
Tan Ler Chin*	Independent Non-Executive Director	5/5	5/5	3/3	4/4
Ho Kim Poi	Independent Non-Executive Director	10/10	8/8	5/5	-
Oh Keng Leng	Independent Non-Executive Director	10/10	8/8	-	6/6
Aireen Omar**	Independent Non-Executive Director	5/5	3/3	2/2	2/2

* Ms Tan Ler Chin retired on 21 June 2024 as Independent Non-Executive Director of the Company.

** Ms Aireen Omar was appointed on 21 June 2024 as Independent Non-Executive Director of the Company.

Remuneration of Senior Management

In terms of Senior Management, the Board believes that disclosing the top five (5) Senior Management remuneration by name may not in the best interest of the Company, given that such disclosure could lead to talent retention issues, especially in the highly competitive industry. Hence, the Board decided that disclosing the remuneration of the key management in bands of RM50,000 on an unnamed basis is sufficient for compliance with the Malaysian Financial Reporting Standards ("MFRS") and the MCGG. Nonetheless, the RC will ensure that the remuneration package is competitive to attract, retain and incentivise the Senior Managements. Remuneration package including annual increment and bonus is linked to performance.

The top five (5) key senior management whose total remuneration falls within the following bands for FY2024 are as follows:-

Remuneration Band (in band of RM50,000)		
Number of Key Senior Management	Remuneration (RM)	Benefit-in-kind (RM)
1	500,000-550,000	0-50,000
2	400,000-500,000	0-50,000
2	350,000-400,000	0-50,000

Directors' Training

All Directors of the Company have attended the Mandatory Accreditation Programme as prescribed in the MMLR of Bursa Securities as well as the IPO Dialogue hosted by Securities Commission Malaysia.

The Directors consistently keep themselves abreast with the latest corporate governance practices, relevant legislations and regulations, and financial reporting standards in the discharge of their fiduciary duties. Training programmes, seminars, courses and conferences attended by the Directors in FY2024 are listed below:-

Directors' Name	Title of Training
Lim Kim Heng	▪ TAR UMT Talent Development Program
Lim Kim Chieng	▪ TAR UMI Talent Development Program ▪ Repositioning of Business in Challenging Times

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Name	Title of Training
Lim Kim Yew	<ul style="list-style-type: none"> MAP Part II: Leading for Impact Repositioning of Business in Challenging Times Unconventional Strategies SMC Strategy Master Class Social Influence
Dato' Yeow Wah Chin	<ul style="list-style-type: none"> MAP Part II: Leading for Impact Being Sued as an INED – A Personal Journey
Ho Kim Poi	<ul style="list-style-type: none"> Directors compulsory training Being Sued as an INED – A Personal Journey Conflict of Interest 2024 ABAC e-learning BR Capital: digital credit market platform Director preparedness for AI powered attacks on People, Tech & Governance Geopolitical risk and the strategic imperatives for boards and C suites climate change awareness
Oh Keng Leng	<ul style="list-style-type: none"> MAP Part II: Leading for Impact E-invoicing latest update Being Sued as an INED - A Personal Journey Professional Ethics in Focus Cyber Security and Board Audit and Risk Committee Responsibility How Can Boards Make the Most of Blockchain & Digital Assets Decoding AI in the accounting industry Cybersecurity Challenges in ASEAN Strategic Data and Frameworks in Board Governance Post Budget 2025
Aireen Omar	<ul style="list-style-type: none"> ENDEAVOR – Panel Speaker at Womenpreneur Talk Show and Summit 2024 Panel Speaker at a Women's Day Conference Inspire Inclusion Communication & Multimedia Content Forum Siemens Malaysia Berhad - International Women's Day - inspirational talk World Bank: Panelist for the East Asia & Pacific Economic Update Tune Protect Group In-house Directors' Training on Insurtech World Economic Forum – Riyadh Panelist at the Special Meeting in Saudi Arabia: Vacationomics Ministry of Education (MOE) Seminar Nasional Pengurusan dan Kepimpinan Pendidikan Panelist - Business Foresight Forum 2024 (Securities Commission) Next Big Tech Asia The Future is AI-Powered: Equipping Your HR and Workforce with AI Google CEO Roundtable with Ruth Porat – President & Chief Investment Officer, Alphabet and Google AI Navigating The Way Ahead – Sreenevasan Advocates & Solicitors CTOS SME Biz Day Penang 2024 ASEAN Diversity, Equity and Inclusion (DEI) Pledge (ADP) of the ASEAN-BAC Malaysia TM X SUMMIT : "Towards AI-Powered Customer Experience"

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

The ARMC was established on 25 June 2021 to accurately define its oversight powers regarding risk management matters delegated to the committee.

Comprising three (3) members of the Board, all of whom are Independent Non-Executive Directors, the ARMC plays a crucial role in overseeing risk management within the organisation.

The External Auditors report to the ARMC on their audit of each year's statutory financial statements, highlighting matters requiring the committee's attention. The ARMC engages in private discussions with the External Auditors at least twice a year, excluding the presence of Executive Directors and Management.

To ensure independence, the External Auditors declare their independence annually to the ARMC, as stipulated by the By-Laws on Professional Ethics, Conduct, and Practice issued by the Malaysian Institute of Accountants. The ARMC is satisfied that the External Auditors have maintained independence throughout the audit process, and the audit services rendered meet the expected quality.

Based on the ARMC's recommendation, the re-appointment of the External Auditors will be tabled to shareholders for approval at the 4th AGM. The detailed report of the ARMC is provided in this Annual Report, outlining its activities and assessments related to risk management and audit functions within the Group.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

In recognising the significance of safeguarding shareholder interests and protecting the assets of the Group, both the Board and Management have emphasised the establishment of a robust system for risk management and internal control. The Group has meticulously formalised a comprehensive risk management and internal control framework, delineating the detailed processes of risk identification, evaluation, treatment, monitoring, and review. This framework extends across various facets of the Group's operations, including but not limited to compliance, operations, finance, and technology, as the Group actively seeks alternative methods to enhance efficiency and eliminate operational weaknesses.

Aligned with this framework, the Group has implemented the Enterprise Risk Management (ERM) system, resembling a clockwork mechanism. The ERM system encompasses risk awareness creation, knowledge building, strategic risk and opportunity assessment, and the development of action plans and key risk indicators. Risks identified and monitored through the ERM system are reported quarterly to the ARMC, with proposed mitigating plans to address identified risks.

Under the advisory and guidance of the ARMC, the Board consistently assesses and examines the effectiveness and efficiency of the risk management and internal control framework. The expertise of the ARMC provides assurance to potential investors and shareholders, as it assesses risks comprehensively across all aspects of the Group, furnishing the Board with a detailed report to inform decision-making.

For the fiscal year 2024, the Board deems the existing risk management and internal control system satisfactory. Importantly, no material losses resulted from internal control weaknesses or adverse compliance events. The Board's consistent review throughout the fiscal year reaffirms the adequacy and effectiveness of the Group's risk management and internal control. Further details on the methods employed for risk management can be found in the Statement on Risk Management and Internal Control within this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

ENGAGEMENT WITH STAKEHOLDERS

The Board underscores the significance of transparency and accountability to the Company's investors, leading to the establishment of an effective communications policy. This policy facilitates clear and efficient communication between the Board, Management, shareholders, stakeholders, and the general public.

To further enhance investor relations and disseminate information, the Group maintains a corporate website at www.senheng.com. This online platform serves as a valuable resource for timely disclosures, material information, and announcements made to Bursa Securities. All relevant information is promptly published on the website shortly after its release by the Company, ensuring that shareholders and stakeholders have access to the latest updates in a timely manner. This commitment to open communication reflects the Board's dedication to transparency and accountability in its interactions with the broader community.

CONDUCT OF GENERAL MEETINGS

The AGM stands as a primary platform for shareholder dialogue, providing an opportunity for shareholders to assess the Group's performance through the Annual Report and engage with the Board by posing questions for clarification. Shareholders are encouraged to actively participate, meet, and communicate with the Board during the AGM and are invited to vote on all resolutions.

To facilitate shareholder engagement, a notice period of at least twenty eight (28) days is provided ahead of the AGM, in accordance with Practice 13.1 of the MCCG. This duration allows shareholders sufficient time to review the Annual Report and supporting papers related to the proposed resolutions.

Consistent with Paragraph 8.29A of the MMLR of Bursa Securities, all resolutions presented at the AGM are voted by way of a poll. An independent scrutineer is appointed to validate the votes cast, and the outcome of the AGM is promptly announced to Bursa Securities on the same day as the meeting.

All Board members, along with the members of the Board Committees, Key Senior Management and the External Auditors, attended the 3rd AGM held by the Company on 21 June 2024. They addressed the questions raised by shareholders, further promoting transparency and fostering open communication in the interactions between shareholders and the company.

COMPLIANCE STATEMENT

The Board believes that the Company has complied with the key principles and implemented most of the practices outlined in the MCCG during FY2024 and up to Review Period. The Company's CG Report outlines any departures from the MCCG practices, along with explanations for those deviations. For detailed information regarding the departures and their justifications, please refer to the Company's CG Report FY2024.

The Board is dedicated to upholding the highest standards of corporate governance by continually adopting the principles and best practices outlined in the MCCG, along with other relevant laws and regulations, where appropriate.

This CG Overview Statement has been approved by the Board on 9 April 2025.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Senheng New Retail Berhad ("Board") is pleased to present the Audit and Risk Management Committee ("ARMC") Report which provides the insights into the manner for which the ARMC has discharged its duties and responsibilities in overseeing the accounting and reporting practices of the Company for the financial year ended 31 December 2024 ("FY2024").

COMPOSITION AND DESIGNATION OF ARMC MEMBERS

The ARMC was established by the Board on 25 June 2021 to assist the Board in the oversight of the financial reporting process of the Company. In compliance with Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the ARMC comprises the following members:-

Chairperson	Ms Ho Kim Poi (Independent Non-Executive Director)
Members	Mr Oh Keng Leng (Independent Non-Executive Director)
	Ms Aireen Omar (Independent Non-Executive Director)

The composition of the ARMC fulfilled the requirements under Paragraph 15.09(1)(c) of the MMLR of Bursa Securities with Ms Ho Kim Poi and Mr Oh Keng Leng being members of the Malaysian Institute of Accountants ("MIA"). Furthermore, in accordance with Paragraph 15.10 of Listing Requirement and Practice 9.1 of the MCGG, the Chairman of the ARMC, Ms Ho Kim Poi, does not serve as the Chairman of the Board. This segregation of duties promotes objectivity and integrity of the Company's financial reporting and audit processes.

There was also no alternate director appointed as a member of the ARMC in comply with Paragraph 15.09(2) of the MMLR.

TERMS OF REFERENCE

The scope and responsibilities of the ARMC are set out in the Terms of Reference ("TOR") of the ARMC which is available at www.senheng.com.

MEETINGS AND ATTENDANCE

During the FY2024, the ARMC held eight (8) meetings in total. The attendance of each member at the ARMC meetings is as follows:-

Members	Attendance
Ms Ho Kim Poi (Chairperson)	8/8
Mr Oh Keng Leng	8/8
Ms Tan Ler Chin*	5/5
Ms Aireen Omar**	3/3

* Ms Tan Ler Chin retired on 21 June 2024 as Independent Non-Executive Director of the Company.

** Ms Aireen Omar was appointed on 21 June 2024 as Independent Non-Executive Director of the Company.

The External Auditors Messrs. BDO PLT ("BDO") attended the ARMC meetings where they were invited to present matters relating but not limited to audit planning and status, audit report, key audit matters, compliance with laws and regulations, recommendation for improvement to internal controls of the Group and financial reporting issues.

SUMMARY OF ACTIVITIES OF THE ARMC DURING THE FINANCIAL YEAR

The following activities were carried out by the ARMC during the FY2024 up to the date of this report:-

- Reviewed the draft Audited Financial Statements for the financial years ended 31 December 2023 and 31 December 2024 and the Directors' and Auditors' Reports for recommendation to the Board for approval;
- Reviewed the report from the External Auditors arising from the final audit for the FY 2023 and FY2024 and held a private discussion with the External Auditors to discuss on matters arising from the final audit and assistance provided by management to them during the course of audit;

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

- Reviewed proposed declaration of interim dividend for the financial years ended 31 December 2023 and 31 December 2024;
- Reviewed the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control and subsequently recommended to the Board for inclusion in the Annual Report for the financial years ended 31 December 2023 and 31 December 2024;
- Conducted a private session with External Auditors and Internal Auditors to discuss the areas of audit concern and recommendations regarding opportunities for improvement to the internal controls based on observations.
- Reviewed the Audit Planning Memorandum prepared by BDO, the External Auditors;
- Discussed and reviewed the External Auditors' evaluation of system of internal control of the Company;
- Reviewed the audit reports presented by the BDO, the External Auditors;
- Reviewed and discussed the internal audit plan which includes timely review of the risk management framework and internal control system and risk mitigating plan with the Internal Auditors;
- Reviewed the adequacy of the scope of internal audit, competency and resources of the internal audit function and whether the Internal Auditors has the required authority to discharge its functions;
- Reviewed the unaudited consolidated quarterly report of the Group for recommendation to the Board for approval prior to submission to Bursa Securities;
- Reviewed the Company's compliance in particular the quarterly and year-end financial statements with the MMLR of Bursa Securities, applicable approved accounting standards and other legal and regulatory requirements;
- Reviewed all Related Party Transactions ("RPT") and Recurrent Related Party Transactions ("RRPT") entered into by the Group;
- Reported to the Board on significant issues and concerns discussed during the ARMC meetings;
- Reviewed the suitability and independence of the External Auditors and recommended to the Board on the re-appointment of the external auditors and audit fee;
- Reviewed the internal audit reports presented by the Internal Auditors;
- Reviewed the Enterprise Risk Management System and Risk Profile of the Group;
- Reviewed and assessed the disposal of land;
- Reviewed the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control and subsequently recommended to the Board for inclusion in the Annual Report for the financial years ended 31 December 2023 and 31 December 2024;
- Reviewed the proposed amendment to the TOR of ARMC;
- Reviewed the proposed Conflict of Interest ("COI") Policy and Guidelines;
- Reviewed the COI and/or Potential COI Disclosure Report;
- Reviewed the disclosure of potential COI, including personal relationship, submitted by an employee via "COI Declaration Form" to the Human Resource Department, who then escalated to the ARMC for assessment, conflict management and/or mitigation. The ARMC will monitor this potential COI and take the necessary action should the actual conflict of interest materialises in the future. This was subsequently reported to the Board;
- Reviewed the Circular to shareholders in relation to the Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for RRPT of a revenue or trading nature and tabled at the Third Annual General Meeting of the Company.
- Reviewed the Circular to shareholders in relation to the Proposed Renewal of Existing Shareholders' Mandate for RRPT of a revenue or trading nature and to be tabled at the Fourth Annual General Meeting of the Company.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to KPMG Management & Risk Consulting Sdn Bhd ("KPMG"), an established external professional internal audit firm. The internal audit function reviews the risk management, internal control, anti-corruption, whistleblowing and governance processes objectively and it is independent from the management of the Group and the functions which it audits.

The internal audit team reports the audit findings and recommendation, with Management Action Plan to the ARMC. It performs follow-up on the status of implementation by Management of the Group on the observations raised in preceding cycles of internal audit, and reports the status of corrective actions undertaken to the ARMC on a quarterly basis.

The internal audit function is led by Mohd Khaidzir Shahari, a Certified Internal Auditor ("CIA"), The Institute of Internal Auditors, Inc. ("IIA"), President of Institute of Internal Auditors Malaysia ("IIA Malaysia"), Chairman of Research and Technical Advisory Committee, IIAM, Professional member, IIA Malaysia, Chartered Accountant, MIA, Member, Islamic Finance Committee, Certified Global Management Accountant, Chartered Institute of Management Accountant, and Bachelor in Accounting, International Islamic University (Hons), Malaysia. A total of six (6) personnel were deployed by KPMG for the internal audit work during FY2024. Effective April 2025, Chan Chee Keong is the partner assigned to lead the internal audit function. He is a Fellow of The Association of Chartered Certified Accountants of United Kingdom, Member of Malaysian Institute of Accountants (MIA) with Bachelor of Economics (Hons), major in Economic Studies.

The Internal Audit activities during FY2024 is summarised below:

- Established the annual internal audit plan and proposed the plan to the ARMC which includes internal audit scope covering the financial management and RRPT, effectiveness of Information Technology ("IT") projects, merchandising management, project management and anti-bribery and corruption policy, store operations and Occupational safety and health;
- Performing internal audit based on the International Professional Practices Framework ("IPPF") that includes the Definition of Internal Auditing, the Code of Ethics, and the International Standards for Professional Practice of Internal Auditing issued by the Institute of Internal Auditors;
- Performing follow-up reviews to ascertain if proper action has been taken to address issues highlighted in previous audit reports; and
- Presenting significant audit findings, recommendation and Management's responses to the ARMC for consideration.

The total cost incurred for internal audit function for the FY2024 was RM220,000.00.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Company was listed on the Main Market of Bursa Securities on 25 January 2022 in conjunction with its Initial Public Offering ("IPO"), where the Company undertook a public issue of 250,000,000 new ordinary shares at an issue price of RM1.07 per share, resulting in an entire enlarged issued share capital of the Company comprising of 1,500,000,000 ordinary shares.

As of 31 March 2025, the status of the utilisation of proceeds raised from the IPO amounting to RM267,500,000 is as below in the following manner:-

Utilisation of proceeds

Details of use of proceeds	Revised timeframe	RM	%	Utilisation RM	Reallocation RM	Balance RM	%
Enhance customer experience via upgrading and expanding our chain of retail stores*	Within 60 months ^	160,500,000	60.0%	97,959,297	(30,000,000)	32,540,703	20.3%
Repayment of bank borrowings	Within 6 months	46,000,000	17.2%	46,000,000	-	-	0.0%
Develop new brand distribution business	Within 36 months	22,000,000	8.2%	22,000,000	-	-	0.0%
Expand and upgrade our warehouse & logistics network	Within 36 months	20,000,000	7.5%	20,121,393	121,393	-	0.0%
Boost our digital infrastructure	Within 36 months	9,700,000	3.6%	9,700,000	-	-	0.0%
Estimated listing expenses	Within 3 months	9,300,000	3.5%	9,178,607	(121,393)	-	0.0%
Acquisition of warehouse*	Within 3 months	-	0%	30,000,000	30,000,000	-	0.0%
		267,500,000	100.0%	234,959,297	-	32,540,703	12.2%

* The unutilised balance of RM30 million earmarked for upgrading and expanding the Group's chain of retail stores has been re-allocated to the acquisition of warehouse during the last financial year.

^ The revised timeframe for the utilisation has been extended for another 24 months from initial timeframe.

ADDITIONAL COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2024, the amount of audit fees paid to the external auditors on the Company and Group basis were RM57,000 and RM304,500 respectively.

The non-audit fees paid or payable to the external auditors, or a firm or corporation affiliated to the external auditors' firm by the Company during the financial year ended 31 December 2024 on the Company and Group basis were RM21,500 and RM120,500 respectively.

The details of the payment are set out below:-

	Company (RM)	Group (RM)
Audit Fees	57,000	304,500
Non-Audit Fees		
- BDO	18,500	48,500
- BDO Affiliate	3,000	72,000
Total	78,500	425,000

MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts entered into by the Company and / or its subsidiary companies involving the interests of Directors and major shareholders, which subsisted at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

- On 4 February 2025, Senheng Electric (KL) Sdn. Bhd. ("SHKL"), a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Mactree Sdn. Bhd. (the "Purchaser") for the disposal of a freehold industrial vacant land located under Individual Title No. Geran 584330, No. Lot 173268, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor, for a total cash consideration of RM11,209,500.

EMPLOYEE SHARE OPTION SCHEME

During the financial year ended 31 December 2024, the Group did not grant any employee share scheme to any person.

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Amount Transacted (RM'000)
1.	Senheng Group	Eight Development (M) Sdn. Bhd. ("Eight Development")	Lim Kim Heng ("KH Lim"), Lim Kim Chieng ("KC Lim") and Lim Kim Yew ("KY Lim") are the Directors and major shareholders of the Group. KH Lim, KC Lim and KY Lim are the Directors and major shareholders of Eight Development, each having a 33.33% direct equity interest.	Rental payable to Eight Development in respect of the rental of shoplots and warehouses	(1,139)
2.	Senheng Group	Tenn Pacific Sdn. Bhd. ("Tenn Pacific")	KH Lim, KC Lim and KY Lim are the Directors and major shareholders of Tenn Pacific, each having a 33.33% direct equity interest.	Rental payable by Tenn Pacific for occupying spare office space at the central distribution centre ("CDC") at 3 rd Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor	6
3.	Senheng Group	100 Value Distribution Sdn. Bhd. ("100 Value Distribution")	KH Lim, KC Lim and KY Lim are the Directors and major shareholders of 100 Value Distribution, each having a 26.67% direct equity interest.	<ul style="list-style-type: none"> ▪ Purchase of small item electrical accessories and consumables from 100 Value Distribution for sale ▪ Purchase of small item electrical accessories and consumables from 100 Value Distribution for own use 	<p>(11,709)</p> <p>(7)</p>
4.	Senheng Group	Blackbox BI Consultancy Sdn. Bhd. ("Blackbox BI")	KH Lim, KC Lim and KY Lim are the Directors and major shareholders of Blackbox BI, each having a 33.33% direct equity interest.	<ul style="list-style-type: none"> ▪ Provision of business intelligence solutions by Blackbox BI ▪ Rental payable by Blackbox BI in respect of the rental of spare office space at the CDC at 3rd Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor 	<p>(503)</p> <p>8</p>

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Amount Transacted (RM'000)
5.	Senheng Group	Insurnet Consultancy Sdn. Bhd. ("Insurnet")	<p>KH Lim, KC Lim and KY Lim are also major shareholders of Insurnet with a deemed 90% indirect interest by virtue of S Active Holding Sdn. Bhd. ("S Active")'s shareholdings.</p> <p>The directors and substantial shareholders of S Active are KH Lim, KC Lim and KY Lim, each having a 33.33% direct equity interest.</p>	Insurance premium in relation to warranty programmes and over-the-counter insurance business collected by Insurnet on behalf of third-party insurance companies	(29,769)
				Insurance premium in relation to own insurance coverage collected by Insurnet on behalf of third-party insurance companies	(2,960)
				Administrative and marketing fees payable to Insurnet for services provided by Insurnet in relation to the operations of PlusOne extended warranty programme and online insurance business	(257)
				Administrative and marketing fees payable by Insurnet for usage of Senheng Group's resources in relation to the operation of mobile protection plan, replacement warranty programme and over-the counter insurance business	1,188
6.	Senheng Group	Senwave Retail Solutions Sdn. Bhd. ("Senwave Retail")	<p>KH Lim, KC Lim and KY Lim are also the Directors and major shareholders of Senwave Retail with a deemed 60% indirect interest by virtue of Massive Solutions Sdn. Bhd. ("Massive Solutions")'s shareholdings.</p> <p>The Directors and major shareholders of Massive Solutions are KH Lim, KC Lim and KY Lim, each having a 33.33% direct equity interest.</p>	Provision of software development of business application services by Senwave Retail	(1,909)
				Rental payable by Senwave Retail in respect of the rental of spare office space at the CDC at 3 rd Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor	40

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Amount Transacted (RM'000)
7.	Senheng Group	SH Retail Academy Sdn. Bhd. ("SHR Academy")	KH Lim, KC Lim and KY Lim are the Directors and major shareholders of SHR Academy with a deemed 40% indirect interest by virtue of Massive Solutions' shareholdings.	<ul style="list-style-type: none"> Provision of training services by SHR Academy Rental payable by SHR Academy in respect of the rental of spare office space at the CDC at 3rd Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor 	(897) 18
8.	Senheng Group	S Ecosystem (M) Sdn. Bhd. ("S Eco")	KH Lim, KC Lim and KY Lim are the Directors and major shareholders of S Eco, each having a 33.33% direct equity interest.	<ul style="list-style-type: none"> Marketing fee payable to S Eco Commissions payable to S Eco Software Subscription (SAAS) payable to S Eco Rental payable by S Eco in respect of the rental of spare office space at the CDC at 3rd Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor 	(26,513) (20,396) (907) 108
9.	Senheng Group	Planet Sonata Sdn. Bhd. ("Planet Sonata")	KY Lim is a Director and major shareholder of Planet Sonata with a 50% direct equity interest.	Rental payable by Planet Sonata in respect of lease of premises for installation of solar photovoltaic panels	6

The Company is seeking a renewal of the Shareholders' Mandate for the Company and/or its subsidiaries to enter into a Recurrent Related Party Transactions with Related Parties under the Special Business in the forthcoming 4th AGM.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control for the financial year ended 31 December 2024 ("FY2024") is made in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Principles and Best Practices as stipulated in Practices 10.1 and 10.2 of the Malaysian Code on Corporate Governance ("MCCG") and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("SORMIC Guidelines").

The Board of Directors ("Board") of Senheng New Retail Berhad ("Senheng") is committed to maintain and continuously improve the system of risk management and internal control for Senheng and its subsidiaries ("Group"), and is pleased to provide the following statement which outlines the nature and scope of risk management and internal controls of the Group during the year under review.

RESPONSIBILITY AND ACCOUNTABILITY

The Board

The Board is responsible for establishing as well as overseeing the Group's risk management framework and internal control system that are designed to manage the Group's risk appetite within the acceptable level of tolerance set by the Board and Management, rather than eliminate totally the risks of failure, to achieve the Group's goals and objectives in generating potential returns to shareholders. The Board periodically reviews the effectiveness and adequacy of the framework and system by identifying, assessing, monitoring and communicating key business risks to safeguard the shareholders' investment and the Group's assets.

The Audit & Risk Management Committee ("ARMC") has the primary responsibility in the oversight of risk management and internal control.

The main responsibility of the ARMC is to assist the Board in assessing the effectiveness of the Group's internal control system and overseeing the financial reporting. The ARMC also reviews the adequacy and integrity of the Group's internal control system and management information system, including compliance with applicable laws, rules, directives and guidelines through external and internal audit functions.

Other Board Committees, namely the Nomination Committee ("NC") and Remuneration Committee ("RC"), are also established with clearly defined duties and responsibilities to oversee various key business activities involved within the Group. The Board acknowledges that it remains responsible for all actions taken by any Board Committees with regard to the execution of the delegated roles, including the outcome of the review and disclosure on key risks and internal control system in this Group's integrated annual report.

Management

Management is accountable to the Board and responsible for implementing the processes of identifying, evaluating, monitoring and reporting of risks and the effectiveness of internal control system, taking appropriate and timely corrective actions as required. Management has assured the Board that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management framework and internal control system adopted by the Group. In respect of risk management, the Management has implemented the necessary processes to:

- identify and analyse the risk appetite relevant to the Group's business and determine the level of risk tolerance towards the achievement of the Group's objectives and strategies;
- design, implement and monitor the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
- identify changes to risks or emerging risks, take appropriate actions and promptly bring these to the attention of the Board.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group recognises that an embedded Risk Management Framework within the Group's operations is an integral part of good corporate governance. The Group Enterprise Risk Management ("ERM") framework sets out the Group's risk strategy, objectives, risk governance, structure, practices, tools and the roles and responsibilities in managing the Group's material risks (current and emerging).

The ERM/Risk Management Framework is designed to be in line with the principles of ISO 31000 for risk management. It is integrated into the Group's business activities and processes, and it has become an integral decision-making tool for the Management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The objective of the Group's Risk Management Framework is to provide a structured and consistent approach to risk management across the Group, which will allow the Group to continue to identify, assess, treat, communicate, monitor and review risks impacting the Group at both enterprise and operational levels.

The Group's ERM/Risk Management Framework includes an ongoing risk management process that creates a Corporate Risk Register with specific risk profiles and action plans for mitigating identified risks. The register is reviewed quarterly by the Board through ARMC which focuses on the progress of mitigation plans for the key risks identified in the areas pertaining to business strategies and operations.

Risk Management Exercises

The Group has developed and implemented a Business Continuity Plan ("BCP") in the year. The BCP serves as the Group's strategic framework to ensure continuity of essential operations during major disruptive events. With a focus on resilience and adaptability, this Plan encompasses a set of strategies, protocols, and procedures designed to mitigate downtime, protect revenue streams, and uphold the interests of stakeholders. By adhering to this BCP, the Group stands ready to navigate challenge and emerge stronger in the face of adversity.

Management has also conducted bribery and corruption risk assessment according to the 5 principles of the Guidelines on Adequate Procedures, pursuant to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and any of its amendments or reenactments.

Key Risk Factors

During FY2024, the following significant risks were presented to the ARMC for their deliberation and the controls in place to mitigate the risks were evaluated during the ARMC meetings:-

Market Competition Threats

The retail market for consumer electronics is becoming increasingly competitive, due to low entry barriers and shift to online purchase, especially for small household products.

To enhance our competitiveness, the Group will focus on elevating customer experience via OMO (Online-merge-Offline) approach to deliver seamless shopping experience, enhance customer loyalty via member activation and engagement, and increase online platform traffic and conversion.

Information Technology ("IT") Security and Data Security Breaches

This risk pertains to the possibility of cyberattacks, IT security measures failing, leading to fraudulent activities, loss, destruction or theft of sensitive information such as customer, supplier, financial, or intellectual property. This breach could negatively impact the Group's operations, resulting in legal action and damaging the Company's reputation.

The Group implements several controls to manage this risk, including a security improvement program, investment in cyber security resources, operational policies and contracts. The IT environment undergoes regular independent audits and reviews of security controls, response plans, and incident management practices. Compliance with ISO/IEC 27001:2013 symbolizes the Group's commitment on providing secure information security on the operation process in business solution technologies within its operations.

Slow-Moving and Inventory Turn Monitoring

Inventory management and demand forecasting in a highly competitive environment are key in success of retail business. Slow-moving inventories may have impact on higher stock holding costs and inefficiency in resource allocation.

The Group has made efforts to consolidate and discontinue brand and category portfolios to better manage inventory turn. Management will implement advanced analytics and AI-based tools for more accurate demand prediction and regularly track inventory turnover which enable quick turn-around actions to be taken in managing demand and supply.

KEY INTERNAL CONTROL PROCESSES

The Board and Management have taken various steps to establish a control environment that covers integrity and ethical values of the Group, the governance structure at both the Board and Management level that would allow the discharge of their respective duties and assignment of authority and responsibility. Some of the key elements of the Group's system of internal control comprise the following:-

Organisational Chart

The Board established a clearly defined Organisational Chart which specifies clear lines of authority, accountability and responsibilities of each level of the Group's personnel, led by the Non-Independent Executive Chairman and Non-Independent Executive Director who are in charge of day-to-day operations of the Group and execution of the Group's strategies and achievement of objectives.

With the Organisational Chart, there is an established and effective segregation of duties via reviews and reconciliation activities to prevent human errors, fraud and abuses.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Limits of Authority

The Group has established limits of authority which clearly defines the authorisation limits of each approving authority to ensure adequate check and balance to the Group's daily operation.

Anti-Bribery and Corruption Policy

The Group has adopted a zero-tolerance policy against all forms of bribery and corruption in all our dealings and strictly prohibits Directors and employees of the Group from committing any form of bribery and corruption. This policy has been developed as part of the Group's Anti-Bribery Management System, which has been designed to help prevent, detect and address bribery and corruption, by establishing a good corporate culture with integrity, transparency and with strict compliance to legislation and regulations.

All employees, directors and any personnel of the Group discharging duties on behalf of the Group are informed of the features and details of this policy. The Group has also been conducting trainings on this policy which form part of the induction process for all new employees and directors.

Conflict-of-Interest ("COI") Policy and Guideline

The COI policy is applicable whenever an employee, senior management or director, identifies, or should reasonably anticipate, the potential emergence of COI in their present or future activities. Identifying and managing COI in a timely and effective manner ensure that business decisions align with the best interests of the Group.

COI disclosure guidelines of the Group is in line with listing requirement of Main Markets of Bursa Securities issued by Bursa Malaysia Securities Berhad.

Whistle-Blowing Policies and Procedures

The Group has established the Whistle-Blowing Policies and Procedures ("WBPP") which provides an avenue for internal and external stakeholders to raise their concerns about any malpractices or improper conduct in a confidential manner without fear of retaliation or any unfair treatment. The WBPP is designed to allow any internal or external stakeholders to report any perceived breach of any legislation or regulation, including the Group's policies and regulatory frameworks, via appropriate channel for further actions to be deliberated, following by execution of inquiries into the reported matters.

The WBPP sets out whistleblowing procedures and reporting hierarchy, as well as the protection provided to Whistle-Blowers, who have reported in good faith, from unfair treatment or practices as displayed in the WBPP in a non-exhaustive list.

To demonstrate commitment to efficient and independent handling of whistleblowing matters, the Group has also engaged Axcelasia Roots Sdn. Bhd. to play an independent role in facilitating investigation process.

Sustainability Management

The Group has formalised a Sustainability Framework which articulates the Group's commitment to sustainable development as an integral part of the Group's approach to risk management. The Sustainability Framework serves as a guiding principle on the environment, social and corporate governance aspects of the Group.

Board Committees

The Board has established several committees to oversee the various functions within the Group which include the ARMC, NC and RC. These Committees have been delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective Terms of Reference.

During FY2024, the Board and the ARMC met every quarter to discuss the operational and internal audit updates on the adequacy of risk management and internal control mechanism in place. The ARMC also reviewed the effectiveness of the internal audit function in strengthening internal control of the Company and ensuring the Company adopts best corporate governance practices.

INTERNAL AUDIT FUNCTION

The Company was listed on the Main Market of Bursa Securities on 25 January 2022. Upon listing, the Group outsourced its internal audit function to an independent consulting firm, Messrs. KPMG Management & Risk Consulting Sdn. Bhd. to provide an independent review of internal control and to report to the ARMC directly on the Company's financial reporting process, internal controls, risk management and governance.

All reports from the internal audit reviews carried out by the Internal Auditor are to be presented to the ARMC at the ARMC meetings, with recommendation of corrective actions to be undertaken by Management, if any.

In performing the internal audit review, the Internal Auditors refer to and are guided by the International Professional Practices Framework that includes the Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

During FY2024, the internal audit's scope covered the following based on the approved audit plan:-

- Related party transactions, which involved review of the framework to address and disclose related party relationships and compliance to Shareholders' Mandate;
- Financial management, which involved assessing the adequacy of controls surrounding financial reporting, budgeting, cash flow management and bank reconciliations;
- Effectiveness of IT Projects, which involved assessing the effectiveness of IT project management such as monitoring of project status, conduct of post implementation review, feedback loop and monitoring;
- Merchandising management, which involved assessing the mechanisms in place for product development, product placement, promotions and monitoring of inventory ageing;
- Project management, which involved assessing the adequacy and effectiveness of controls surrounding projects related to store renovation such as preparing proposal papers, selection of contractors and project monitoring.
- Anti-bribery and corruption management, which involved assessing adequacy of policies and procedures, corruption risk assessment process, whistleblowing channels and training and communication of anti-corruption policies;
- Store operations, which involved the establishment and operating effectiveness of operational guidelines to guide the day-to-day operations of the outlets; and
- Occupational safety and health of Senheng Head Office, which involved assessing controls surrounding safety and health matters such as fire safety, first aid, emergency response and governance over health and safety matters i.e. establishment of Safety and Health Committee.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors, BDO PLT, have reviewed this Statement on Risk Management and Internal Control and limited assurance engagement was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and, Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report for FY2024.

Based on the External Auditors' procedures performed, nothing has come to their attention that causes them to believe that this Statement is not prepared, in material respects, in accordance to the disclosure requirements set out under Paragraphs 41 and 42 of the SORMIC Guidelines, nor being factually inaccurate.

CONCLUSION

The Board recognises that the risk management and internal control system, however well-designed, can only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss or fraud. However, the Board and the ARMC, are committed to maintaining, as far as is practical, a proper system of risk management and internal control that is aligned to and reflective of the Group's current business needs and can support the achievement of the Group's strategic objectives.

The Board has received assurance from the Executive Director and Chief Financial Officer that the Group's risk management and internal control system is operating effectively, in all material respects for FY2024 and up to the date of approval of this Statement on Risk Management and Internal Control for inclusion in this Annual Report.

This Statement was approved by the Board on 9 April 2025.

DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to the Companies Act 2016 ("the Act") and Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Directors are required to prepare the financial statements for each financial year in accordance with the applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards, MMLR and the requirements of the Act in Malaysia.

The Directors are responsible for ensuring the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies in accordance with applicable approved accounting standards and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors have the responsibility to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the provisions of the Act.

The Directors have overall responsibility for implementing all reasonable measures to protect the assets of both the Group and The Company. They are committed to establishing robust systems and controls designed to detect and prevent fraud and other irregularities, ensuring the integrity and security of the organization's resources.

This statement was approved by the Board of Directors on 9 April 2025.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are mainly retail of consumer electrical and electronic products, provision of captive insurance and distribution of household and IT gadget products. The principal activities and details of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	11,042,003	15,955,719
Profit attributable to owners of the parent	11,042,003	15,955,719

DIVIDEND

Dividend paid, declared or proposed since the end of the previous financial year was as follows:

	Company RM
First interim single tier dividend of 0.51 sen per ordinary share in respect of financial year ended 31 December 2023, paid on 5 June 2024	7,650,000

On 9 April 2025, the Board of Directors declared a first interim single tier dividend of 0.22 sen per ordinary share amounting to RM3,312,601 for the financial year ended 31 December 2024, which is to be paid on 15 May 2025 to shareholders of the Company whose names appeared in the Record of Depositors on 25 April 2025. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares and debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS' REPORT

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Senheng New Retail Berhad

Lim Kim Heng
 Lim Kim Chieng
 Lim Kim Yew
 Dato' Yeow Wah Chin
 Ho Kim Poi
 Oh Keng Leng
 Aireen Omar (Appointed on 21 June 2024)
 Tan Ler Chin (Retired on 21 June 2024)

Subsidiaries of Senheng New Retail Berhad

Lim Kim Heng
 Lim Kim Chieng
 Lim Kim Yew
 David Tai Cheng Wee (Appointed on 22 August 2024)
 Wong Che Hoe (Resigned on 22 August 2024)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

Shares in the Company	Note	Number of ordinary shares			
		Balance as at			Balance as at
		1.1.2024	Bought	Sold	31.12.2024
<u>Direct interests:</u>					
Lim Kim Heng		83,800,000	-	-	83,800,000
Lim Kim Chieng		81,800,000	-	-	81,800,000
Lim Kim Yew		81,300,000	-	-	81,300,000
Dato' Yeow Wah Chin		240,000	-	-	240,000
Ho Kim Poi		240,000	-	-	240,000
Oh Keng Leng		240,000	-	-	240,000
<u>Indirect/Deemed interests:</u>					
Lim Kim Heng	(a) & (b)	870,955,600	-	-	870,955,600
Lim Kim Chieng	(a) & (c)	870,790,600	-	-	870,790,600
Lim Kim Yew	(a)	869,600,000	-	-	869,600,000

DIRECTORS' REPORT

DIRECTORS' INTERESTS (continued)

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (continued)

- (a) Deemed interest by virtue of his shareholdings in SQ Digital Sdn. Bhd., pursuant to Section 8 of the Companies Act 2016.
- (b) Indirect interest by virtue of his child's direct shareholdings, pursuant to Section 59(11)(c) of the Companies Act 2016.
- (c) Indirect interest by virtue of his spouse's and children's direct shareholdings, pursuant to Section 59(11)(c) of the Companies Act 2016.

By virtue of their interests in the ordinary shares of the Company, Lim Kim Heng, Lim Kim Chieng and Lim Kim Yew are also deemed to be interested in the ordinary shares of the subsidiaries to the extent the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the following:

- (a) certain Directors who may be deemed to derive benefits by virtue of transactions entered into with companies in which certain Directors have financial interests; and
- (b) certain Directors who received remunerations from the subsidiaries as Directors of the subsidiaries.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	Group RM	Company RM
Directors' fees	499,635	499,635
Short term employee benefits	2,942,090	72,750
Contributions to defined contribution plan	113,156	-
	3,554,881	572,385

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

The amount of insurance premium paid for the Directors and the officers of the Group and of the Company was RM51,397.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

ULTIMATE HOLDING COMPANY

The Directors regard SQ Digital Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF REPORTING PERIOD

On 4 February 2025, Senheng Electric (KL) Sdn. Bhd. ("SHKL") a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Mactree Sdn. Bhd. (the "Purchaser") for the disposal of a freehold industrial vacant land located under Individual Title No. Geran 584330, No. Lot 173268, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor, for a total cash consideration of RM11,209,500.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Company for the financial year ended 31 December 2024 were as follows:

	Group RM	Company RM
Statutory audit	304,500	57,000
Non-statutory audit	120,500	21,500
	425,000	78,500

Signed on behalf of the Board in accordance with a resolution of the Directors.

Lim Kim Chieng
Director

Kuala Lumpur
24 April 2025

Lim Kim Heng
Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 94 to 145 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year ended year then ended.

On behalf of the Board,

Lim Kim Chieng
Director

Kuala Lumpur
24 April 2025

Lim Kim Heng
Director

STATUTORY DECLARATION

I, Kiew Kor Shin (CA 48892), being the officer primarily responsible for the financial management of Senheng New Retail Berhad, do solemnly and sincerely declare that the financial statements set out on pages 94 to 145 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
24 April 2025)

Kiew Kor Shin

Before me:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SENHENG NEW RETAIL BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Senheng New Retail Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 94 to 145.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities' and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Recognition of right-of-use assets and lease liabilities

As at 31 December 2024, the Group had recognised right-of-use assets and lease liabilities for leases of Group with carrying amounts of RM104,522,100 and RM82,356,770 respectively as disclosed in Note 7 to the financial statements

We have determined this to be a key audit matter because it requires management to exercise significant judgements for specific assumptions applied in determining right-of-use assets and lease liabilities. The specific assumptions include the determination of appropriate discount rates and assessment of lease terms, including renewal and termination options of the leases.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SENHENG NEW RETAIL BERHAD

(INCORPORATED IN MALAYSIA)

KEY AUDIT MATTERS (continued)

(a) Recognition of right-of-use assets and lease liabilities (continued)

Audit response

Our audit procedures included the following:

- (i) Obtained an understanding of the design and implementation of key controls pertaining to the recognition of leases;
- (ii) Assessed the appropriateness of the discount rates applied in determining lease liabilities based on the lease contracts and relevant inputs;
- (iii) Assessed the appropriateness of the assumptions applied in determining the lease terms of the lease liabilities, including renewal and termination options of the leases; and
- (iv) Verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information.

(b) Carrying amount of inventories at the lower of cost and net realisable value

Inventories of the Group as at 31 December 2024 amounted to RM247,384,702 of which RM14,277,509 are stated at net realisable value as disclosed in Note 12 to the financial statements.

We have determined this to be a key audit matter due to significant judgements made by management in their assessment of the current selling prices to evaluate the adequacy of write down of the inventories to their net realisable values.

Audit response

Our audit procedures included the following:

- (i) Obtained an understanding of the process implemented by management over the determination of lower of cost and net realisable value used in the valuation of inventories;
- (ii) Assessed the appropriateness of inventories written down, inventories written off and inventories written back by verifying sales during the financial year and also sales subsequent to the end of the reporting period; and
- (iii) Tested the weighted average cost of inventories.

We have determined that there are no key audit matters to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SENHENG NEW RETAIL BERHAD

(INCORPORATED IN MALAYSIA)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SENHENG NEW RETAIL BERHAD

(INCORPORATED IN MALAYSIA)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also: (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
24 April 2025

Law Kian Huat

02855/06/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	246,392,461	248,233,148	-	-
Right-of-use assets	7	104,522,100	104,972,146	-	-
Intangible assets	8	105,109	120,402	-	-
Investments in subsidiaries	9	-	-	166,206,168	166,206,168
Deferred tax assets	10	8,172,389	7,511,566	-	-
Other receivables	11	28,696,929	33,436,844	277,583,320	269,120,702
		387,888,988	394,274,106	443,789,488	435,326,870
Current assets					
Inventories	12	247,384,702	271,428,838	-	-
Other investments	13	5,516,968	17,427,928	-	-
Trade and other receivables	11	122,364,395	117,555,386	70,983	42,488
Current tax assets		18,366,337	23,622,412	-	-
Cash and bank balances	14	73,772,250	87,401,350	260,043	381,002
		467,404,652	517,435,914	331,026	423,490
TOTAL ASSETS		855,293,640	911,710,020	444,120,514	435,750,360
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	427,867,671	427,867,671	427,867,671	427,867,671
Reserves	16	119,222,341	115,830,338	15,081,662	6,775,943
TOTAL EQUITY		547,090,012	543,698,009	442,949,333	434,643,614
LIABILITIES					
Non-current liabilities					
Lease liabilities	7	57,574,347	65,175,262	-	-
Deferred tax liabilities	10	16,542	7,703	-	-
Provision for restoration costs	18	6,462,255	6,692,948	-	-
Contract liabilities	20	35,833,225	41,081,267	-	-
		99,886,369	112,957,180	-	-
Current liabilities					
Trade and other payables	19	85,149,592	113,722,330	644,952	732,137
Lease liabilities	7	24,782,423	25,577,867	-	-
Provision for restoration costs	18	1,403,094	1,333,228	-	-
Contract liabilities	20	41,287,629	42,399,524	-	-
Borrowings	17	54,865,000	71,500,000	-	-
Current tax liabilities		829,521	521,882	526,229	374,609
		208,317,259	255,054,831	1,171,181	1,106,746
TOTAL LIABILITIES		308,203,628	368,012,011	1,171,181	1,106,746
TOTAL EQUITY AND LIABILITIES		855,293,640	911,710,020	444,120,514	435,750,360

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	21	1,216,851,841	1,315,027,880	11,000,000	10,500,000
Cost of sales		(960,029,498)	(1,038,049,434)	-	-
Gross profit		256,822,343	276,978,446	11,000,000	10,500,000
Other operating income		14,617,404	13,447,082	-	-
Net loss on impairment of financial assets		(101,660)	(84,093)	(46,159)	(26,553)
Operating and administrative expenses		(251,009,352)	(257,265,714)	(1,556,647)	(1,418,262)
Interest income		4,139,375	4,634,151	8,528,552	8,284,777
Finance costs		(5,686,758)	(4,068,519)	(7,597)	(17,887)
Profit before tax	22	18,781,352	33,641,353	17,918,149	17,322,075
Tax expense	23	(7,739,349)	(8,622,491)	(1,962,430)	(1,828,726)
Profit for the financial year, attributable to the owners of the Company		11,042,003	25,018,862	15,955,719	15,493,349
Other comprehensive income					
Item that will not be reclassified to profit or loss in subsequent period					
Fair value gain of other investments at fair value through other comprehensive income ("FVTOCI")		-	57,306	-	-
Other comprehensive income for the financial year, net of tax		-	57,306	-	-
Total comprehensive income attributable to the owners of the Company		11,042,003	25,076,168	15,955,719	15,493,349
<u>Earnings per ordinary share attributable to equity holders of the Company:</u>					
Basic earnings per ordinary share (sen)	24	0.74	1.67		
Diluted earnings per ordinary share (sen)	24	0.74	1.67		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Note	Share capital RM	Merger reserve RM	Fair value reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2023		427,867,671	(165,206,168)	2,104,433	264,355,905	529,121,841
Profit for the financial year		-	-	-	25,018,862	25,018,862
Net change in fair value of equity investments		-	-	57,306	-	57,306
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings		-	-	(2,073,071)	2,073,071	-
Total comprehensive income		-	-	(2,015,765)	27,091,933	25,076,168
Transactions with owners:						
Dividends	25	-	-	-	(10,500,000)	(10,500,000)
Balance as at 31 December 2023		427,867,671	(165,206,168)	88,668	280,947,838	543,698,009
Balance as at 1 January 2024		427,867,671	(165,206,168)	88,668	280,947,838	543,698,009
Profit for the financial year		-	-	-	11,042,003	11,042,003
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	11,042,003	11,042,003
Transaction with owners:						
Dividends	25	-	-	-	(7,650,000)	(7,650,000)
Balance as at 31 December 2024		427,867,671	(165,206,168)	88,668	284,339,841	547,090,012

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company	Note	Share capital RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2023		427,867,671	1,782,594	429,650,265
Profit for the financial year		-	15,493,349	15,493,349
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	15,493,349	15,493,349
Transactions with owners:				
Dividends	25	-	(10,500,000)	(10,500,000)
Balance as at 31 December 2023		427,867,671	6,775,943	434,643,614
Balance as at 1 January 2024		427,867,671	6,775,943	434,643,614
Profit for the financial year		-	15,955,719	15,955,719
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	15,955,719	15,955,719
Transaction with owners:				
Dividends	25	-	(7,650,000)	(7,650,000)
Balance as at 31 December 2024		427,867,671	15,081,662	442,949,333

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		18,781,352	33,641,353	17,918,149	17,322,075
Adjustments for:					
Amortisation of intangible assets	8	28,858	6,791	-	-
Depreciation of property, plant and equipment	6	21,177,418	18,445,276	-	-
Depreciation of right-of-use assets	7	29,010,385	31,865,462	-	-
Dividend income	22	-	(22,859)	(11,000,000)	(10,500,000)
Fair value adjustments on other investments	22	(203,571)	177,822	-	-
Gain on disposal of property, plant and equipment	22	(300,958)	(356,733)	-	-
Gain on disposal of right-of-use assets	22	(270,700)	(415,777)	-	-
Gain on reassessments and modifications of leases	22	(626,784)	(266,904)	-	-
(Gain)/Loss on disposal of other investments	22	(1,008,983)	1,621	-	-
Impairment losses on:					
- property, plant and equipment	6	287,321	-	-	-
- right-of-use assets	7	56,290	-	-	-
- trade and other receivables	11	271,460	366,943	-	-
- advances to a subsidiary	11	-	-	46,159	26,553
Interest expense on:					
- advances from a subsidiary	22	-	-	7,597	17,887
- borrowings	22	2,174,979	392,216	-	-
- lease liabilities	7	3,213,888	3,351,660	-	-
- unwinding of discount on provision for restoration costs	18	297,891	324,643	-	-
Interest income from:					
- deposits with licensed banks	22	(3,364,818)	(4,145,791)	-	-
- receivables	22	(774,557)	(488,360)	-	-
- advances to a subsidiary	22	-	-	(8,528,552)	(8,284,777)
Inventories written down	12	3,516,266	3,816,146	-	-
Inventories written back	12	(4,020,999)	(2,318,196)	-	-
Inventories written off	12	1,844,707	355,114	-	-
Property, plant and equipment written off	22	747,657	23,105	-	-
(Reversal of provision of)/Provision for restoration costs	18	(31,340)	505,353	-	-
Reversal of impairment losses on trade receivables	11	(169,800)	(282,850)	-	-
Unrealised loss/(gain) on foreign exchange	22	98,039	(689,667)	-	-
Operating profit/(loss) before changes in working capital (carried forward)		70,734,001	84,286,368	(1,556,647)	(1,418,262)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Operating profit/(loss) before changes in working capital (brought forward)		70,734,001	84,286,368	(1,556,647)	(1,418,262)
Changes in working capital:					
Inventories		22,704,162	(23,226,510)	-	-
Trade and other receivables		(170,754)	(31,505,649)	(28,495)	12,138
Trade and other payables		(30,327,534)	11,947,268	(87,185)	135,771
Contract liabilities		(6,359,937)	(3,772,224)	-	-
Cash generated from/(used in) operations		56,579,938	37,729,253	(1,672,327)	(1,270,353)
Interest paid		(2,149,638)	(340,608)	(7,597)	(17,887)
Tax paid		(2,827,619)	(12,294,093)	(1,810,810)	(1,867,823)
Net cash from/(used in) operating activities		51,602,681	25,094,552	(3,490,734)	(3,156,063)

CASH FLOWS FROM INVESTING ACTIVITIES

Advances to a subsidiary		-	-	(8,508,777)	(5,874,885)
Dividend received		-	22,859	11,000,000	10,500,000
Interest received		4,139,375	4,634,151	8,528,552	8,284,777
(Placement)/Withdrawal of fixed deposits with licensed banks with original maturity more than three (3) months		(6,826,455)	40,463,830	-	-
Proceeds from disposal of:					
- other investments		13,026,456	9,457,665	-	-
- property, plant and equipment		693,073	465,302	-	-
- right-of-use assets		270,700	526,698	-	-
Purchase of:					
- intangible assets	8	(13,565)	(111,375)	-	-
- property, plant and equipment	6	(19,639,009)	(59,656,270)	-	-
- right-of-use assets	7	(8,106,627)	(5,200,000)	-	-
Net cash (used in)/from investing activities		(16,456,052)	(9,397,140)	11,019,775	12,909,892

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	25	(7,650,000)	(10,500,000)	(7,650,000)	(10,500,000)
Drawdown of bankers' acceptances		94,665,000	163,500,000	-	-
Payments of lease liabilities	7	(31,318,550)	(34,328,616)	-	-
Repayments of:					
- bankers' acceptances		(106,500,000)	(162,000,000)	-	-
- revolving credit		(4,800,000)	-	-	-
Net cash used in financing activities		(55,603,550)	(43,328,616)	(7,650,000)	(10,500,000)
Net (decrease) in cash and cash equivalents		(20,456,921)	(27,631,204)	(120,959)	(746,171)
Effects of exchange rate changes on cash and cash equivalents		1,366	4,634	-	-
Cash and cash equivalents at beginning of financial year		77,865,180	105,491,750	381,002	1,127,173
Cash and cash equivalents at end of financial year	14	57,409,625	77,865,180	260,043	381,002

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities RM (Note 7)	Other borrowings RM (Note 17)
At 1 January 2023	101,040,451	24,000,000
Cash flows	(34,328,616)	1,500,000
Non-cash flows:		
- Additions	14,193,167	-
- Purchase of property, plant and equipment (Note 6(c))	-	46,000,000
- Reassessments and modifications	6,496,467	-
- Unwinding of interest	3,351,660	-
At 31 December 2023	90,753,129	71,500,000
At 1 January 2024	90,753,129	71,500,000
Cash flows	(31,318,550)	(16,635,000)
Non-cash flows:		
- Additions	5,283,667	-
- Reassessments and modifications	14,424,636	-
- Unwinding of interest	3,213,888	-
At 31 December 2024	82,356,770	54,865,000

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. CORPORATE INFORMATION

Senheng New Retail Berhad (the "Company") is a public limited company and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company has changed from Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur to No. D-09-02, Level 9, EXSIM Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur. The principal place of business of the Company is located at No. 44B, Jalan Pandan 3/2, Pandan Jaya, 55100 Kuala Lumpur.

The ultimate holding company of the Company is SQ Digital Sdn. Bhd., a company incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 December 2024 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 24 April 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under historical cost in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 4.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

4.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

4.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following are Standards and Amendments of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards—Volume 11</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

5. OPERATING SEGMENTS

The Group is principally engaged in the retailing of electrical appliances.

The Group has arrived at two (2) reportable segments that are organised and managed separately according to the nature of the products and services. The reportable segments are summarised as follows:

- | | | | |
|------|-------------------|---|--|
| (i) | Trading division | – | Trading of the Group's products |
| (ii) | Warranty division | – | Provision of warranty services in relation to replacement, repair and maintenance of products sold |

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The accounting policies of the operating segments are the same as those described in the respective notes to the financial statements.

The Group evaluates performance on the basis of profit or loss from operations after tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Inter-segment revenue is carried out at negotiated terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

5. OPERATING SEGMENTS (continued)

2024	Trading RM	Warranty RM	Others RM	Total RM
Segment profits/(losses)	7,875,085	6,739,090	(3,572,172)	11,042,003
Included in the measure of segment profits are:				
Revenue from external customers	1,149,392,261	67,459,580	-	1,216,851,841
Inter-segment revenue	-	18,875,537	-	18,875,537
Amortisation of intangible assets	(28,858)	-	-	(28,858)
Depreciation of property, plant and equipment	(21,176,636)	(782)	-	(21,177,418)
Depreciation of right-of-use assets	(28,999,221)	(11,164)	-	(29,010,385)
Fair value adjustments on other investments	-	-	203,571	203,571
Gain on disposal of other investments	52,984	955,999	-	1,008,983
Gain on disposal of property, plant and equipment	300,958	-	-	300,958
Gain on disposal of right-of-use assets	270,700	-	-	270,700
Gain on reassessments and modifications of leases	626,784	-	-	626,784
Impairment losses on trade and other receivables	(271,460)	-	-	(271,460)
Impairment losses on property, plant and equipment	(287,321)	-	-	(287,321)
Impairment losses on right-of-use assets	(56,290)	-	-	(56,290)
Interest expense	(5,685,862)	(896)	-	(5,686,758)
Interest income	2,704,447	1,434,928	-	4,139,375
Inventories written down	(3,516,266)	-	-	(3,516,266)
Inventories written back	4,020,999	-	-	4,020,999
Inventories written off	(1,844,707)	-	-	(1,844,707)
Reversal of provision for restoration costs	31,340	-	-	31,340
Reversal of impairment losses on trade receivables	169,800	-	-	169,800
Tax expense	(5,485,454)	(291,465)	(1,962,430)	(7,739,349)
Unrealised (loss)/gain on foreign exchange	(100,351)	2,312	-	(98,039)
Segment assets	641,892,337	20,325,383	166,537,194	828,754,914
Current tax assets	18,366,337	-	-	18,366,337
Deferred tax assets	8,172,389	-	-	8,172,389
Total assets				855,293,640
Included in the measure of segment assets are:				
Additions to property, plant and equipment	21,225,078	-	-	21,225,078
Additions to intangible assets	13,565	-	-	13,565
Additions to right-of-use assets	13,508,952	-	-	13,508,952
Segment liabilities	297,875,224	8,815,173	667,168	307,357,565
Current tax liabilities	-	303,292	526,229	829,521
Deferred tax liabilities	16,542	-	-	16,542
Total liabilities				308,203,628

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

5. OPERATING SEGMENTS (continued)

2023	Trading RM	Warranty RM	Others RM	Total RM
Segment profits/(losses)	14,086,619	14,391,488	(3,459,245)	25,018,862
Included in the measure of segment profits are:				
Revenue from external customers	1,240,126,130	74,901,750	-	1,315,027,880
Inter-segment revenue	-	19,211,372	-	19,211,372
Amortisation of intangible assets	(6,791)	-	-	(6,791)
Depreciation of property, plant and equipment	(18,444,104)	(1,172)	-	(18,445,276)
Depreciation of right-of-use assets	(31,854,199)	(11,263)	-	(31,865,462)
Fair value adjustments on other investments	-	-	(177,822)	(177,822)
Gain on disposal of property, plant and equipment	356,733	-	-	356,733
Gain on disposal of right-of-use assets	415,777	-	-	415,777
Loss on disposal of other investments	-	-	(1,621)	(1,621)
Gain on reassessments and modifications of leases	266,904	-	-	266,904
Impairment losses on trade receivables	(366,943)	-	-	(366,943)
Interest expense	(4,067,600)	(919)	-	(4,068,519)
Interest income	3,568,717	1,065,434	-	4,634,151
Inventories written down	(3,816,146)	-	-	(3,816,146)
Inventories written back	2,318,196	-	-	2,318,196
Inventories written off	(355,114)	-	-	(355,114)
Provision for restoration costs	(505,353)	-	-	(505,353)
Reversal of impairment losses on trade receivables	282,850	-	-	282,850
Tax expense	(6,646,492)	(147,273)	(1,828,726)	(8,622,491)
Unrealised gain on foreign exchange	689,667	-	-	689,667
Segment assets	693,664,891	20,281,493	166,629,658	880,576,042
Current tax assets	23,622,412	-	-	23,622,412
Deferred tax assets	7,511,566	-	-	7,511,566
Total assets				911,710,020
Included in the measure of segment assets are:				
Additions to property, plant and equipment	105,656,270	-	-	105,656,270
Additions to intangible assets	111,375	-	-	111,375
Additions to right-of-use assets	19,993,528	22,089	-	20,015,617
Segment liabilities	351,814,849	14,920,160	747,417	367,482,426
Current tax liabilities	-	147,273	374,609	521,882
Deferred tax liabilities	7,703	-	-	7,703
Total liabilities				368,012,011

Geographical segments

The business activities of the Group are predominantly located in Malaysia and as such segment reporting by geographical location is not presented.

Major customer

There are no major customers with revenue equal or more than ten percent (10%) of the Group revenue. As such, information on major customers is not presented.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

6. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2024 RM	Additions RM	Disposals RM	Reclassification RM	Written off RM	Reclassification to right-of-use assets (Note 7) RM	Balance as at 31.12.2024 RM
2024							
At cost							
Freehold land	87,007,689	-	-	-	-	-	87,007,689
Buildings	112,704,215	3,113,710	-	5,157,127	-	(518,754)	120,456,298
Furniture and fittings	28,062,854	3,372,235	-	-	-	-	31,435,089
Office equipment	19,362,572	4,105,641	-	-	-	-	23,468,213
Office computers	21,444,612	1,203,619	(2,975)	-	-	-	22,645,256
Motor vehicles	14,130,162	1,587,649	(1,620,179)	-	-	-	14,097,632
Renovation and signboards	119,957,392	7,842,224	-	-	(1,894,902)	-	125,904,714
Capital work-in-progress	5,157,127	-	-	(5,157,127)	-	-	-
	407,826,623	21,225,078	(1,623,154)	-	(1,894,902)	(518,754)	425,014,891

	Balance as at 1.1.2024 RM	Depreciation charge for the financial year RM	Disposals RM	Written off RM	Reclassification to right-of-use assets (Note 7) RM	Balance as at 31.12.2024 RM
Accumulated depreciation						
Buildings	6,925,503	2,300,883	-	-	(57,500)	9,168,886
Furniture and fittings	20,171,649	3,291,782	-	-	-	23,463,431
Office equipment	13,695,826	2,175,243	-	-	-	15,871,069
Office computers	14,937,887	2,423,048	(2,380)	-	-	17,358,555
Motor vehicles	11,277,204	1,221,697	(1,228,659)	-	-	11,270,242
Renovation and signboards	92,585,406	9,764,765	-	(1,147,245)	-	101,202,926
	159,593,475	21,177,418	(1,231,039)	(1,147,245)	(57,500)	178,335,109

	Balance as at 1.1.2024 RM	Impairment loss for the financial year RM	Balance as at 31.12.2024 RM
Accumulated impairment			
Renovation and signboards	-	287,321	287,321
	-	287,321	287,321

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

6. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2023 RM	Additions RM	Disposals RM	Reclassification RM	Written off RM	Reclassification from right-of -use assets (Note 7) RM	Balance as at 31.12.2023 RM
2023							
At cost							
Freehold land	35,207,689	51,800,000	-	-	-	-	87,007,689
Buildings	69,872,712	30,038,566	(99,717)	7,038,750	-	5,853,904	112,704,215
Furniture and fittings	24,774,763	3,288,091	-	-	-	-	28,062,854
Office equipment	15,979,850	3,382,722	-	-	-	-	19,362,572
Office computers	17,778,507	3,666,105	-	-	-	-	21,444,612
Motor vehicles	13,703,781	801,075	(374,694)	-	-	-	14,130,162
Renovation and signboards	108,971,931	11,059,336	-	-	(73,875)	-	119,957,392
Capital work-in-progress	10,575,502	1,620,375	-	(7,038,750)	-	-	5,157,127
	296,864,735	105,656,270	(474,411)	-	(73,875)	5,853,904	407,826,623

	Balance as at 1.1.2023 RM	Depreciation charge for the financial year RM	Disposals RM	Written off RM	Reclassification from right-of -use assets (Note 7) RM	Balance as at 31.12.2023 RM
Accumulated depreciation						
Buildings	5,581,258	1,343,454	(45,371)	-	46,162	6,925,503
Furniture and fittings	17,225,181	2,946,468	-	-	-	20,171,649
Office equipment	12,139,813	1,556,013	-	-	-	13,695,826
Office computers	12,682,707	2,255,180	-	-	-	14,937,887
Motor vehicles	10,154,276	1,443,399	(320,471)	-	-	11,277,204
Renovation and signboards	83,735,414	8,900,762	-	(50,770)	-	92,585,406
	141,518,649	18,445,276	(365,842)	(50,770)	46,162	159,593,475

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Carrying amount	Group	
	2024 RM	2023 RM
Freehold land	87,007,689	87,007,689
Buildings	111,287,412	105,778,712
Furniture and fittings	7,971,658	7,891,205
Office equipment	7,597,144	5,666,746
Office computers	5,286,701	6,506,725
Motor vehicles	2,827,390	2,852,958
Renovation and signboards	24,414,467	27,371,986
Capital work-in-progress	-	5,157,127
	246,392,461	248,233,148

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of an item property, plant and equipment are recognised in profit or loss in the period in which the costs are incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

- (b) Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation rates are as follows:

Buildings	2%
Furniture and fittings	20%
Office equipment	20%
Office computers	20%
Motor vehicles	20%
Renovations and signboards	20%

Freehold land has unlimited useful life and is not depreciated. Capital work-in-progress represents buildings under construction and are stated at cost. Capital work-in-progress is not depreciated until such time when the asset is available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

6. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) (continued)

The residual values, useful lives and depreciation method of previous estimates shall be reviewed if there is indication of impairment to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If current expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

(c) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2024	2023
	RM	RM
Purchase of property, plant and equipment	21,225,078	105,656,270
Financed by revolving credit	-	(46,000,000)
Other payables	(1,586,069)	-
Cash payments on purchase of property, plant and equipment	19,639,009	59,656,270

(d) Certain freehold land and buildings of the Group have been pledged as securities to banks for borrowings granted to the Group as disclosed in Note 17 to the financial statements with carrying amounts as follows:

	Group	
	2024	2023
	RM	RM
Freehold land	51,800,000	51,800,000
Buildings	26,779,456	50,187,393
Carrying amount	78,579,456	101,987,393

(e) Impairment loss on property, plant and equipment of RM287,321 (2023: Nil) was recognised within operating and administrative expenses in the statement of profit or loss and other comprehensive income during the financial year due to the carrying amount of the renovation and signboards exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

Right-of-use assets

Group	Leasehold land RM	Retail outlets RM	Motor vehicles RM	Total RM
Cost				
As at 1 January 2024	17,477,321	274,168,886	1,019,832	292,666,039
Additions	8,106,627	5,402,325	-	13,508,952
Reassessments and modifications	-	14,307,432	-	14,307,432
Reversals	-	(14,745,796)	-	(14,745,796)
Reclassification from property, plant and equipment (Note 6)	518,754	-	-	518,754
Disposals	-	-	(871,244)	(871,244)
As at 31 December 2024	26,102,702	279,132,847	148,588	305,384,137
Accumulated depreciation				
As at 1 January 2024	1,464,232	185,209,829	1,019,832	187,693,893
Depreciation charged during the financial year	225,712	28,784,673	-	29,010,385
Reassessments and modifications	-	(338,991)	-	(338,991)
Reversals	-	(14,745,796)	-	(14,745,796)
Reclassification from property, plant and equipment (Note 6)	57,500	-	-	57,500
Disposals	-	-	(871,244)	(871,244)
As at 31 December 2024	1,747,444	198,909,715	148,588	200,805,747
Accumulated impairment				
As at 1 January 2024	-	-	-	-
Impairment loss for the financial year	-	56,290	-	56,290
As at 31 December 2024	-	56,290	-	56,290

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

Group	Leasehold land RM	Retail outlets RM	Motor vehicles RM	Total RM
Cost				
As at 1 January 2023	18,280,800	257,793,797	1,385,172	277,459,769
Addition	5,200,000	14,815,617	-	20,015,617
Reassessments and modifications	-	6,792,913	-	6,792,913
Reversals	-	(5,233,441)	(365,340)	(5,598,781)
Reclassification to property, plant and equipment (Note 6)	(5,853,904)	-	-	(5,853,904)
Disposals	(149,575)	-	-	(149,575)
As at 31 December 2023	17,477,321	274,168,886	1,019,832	292,666,039
Accumulated depreciation				
As at 1 January 2023	1,190,536	158,906,778	1,385,172	161,482,486
Depreciation charged during the financial year	358,512	31,506,950	-	31,865,462
Reassessments and modifications	-	29,542	-	29,542
Reversals	-	(5,233,441)	(365,340)	(5,598,781)
Reclassification to property, plant and equipment (Note 6)	(46,162)	-	-	(46,162)
Disposals	(38,654)	-	-	(38,654)
As at 31 December 2023	1,464,232	185,209,829	1,019,832	187,693,893
Carrying amounts				
As at 31 December 2024	24,355,258	80,166,842	-	104,522,100
As at 31 December 2023	16,013,089	88,959,057	-	104,972,146

Lease liabilities

Group	Retail outlets RM
As at 1 January 2024	90,753,129
Additions	5,283,667
Lease payments	(31,318,550)
Interest expenses	3,213,888
Reassessments and modifications	14,424,636
As at 31 December 2024	82,356,770

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as lessee (continued)

Lease liabilities (continued)

Group	Retail outlets RM
As at 1 January 2023	101,040,451
Addition	14,193,167
Lease payments	(34,328,616)
Interest expenses	3,351,660
Reassessments and modifications	6,496,467
As at 31 December 2023	90,753,129

	2024 RM	Group 2023 RM
Represented by:		
Current liabilities	24,782,423	25,577,867
Non-current liabilities	57,574,347	65,175,262
	82,356,770	90,753,129

	2024 RM	Group 2023 RM
Lease liabilities owing to:		
Non-financial institutions	82,356,770	90,753,129

- (a) The Group leases a number of retail outlets for a certain lease term, with an option to renew the lease after that date.
- (b) The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

- (i) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- (ii) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as lessee (continued)

Lease liabilities (continued)

- (c) The right-of-use asset is initially recorded at cost, which comprises:
- (i) the amount of the initial measurement of the lease liability;
 - (ii) any lease payments made at or before the commencement date of the lease, less any lease incentives received;
 - (iii) any initial direct costs incurred by the Group; and
 - (iv) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

- (d) The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	Over the remaining lease period of 31 - 99 years
Retail outlets	2 - 12 years
Motor vehicles	5 years

- (e) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.
- (f) The following are the amounts recognised in profit or loss:

	Group	
	2024 RM	2023 RM
Other operating income:		
Gain on reassessments and modifications of leases	(626,784)	(266,904)
Finance costs:		
Interest expense on lease liabilities	3,213,888	3,351,660
Operating and administrative expenses:		
Depreciation of right-of-use assets	29,010,385	31,865,462
Expense relating to leases of low-value assets	-	11,220
Variable lease payments:		
- based on sales	61,863	468,365
Impairment loss on right-of-use assets	56,290	-
	31,715,642	35,429,803

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as lessee (continued)

(f) (continued)

The Group has entered into tenancy agreements for the lease of outlets, which contain variable lease payments, which is the common commercial practice in Malaysia, based on predetermined revenue threshold. Variable lease payments are recognised in profit or loss when the conditions that triggers those payments occur. The Group has determined that these contingent rental features are not embedded derivatives to be separately accounted for due to the economic characteristics and risk of these contingent rental features are closely related to the economic characteristics and risk of the underlying tenancy agreements. There are no leverage features contained within these contingent rental features.

(g) During the financial year, the Group made the following cash payments on purchase right-of-use assets:

	Group	
	2024 RM	2023 RM
Additions of right-of-use assets	13,508,952	20,015,617
Financed by:		
Lease liabilities	(5,283,667)	(14,193,167)
Provision for restoration costs (Note 18)	(118,658)	(622,450)
Cash payments on purchase of right-of-use assets	8,106,627	5,200,000

(h) Some leases of retail outlets contain variable lease payments that are based on sales that the Group makes at the outlets. Those payments are common in retail outlets in Malaysia. Fixed and variable rental payments were as follows:

	Fixed payments RM	Variable payments RM	Total payments RM	Estimated annual impact on rent of a 1% increase in sales RM
Group				
2024				
Leases with lease payments based on sales	31,318,550	61,863	31,380,413	619
2023				
Leases with lease payments based on sales	34,328,616	468,365	34,796,981	4,684

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as lessee (continued)

- (i) The following are total cash outflows for leases as a lessee:

	Group	
	2024 RM	2023 RM
Included in net cash from operating activities:		
Payment relating to low value assets	-	11,220
Payment relating to variable lease payments not included in the measurement of lease liabilities:		
- based on sales	61,863	468,365
Included in net cash from investing activities:		
Purchase of right-of-use assets	8,106,627	5,200,000
Included in net cash from financing activities:		
Payment of lease liabilities	31,318,550	34,328,616
Total cash outflows for leases	39,487,040	40,008,201

- (j) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group:

Group	Weighted average incremental borrowing rates per annum %	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
2024					
Lease liabilities	3.27 - 4.52	24,781,438	51,201,518	6,373,814	82,356,770
2023					
Lease liabilities	3.27 - 4.52	25,577,867	56,110,812	9,064,450	90,753,129

- (k) The table below summarises the maturity profile of the lease liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

Group	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
2024				
Lease liabilities	27,419,684	54,964,204	6,630,878	89,014,766
2023				
Lease liabilities	28,378,546	60,645,188	9,577,959	98,601,693

- (l) Sensitivity analysis for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rate.
- (m) The Group has certain low value leases of office equipment of RM20,000 and below. The Group applies the "lease of low-value asset" exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as lessee (continued)

- (n) The Group determines the discount rates for leases based on the incremental borrowing rates of the Group. Significant judgements are required to be exercised by management in determining the appropriate discount rate for the respective leases based on prevailing market borrowing rates over similar lease terms, of similar value as the respective right-of-use assets in a similar economic environment.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease.

Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

- (o) Impairment loss on right-of-use assets of RM56,290 (2023: Nil) was recognised within operating and administrative expenses in the statement of profit or loss and other comprehensive income during the financial year due to the carrying amount of the right-of-use assets on loss making outlets exceed their recoverable amounts.

The Group as lessor

The Group has entered into non-cancellable lease agreements on certain properties for terms of between one (1) to four (4) years and renewable at the end of the lease period subject to an increase clause.

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2024 RM	2023 RM
Less than one (1) year	2,169,235	1,502,373
One (1) to two (2) years	1,597,392	470,246
Two (2) to three (3) years	360,950	216,200
Three (3) to four (4) years	6,000	-
	4,133,577	2,188,819

8. INTANGIBLE ASSETS

Group	Balance as at 1.1.2024 RM	Additions RM	Balance as at 31.12.2024 RM
At cost			
Computer software	134,114	13,565	147,679
	Balance as at 1.1.2024 RM	Amortisation charged for the financial year RM	Balance as at 31.12.2024 RM
Accumulated amortisation			
Computer software	13,712	28,858	42,570

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8. INTANGIBLE ASSETS (continued)

Group	Balance as at 1.1.2023 RM	Additions RM	Balance as at 31.12.2023 RM
At cost			
Computer software	22,739	111,375	134,114
	Balance as at 1.1.2023 RM	Amortisation charged for the financial year RM	Balance as at 31.12.2023 RM
Accumulated amortisation			
Computer software	6,921	6,791	13,712
		2024 RM	2023 RM
Carrying amount			
Computer software		105,109	120,402

Intangible assets represent acquired computer software, which is capitalised on the basis of the cost incurred to acquire and bring to use the specific software. This cost is amortised over its estimated useful live of five (5) years on a straight-line basis. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates.

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
At cost:		
- Unquoted shares	166,206,168	166,206,168

Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2024 %	2023 %	
Senheng Electric (KL) Sdn. Bhd. ("SHKL")	Kuala Lumpur, Malaysia	100	100	Retail of consumer electrical and electronic products, operating e-commerce platform, redemption programs and telecommunication services, operating of solar panels and dealer in electric vehicles, electric charging stations and other related accessories

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2024 %	2023 %	
Subsidiaries of SHKL				
Senheng Captive Insurance Pte. Ltd.	Federal Territory of Labuan, Malaysia	100	100	Provision of captive insurance
SC Alliance (M) Sdn. Bhd.	Kuala Lumpur, Malaysia	100	100	Distribution of household and IT gadget products and importers and exporters of electrical items, household appliances, kitchen utensils, household hardware and IT gadget products
Senheng Capital (M) Sdn. Bhd.	Kuala Lumpur, Malaysia	100	100	Dormant

10. DEFERRED TAX ASSETS/(LIABILITIES)

(a) The deferred tax assets/(liabilities) are made up of the following:

	Group	
	2024 RM	2023 RM
As at 1 January	7,503,863	11,951,061
Recognised in profit or loss (Note 23)	651,984	(4,447,198)
Balance as at 31 December	8,155,847	7,503,863
Presented after appropriate offsetting:		
Deferred tax assets, net	8,172,389	7,511,566
Deferred tax liabilities, net	(16,542)	(7,703)
	8,155,847	7,503,863

NOTES TO THE FINANCIAL STATEMENTS

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10. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Leases RM	Provisions RM	Other temporary differences RM	Total RM
As at 1 January 2024	2,423,511	(652,354)	6,875,080	8,646,237
Recognised in profit or loss	(10,418)	1,694,219	(834,743)	849,058
At 31 December 2024 (before off-setting)	2,413,093	1,041,865	6,040,337	9,495,295
Off-setting	(650)	-	(1,322,256)	(1,322,906)
At 31 December 2024 (after off-setting)	2,412,443	1,041,865	4,718,081	8,172,389
As at 1 January 2023	2,118,414	830,952	10,351,874	13,301,240
Recognised in profit or loss	305,097	(1,483,306)	(3,476,794)	(4,655,003)
At 31 December 2023 (before off-setting)	2,423,511	(652,354)	6,875,080	8,646,237
Off-setting	-	652,354	(1,787,025)	(1,134,671)
At 31 December 2023 (after off-setting)	2,423,511	-	5,088,055	7,511,566

Deferred tax liabilities of the Group

	Property, plant and equipment RM
As at 1 January 2024	1,142,374
Recognised in profit or loss	197,074
At 31 December 2024 (before off-setting)	1,339,448
Off-setting	(1,322,906)
At 31 December 2024 (after off-setting)	16,542
As at 1 January 2023	1,350,179
Recognised in profit or loss	(207,805)
At 31 December 2023 (before off-setting)	1,142,374
Off-setting	(1,134,671)
At 31 December 2023 (after off-setting)	7,703

NOTES TO THE FINANCIAL STATEMENTS

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11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
Amount due from a subsidiary	-	-	277,688,936	269,180,159
Less: Impairment losses	-	-	(105,616)	(59,457)
	-	-	277,583,320	269,120,702
Prepayments	28,696,929	33,436,844	-	-
Total other receivables (non-current)	28,696,929	33,436,844	277,583,320	269,120,702
Current				
Trade receivables	27,724,564	34,603,307	-	-
Less: Impairment losses	(898,860)	(917,724)	-	-
Total trade receivables	26,825,704	33,685,583	-	-
Other receivables				
Other receivables	23,747,778	22,499,266	-	-
Less: Impairment losses	(124,950)	(4,426)	-	-
	23,622,828	22,494,840	-	-
Deposits	18,563,072	17,716,898	4,500	5,500
Total other receivables	42,185,900	40,211,738	4,500	5,500
	69,011,604	73,897,321	4,500	5,500
Prepayments	53,352,791	43,658,065	66,483	36,988
Total trade and other receivables (current)	122,364,395	117,555,386	70,983	42,488
Total trade and other receivables (non-current and current)	151,061,324	150,992,230	277,654,303	269,163,190

- (a) Trade and other receivables excluding prepayments and accrued receivables are classified as financial assets and measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 7 days to 60 days (2023: 7 days to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition. During the financial year, the Group did not renegotiate the terms of any trade receivables.
- (c) The Group and the Company do not have any significant exposure to any individual customers or counterparty nor does it have any major concentration of credit risk related to any financial instruments except for amount due from a subsidiary of RM277,583,320 (2023: RM269,120,702) of the Company, representing 99.97% (2023: 99.98%) of the total trade and other receivables of the Company.
- (d) In the previous financial year, included in deposits of the Group is a deposit of RM1,460,307 paid for acquisition of 4-storey shopoffice.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11. TRADE AND OTHER RECEIVABLES (continued)

- (e) Included in prepayments of the Group are insurance premium paid for product warranties of RM59,647,950 (2023: RM67,308,025).
- (f) Included in prepayments of the Group are advance payments to suppliers of RM11,979,956 (2023: RM4,775,869).
- (g) The Group recognises allowance for impairment loss for trade receivables based on the simplified approach in accordance with MFRS 9 Financial Instruments and measures the allowance for impairment loss based on a lifetime expected credit loss from initial recognition.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum contractual period over which the Group is exposed to credit risk.

Impairment for other receivables and amounts owing by related companies are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. The Group and the Company determined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays and past due information.

The Group and the Company consider historical credit loss experience and observable data such as current changes and future forecasts in economic conditions i.e. inflation rate and consumer price index, to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Evidence that a financial asset is credit impaired includes the following observable data:

- (i) Significant financial difficulties of the debtor;
- (ii) It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- (iii) The disappearance of an active market for a security because of financial difficulties.

The Group and the Company define significant increase in credit risk based on past due information, i.e. 365 days after credit term, operating performance of the receivables, changes to contractual terms and payment trends.

- (g) Lifetime expected loss provision for trade receivables at the end of the reporting period are as follows:

Group	Weighted-average expected loss rate	Gross carrying amount	Impairment loss allowance
2024	%	RM	RM
Customers' characteristics			
Low risk	0.05	10,624,783	5,418
Fair risk	0.08	7,812,172	5,971
Substandard	9.23	9,254,316	854,178
Loss	100.00	33,293	33,293
		27,724,564	898,860

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11. TRADE AND OTHER RECEIVABLES (continued)

(g) Lifetime expected loss provision for trade receivables at the end of the reporting period are as follows: (continued)

Group	Weighted-average expected loss rate	Gross carrying amount	Impairment loss allowance
	%	RM	RM
2023			
Customers' characteristics			
Low risk	0.05	17,246,154	8,931
Fair risk	0.08	8,594,876	6,680
Substandard	9.42	8,677,307	817,143
Loss	100.00	84,970	84,970
		34,603,307	917,724

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined by management using qualitative and quantitative factors that are indicative of the risk of default.

Exposures within each credit risk grade are segmented by customers' characteristics and an expected credit losses rate is calculated for each segment based on delinquency status and actual credit loss experience over the past years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

(h) The reconciliation of movement in the impairment losses for trade receivables is as follows:

Group	Lifetime ECL RM	Credit impaired RM	Total RM
At 1 January 2024	832,754	84,970	917,724
Charge for the financial year	117,643	33,293	150,936
Reversal of impairment losses	(84,830)	(84,970)	(169,800)
At 31 December 2024	865,567	33,293	898,860
At 1 January 2023	833,631	8,882,823	9,716,454
Charge for the financial year	281,973	84,970	366,943
Reversal of impairment losses	(282,850)	-	(282,850)
Written off	-	(8,882,823)	(8,882,823)
At 31 December 2023	832,754	84,970	917,724

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments with balances outstanding for more than 365 days as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11. TRADE AND OTHER RECEIVABLES (continued)

- (i) The reconciliation of movement in the impairment losses for other receivables is as follows:

Group	Lifetime ECL RM	Credit impaired RM	Total RM
At 1 January 2024	887	3,539	4,426
Charge for the financial year	-	120,524	120,524
At 31 December 2024	887	124,063	124,950
At 1 January 2023	896	3,539	4,435
Foreign exchange difference	(9)	-	(9)
At 31 December 2023	887	3,539	4,426

- (j) The reconciliation of movement in the impairment losses for amount due from a subsidiary is as follows:

Company	12 months ECL RM
At 1 January 2024	59,457
Charge for the financial year	46,159
At 31 December 2024	105,616
At 1 January 2023	32,904
Charge for the financial year	26,553
At 31 December 2023	59,457

- (k) The Group and the Company do not have any significant exposure to any individual customers or counterparty nor does it have any major concentration of credit risk related to any financial instruments except for amount due from a subsidiary of RM277,583,320 (2023: RM269,120,702) of the Company, representing 99.97% (2023: 99.98%) of the total trade and other receivables of the Company.
- (l) The non-current amount due from a subsidiary is an amount, which is not expected to be repayable within the next twelve months. The carrying amount of non-current amount due from a subsidiary approximates its fair value as its interest rates is priced at reasonable approximation of the market interest rates as the end of the reporting period.

Included in amount due from a subsidiary is an amount of RM261,135,000 (2023: RM261,135,000) which bears interest at rates ranging from 2.00% to 3.25% (2023: 2.00% to 3.25%) per annum.

- (m) The interest rate profile of the non-current amount due from a subsidiary as at the end of each reporting period is as follows:

	Company	
	2024 RM	2023 RM
Floating rate	261,135,000	261,135,000

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11. TRADE AND OTHER RECEIVABLES (continued)

- (n) Sensitivity analysis of the interest rate at the end of the reporting period, assuming that all other variable remain constant, are as follows:

	Company	
	2024	2023
	RM	RM
Effects of 1% changes to profit after tax		
- Floating rate	1,984,626	1,984,626

- (o) Trade and other receivables are denominated in RM.

12. INVENTORIES

	Group	
	2024	2023
	RM	RM
At cost		
Finished goods	233,107,193	252,119,257
At net realisable value		
Finished goods	14,277,509	19,309,581
	247,384,702	271,428,838

- (a) During the financial year, inventories of the Group recognised as cost of sales amounted to RM916,581,853 (2023: RM996,759,528). The Group has written off inventories amounted to RM1,844,707 (2023: RM355,114) and are included in cost of sales.
- (b) A write down of inventories to net realisable value of RM3,516,266 (2023: RM3,816,146) was made by the Group during the financial year.
- (c) The Group reversed RM4,020,999 (2023: RM2,318,196) in respect of inventories written down in the previous financial years that was subsequently not required as the Group was able to sell those inventories above their carrying amounts.
- (d) Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell.
- (e) Inventory cost is determined on a weighted average basis and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.
- (f) The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making this judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

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13. OTHER INVESTMENTS

	Group	
	2024 RM	2023 RM
<u>Equity securities</u>		
Current		
Unquoted shares in Malaysia	2,876,449	2,876,449
Unquoted trust fund outside Malaysia	1,260,499	2,896,639
Quoted shares outside Malaysia	1,380,020	1,330,707
Quoted unit trusts in Malaysia	-	10,324,133
Total other investments	5,516,968	17,427,928

- (a) Equity securities which are held for trading are initially recognised at fair value through profit or loss ("FVTPL"). Equity securities which are not held for trading for which the Group has irrevocably elected at initial recognition to recognise at fair value through other comprehensive income ("FVTOCI"). These are strategic investments for which the Group considers this classification to be appropriate and relevant.
- (b) Quoted shares of the Group are categorised as Level 1 in the fair value hierarchy. Fair value of investments in quoted shares and unit trusts are based on information provided by observable market data. There is no transfer between levels in the hierarchy during the financial year.
- (c) In the previous financial year, quoted unit trusts of the Group were categorised as Level 1 in the fair value hierarchy. Fair value of investments in quoted unit trusts were based on information provided by observable market data. There was no transfer between levels in the hierarchy in the previous financial year.
- (d) Unquoted shares and unquoted trust fund of the Group are categorised as Level 3 in the fair value hierarchy. Fair value of investments in unquoted shares and unquoted trust fund are estimated based on the discounted cash flows method. Management believe that the estimated fair value is the most appropriate at the end of the reporting period. There is no transfer between levels in the hierarchy during the financial year.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair values, are detailed in the table below:

Financial instruments	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair values
Unquoted shares and trust fund	Discounted cash flows method	Discount rate at 7.50% (2023: 7.50%)	The higher the discount rate, the lower the fair value

- (e) The following table shows a reconciliation of Level 3 fair values:

	Group	
	2024 RM	2023 RM
Balances as at 1 January	5,773,088	14,473,784
Disposal	(1,636,140)	(8,758,002)
Fair value changes through other comprehensive income	-	57,306
Balances as at 31 December	4,136,948	5,773,088

Sensitivity analysis for investments in unquoted shares and unquoted trust fund are not disclosed as it is not material to the Group.

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13. OTHER INVESTMENTS (continued)

- (f) The foreign currencies profile of the other investments are as follows:

	Group	
	2024	2023
	RM	RM
Australian Dollar	91,348	103,179
Singapore Dollar	1,260,499	2,896,639
Hong Kong Dollar	1,048,940	1,009,942
Chinese Renminbi	239,732	217,586

- (g) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2024	2023
	RM	RM
Effects of 3% changes to RM against foreign currencies		
Profit after tax		
- Australian Dollar	2,083	2,352
- Singapore Dollar	28,739	66,043
- Hong Kong Dollar	23,916	23,027
- Chinese Renminbi	5,466	4,961

- (h) Sensitivity analysis of market price at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2024	2023
	RM	RM
Effects of 3% changes to market price		
Profit after tax		
- Quoted shares outside Malaysia	31,464	30,340
- Quoted unit trusts in Malaysia	-	235,390

As the Group does not have the intention, nor historical trend of active trading in unquoted shares, the Directors are of the opinion that the unquoted shares are not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

14. CASH AND BANK BALANCES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and bank balances	55,509,625	42,125,180	260,043	381,002
Deposits with licensed banks	18,262,625	45,276,170	-	-
As per statements of financial position	73,772,250	87,401,350	260,043	381,002
Less:				
Fixed deposits placed with licensed banks with original maturity of more than three (3) months	(16,362,625)	(9,536,170)	-	-
As per statements of cash flows	57,409,625	77,865,180	260,043	381,002

NOTES TO THE FINANCIAL STATEMENTS

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14. CASH AND BANK BALANCES (continued)

- (a) Cash and bank balances are classified as financial assets and measured at amortised cost.
- (b) Deposits with licensed banks of the Group have an average maturity period of 43 days (2023: 39 days).
- (c) The foreign currencies profile of cash and bank balances are as follows:

	Group	
	2024	2023
	RM	RM
United States Dollar	28,206	7,175,566
Singapore Dollar	1,487,426	839,186
Chinese Renminbi	-	1,015

- (d) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2024	2023
	RM	RM

Effects of 3% changes to RM against foreign currencies

Profit after tax		
- United States Dollar	643	163,603
- Singapore Dollar	33,913	19,133
- Chinese Renminbi	-	23

- (e) Weighted average effective interest rate of deposits with licensed banks of the Group as at the end of each reporting period are as follows:

	Group	
	2024	2023
Fixed rates	3.88%	3.70%

Sensitivity analysis for fixed rate deposits at the end of the reporting period is not presented as fixed rate instruments is not affected by changes in interest rate.

- (f) No expected credit losses were recognised arising from the deposits with licensed banks because the probability of default by these financial institutions were negligible.

15. SHARE CAPITAL

		Group and Company			
		2024		2023	
Note	Number of shares	RM	Number of shares	RM	
Ordinary shares					
Issued and fully paid with no par value					
At 1 January/31 December	1,500,000,000	427,867,671	1,500,000,000	427,867,671	

The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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16. RESERVES

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Non-distributable					
Merger reserve	(a)	(165,206,168)	(165,206,168)	-	-
Fair value reserve	(b)	88,668	88,668	-	-
Distributable					
Retained earnings		284,339,841	280,947,838	15,081,662	6,775,943
		119,222,341	115,830,338	15,081,662	6,775,943

(a) Merger reserve

Merger reserve represents consideration paid over the share capital of Senheng Electric (KL) Sdn. Bhd. as at the acquisition date under the merger method of accounting as follows:

	Senheng Electric (KL) Sdn. Bhd. RM
Purchase consideration	166,206,168
Less: Share capital as at acquisition date	(1,000,000)
Merger reserve	165,206,168

(b) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value, net of tax, through other comprehensive income investment held until the investment is derecognised.

17. BORROWINGS

	Group	
	2024 RM	2023 RM
Current liabilities		
Unsecured		
Bankers' acceptances	13,665,000	25,500,000
Secured		
Revolving credit	41,200,000	46,000,000
Total borrowings	54,865,000	71,500,000

(a) Borrowings are classified as financial liabilities and measured at amortised cost.

(b) All borrowings are denominated in RM.

NOTES TO THE FINANCIAL STATEMENTS

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17. BORROWINGS (continued)

- (c) The bankers' acceptances are supported by a corporate guarantee given by the Company to bankers for credit facilities granted to a subsidiary of the Group.
- (d) The revolving credit is supported by a corporate guarantee given by the Company to a banker for a credit facility granted to a subsidiary and a fixed charge over a freehold land and a building of the Group as disclosed in Note 6 to the financial statements.
- (e) Fair value of the borrowings of the Company are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (f) The carrying amounts of borrowings are reasonable approximation of fair value, either due to their short term nature or that they are floating rate instruments, that are repriced to market interest rates on or near the end of reporting period.
- (g) At the end of reporting date, the interest rate profiles of the borrowings were:

	Group	
	2024	2023
	RM	RM
- Fixed rates	13,665,000	25,500,000
- Floating rates	41,200,000	46,000,000
	54,865,000	71,500,000

- (h) At the end of reporting date, the weighted average effective interest rates for the borrowings were as follows:

	Group	
	2024	2023
	%	%
Bankers' acceptances	3.37	3.35
Revolving credit	4.48	4.55

- (i) The following table sets out the carrying amounts as at the end of each reporting period and the remaining maturities of the borrowings of the Group that are exposed to interest rate risk.

Group	On demand or within one year
	RM

At 31 December 2024

Financial liabilities

Borrowings	54,865,000
------------	------------

At 31 December 2023

Financial liabilities

Borrowings	71,500,000
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NOTES TO THE FINANCIAL STATEMENTS

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17. BORROWINGS (continued)

- (j) The table below summarises the maturity profile of borrowings of the Group at the end of each reporting period based on contractual undiscounted repayment obligations.

Group	On demand or within one year RM
At 31 December 2024	
Financial liabilities	
Borrowings	55,022,113
At 31 December 2023	
Financial liabilities	
Borrowings	71,677,762

- (k) Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant, is as follows:

	Group	
	2024 RM	2023 RM
Effects of 50 basis points changes to profit after tax		
Floating rate instrument	156,560	174,800

Sensitivity analysis for fixed rate borrowings as at the end of each reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

18. PROVISION FOR RESTORATION COSTS

	Group	
	2024 RM	2023 RM
Non-current		
Provision for restoration costs	6,462,255	6,692,948
Current		
Provision for restoration costs	1,403,094	1,333,228
	7,865,349	8,026,176

- (a) Provision for restoration costs is recognised in respect of the obligation of the Group to restore leased outlets to its original state upon the expiry of tenancy agreements. This provision comprises estimates of reinstatement costs for retail outlets upon termination of tenancy.

NOTES TO THE FINANCIAL STATEMENTS

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18. PROVISION FOR RESTORATION COSTS (continued)

- (b) A reconciliation of the provision for restoration costs are as follows:

	Group	
	2024 RM	2023 RM
As at 1 January	8,026,176	6,673,779
Recognised in right-of-use assets (Note 7)	118,658	622,450
Modifications	(404,997)	-
Finance cost	297,891	324,643
Utilisation	(141,039)	(100,049)
(Reversal of provision)/Provision for restoration costs	(31,340)	505,353
As at 31 December	7,865,349	8,026,176

- (c) The Group estimates provision for restoration costs based on historical costs incurred per square feet of rent area. The estimated provision for restoration costs is reviewed periodically and is updated if expectations differ from previous estimates due to changes in costs factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs of the Group.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	44,822,594	66,655,196	-	-
Amounts due to related parties	3,512,735	3,491,391	-	-
	48,335,329	70,146,587	-	-
Other payables				
Other payables	16,132,502	27,078,663	-	-
Deposits	2,533,295	2,090,124	-	-
Accruals	18,089,110	10,098,109	644,952	732,137
Amounts due to related parties	59,356	4,308,847	-	-
Financial guarantee contracts	-	-	-*	-*
	36,814,263	43,575,743	644,952	732,137
Total payables	85,149,592	113,722,330	644,952	732,137

* Amount is negligible.

- (a) Trade and other payables are classified as financial liabilities and measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 15 days to 90 days (2023: 15 days to 90 days).

NOTES TO THE FINANCIAL STATEMENTS

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19. TRADE AND OTHER PAYABLES (continued)

- (c) Non-trade amounts due to related parties represent advances and payments on behalf, which are unsecured, interest-free and repayable on demand in cash and cash equivalents.
- (d) Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation.

The fair value of financial guarantees is classified as Level 3 in the fair value hierarchy and is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. The movement in financial guarantee contracts consists of fair value changes of financial guarantee contract during the current and previous financial years are insignificant.

The nominal amounts of financial guarantees provided by the Company are as follows:

	Company	
	2024 RM	2023 RM
Bank facilities granted to a subsidiary	55,865,000	74,675,000

Maturity profile of financial guarantee contracts of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the subsidiary in respect of the guaranteed bank facilities.

- (e) The maturity profile of the trade and other payables of the Group and of the Company at the reporting date based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.
- (f) The foreign currency profile of trade and other payables is as follows:

	Group	
	2024 RM	2023 RM
Chinese Renminbi	260,946	1,110

- (g) Sensitivity analysis of RM against foreign currency at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2024 RM	2023 RM

Effects of 3% changes to RM against foreign currency

Profit after tax		
- Chinese Renminbi	5,950	25

NOTES TO THE FINANCIAL STATEMENTS

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20. CONTRACT LIABILITIES

	Group	
	2024 RM	2023 RM
Current		
- Deferred income	41,287,629	42,399,524
Non-current		
- Deferred income	35,833,225	41,081,267
	77,120,854	83,480,791

(a) Deferred income

	Group	
	2024 RM	2023 RM
Current		
- Customer loyalty programme	453,034	253,690
- Warranty	32,712,322	35,185,646
- Membership fee	5,743,448	4,549,613
- Cash vouchers	2,378,825	2,410,575
	41,287,629	42,399,524
Non-current		
- Customer loyalty programme	330,517	561,105
- Warranty	35,502,708	40,520,162
	35,833,225	41,081,267

(i) Customer loyalty programme

Customer loyalty programme allows its members to accumulate customer loyalty points, namely Plus One Loyalty Points, on the purchases of the products of the Group sold in its own retail outlets. These customer loyalty points are then converted into redemption points for selected redemption products and cash rebates based on the term and conditions in force.

The deferred income arising from customer loyalty points are estimated based on the amount of loyalty points outstanding as at the end of the reporting period that are expected to be redeemed within one (1) month to three (3) years (2023: one (1) month to three (3) years).

(ii) Warranty

Deferred income of warranty relates to the consideration received from the customers for the provision of warranty for the purchases of the products of the Group, which revenue is recognised over time, which the warranty period is covered.

(iii) Membership fee

Deferred income of membership fee relates to the consideration received from customers for the membership periods, which revenue is recognised over time over the service period on a straight line basis.

NOTES TO THE FINANCIAL STATEMENTS

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20. CONTRACT LIABILITIES (continued)

(a) Deferred income (continued)

(iv) Cash vouchers

Deferred income of cash vouchers relates to the unutilised cash vouchers. The amount will be recognised as revenue when the cash vouchers are utilised by customers.

(b) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially satisfied) at the end of the reporting date, are as follow:

Group	Within a year RM	More than one year RM	Total RM
2024			
Contract liabilities	41,287,629	35,833,225	77,120,854
2023			
Contract liabilities	42,399,524	41,081,267	83,480,791

(c) The amount of RM74,673,458 (2023: RM82,720,913) included in contract liabilities at the beginning of the financial year has been recognised as revenue for the financial year ended 31 December 2024.

(d) A reconciliation of the deferred income is as follows:

Group	Customer loyalty programme RM	Warranty RM	Membership fee RM	Cash vouchers RM	Total RM
At 1 January 2023	911,089	78,443,960	3,419,074	4,478,892	87,253,015
Addition	546,660	72,163,598	4,549,613	2,410,575	79,670,446
Utilisation	(541,648)	-	-	(4,478,892)	(5,020,540)
Lapsed	(101,306)	-	-	-	(101,306)
Reversal	-	(74,901,750)	(3,419,074)	-	(78,320,824)
At 31 December 2023/ 1 January 2024	814,795	75,705,808	4,549,613	2,410,575	83,480,791
Addition	222,446	59,968,802	5,743,448	2,378,825	68,313,521
Utilisation	(253,690)	-	-	(2,410,575)	(2,664,265)
Reversal	-	(67,459,580)	(4,549,613)	-	(72,009,193)
At 31 December 2024	783,551	68,215,030	5,743,448	2,378,825	77,120,854

NOTES TO THE FINANCIAL STATEMENTS

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21. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<i>Revenue from contracts with customers</i>				
- Sales of goods	1,144,842,648	1,236,707,056	-	-
- Sales of services	72,009,193	78,320,824	-	-
<i>Other revenue:</i>				
- Dividend income	-	-	11,000,000	10,500,000
	1,216,851,841	1,315,027,880	11,000,000	10,500,000
<i>Timing of revenue recognition</i>				
Transferred at a point in time	1,144,842,648	1,236,707,056	-	-
Transferred over time	72,009,193	78,320,824	-	-
	1,216,851,841	1,315,027,880	-	-

- (a) Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 5 to the financial statements, which has been presented based on nature of products and services from which the sale of transactions originated.

- (b) Sales of goods

Revenue from sales of goods is recognised at a point in time when control of the goods has been transferred to the customer, which coincides with the delivery of goods and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sales of goods.

There is no significant financing component in the revenue arising from sales of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

- (c) Sales of services

- (i) Warranty

The Group provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold together with the sale of goods. Contracts for bundled sales of goods and service-type warranty comprise two performance obligations because the goods and service-type warranty are both sold on a stand-alone basis and are distinct within the context of the contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a liability (deferred income) in the statement of financial position. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

NOTES TO THE FINANCIAL STATEMENTS

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21. REVENUE (continued)

(c) Sales of services (continued)

(ii) Membership income

Membership income is recognised in profit or loss when the payment is received and proportion to the membership tenure.

(iii) Customer loyalty awards

The Group operates the customer loyalty programme, which allows customers to accumulate points for future redemption when they purchase products at the Group's stores.

The consideration received from the sale of goods is allocated to the goods sold and the points issued that are expected to be redeemed. The consideration allocated to the points issued is measured at fair value of the points. It is recognised as a liability (deferred income) in the statement of financial position and recognised as revenue when the points are redeemed, have expired or are no longer expected to be redeemed. The amount of revenue recognised is based on the number of points that have been redeemed, relative to the total number of points expected to be redeemed.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

22. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
After charging:				
Auditors' remuneration Statutory audit				
- BDO PLT	304,500	287,700	57,000	55,200
Non-statutory audit				
- BDO PLT	48,500	29,750	18,500	5,000
- Affiliate firm of BDO PLT	72,000	45,400	3,000	2,000
Bad debts written off	120,418	312,011	-	-
Directors' remuneration	3,554,881	3,327,980	572,385	521,250
Fair value adjustments on other investments	-	177,822	-	-

NOTES TO THE FINANCIAL STATEMENTS

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22. PROFIT BEFORE TAX (continued)

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at: (continued)

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
After charging: (continued)				
Impairment losses on:				
- trade and other receivables	271,460	366,943	-	-
- advances to a subsidiary	-	-	46,159	26,553
- property, plant and equipment	287,321	-	-	-
- right-of-use assets	56,290	-	-	-
Interest expenses on:				
- advances from a subsidiary	-	-	7,597	17,887
- bankers' acceptance	205,848	340,608	-	-
- bank overdraft	919	-	-	-
- revolving credit	1,968,212	51,608	-	-
- lease liabilities	3,213,888	3,351,660	-	-
- provision for restoration costs	297,891	324,643	-	-
Loss on disposal of other investments	-	1,621	-	-
Property, plant and equipment written off	747,657	23,105	-	-
Realised loss on foreign exchange	7,959	28,729	-	-
Rental of office equipment	-	11,220	-	-
Rental of premises	407,726	468,366	-	-
Share of profit paid as part of incentive programme	15,856,235	20,612,527	-	-
Unrealised loss on foreign exchange	98,039	-	-	-
And crediting:				
Dividend income	-	22,859	11,000,000	10,500,000
Fair value adjustments on other investments	203,571	-	-	-
Gain on disposal of property, plant and equipment	300,958	356,733	-	-
Gain on disposal of right-of-use assets	270,700	415,777	-	-
Gain on disposal of other investments	1,008,983	-	-	-
Gain on reassessments and modifications of leases	626,784	266,904	-	-
Interest income from:				
- advances to a subsidiary	-	-	8,528,552	8,284,777
- deposits with licensed banks	3,364,818	4,145,791	-	-
- receivables	774,557	488,360	-	-
Rental income	2,256,658	2,000,497	-	-
Reversal of impairment losses on trade receivables	169,800	282,850	-	-
Unrealised gain on foreign exchange	-	689,667	-	-

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22. PROFIT BEFORE TAX (continued)

(a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(b) Rental income

Rental income is recognised on a straight-line basis over the lease term of an ongoing leases.

(c) Subsidies and incentive income

The Group receives subsidies and incentives from suppliers for various programs, primarily advertisement and promotional incentives. Subsidies and incentives are recognised to statements of profit or loss and other comprehensive income when the performance obligations for promotional programs have been fulfilled by the Group in accordance with the terms as stipulated in the agreements with suppliers.

23. TAX EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current tax expense based on profit for the financial year	4,773,842	7,688,473	1,964,646	1,917,432
Under/(Over) provision in prior years	3,617,491	(3,547,330)	(2,216)	(88,706)
	8,391,333	4,141,143	1,962,430	1,828,726
Deferred tax (Note 10)				
Relating to origination and reversal of temporary differences	(1,031,926)	(143,999)	-	-
Under provision in prior years	379,942	4,591,197	-	-
	(651,984)	4,447,198	-	-
Real property gains tax	-	34,150	-	-
	7,739,349	8,622,491	1,962,430	1,828,726

- (a) Malaysian income tax is calculated at the statutory tax rate 24% (2023: 24%) of the estimated taxable profits for the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

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23. TAX EXPENSE (continued)

- (b) Numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	18,781,352	33,641,353	17,918,149	17,322,075
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	4,507,524	8,073,925	4,300,356	4,157,298
Tax effects in respect of:				
- Non-allowable expenses	5,003,826	4,729,601	304,290	280,134
- Non-taxable income	(5,769,434)	(5,259,052)	(2,640,000)	(2,520,000)
- Real property gains tax	-	34,150	-	-
	3,741,916	7,578,624	1,964,646	1,917,432
Under/(Over) provision in prior years:				
- Current tax	3,617,491	(3,547,330)	(2,216)	(88,706)
- Deferred tax	379,942	4,591,197	-	-
	7,739,349	8,622,491	1,962,430	1,828,726

- (c) Tax on each component of other comprehensive income is as follows:

	Before tax RM	Group Tax effect RM	After tax RM
2023			
Item that will not be reclassified to profit or loss in subsequent period			
Fair value gain of other investments at FVTOCI	57,306	-	57,306
	57,306	-	57,306

NOTES TO THE FINANCIAL STATEMENTS

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24. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2024	2023
Profit for the financial year attributable to ordinary equity holders of the Company (RM)	11,042,003	25,018,862
Weighted average number of ordinary shares in issue	1,500,000,000	1,500,000,000
Basic earnings per ordinary share (sen)	0.74	1.67

(b) Diluted

The diluted earnings per ordinary share equal basic earnings per ordinary share because there was no potential dilutive ordinary share as at the end of the reporting period.

25. DIVIDENDS

	Group and Company			
	Dividend per share sen	2024 Amount of dividend RM	Dividend per share sen	2023 Amount of dividend RM
First interim single-tier dividend in respect of the financial year ended 31 December 2023	0.51	7,650,000	-	-
Second interim single-tier dividend in respect of the financial year ended 31 December 2022	-	-	0.70	10,500,000
	0.51	7,650,000	0.70	10,500,000

On 9 April 2025, the Board of Directors declared a first interim single tier dividend of 0.22 sen per ordinary share amounting to RM3,312,601 for the financial year ended 31 December 2024, which is to be paid on 15 May 2025 to shareholders of the Company whose names appeared in the Record of Depositors on 25 April 2025. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

26. DIRECTORS' REMUNERATION

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors of the Company:				
Executive:				
Short term employee benefits	2,869,340	2,700,650	-	-
Contributions to defined contribution plan	113,156	106,080	-	-
	2,982,496	2,806,730	-	-
Non-Executive:				
Directors' fees	499,635	468,000	499,635	468,000
Short term employee benefits	72,750	53,250	72,750	53,250
	572,385	521,250	572,385	521,250
	3,554,881	3,327,980	572,385	521,250

The estimated monetary value of benefits-in-kind received by the Directors from the Group amounted to RM Nil (2023: RM48,650).

27. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has controlling related party relationship with its subsidiaries and its holding company.

Related parties of the Group include:

- (i) Subsidiaries as disclosed in Note 9 to the financial statements.
- (ii) Companies in which certain Directors have financial interests.
- (iii) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

27. RELATED PARTY DISCLOSURES (continued)

- (b) In addition to the related party transactions disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Related parties:				
- Administrative and marketing fees receivable	1,187,650	1,543,681	-	-
- Administrative and marketing fees payable	(256,803)	(315,029)	-	-
- Commission payable	(20,396,172)	(20,568,598)	-	-
- Insurance premium collected on behalf of third-party insurance companies	(32,728,894)	(29,516,925)	(51,397)	(51,397)
- Marketing expenses	(26,513,067)	(22,184,027)	-	-
- Marketing fees	(74,462)	-	-	-
- Purchases of goods	(11,708,684)	(10,223,004)	-	-
- Rental income	186,050	133,300	-	-
- Rental payable	(1,138,506)	(1,121,352)	-	-
- Sales of goods	158,304	131,723	-	-
- Sales of motor vehicles	290,000	-	-	-
- Service rendered	(4,233,756)	(4,718,489)	-	-
Subsidiary:				
- Dividends received	-	-	11,000,000	10,500,000
- Interest payable	-	-	(7,597)	(17,887)
- Interest receivable	-	-	8,528,552	8,284,777

The related parties transactions described above have been entered into the normal course of business and have been established at terms agreed between the parties during the financial year.

- (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The key management personnel include the Directors of the Group and of the Company, whether executive or otherwise, and their remuneration for the financial year were as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' fees	499,635	468,000	499,635	468,000
Short term employees benefits	5,247,984	5,085,655	72,750	53,250
Contributions to defined contribution plan	361,273	381,077	-	-
	6,108,892	5,934,732	572,385	521,250

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

28. EMPLOYEE BENEFITS

	Group	
	2024 RM	2023 RM
Short term employees benefits	69,641,188	67,022,050
Contributions to defined contribution plan	10,737,536	9,772,643
Other employee benefits	5,170,697	4,876,502
	85,549,421	81,671,195

Included in employee benefits expense of the Group are Executive Directors' remuneration excluding benefits-in-kind amounting to RM2,982,496 (2023: RM2,806,730).

29. CAPITAL COMMITMENTS

	Group	
	2024 RM	2023 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	8,910,000	9,252,063

30. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, loans and borrowings, less cash and bank balances. Capital represents only equity attributable to the owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

30. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(a) Capital management (continued)

	Note	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
Borrowings	17	54,865,000	71,500,000	-	-
Less: Cash and bank balances	14	(73,772,250)	(87,401,350)	(260,043)	(381,002)
Net cash		(18,907,250)	(15,901,350)	(260,043)	(381,002)
Equity attributable to the owners of the Company		547,090,012	543,698,009	442,949,333	434,643,614
Gearing ratio		*	*	*	*

* Not required as the Group and the Company are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 31 December 2024.

The Group and the Company are not subject to any other externally imposed capital requirements.

(b) Financial risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and price risk.

The following sections provide details regarding the Group's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are reputable institutions and organisations. It is the policy of the Group and of the Company to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group and the Company are exposed to minimal credit risk.

The primary exposure of the Group and of the Company to credit risk arises through their trade and other receivables and financial guarantees given to banks for banking facilities granted to a subsidiary. The credit period is generally for a period of one (1) month, extending up to two (2) months for major customers. Each customer has a maximum credit limit and the Group and the Company seek to maintain strict control over its outstanding receivables via a credit control section to minimise credit risk. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

The risk concentration profile has been disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

30. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(ii) Liquidity and cash flow risk

The Group and the Company actively manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group and the Company measure and forecast its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group and the Company.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 7, 17 and 19 to the financial statements.

(iii) Interest rate risk

The primary interest rate risk of the Group and the Company relates to interest-earning deposits and interest-bearing borrowings from financial institutions. The fixed-rate deposits and borrowings of the Group is exposed to a risk of changes in their fair values due to changes in interest rates. The floating rate deposits and borrowings of the Group and the Company are exposed to a risk of change in cash flows due to changes in interest rates. The Group and the Company borrow in the desired currencies at both fixed and floating rates of interest.

The Group and the Company actively review its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows the Group and the Company to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 7, 11, 14 and 17 to the financial statements respectively.

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign currency rate.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of the operating entities. Exposure in foreign currency is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

The foreign currency profile and sensitivity analysis have been disclosed in Notes 13, 14 and 19 to the financial statements.

(v) Price risk

Price risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to price risk arising from investments held in the Group. These instruments are classified as financial assets designated at fair value through profit or loss.

The Group will monitor the exposure of price risk on-going basis.

The sensitivity analysis of price risk have been disclosed in Note 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

31. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF REPORTING PERIOD

On 4 February 2025, Senheng Electric (KL) Sdn. Bhd. ("SHKL") a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Mactree Sdn. Bhd. (the "Purchaser") for the disposal of a freehold industrial vacant land located under Individual Title No. Geran 584330, No. Lot 173268, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor, for a total cash consideration of RM11,209,500.

32. COMPARATIVES FIGURES

Certain comparative figures for the financial year ended 31 December 2023 have been reclassified to conform with current financial year's presentation to reflect appropriate presentation of the financial statements of the Group. These reclassifications do not have an impact on the retained earnings of the Group.

(a) Statement of financial position as at 31 December 2023

2023	As previously reported RM	Reclassi- fication RM	As restated RM
Non-current assets			
Other Receivables	26,260,711	7,176,133	33,436,844
Current assets			
Trade and other receivables	114,290,643	3,264,743	117,555,386
Current liabilities			
Trade and other payables	103,281,454	10,440,876	113,722,330

(b) Statement of cash flows for the financial year ended 31 December 2023

2023	As previously reported RM	Reclassi- fication RM	As restated RM
Changes in working capital:			
Trade and other receivables	(21,064,773)	(10,440,876)	(31,505,649)
Trade and other payables	1,506,392	10,440,876	11,947,268

LIST OF MAJOR PROPERTIES HELD AS AT 31 DECEMBER 2024

No	Address	Description/ Existing Use	Tenure/ Date of Expiry of Lease	Net Book Value (RM'000)	Approximate Land Area/ Built Up Area (square feet)	Date of Acquisition	Approximate Age of Building (Years)
1	PT 77275, Jalan Astana 5/KU02, Bandar Bukit Raja, 41050 Klang, Selangor	Single storey warehouse facility with 3-storey office	Freehold	78,579	286,503 /200,035	25.09.2023	4
2	H.S.(D) 139744, PT 69171, Mukim Kapar, Daerah Klang, Negeri Selangor	Vacant land	Freehold	26,278	126,412	22.06.2022	N/A
3	No.31, Jalan PJU 5/18, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor	1 corner unit of 4-storey shop-office	Leasehold/ 23.11.2100	10,675	3,650/ 17,675	22.09.2023	24
4	40, 42, 44, 46-1, 46-2, 46-3, 48-1 and 48-3, Jalan Pandan 3/2, Pandan Jaya, 55100 Kuala Lumpur	"Grand Senheng" store:- Lots 40-G, 40-1, 42-G, 42-1, 44-G, 44-1 – 3 intermediate units of 4-storey shop-offices Head Office:- Lots 40-2, 40-3, 42-2, 42-3, 44-2, 44-3 – 3 intermediate units of 4-storey shop-offices Lot 46 – A 4-storey shop-office where we own first, second and third floor Lot 48 – A 4-Storey shop-office where we own first and third floor	Leasehold/ 05.05.2087	9,153	16,146/ 16,146	27.12.2018 (Lot 40, 42, 44, 46-1, 46-2, 46-3, 48-1) & 18.11.1999 (Lot 48-3)	40
5	No.9, 11 and 13, Jalan Diplomatik P15, Precint 15, Putrajaya, 62000 Putrajaya	No.9 – 1 intermediate unit of 3-storey shop-office No.11 & 13 – 2 intermediate units of 4-storey shop-offices	Freehold	8,560	7,072/ 22,582	01.10.2019 (No.11 and 13) & 06.01.2022 (No.9)	8
6	No.2, 2-1, 2-2, 2-3 and 2-4, Kuchai Entrepreneurs Park, Jalan 10/116B, Kuchai Entrepreneurs Park, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	1 corner unit of 4 ½-storey shop-office	Leasehold/ 25.02.2097	8,324	3,509/ 14,031	26.08.2022	27
7	HS(D) No. 560793, No. PTD 186337 Mukim Tebrau, Daerah Johor Bahru, Negeri Johor Darul Takzim	Vacant land	Freehold	7,689	111,945	25.09.2018	N/A

LIST OF MAJOR PROPERTIES HELD AS AT 31 DECEMBER 2024

No	Address	Description/ Existing Use	Tenure/ Date of Expiry of Lease	Net Book Value (RM'000)	Approximate Land Area/ Built Up Area (square feet)	Date of Acquisition	Approximate Age of Building (Years)
8	Lot 2, KKIP Exported Oriented Industrial Zone Phase 2, Kota Kinabalu Industrial Park, Jalan Sepangar, 88450 Kota Kinabalu, Sabah	A detached factory building comprising of single-storey warehouse and 2- storey office building with 1 guard house and 1 pump house	Leasehold/ 31.12.2096	7,578	87,941/ 26,000	28.12.2018	8
9	No. 62, 63 and 64, Jalan Raja Harun, Bandar Kajang Seksyen 7, Kajang, 43000 Kajang, Selangor	3 intermediate units of 3 ½ storey shop-offices	Leasehold/ 26.06.2089	7,378	6,211/ 19,715	09.09.2019	32
10	23, 23A, 23B, 24, 24A, 24B, 25, 25A, 25B, 26, 26A and 26B, Jalan Lingkaran Bentara 1, Pusat Komersial Bentara 83000 Batu Pahat, Johor	4 intermediate units of 3-storey shop-offices	Freehold	7,151	6,588/ 13,196	24.06.2019 (23, 23A, 23B, 24, 24A, 24B, 25, 25A and 25B) & 16.01.2020 (26, 26A and 26B)	4

ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025

Number of Issued Shares	: 1,500,000,000
Class of Shares	: Ordinary Shares
Voting Rights	: One (1) Vote Per Ordinary Share
No. of Shareholders	: 8,707

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	117	1.343	617	0.000
100 - 1,000	1,465	16.825	829,357	0.055
1,001 - 10,000	4,178	47.984	22,561,026	1.504
10,001 - 100,000	2,417	27.759	80,619,900	5.374
100,001 - 74,999,999 ^(*)	525	6.029	285,489,100	19.032
75,000,000 and above ^(**)	5	0.057	1,110,500,000	74.033
TOTAL	8,707	100.000	1,500,000,000	100.000

Remark: (*) less than 5% of issued shares

(**) 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS (Based on the Register of Substantial Shareholders)

	Name	Direct No. of Shares	%	Indirect No. of Shares	%
1	SQ Digital Sdn. Bhd.	869,600,000	57.973	-	-
2	Lim Kim Heng	83,800,000	5.587	870,955,600 ^{(a) & (b)}	58.064
3	Lim Kim Chieng	81,800,000	5.453	870,790,600 ^{(a) & (c)}	58.053
4	Lim Kim Yew	81,300,000	5.420	869,600,000 ^(a)	57.973

DIRECTORS' SHAREHOLDINGS (Based on the Register of Directors' Shareholding)

	Name	Direct No. of Shares	%	Indirect No. of Shares	%
1	Lim Kim Heng	83,800,000	5.587	870,955,600 ^{(a) & (b)}	58.064
2	Lim Kim Chieng	81,800,000	5.453	870,790,600 ^{(a) & (c)}	58.053
3	Lim Kim Yew	81,300,000	5.420	869,600,000 ^(a)	57.973
4	Oh Keng Leng	240,000	0.016	-	-
5	Dato' Yeow Wah Chin	240,000	0.016	-	-
6	Ho Kim Poi	240,000	0.016	-	-
7	Aireen Omar	-	-	-	-

^(a) Deemed interest by virtue of his shareholdings in SQ Digital Sdn. Bhd., pursuant to Section 8 of the Companies Act 2016.

^(b) Indirect interested by virtue his child's direct shareholdings, pursuant to Section 59(1)(c) of the Companies Act 2016.

^(c) Indirect interested by virtue of his spouse's and children's direct shareholdings, pursuant to Section 59(1)(c) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS (Based on Record of Depositors)

No.	Name of Shareholders	Total No. of Shares Held	%
1	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR SQ DIGITAL SDN. BHD. (PB)	719,600,000	47.973
2	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK PRIVATE WEALTH MANAGEMENT FOR SQ DIGITAL SDN. BHD. (12022529) (444327)	150,000,000	10.000
3	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR LIM KIM HENG (PB)	80,300,000	5.353
4	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR LIM KIM YEW (PB)	80,300,000	5.353
5	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR LIM KIM CHIENG (PB)	80,300,000	5.353
6	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK BERHAD (EDP 2)	37,752,300	2.516
7	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	26,322,500	1.754
8	YAYASAN ISLAM TERENGGANU	8,000,000	0.533
9	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	6,281,300	0.418
10	MAJLIS AGAMA ISLAM NEGERI SEMBILAN	5,000,000	0.333
11	GAN CHENG SWEE	4,508,300	0.300
12	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIN KUAN WENG	4,502,100	0.300
13	OAN YEE LAI	3,100,000	0.206
14	LIM KIM HENG	3,000,000	0.200
15	TOK SANG MAN	2,610,100	0.174
16	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SHIN KAM SUN (0174801)3	2,600,000	0.17
17	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)	2,500,000	0.166
18	LIM CHOW SEN @ LIM CHOW SOON	2,080,000	0.138
19	CHIA SEONG POW	2,000,000	0.133
20	KUAN CHOON LIAN	2,000,000	0.133

ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS (Based on Record of Depositors)

No.	Name	Shares Held	Percentage (%)
21	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SIN HUAN KWANG (E-TWU)	2,000,000	0.133
22	ZACKRI RADZI TAN	2,000,000	0.133
23	LEE MUN KIT	1,995,500	0.133
24	MEDILIANCE (M) SDN. BHD.	1,940,000	0.129
25	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GERALD NICHOLAS TAN ENG HOE	1,725,000	0.115
26	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG CHONG HEE	1,680,400	0.112
27	ONG KAR GHEE	1,561,000	0.104
28	LIM WEE CHAI	1,530,800	0.102
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SETT EE-RLAN (7001593)	1,500,000	0.100
30	FARSATHY HOLDINGS SDN. BHD.	1,500,000	0.100
Total		1,240,189,300	82.679

NOTICE OF FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting ("**4th AGM**") of the Company will be held at Ballroom III, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor ("**Meeting Venue**") on Thursday, 26 June 2025 at 10.00 a.m. to transact the following businesses:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. [Please refer to Explanatory Note 1]

2. To approve the Directors' fees of up to RM514,800.00 for the period commencing from the date immediately after the date of the 4th AGM of the Company up to the date of the next Annual General Meeting to be held in 2026, in such proportions and manner as the Directors may determine as follows:- [Please refer to Explanatory Note 2]
[Ordinary Resolution 1]

No.	Type of Director	Non-Executive Directors' Fee of the Company (RM)
1.	Non-Independent Non-Executive Director	63,000.00
2.	Independent Non-Executive Directors	451,800.00
	Total	514,800.00

3. To approve the Directors' benefits of up to RM65,700.00 for the period commencing from the date immediately after the date of the 4th AGM of the Company up to the date of the next Annual General Meeting to be held in 2026, in such proportions and manner as the Directors may determine as follows:- [Please refer to Explanatory Note 2]
[Ordinary Resolution 2]

No.	Type of Director	Non-Executive Directors' Benefits (excluding Directors' Fee) of the Company (RM)
1.	Independent Non-Executive Directors	65,700.00
	Total	65,700.00

4. To re-elect the following Directors who retire by rotation pursuant to Clause 129.1 of the Company's Constitution and being eligible, have offered themselves for re-election: - [Please refer to Explanatory Note 3]

- (i) Dato' Yeow Wah Chin
- (ii) Ms. Ho Kim Poi

[Ordinary Resolution 3]
[Ordinary Resolution 4]

5. To re-elect Ms. Aileen Omar who retires pursuant to Clause 114 of the Constitution of the Company and being eligible, has offered herself for re-election. [Please refer to Explanatory Note 3]
[Ordinary Resolution 5]

6. To re-appoint Messrs. BDO PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. [Please refer to Explanatory Note 4]
[Ordinary Resolution 6]

NOTICE OF FOURTH ANNUAL GENERAL MEETING

As Special Business

To consider and if thought fit, to pass with or without modifications, the following Ordinary Resolutions:-

7. ORDINARY RESOLUTION

- AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

[Please refer to
Explanatory Note 5]
[Ordinary Resolution 7]

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (**"the Act"**), the Constitution of the Company, Main Market Listing Requirements (**"MMLR"**) of Bursa Malaysia Securities Berhad (**"Bursa Securities"**) and approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (**"New Shares"**) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of issued shares (excluding any treasury shares) of the Company for the time being (**"Proposed General Mandate"**).

THAT the existing shareholders of the Company do hereby waive their pre-emptive rights pursuant to Section 85(1) of the Act read together with Paragraph 7.08 of the MMLR of Bursa Securities and the Company's Constitution to be offered the New Shares to be allotted and issued under the Proposed General Mandate, which rank equally with the existing issued shares in the Company.

THAT such approval on the Proposed General Mandate shall continue in force until: -

- a) the conclusion of the next Annual General Meeting (**"AGM"**) of the Company held after the approval was given;
- b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors be and are hereby also empowered to obtain approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

NOTICE OF FOURTH ANNUAL GENERAL MEETING

8. ORDINARY RESOLUTION

- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

[Please refer to
Explanatory Note 6]
[Ordinary Resolution 8]

"THAT subject to the provisions of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Company and/or its subsidiaries ("**Group**") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.4 of the Circular to the Shareholders dated 29 April 2025, provided that such transactions are necessary for day-to-day operations and are carried out in the ordinary course of business and at arms-length basis on normal commercial terms which are consistent with the Group's normal business practices and policies and on terms not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company ("**Proposed Renewal of RRPT Mandate**").

THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:

- a) the conclusion of the next Annual General Meeting of the Company ("**AGM**") at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
 - b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**the Act**") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - c) revoked or varied by resolution passed by the shareholders in a general meeting,
- whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things as they may consider expedient or necessary (including, without limitation, to execute all such documents and to assent to any conditions, variations and/or amendments) in the interest of the Company to give effect to the transactions contemplated and/or authorised by this mandate."

- 9. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act 2016.

BY ORDER OF THE BOARD

TEO SOON MEI

(SSM PC No. 201908000235) (MAICSA 7018590)

LIM JIA HUEY

(SSM PC No. 201908000929) (MAICSA 7073258)

Company Secretaries

Kuala Lumpur

Dated: 29 April 2025

NOTICE OF FOURTH ANNUAL GENERAL MEETING

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("**the Act**") does not require a formal approval of the shareholders for the Audited Financial Statements. As such, this Agenda item is not put forward for voting.

2. Items 2 and 3 of the Agenda

Pursuant to Section 230(1) of the Act, the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.

The shareholders of the Company had, at the 3rd AGM of the Company held on 21 June 2024 approved the following fees and benefits payable to the Non-Executive Directors for the period from 22 June 2024 until the upcoming 4th AGM:-

- a) Non-Executive Directors' fees of RM514,800.00 payable to the Non-Executive Directors; and
- b) Non-Executive Directors' benefits of RM65,700.00 payable to the Non-Executive Directors.

(hereinafter collectively, referred to as "**Approved Limit**")

The actual fees and benefits paid to the Non-Executive Directors for the said period were RM293,235.00 and RM30,750.00 respectively, and the payment did not exceed the Approved Limit by the shareholders at the 3rd AGM of the Company.

The Company is seeking shareholders' approval for the payment of: -

- a) Ordinary Resolution 1 - Non-Executive Directors' fees for an amount of up to RM514,800.00 payable to the Non-Executive Directors on a monthly basis for the period from 27 June 2025 until the next Annual General Meeting of the Company; and
- b) Ordinary Resolution 2 - Non-Executive Directors' benefits for an amount of up to RM65,700.00 payable to the Non-Executive Directors on a monthly basis for the period from 27 June 2025 until the next Annual General Meeting of the Company.

The estimated Directors' fees proposed for the financial period from 27 June 2025 until the next Annual General Meeting of the Company are derived based on the current Board size. The benefits payable to the Directors comprising of meetings allowances based on actual attendance of meetings by the Directors. The payment of benefits to the Directors will be made by the Company on a monthly basis and/or as and when incurred.

Ordinary Resolutions 1 and 2 are to facilitate payment of Directors' fees and benefits for the financial year 2025/2026.

In the event that the proposed Directors' fees and benefits payable are insufficient due to the enlarged Board size or additional meetings held, the Company will seek shareholders' approval at the next annual general meeting of the Company for the additional Directors' fees and benefits payable to meet the shortfall.

Details of Directors' Remuneration and Benefits for the financial year ended 31 December 2024 are enumerated in the Corporate Governance Report 2024.

NOTICE OF FOURTH ANNUAL GENERAL MEETING

3. Items 4 and 5 of the Agenda

Dato' Yeow Wah Chin and Ms. Ho Kim Poi, both Directors of the Company are seeking re-election as Independent Non-Executive Directors of the Company at the 4th AGM pursuant to Clause 129.1 of the Company's Constitution and being eligible, have offered themselves for re-election under Ordinary Resolutions 3 and 4 respectively.

Ms. Aireen Omar, who was appointed as Director of the Company on 21 June 2024, is seeking re-election as Independent Non-Executive Director of the Company at the 4th AGM pursuant to Clause 114 of the Company's Constitution, and being eligible, has offered herself for re-election under Ordinary Resolution 5.

The details of Dato' Yeow Wah Chin, Ms. Ho Kim Poi and Ms. Aireen Omar (hereinafter collectively referred to as "**the Retiring Directors**") are set out in the Annual Report 2024. The details of their interest in the securities of the Company can be found in the Annual Report 2024.

Based on the annual assessment conducted for the financial year ended 31 December 2024, the Nomination Committee ("**NC**") is satisfied with the performance and contribution of the Retiring Directors.

The Retiring Directors meet the criteria prescribed under Paragraph 2.20A of the Main Market Listing Requirement ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on character, experience, integrity, competence and time to effectively discharge their role as the Directors. The Retiring Directors does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Group. The NC has also assessed the Retiring Directors in accordance with the Guidelines on Fit and Proper Person of the Company and found them to have met the criteria for a fit and proper person as outlined in the said guidelines.

The Retiring Directors who are Independent Non-Executive Directors have provided their confirmation that they have fulfilled the independence criteria prescribed by the MMLR of Bursa Securities. They have also confirmed that they do not have any existing or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries or family that could affect the execution of their role as Directors.

The Board (save for the Retiring Directors whose have abstained from deliberation on discussions relating to their own re-election at the NC and Board meetings) supports the re-election of the Retiring Directors.

4. Item 6 of the Agenda

The Board has through the Audit and Risk Management Committee ("**ARMC**"), considered the re-appointment of Messrs. BDO PLT as Auditors of the Company. The factors considered by the ARMC in making the recommendation to the Board to table their re-appointment at the 4th AGM are disclosed in the Corporate Governance Overview Statement of the Annual Report 2024.

5. Item 7 of the Agenda

Ordinary Resolution 7 is to seek a renewal of the general mandate for allotment and issuance of shares by the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed the prescribed limit under the MMLR of Bursa Securities ("**General Mandate**").

However, pursuant to Section 85(1) of the Act, the Company's Constitution and MMLR of Bursa Securities, the New Shares will have to be offered to the existing shareholders of the Company unless there is a direction to the contrary given in the general meeting of the Company. Should the existing shareholders of the Company approve the proposed Ordinary Resolution 7, they are waiving their pre-emptive rights pursuant to Section 85(1) of the Act, which then would allow the Directors to issue New Shares to any person without having to offer the said New Shares equally to all existing shareholders of the Company prior to the issuance. This will result in a dilution to the shareholding percentage of the existing shareholders of the Company.

NOTICE OF FOURTH ANNUAL GENERAL MEETING

This proposed Resolution, if passed, will provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of the issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

The Board of Directors of the Company is of the view that the General Mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the last Annual General Meeting of the Company held on 21 June 2024 and which will lapse at the conclusion of the 4th AGM.

6. Item 8 of the Agenda

This proposed Ordinary Resolution 8, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations and on normal commercial terms not more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority Shareholders of the Company. The procurement of the Proposed Renewal of RRPT Mandate would reduce substantially administrative time, effort and expenses associated with the convening of separate general meetings to seek shareholders' approval as and when potential Recurrent Related Party Transactions arise. The shareholders' mandate is subject to renewal on an annual basis.

The authority given for Ordinary Resolution 8 mentioned above unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Further information on Ordinary Resolution 8 is set out in the Circular to Shareholders of the Company dated 29 April 2025 which is despatched together with the Annual Report for the financial year ended 31 December 2024.

Notes:

- (1) The 4th AGM of the Company will be held at Meeting Venue, Members and proxies will have to attend physically in person at the Meeting Venue.
- (2) A member who is entitled to attend and vote at the 4th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 4th AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 4th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- (3) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.

NOTICE OF FOURTH ANNUAL GENERAL MEETING

- (5) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.
- (6) The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to the Constitution of the Company in relation to the Record of Depositors made available to the Company.
- (7) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty eight (48) hours before the time appointed for holding the 4th AGM or at any adjournment thereof:-

In Hardcopy Form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

By Electronic Means

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide for the 4th AGM on the procedures for electronic lodgement of proxy form via TIIH Online.

- (8) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- (9) Last date and time for lodging the proxy form is Tuesday, 24 June 2025 at 10.00 a.m.
- (10) For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative to the meeting if it has not been deposited with the Share Registrar.

The certificate of appointment of authorised representative should be executed in the following manner:

- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (11) Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in this Notice of 4th AGM will be put to vote by poll.
- (12) In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 4th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.

NOTICE OF FOURTH ANNUAL GENERAL MEETING

- (13) Those proxy forms which are indicated with "✓" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialed.
- (14) Shareholders are advised to check the Company's website at www.senheng.com and announcements from time to time for any changes to the administration of the 4th AGM.

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 4th AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the 4th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 4th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING THE NOTICE OF THE FOURTH ANNUAL GENERAL MEETING ("4TH AGM")

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"))

1. STATEMENT RELATING TO THE RE-ELECTION OF DIRECTOR

Ordinary Resolution 5 on the Re-election of Director

The following Director was appointed during the financial year, is standing for re-election as Directors of the Company at the 4th AGM under Ordinary Resolution 5 pursuant to Clause 114 of the Company's Constitution:-

- (i) Ms. Aileen Omar

Ms. Aileen Omar, as the Independent Non-Executive Director has provided her confirmation that she fulfilled the independence criteria prescribed by the MMLR of Bursa Securities. She has confirmed that she does not have any existing or potential conflict of interest, business or family that could affect the execution of her role as Director.

The profile of Ms. Aileen Omar including her declaration of conflict of interests is set out in Annual Report 2024 of the Company.

2. STATEMENT RELATING TO THE GENERAL MANDATE FOR ISSUANCE OF SECURITIES

Ordinary Resolution 7 on the general mandate for the issuance and allotment of securities

Details on the general mandate for the issuance and allotment of securities in accordance to Paragraph 6.04 of the MMLR of Bursa Securities are provided under the Explanatory Note 5 of the Notice of the 4th AGM.

ADMINISTRATIVE GUIDE FOR THE FOURTH ANNUAL GENERAL MEETING (“4TH AGM”)

Day & Date : Thursday, 26 June 2025
Time : 10.00 a.m.
Venue : Ballroom III, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana,
47410 Petaling Jaya, Selangor

1. SAFETY MEASURES

The Company will be taking precautionary measures for the conduct of the 4th AGM.

All attendees are encouraged to wear face mask at all times. The Company reserves the right to deny entry to anyone showing any symptoms of respiratory illness such as coughing and sneezing.

If you are unwell, you are strongly advised to appoint a proxy or the Chairman of the meeting to attend and vote on your behalf at the 4th AGM.

2. ELIGIBILITY TO ATTEND BASED ON THE RECORD OF DEPOSITORS

Only a shareholder whose name appears on the Record of Depositor as at **19 June 2025** shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her behalf.

3. REGISTRATION ON THE DAY OF THE 4TH AGM

Registration will start at 9.00 a.m. at **Ballroom III, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor**.

Original MyKad or passport is required to be presented during registration for verification. You will not be allowed to register on behalf of another person even with the original MyKad or passport of that person.

Upon verification of your NRIC or passport and signing of attendance list, you will be given an identification wristband to enter the meeting room. There will be no replacement of wristband in the event that it is lost or misplaced.

Please note that you will only be allowed to enter the meeting hall if you are wearing the identification wristband.

Please vacate the registration area immediately after registration to prevent congestion.

4. POLL VOTING

The voting at the 4th AGM will be conducted on a poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”). The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as the Poll Administrator and Quantegic Services Sdn. Bhd. as the Independent Scrutineer.

The attendees at the Meeting will be briefed and guided by the Poll Administrator before the commencement of the voting process.

Shareholders or proxies or corporate representatives or attorneys can proceed to vote on the resolutions upon the announcement by the Chairman of the meeting.

Upon completion of the voting session for the 4th AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

ADMINISTRATIVE GUIDE FOR THE FOURTH ANNUAL GENERAL MEETING ("4TH AGM")

5. APPOINTMENT OF PROXY

If you wish to participate in the AGM yourself, please do not submit any Proxy Form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.

Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the AGM whether in hard copy or by electronic must be deposited or received by the Share Registrar in the following manner **not later than Tuesday, 24 June 2025 at 10.00 a.m.:**

(i) In Hard copy:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

(ii) By Electronic form:

All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. Select the corporate event: SENHENG NEW RETAIL BERHAD 4TH AGM - SUBMISSION OF PROXY FORM. Read and agree to the Terms and Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. Review and confirm your proxy(s) appointment. Print the Proxy Form for your record.

ADMINISTRATIVE GUIDE FOR THE FOURTH ANNUAL GENERAL MEETING (“4TH AGM”)

Procedure	Action
ii. Steps for Corporation or Institutional Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online. Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</i></p>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online. Select the corporate exercise name: SENHENG NEW RETAIL BERHAD 4TH AGM: SUBMISSION OF PROXY FORM Agree to the Terms & Conditions and Declaration. Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Login to TIIH Online, select corporate exercise name: SENHENG NEW RETAIL BERHAD 4TH AGM – SUBMISSION OF PROXY FORM. Proceed to upload the duly completed proxy appointment file. Select “Submit” to complete your submission. Print the confirmation report of your submission for your record.

6. RESULTS OF THE VOTING

The resolutions proposed at the AGM and the results of the voting will be announced at the AGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

7. NO DOOR GIFTS OR FOOD VOUCHERS

There will be no door gifts or food vouchers provided to shareholders, proxies and invited guests who attend the 4th AGM.

8. NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the 4th AGM.

9. ENQUIRY

If you have any enquiry prior to the meeting, please call our Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at +603-2783 9299 or email to is.enquiry@vistra.com during office hours i.e. from 8.30 a.m. to 5.30 p.m. (Monday to Friday, except on public holidays).

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FORM OF PROXY

(before completing this Form of Proxy, please refer to the notes below)

Number of Shares Held	CDS Account No.

I/We _____ NRIC No./Passport No./Registration No. _____
[Full name in block letters]

of _____
[Full address]

with email _____ and mobile phone no. _____

being a *member/members of **Senheng New Retail Berhad**, do hereby appoint(s):

Full Name (in Block) [Proxy 1]	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address:			
Email Address:			
Mobile Phone No.:			

and (if more than one (1) proxy)/or failing *him/her,

Full Name (in Block) [Proxy 2]	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address:			
Email Address:			
Mobile Phone No.:			

or failing whom, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Fourth Annual General Meeting ("4th AGM") of the Company to be held at Ballroom III, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor ("**Meeting Venue**") on Thursday, 26 June 2025 at 10.00 a.m. and/or at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy(ies) will vote or abstain for voting at his/her discretion.

Ordinary Resolutions		For	Against
A) ORDINARY BUSINESS			
1.	Approval of the Directors' fees of up to RM514,800.00 for the period commencing from the date immediately after the date of the 4 th AGM of the Company up to the date of the next Annual General Meeting to be held in 2026.		
2.	Approval of the Directors' benefits of up to RM65,700.00 for the period commencing from the date immediately after the date of the 4 th AGM of the Company up to the date of the next Annual General Meeting to be held in 2026.		
3.	Re-election of Dato' Yeow Wah Chin as Director pursuant to Clause 129.1 of the Company's Constitution.		
4.	Re-election of Ms. Ho Kim Poi as Director pursuant to Clause 129.1 of the Company's Constitution.		
5.	Re-election of Ms. Aileen Omar as Director pursuant to Clause 114 of the Company's Constitution.		
6.	Re-appointment of Messrs. BDO PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
B) SPECIAL BUSINESS			
7.	Authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
8.	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Dated this _____ day of _____, 2025

Signature of Member/Common Seal

* Strike out whichever is not desired.

Notes:

- (1) The 4th AGM of the Company will be held at the Meeting Venue, Members and proxies will have to attend physically in person at the Meeting Venue.
- (2) A member who is entitled to attend and vote at the 4th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 4th AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 4th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- (3) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (5) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the form of proxy must be initialled.
- (6) The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to the Constitution of the Company in relation to the Record of Depositors made available to the Company.
- (7) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty eight (48) hours before the time appointed for holding the 4th AGM or at any adjournment thereof:-
 - (i) In Hardcopy Form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

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Affix
Stamp

The Share Registrar of
SENHENG NEW RETAIL BERHAD
Registration No. 202101019079 (1419379-T)
C/O TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.
[Registration No. 197101000970 (11324-H)]

Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Malaysia.

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- (ii) By Electronic Means
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide for the 4th AGM on the procedures for electronic lodgement of proxy form via TIIH Online.
 - (8) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
 - (9) Last date and time for lodging the proxy form is Tuesday, 24 June 2025 at 10.00 a.m.
 - (10) For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative to the meeting if it has not been deposited with the Share Registrar.
The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
 - (11) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 4th AGM will be put to vote by poll.
 - (12) In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2025 (General Meeting Record of Depositors) shall be entitled to participate at the 4th AGM, or to appoint proxy(ies) to participate on their behalf.
 - (13) Those proxy forms which are indicated with "✓" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialed.
 - (14) Shareholders are advised to check the Company's website at www.senheng.com and announcements from time to time for any changes to the administration of the 4th AGM.
- Personal data privacy:**
- By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 4th AGM and/or any adjournment thereof, a member of the Company:
- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the 4th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 4th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
 - (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and
 - (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

SENHENG

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