

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

In relation to this Circular, Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has only perused the contents of the Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a revenue or trading nature on a limited review basis pursuant to the provision of Practice Note 18 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Securities and has not perused the contents of the Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a revenue or trading nature prior to the issuance of this Circular as it is prescribed as exempt document pursuant to Practice Note 18 of the MMLR of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

**SENHENG**

**SENHENG NEW RETAIL BERHAD**

202101019079 (1419379-T)

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND  
PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Ordinary Resolution in respect of the above proposal will be tabled as Special Business at the Third Annual General Meeting (“AGM”) of Senheng New Retail Berhad (“Senheng” or “Company”) to be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (“Broadcast Venue”) on Friday, 21 June 2024 at 10.00 a.m. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016.

The Notice of the Third AGM together with the Proxy Form and Administrative Guide for the Third AGM are set out in the Annual Report 2023 of Senheng and can be downloaded at <https://ir.senheng.com/annual-reports/>.

If you decide to appoint a proxy or proxies for the AGM, you must complete, sign and return the Proxy Form and deposit it at 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on or before the date and time indicated below or at any adjournment thereof. You also have the option to lodge the proxy appointment electronically via TIIH Online at <https://tiih.online> before the Proxy Form lodgement cut-off time stated below.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the Third AGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Wednesday, 19 June 2024 at 10.00 a.m.

Date and time of the Third AGM : Friday, 21 June 2024 at 10.00 a.m.

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## DEFINITIONS

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Except where the context otherwise requires, the following words and abbreviations shall apply throughout this Circular and the accompanying appendices and have the following meanings:

“Act”	:	The Companies Act 2016, as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“ARMC”	:	Audit and Risk Management Committee of Senheng
“Board”	:	Board of Directors of Senheng
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
“Circular”	:	This circular to shareholders dated 30 April 2024
“Constitution”	:	The Constitution of the Company
“Director(s)”	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of Senheng or any other company which is its subsidiary or holding company or a chief executive of Senheng, its subsidiary or holding company
“FPE”	:	Financial period ended
“FYE”	:	Financial year ended/ ending, as the case may be
“KC Lim”	:	Lim Kim Chieng, President / Non-Independent Executive Director
“KH Lim”	:	Lim Kim Heng, Non-Independent Executive Chairman
“KY Lim”	:	Lim Kim Yew, Non-Independent Non-Executive Director
“LPD”	:	31 March 2024, being the latest practicable date prior to the printing of this Circular
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities including amendment(s) that may be made from time to time
“Major Shareholder(s)”	:	A person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is:-  (a) 10% or more of the total number of voting shares in the Company; or  (b) 5% or more of the total number of voting shares in Company where such person is the largest shareholder of Company.

This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a major shareholder of Senheng as defined above or any other company which is a subsidiary or holding company of Senheng.

For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.

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## DEFINITIONS

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“Persons Connected”	: Shall have the same meaning as in Paragraph 1.01 of Listing Requirements
“Proposed RRPT Mandates”	: Proposed New Shareholders’ Mandate and Proposed Renewal of Existing Shareholders’ Mandate, collectively
“Proposed New Shareholders’ Mandate”	: Proposed new shareholders’ mandate for RRPTs as set out in Section 2.4 of this Circular
“Proposed Renewal of Existing Shareholders’ Mandate”	: Proposed renewal of existing shareholders’ mandate for RRPTs as set out in Section 2.4 of this Circular
“Related Party(ies)”	: Director(s), major shareholder(s) and/or person(s) connected with such Director(s) or major shareholder(s)
“Related Party Transaction(s)”	: Transaction(s) entered into by Senheng Group which involves the interests, direct or indirect, of a Related Party
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“RRPT(s)”	: Related party transaction(s) which is/are recurrent, of a revenue or trading nature and which is/are necessary for day-to-day operations of Senheng Group
“Senheng” or “Company”	: Senheng New Retail Berhad [202101019079 (1419379-T)]
“Senheng KL”	: Senheng Electric (KL) Sdn. Bhd. [199401011012 (296691-X)]
“Senheng Group” or “Group”	: Senheng and its subsidiaries, collectively

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In this Circular, words incorporating the singular shall, where applicable, include the plural and vice versa, and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

All references to “our Company” in this Circular are to Senheng, references to “our Group” are to our Company and our subsidiaries collectively. All references to “we”, “us”, “our” and “ourselves” are to our Company, or where the context requires, our Group. All references to “you” and “your” in this Circular are to the shareholders of the Company.

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# SENHENG

SENHENG NEW RETAIL BERHAD  
202101019079 (1419379-T)  
(Incorporated in Malaysia)

**Registered Office:**

Unit 30-01, Level 30, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

30 April 2024

**The Board of Directors:**

Lim Kim Heng	<i>(Non-Independent Executive Chairman)</i>
Lim Kim Chieng	<i>(President / Non-Independent Executive Director)</i>
Lim Kim Yew	<i>(Non-Independent Non-Executive Director)</i>
Dato' Yeow Wah Chin	<i>(Independent Non-Executive Director)</i>
Ho Kim Poi	<i>(Independent Non-Executive Director)</i>
Oh Keng Leng	<i>(Independent Non-Executive Director)</i>
Tan Ler Chin	<i>(Independent Non-Executive Director)</i>

**To: Our Shareholders**

Dear Sir/Madam,

**PROPOSED RRPT MANDATES**

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**1. INTRODUCTION**

The Company had, at its Second AGM held on 22 June 2023, obtained the shareholders' mandate for the Group to enter into RRPTs with its Related Parties in the ordinary course of business which are necessary for the Group's day-to-day operations. The authority conferred by the shareholders' mandate shall, in accordance with the Listing Requirements and the Act, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the forthcoming AGM.

On 5 April 2024, we had announced our intention to seek the shareholders' approval at the forthcoming AGM on the Proposed RRPT Mandates.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION IN RELATION TO THE PROPOSED RRPT MANDATES AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RRPT MANDATES TO BE TABLED AT THE FORTHCOMING AGM OF THE COMPANY. THE NOTICE OF THE THIRD AGM TOGETHER WITH THE PROXY FORM AND ADMINISTRATIVE GUIDE FOR THE THIRD AGM ARE ENCLOSED IN THE ANNUAL REPORT 2023.**

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED RRPT MANDATES AT THE FORTHCOMING AGM.**

## **2. DETAILS OF THE PROPOSED RRPT MANDATES**

### **2.1 Provisions under the Listing Requirements**

Pursuant to Paragraph 10.09(2) of the Listing Requirements, the Company may seek a mandate from its shareholders in respect of the RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1 million or more; or
  - (ii) the percentage ratio of such RRPTs is 1% or more,whichever is the higher;
- (c) the circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder, and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that person(s) connected with him abstain from voting on the resolution approving the transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Accordingly, the Board proposes to seek the shareholders' approval for the Proposed RRPT Mandates. The Proposed RRPT Mandates will allow the Group, in the ordinary course of business, to enter into RRPTs referred to in Section 2.4 of this Circular. Such transactions have been made on terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Group.

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## 2.2 Validity Period of the Proposed RRPT Mandates

The Proposed RRPT Mandates is subject to annual renewal and if approved by the shareholders of the Company at the forthcoming AGM, shall take effect from the date of the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of 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 general meeting,

whichever is the earlier.

## 2.3 Principal activities of the Group

The principal activity of Senheng is investment holding while the principal activities of its subsidiaries are as follows:

Name of Subsidiary	Principal activities	Effective Equity Interest (%)
Senheng KL	Retail of consumer electrical and electronic products	100
Senheng Captive Insurance Pte. Ltd.	Provision of captive insurance	100
SC Alliance (M) Sdn. Bhd.	Distribution of household and IT gadget products	100
Senheng Capital (M) Sdn. Bhd.	Dormant	100

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## 2.4 Nature of the RRPTs

2.4.1 The nature of the RRPT with Related Parties of which approval is being sought for the Proposed Renewal of the Existing Shareholders' Mandate are as follows:-

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Estimated value of transactions as disclosed in the preceding year's circular dated 28 April 2023 (RM'000) *	Actual value transacted from 24 June 2023 up to the LPD (RM'000) *	Estimated aggregated value to be incurred from the date of the forthcoming AGM up to the next AGM (RM'000) *
1.	Senheng Group	Eight Development (M) Sdn. Bhd. ("Eight Development")	KH Lim, KC Lim and 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 <sup>(4)</sup>	(1,452)	(859)	(1,411)
2.	Senheng Group	Tenn Pacific Sdn. Bhd. ("Tenn Pacific")	KH Lim, KC Lim and 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 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 <sup>rd</sup> Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor <sup>(1)</sup>	5	4	8

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Estimated value of transactions as disclosed in the preceding year's circular dated 28 April 2023 (RM'000) *	Actual value transacted from 24 June 2023 up to the LPD (RM'000) *	Estimated aggregated value to be incurred from the date of the forthcoming AGM up to the next AGM (RM'000) *
3.	Senheng Group	100 Value Distribution Sdn. Bhd. ("100 Value Distribution")	<p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>Purchase of small item electrical accessories and consumables from 100 Value Distribution for sale</li> <li>Purchase of small item electrical accessories and consumables from 100 Value Distribution for own use</li> </ul>	(14,957)	(8,013)	(16,267)
					(120)	(31)	(18)
4.	Senheng Group	Blackbox BI Consultancy Sdn. Bhd. ("Blackbox BI")	<p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group.</p> <p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of Blackbox BI, each having a 33.33% direct equity interest.</p>	<ul style="list-style-type: none"> <li>Provision of business intelligence solutions by Blackbox BI</li> <li>Rental payable by Blackbox BI in respect of the rental of spare office space at the CDC at 3<sup>rd</sup> Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor<sup>(1)</sup></li> </ul>	(690)	(359)	(592)
					14	6	20

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Estimated value of transactions as disclosed in the preceding year's circular dated 28 April 2023 (RM'000) *	Actual value transacted from 24 June 2023 up to the LPD (RM'000) *	Estimated aggregated value to be incurred from the date of the forthcoming AGM up to the next AGM (RM'000) *
5.	Senheng Group	Insurnet Consultancy Sdn. Bhd. ("Insurnet")	<p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group.</p> <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>For information, 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>	<ul style="list-style-type: none"> <li>Insurance premium in relation to warranty programmes and over-the-counter insurance business collected by Insurnet on behalf of third-party insurance companies</li> <li>Insurance premium in relation to own insurance coverage collected by Insurnet on behalf of third-party insurance companies</li> <li>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</li> <li>Administrative and marketing fees payable by Insurnet for usage of Senheng Group's resources in relation to the operation of mobile protection plan<sup>(5)</sup>, replacement warranty programme and over-the-counter insurance business</li> </ul>	<p>(49,524)</p> <p>(4,719)</p> <p>(536)</p> <p>2,661</p>	<p>(23,230)</p> <p>(3,152)</p> <p>(252)</p> <p>1,559</p>	<p>(41,765)</p> <p>(4,247)</p> <p>(392)</p> <p>2,743</p>

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Estimated value of transactions as disclosed in the preceding year's circular dated 28 April 2023 (RM'000) *	Actual value transacted from 24 June 2023 up to the LPD (RM'000) *	Estimated aggregated value to be incurred from the date of the forthcoming AGM up to the next AGM (RM'000) *
6.	Senheng Group	Senwave Retail Solutions Sdn. Bhd. ("Senwave Retail")	<p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group.</p> <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>For information, 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>	<ul style="list-style-type: none"> <li>Provision of software development of business application services by Senwave Retail</li> <li>Rental payable by Senwave Retail in respect of the rental of spare office space at the CDC at 3<sup>rd</sup> Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor<sup>(1)</sup></li> </ul>	<p>(4,053)</p> <p>48</p>	<p>(2,772)</p> <p>22</p>	<p>(3,447)</p> <p>52</p>

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Estimated value of transactions as disclosed in the preceding year's circular dated 28 April 2023 (RM'000) *	Actual value transacted from 24 June 2023 up to the LPD (RM'000) *	Estimated aggregated value to be incurred from the date of the forthcoming AGM up to the next AGM (RM'000) *
7.	Senheng Group	SH Retail Academy Sdn. Bhd. ("SHR Academy")	<p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>Provision of training services by SHR Academy</li> <li>Rental payable by SHR Academy in respect of the rental of spare office space at the CDC at 3<sup>rd</sup> Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor<sup>(1)</sup></li> </ul>	(1,275)  24	(786)  14	(982)  29
8.	Senheng Group	S Ecosystem (M) Sdn. Bhd. ("S Eco")	<p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group.</p> <p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of S Eco, each having a 33.33% direct equity interest.</p>	<ul style="list-style-type: none"> <li>Marketing fee payable to S Eco</li> <li>Commissions payable to S Eco<sup>(3)</sup></li> <li>Marketing fund payable to S Eco in respect of campaign collaborations within Senheng Apps.</li> <li>Rental payable by S Eco in respect of the rental of spare office space at the CDC at 3<sup>rd</sup> Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor<sup>(1)</sup></li> </ul>	(45,288)  (35,849)  (3,510)  92	(19,102)  (16,532)  -  65	(34,048)  (21,819)  -  144

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Estimated value of transactions as disclosed in the preceding year's circular dated 28 April 2023 (RM'000) *	Actual value transacted from 24 June 2023 up to the LPD (RM'000) *	Estimated aggregated value to be incurred from the date of the forthcoming AGM up to the next AGM (RM'000) *
9.	Senheng Group	Planet Sonata Sdn. Bhd. ("Planet Sonata")	KY Lim is a Director and major shareholder of the Group.  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 <sup>(2)</sup>	6	5	6
10.	Senheng Group	Momentum Commerce Sdn. Bhd. ("Momentum")	KH Lim, KC Lim and 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 S Active, each having a 33.33% direct equity interest.  S Active has a 14.81% direct equity interests in Momentum.	Management fee and commission payable to Momentum in respect of the advertisement management.	(156)	(104)	-

Notes:

\* Amounts in brackets indicate expenses for Senheng Group, while amounts without brackets indicate income for Senheng Group

- (1) Pursuant to a space licensing agreement dated 1 June 2021 between Senheng KL and related parties, occupies spare office space at the CDC since 1 June 2021, with the rental payable on a monthly basis. This arrangement shall continue for a term of three (3) years ("License Term") where this arrangement shall be automatically renewed for a succeeding term of three (3) years each unless either Party gives a written notice to the other at least thirty (30) days prior to the expiration of the License Term.
- (2) Planet Sonata is involved in the operation of solar panels and rents the rooftop space at the Group's regional hub in Penang for the installation and operation of solar panels at a monthly rental of

RM500 pursuant to a renewed tenancy agreement dated 10 January 2024 between Senheng KL (as landlord) and Planet Sonata (as tenant). It is not a competing business as the Group is not involved in the operation of solar panels.

- (3) Commission payable by Senheng KL to S Eco comprises the following:
- (a) 50% of the value of the S-Coin redeemed and a transaction fee of RM2.00 per transaction upon redemption of S-Coins for purchases made by PlusOne members from Senheng Stores;
  - (b) RM4.00 for every paid PlusOne membership renewed, recruited and/or upgraded from a free membership tier through the "Senheng APP"; and
  - (c) 1% of the total monthly sales amount of consumer electric goods sold by Senheng Group through the "Senheng APP".
- (4) The details in respect of the renting of premises between Senheng Group (as tenant) and Eight Development (as landlord) are as follows:
- (i) A shoplot located at Lot No. 1049-1, Ground Floor, Wisma Ladang, Jalan Sultan Sulaiman, 20000 Kuala Terengganu for a term of 3 years up to 31 March 2027 pursuant to a renewed tenancy agreement dated 25 March 2024 entered between Eight Development and Senheng KL. The monthly rental is RM8,200. The tenant may terminate the tenancy at any time by giving 2 months prior written notice to the landlord.
  - (ii) Four (4) shoplots located at Lot 1-6-1, 1-7-G, 1-7-1, 1-7-2, 1-8-G, 1-8-1, 1-9-G and 1-9-1 Jalan Setia Prima WU13/W, Seksyen U13, Setia Alam, 40170 Shah Alam, Selangor for a term of 3 years up to 30 April 2025 with an option to renew for a further 3 years upon expiry pursuant to a tenancy agreement dated 24 March 2022 entered between Eight Development and Senheng KL. The monthly rental is RM30,000. The tenant may terminate the tenancy at any time by giving 2 months prior written notice to the landlord.
  - (iii) A regional hub located at No. 10, Jalan Ekoperniagaan 1/5, Taman Ekoperniagaan, 81000 Johor Bahru, Johor for a term of 3 years up to 31 October 2025 pursuant to a tenancy agreement dated 30 May 2019, a letter dated 1 December 2019 and a renewal letter dated 4 August 2022 entered between Eight Development and Senheng KL. The monthly rental is RM17,763. The tenant may terminate the tenancy at any time by giving 2 months prior written notice to the landlord.
  - (iv) Two (2) double-storey shoplots located at Lot No. 93 and 93A (Ground Floor and First Floor) and a 3-storey shoplot located at Lot 95 (Ground Floor, First Floor and Second Floor), Jalan BPS 5, Bandar Prima Senawang, 70450 Seremban, Negeri Sembilan for a term of 3 years up to 14 September 2026 pursuant to a renewed tenancy agreement dated 12 September 2023 entered between Eight Development and Senheng KL. The monthly rental is RM13,799. The tenant may terminate the tenancy by giving 2 months prior written notice to the landlord.
  - (v) A 3-storey shoplot located at Lot No. 4209 (Ground Floor, First Floor, Second Floor), Jalan Diwarta, Bintulu Town District, 97000 Bintulu, Sarawak for a term of 3 years up to 30 April 2026 pursuant to a tenancy agreement dated 23 February 2023 entered between Eight Development and Senheng KL. The monthly rental is RM4,708. The tenant may terminate the tenancy at any time by giving 2 months prior written notice to the landlord.
  - (vi) Two (2) shoplots located at No. 15, Ground Floor and No. 17, Ground Floor, Jalan 2/50, Jalan Gombak, Batu 3 1/2, Setapak 53000, Kuala Lumpur for a term of 2 years up to 30 April 2025 pursuant to a tenancy agreement dated 18 September 2020 and a renewal letter dated 17 February 2023 entered between Eight Development and Senheng KL. The monthly rental is RM9,328. The tenant may terminate the tenancy at any time by giving 2 months prior written notice to the landlord or by paying to the landlord an amount equivalent to 2 months rental.
  - (vii) One (1) shoplot located at No.1 (Ground Floor, First Floor, Second Floor), Pekan Simpang Kuala, 05400 Alor Setar, Kedah Darul Aman for a tenure of 3 years up to 31 October 2025 with an option to renew for a further 3 years upon expiry pursuant to a tenancy agreement dated 10 October 2022 entered between Eight Development and Senheng KL. The monthly rental is RM7,028. The tenant may terminate the tenancy at any time by giving 2 months prior written notice to the landlord or by paying to the landlord an amount equivalent to 2 months rental.
  - (viii) One (1) shoplot located at Lot 1-5-1 Jalan Setia Prima WU13/W, Seksyen U13, Setia Alam, 40170 Shah Alam, Selangor for a tenure of 2 years and 1 month up to 30 April 2025 with an option to renew for a further 3 years upon expiry pursuant to a tenancy agreement dated 1 April 2023 entered between Eight Development and Senheng KL. The monthly rental is RM3,850. The tenant may terminate the tenancy at any time by giving 2 months prior written notice to the landlord or by paying to the landlord an amount equivalent to 2 months rental.
- (5) In the previous year's Circular in relation to Proposed RRPT Mandates dated 28 April 2023, this item was referred to as SWAP, which is the product name of the mobile protection plan.

2.4.2 The nature of the RRPT with Related Parties of which approval is being sought under the Proposed New Shareholders' Mandate are as follows:-

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Actual and Estimated value of the transactions from the date of the first transaction up to the forthcoming AGM		Estimated aggregated value to be incurred from the date of the forthcoming AGM up to the next AGM  (RM'000) *
					Actual value of the transactions from the date of the first transaction up to the LPD (RM'000) *	Estimated value of the transactions from the LPD up to the forthcoming AGM (RM'000) *	
1.	Senheng Group	S Ecosystem (M) Sdn. Bhd. ("S Eco")	KH Lim, KC Lim and 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 S Eco, each having a 33.33% direct equity interest.	Software subscription (SaaS) payable to S Eco	-	-	(907)

Notes:

\* Amounts in brackets indicate expenses for Senheng Group

## **2.5 Amount due from and owing by Related Parties pursuant to the RRPTs**

As at 31 December 2023, there was no amount due from and owing to the Group by the Related Parties, who are supplying products and providing services to Senheng Group, that exceeded the credit period. Hence, there was no late payment charge imposed on the Related Parties.

The Board is confident that the Group's current payment pattern will continue as and when incurred.

## **2.6 Review and disclosure procedures on the RRPTs**

Senheng Group has established various guidelines and procedures to ensure that the RRPTs are undertaken on an arm's length basis and on normal commercial terms and transaction prices, which are 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. Such guidelines and procedures include our review and disclosure procedures as follows:-

- i. The definition of related party, list of related parties and the review procedures will be circulated and/or updated within the Group;
- ii. The review of RRPTs falls within the scope of the ARMC;
- iii. Records will be maintained for all RRPTs which are/will be entered into, and be available for review by, among others, the Auditors and the ARMC, on a quarterly basis. Any members of the ARMC may, as he deems fit, request for additional information pertaining to RRPTs from independent sources or advisers;
- iv. Where applicable, the terms of the pricing of the RRPTs shall be consistent with the Group's usual business practices and policies and will take into consideration to, amongst others, the demand and supply of the products, quality, level of service, credit terms and reliability of supply, where relevant, practical and feasible.

At least two other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever available or possible, to determine whether the price and terms offered to/by all Related Parties are fair and reasonable and comparable to those offered to/by unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on usual business practices and policies of the Group to ensure that the RRPTs are not detrimental to the Group;

- v. The ARMC shall continue to review the above established guidelines and procedures, on an annual basis and as and when required with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate;
- vi. Where any Directors or persons connected to him/her or the Board member has an interest (direct and indirect) in any related party transactions or RRPTs, he/she will abstain from voting on any matter relating to any decision making by the Board or the ARMC in respect of such transactions;
- vii. The said interested Director shall undertake that he/she will ensure that persons connected with him/her abstain from voting on the resolution deliberating or approving the RRPTs at a general meeting;
- viii. RRPTs below 1% of Senheng's net assets will be reviewed by the ARMC and the RRPT register (current, accumulated and forecasted) will be updated on a quarterly basis;

- ix. Draft announcement will be prepared for RRPTs equal to or more than 1% to less than 5%. Management ensures that the transactions entered into are in the best interest of the Company at arm's length, normal commercial terms, all terms of transactions are reasonable and the policy and procedures of RRPTs are followed and reported to the ARMC; and
- x. Draft contracts/arrangements/transactions for transactions equal to or more than 5% of Senheng's net assets will be reviewed by the Chief Financial Officer and subsequently seek clearance from the ARMC. The Board's approval is required before the arrangement of signing the Limit of Authority/contracts or entering into transaction by Senheng/subsidiaries/related parties and Management will update the RRPTs register.

## **2.7 Disclosure in the Annual Report**

Disclosure will be made in the Company's Annual Report and in the Annual Reports for the subsequent financial years during which the authority pursuant to the Proposed RRPT Mandates is in force in respect of the breakdown of the aggregate value of the RRPTs made during the financial year, amongst others, based on the following information:

- i. the type of RRPTs entered into; and
- ii. the names of the Related Parties involved in each type of the RRPT and their relationship with the Group.

## **2.8 Statement by the ARMC**

The ARMC has seen and reviewed the guidelines and procedures mentioned in Section 2.6 above as well as the quarterly reviews to be made by the ARMC in relation thereto are sufficient and effective to ensure the RRPTs are carried out:

- (a) on terms not more favourable to the Related Parties than those generally available to the public;
- (b) at arm's length basis and on the Group's normal commercial terms; and
- (c) not detrimental to the minority shareholders of the Company.

The ARMC is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The ARMC shall review these procedures and processes once a year. This is to ensure that RRPTs are not detrimental or prejudicial to the minority shareholders of the Company.

Any members of the ARMC who is interested in any RRPT shall not be involved in the review of the said transaction.

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### **3. RATIONALE FOR THE PROPOSED RRPT MANDATES**

The RRPTs entered or to be entered into by Senheng Group with the Related Parties are in the ordinary course of business. The RRPTs are recurring transactions of a revenue or trading nature which will occur with some degree of frequency and could arise at any time and from time to time. The Proposed RRPT Mandates will enable the Group to continue to carry out the RRPTs necessary for the Group's day-to-day operations and enhance the Group's ability to pursue business opportunities which are time-sensitive in nature more expeditiously.

The Proposed RRPT Mandates will eliminate the need to announce and convene separate general meetings of the Company from time to time to seek shareholders' approval on each occasion pursuant to the requirements of Paragraph 10.09 of the Listing Requirements, as and when potential transactions with the specified classes of Related Parties arise. This will also substantially reduce expenses associated with the convening of such meetings on an ad-hoc basis, thereby improve administrative efficiency and allow human resources and time to be channeled towards attaining other corporate objectives and opportunities.

The RRPTs are intended to meet the business needs of the Group at the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background, financial well-being and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have a good understanding of each other's business needs and expectations thus providing a platform where all parties can benefit from conducting the RRPT.

The Board is of the view that the RRPTs are beneficial to Senheng Group. The close commercial relationships that have been established with the Related Parties have created an effective network that Senheng Group can draw upon to support its operational needs, deriving synergistic, operational benefits to support its retail and distribution functions.

### **4. EFFECTS OF THE PROPOSED RRPT MANDATES**

The Proposed RRPT Mandates will not have any effect on the share capital, shareholdings of the substantial shareholders, and is not expected to have any material effect on the net assets, earnings and gearing of Senheng Group.

### **5. APPROVAL REQUIRED**

The Proposed RRPT Mandates are subject to the approval from the shareholders of the Company being obtained at the forthcoming AGM.

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## 6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

As at the LPD, the shareholdings of the interested Directors and interested major shareholders of the Company are as follows:-

	<b>Direct Shareholding</b>		<b>Indirect Shareholding</b>	
	No. of Shares	%	No. of Shares	%
<b><u>Interested Directors</u></b>				
KH Lim	83,800,000	5.587	870,955,600 <sup>(a) &amp; (b)</sup>	58.064
KC Lim	81,800,000	5.453	870,790,600 <sup>(a) &amp; (c)</sup>	58.053
KY Lim	81,300,000	5.419	869,600,000 <sup>(a)</sup>	57.973
<b><u>Interested Major Shareholders</u></b>				
SQ Digital Sdn. Bhd.	869,600,000	57.973	-	-
KH Lim	83,800,000	5.587	870,955,600 <sup>(a) &amp; (b)</sup>	58.064
KC Lim	81,800,000	5.453	870,790,600 <sup>(a) &amp; (c)</sup>	58.053
KY Lim	81,300,000	5.419	869,600,000 <sup>(a)</sup>	57.973

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

By virtue of their directorships and shareholdings in Senheng, the interested Directors, namely KH Lim, KC Lim and KY Lim have abstained and will continue to abstain from the Board's deliberation and voting on resolution in relation to the Proposed RRPT Mandates.

Accordingly, the interested Directors and interested major shareholders will abstain from voting in respect of their direct and/or indirect shareholdings in Senheng on resolution pertaining to the Proposed RRPT Mandates at the forthcoming AGM.

The aforementioned interested Directors and interested major shareholders of the Company shall undertake to ensure that the persons connected to them shall abstain from voting in respect of their direct and/or indirect shareholdings, if any, deliberating or approving the resolution pertaining to the Proposed RRPT Mandates at the forthcoming AGM.

Save as disclosed above, none of the Directors, major shareholders and/or persons connected to them as defined in the Listing Requirements, has any interest, direct or indirect, in the Proposed RRPT Mandates.

## 7. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for the interested Directors), having considered all aspects of the Proposed RRPT Mandates, is of the opinion that the Proposed RRPT Mandates are in the best interest of the Company.

Accordingly, the Board (save for the interested Directors) recommends that the shareholders vote in favour of the ordinary resolution on Proposed RRPT Mandates to be tabled at the forthcoming AGM.

## **8. AGM**

The AGM, the notice of which is enclosed in the Annual Report 2023 will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Friday, 21 June 2024 at 10.00 a.m., for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed RRPT Mandates.

If you are unable to attend or vote in person at the forthcoming AGM, you may complete, sign and return the Proxy Form enclosed in the Annual Report 2023 in accordance with the instructions therein so as to arrive at the Company's Share Registrar's office, 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time set for our Third AGM or any adjournment thereof. You also have the option to lodge the proxy appointment electronically via TIIH Online at <https://tiih.online> before the Proxy Form lodgement cut-off time stated on the cover of this Circular. The lodging of the Proxy Form will not, however, preclude you from attending and voting at the AGM in person should you subsequently wish to do so.

## **9. FURTHER INFORMATION**

You are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,  
for and on behalf of the Board of  
**SENHENG NEW RETAIL BERHAD**

**HO KIM POI**  
Independent Non-Executive Director

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or information contained in this Circular or other facts and information, the omission of which would make any statement in this Circular false or misleading.

**2. MATERIAL CONTRACTS**

There are no material contracts (including contracts not reduced into writing), not being contracts entered into the ordinary course of business which have been entered into by Senheng and/or subsidiary companies during the two (2) years immediately preceding the date of this Circular.

**3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

As at the LPD, Senheng Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, or any material claims against Senheng Group, or material arbitration proceedings, which have a material effect on the business or financial position of Senheng Group and the Board is not aware of any proceedings pending or threatened against Senheng Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position and/or business of Senheng Group.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Company's Registered Office located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming AGM:

- i. Constitution of Senheng; and
- ii. Audited consolidated financial statements of Senheng for the FYE 31 December 2022 and FYE 31 December 2023.

**RESOLUTION 9**

**Proposed Renewal of Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

“THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, 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 30 April 2024, provided that such transactions are necessary for day-to-day operations and are carried out in the ordinary course of business and at arm’s 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.

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 (“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.”

*Explanatory Note on Special Business:-*

*Resolution 9*

*This proposed Resolution, 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, and the necessity to convene separate general meetings from time to time to seek shareholders’ approval as and when such recurrent related transactions occur will not arise. Besides facilitating a smoother and more efficient conduct of business, this will substantially reduce administrative time, inconvenience, expenses associated with the convening of such meetings and will place the Group in a better position to leverage and take advantage of business opportunities as and when they may arise, without compromising the corporate objectives of the Group. The shareholders’ mandate is subject to renewal on an annual basis.*