

SENHENG

SENHENG NEW RETAIL BERHAD
Registration No. 202101019079 (1419379-T)

Interim Financial Report
For The First Quarter Ended 31 March 2025

29 May 2025

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Registration No. 202101019079 (1419379-T)

Unaudited Condensed Consolidated Statements of Financial Position
As at 31 March 2025

	Note	Unaudited As at 31.3.2025 RM	Audited As at 31.12.2024 RM
ASSETS			
Non-current assets			
Property, plant and equipment		233,762,478	246,392,461
Right-of-use assets		106,898,364	104,522,100
Intangible assets		140,205	105,109
Deferred tax assets		8,650,218	8,172,389
Other receivables		25,890,883	28,696,929
Total non-current assets		375,342,148	387,888,988
Current assets			
Inventories		264,880,218	247,384,702
Other investments		4,495,952	5,516,968
Trade and other receivables		131,081,449	122,364,395
Current tax assets		18,938,513	18,366,337
Cash and bank balances		67,059,327	73,772,250
Total current assets		486,455,459	467,404,652
TOTAL ASSETS		861,797,607	855,293,640
EQUITY AND LIABILITIES			
Equity attributable to the owners of the Company			
Share capital		427,867,671	427,867,671
Reserves		123,947,146	119,222,341
Total equity		551,814,817	547,090,012
Non-current liabilities			
Lease liabilities		56,765,075	57,574,347
Deferred tax liabilities		16,542	16,542
Provision for restoration costs		6,478,927	6,462,255
Contract liabilities		32,985,566	35,833,225
Total non-current liabilities		96,246,110	99,886,369
Current liabilities			
Trade and other payables		104,008,609	85,149,592
Lease liabilities		25,470,803	24,782,423
Provision for restoration costs		1,328,899	1,403,094
Contract liabilities		41,925,018	41,287,629
Borrowings	23	40,000,000	54,865,000
Current tax liabilities		1,003,351	829,521
Total current liabilities		213,736,680	208,317,259
Total liabilities		309,982,790	308,203,628
TOTAL EQUITY AND LIABILITIES		861,797,607	855,293,640
Net assets per share (sen)		36.79	36.47

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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Registration No. 202101019079 (1419379-T)

Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For The Period Ended 31 March 2025

	Note	Individual Quarter		Cumulative Quarter	
		31.3.2025 RM	31.3.2024 RM	31.3.2025 RM	31.3.2024 RM
Revenue		276,982,872	322,022,009	276,982,872	322,022,009
Cost of sales		(218,427,332)	(254,493,502)	(218,427,332)	(254,493,502)
Gross profit		58,555,540	67,528,507	58,555,540	67,528,507
Other operating income		7,390,623	4,147,025	7,390,623	4,147,025
Operating and administrative expenses		(59,677,031)	(63,458,397)	(59,677,031)	(63,458,397)
Interest income		1,011,971	1,058,375	1,011,971	1,058,375
Finance costs		(1,673,548)	(1,462,395)	(1,673,548)	(1,462,395)
Profit before tax		5,607,555	7,813,115	5,607,555	7,813,115
Tax expense	22	(882,750)	(1,586,014)	(882,750)	(1,586,014)
Profit for the financial period attributable to the owners of the Company		4,724,805	6,227,101	4,724,805	6,227,101
Other comprehensive income attributable to the owners of the Company		-	-	-	-
Total comprehensive income attributable to the owners of the Company		4,724,805	6,227,101	4,724,805	6,227,101
Basic/Diluted earnings per ordinary share (sen)	26	0.31	0.42	0.31	0.42

The unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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Unaudited Condensed Consolidated Statements of Changes in Equity
For The Period Ended 31 March 2025

	Non-Distributable		Distributable		
	Share capital RM	Merger reserve RM	Fair value reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2025	427,867,671	(165,206,168)	88,668	284,339,841	547,090,012
Profit for the financial period	-	-	-	4,724,805	4,724,805
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	4,724,805	4,724,805
Transaction with owners:					
Dividend	-	-	-	-	-
Balance as at 31 March 2025	427,867,671	(165,206,168)	88,668	289,064,646	551,814,817
Balance as at 1 January 2024	427,867,671	(165,206,168)	88,668	280,947,838	543,698,009
Profit for the financial period	-	-	-	6,227,101	6,227,101
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	6,227,101	6,227,101
Transactions with owners:					
Dividend	-	-	-	-	-
Balance as at 31 March 2024	427,867,671	(165,206,168)	88,668	287,174,939	549,925,110

The unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 March 2025

	31.3.2025 RM	31.3.2024 RM	Cumulative Quarter
Cash Flows From Operating Activities			
Profit before tax	5,607,555	7,813,115	
Adjustments for:			
Gain on disposal of other investments	(700,099)	(1,148,470)	
Depreciation of property, plant and equipment	5,138,985	5,232,196	
Interest expense	1,673,548	1,462,395	
Interest income	(1,011,971)	(1,058,375)	
Depreciation of right-of-use assets	7,285,924	7,212,219	
Other non-cash items	(4,103,070)	(1,835,820)	
Operating profit before changes in working capital	13,890,872	17,677,260	
Changes in working capital:			
Inventories	(16,776,675)	(11,605,865)	
Trade and other receivables	4,177,542	12,761,852	
Trade and other payables	18,645,377	(2,483,104)	
Contract liabilities	(2,210,270)	4,063,097	
Cash generated from operations	17,726,846	20,413,241	
Interest paid	(794,543)	(580,193)	
Tax paid	(1,758,925)	(587,253)	
Net cash generated from operating activities	15,173,378	19,245,795	
Cash Flows From Investing Activities			
Proceeds from disposal of other investments	1,733,165	11,472,602	
Proceeds from disposal of property, plant and equipment	10,146,950	489,967	
Purchase of other investments and intangible assets	(43,200)	-	
Purchase of property, plant and equipment	(10,883,132)	(6,333,013)	
Interest received	1,011,971	1,058,375	
Placement of fixed deposits with licensed banks	(6,322,043)	(20,000,000)	
Withdrawal of fixed deposits with licensed banks	12,582,545	-	
Net cash from/(used in) investing activities	8,226,256	(13,312,069)	
Cash Flows From Financing Activities			
Drawdown of bankers' acceptances	-	32,000,000	
Repayments of bankers' acceptances	(13,665,000)	(25,500,000)	
Repayments of revolving credit	(1,200,000)	(1,200,000)	
Payments of lease liabilities	(8,987,055)	(7,750,629)	
Net cash used in financing activities	(23,852,055)	(2,450,629)	
Net (decrease)/increase in cash and cash equivalents	(452,421)	3,483,097	
Effects of exchange rate changes on cash and cash equivalents	-	-	
Cash and cash equivalents brought forward	57,409,625	77,865,180	
Cash and cash equivalents carried forward	56,957,204	81,348,277	
Cash and cash equivalents comprises of the following:			
Cash and bank balances	56,957,204	81,348,277	
Deposits placed with licensed banks	10,102,123	29,538,771	
Less: Fixed deposits placed with licensed banks with original maturity of more than three (3) months	67,059,327	110,887,048	
	(10,102,123)	(29,538,771)	
	56,957,204	81,348,277	

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

Notes to The Financial Report For The Period Ended 31 March 2025**1. Basis of preparation**

The unaudited interim financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") (including MFRS 134 Interim Financial Reporting) and Paragraph 9.22 and 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statement also comply with International Accounting Standards ("IASs") (including IAS 34 Interim Financial Reporting) issued by the International Accounting Standards Board.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial report.

2. Basis of accounting

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2024 except for the adoption of the following new accounting standards, amendments and interpretation:

MFRSs interpretations and amendments effective for annual periods beginning on or after 1 January 2025:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025

The adoption of the above amendments to MFRSs do not have a material impact on the financial statements of the Group.

MFRS interpretations and amendments effective for annual periods beginning on or after 1 January 2026:

Title	Effective Date
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual <i>Improvements to MFRS Accounting Standards-Volume 11</i>	1 January 2026

MFRS interpretations and amendments effective for annual periods beginning on or after 1 January 2027:

Title	Effective Date
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

MFRS interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed:

Title	Effective Date
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

3. Auditors' report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2024.

4. Seasonal or cyclical factors

The business operations of the Group typically experience higher customer traffic, transaction value and sales during weekends, public holidays, school holidays and festive periods.

5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period under review.

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Notes to The Financial Report For The Period Ended 31 March 2025

6. Material changes in estimates

There were no changes in estimates of amounts reported that have a material effect in the current quarter and financial period under review.

7. Debts and equity securities

During the quarter under review, the Company did not purchase any ordinary shares from the open market. Aside from the above, there were no new debts and equity securities issued during the quarter.

8. Dividend

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.

9. Segmental information

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
- Group revenue details:

The segmental information for the financial period ended 31 March 2025 is as follows:

	Trading RM	Warranty RM	Others RM	Total RM
Sales to external customers	261,464,593	15,518,279	-	276,982,872
Inter-segment sales	-	5,207,960	-	5,207,960
Total revenue	261,464,593	20,726,239	-	282,190,832
Segment profits/(losses)	3,201,521	1,639,244	(115,960)	4,724,805
Segment assets*	650,142,498	17,233,722	166,832,656	834,208,876
Segment liabilities**	299,730,529	8,963,868	268,500	308,962,897

The segmental information for the financial period ended 31 March 2024 is as follows:

	Trading RM	Warranty RM	Others RM	Total RM
Sales to external customers	304,442,975	17,579,034	-	322,022,009
Inter-segment sales	-	4,705,557	-	4,705,557
Total revenue	304,442,975	22,284,591	-	326,727,566
Segment profits	3,391,395	2,574,450	261,256	6,227,101
Segment assets**^	700,032,423	25,903,325	166,798,760	892,734,508
Segment liabilities**^	354,424,529	15,937,751	263,959	370,626,239

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

*Segment assets excluded deferred tax assets and current tax assets.

**Segment liabilities excluded deferred tax liabilities and current tax liabilities.

^Comparative figures have been restated in accordance with the adoption of MFRS 17.

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Notes to The Financial Report For The Period Ended 31 March 2025

10. Property, plant and equipment

(i) Acquisitions and disposals

Senheng Electric (KL) Sdn Bhd ("SEKL"), a wholly-owned subsidiary of the Company had on 4 February 2025 entered into a Sale and Purchase Agreement ("SPA") with Mactree Sdn Bhd for the disposal of a piece of freehold industrial vacant land held under Individual Title No. Geran 584330, No. Lot 173268, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor ("the Property") for a total cash consideration of RM11,209,500.00 only.

(ii) Valuation

There was no valuation of property, plant and equipment in the current quarter and financial period under review as the Group does not adopt a revaluation policy on its property, plant and equipment.

11. Capital commitments

The Group's capital expenditure in respect of purchase of property, plant and equipment are as follows:

	As at 31.3.2025 RM	As at 31.12.2024 RM
Approved but not contracted for	3,800,000	-
Contracted but not provided for	-	8,910,000

12. Material events subsequent to the end of the financial period

There were no material events subsequent to the end of the current quarter and financial period under review that have not been reflected in this interim financial report.

13. Changes in the composition of the group

There were no material changes in the composition of the Group during the current quarter and financial period under review.

14. Changes in contingent liability

There was no material contingent liability as at the end of the current financial period and up to the date of this interim financial report.

15. Significant related party transactions

The significant related party transactions of the Group are as follows:

	Individual Quarter		Cumulative Quarter	
	31.3.2025 RM	31.3.2024 RM	31.3.2025 RM	31.3.2024 RM
Administration and marketing fee receivable	302,993	352,858	302,993	352,858
Administration and marketing fee payable	(48,880)	(53,414)	(48,880)	(53,414)
Commission payable	(6,783,480)	(4,947,883)	(6,783,480)	(4,947,883)
Insurance premium collected on behalf of third-party insurance companies	(9,409,212)	(6,608,012)	(9,409,212)	(6,608,012)
Marketing expenses	(8,578,635)	(6,267,019)	(8,578,635)	(6,267,019)
Purchases of goods	(2,823,254)	(2,899,087)	(2,823,254)	(2,899,087)
Rental income	48,750	43,100	48,750	43,100
Rental payable	(284,027)	(286,427)	(284,027)	(286,427)
Sales of goods	9,279	5,805	9,279	5,805
Sales of motor vehicle	-	290,000	-	290,000
Service rendered	(1,139,032)	(1,430,147)	(1,139,032)	(1,430,147)

The related party transactions described above were carried out in the ordinary course of business and have been established under negotiated and mutually agreed terms.

Notes to The Financial Report For The Period Ended 31 March 2025**16. Fair value of financial liabilities**

There was no gain or loss arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

17. Performance review**(i) 3 months ended 31 March 2025 ("Q1 2025")****(a) Comparison with preceding year's corresponding quarter (3 months ended 31 March 2024 ("Q1 2024"))**

Group revenue reduced by 14.0% or RM45.1 million to RM277.0 million in Q1 2025 (Q1 2024: RM322.0 million), attributed to lower revenue on weaker consumer sentiment. Group GP decreased by 13.3% or RM9.0 million to RM58.5 million in Q1 2025 (Q1 2024: RM67.5 million, in line with the revenue performance).

Group PBT declined by 28.2% or RM2.2 million to RM5.6 million in Q1 2025 (Q1 2024: RM7.8 million), mainly due to lower revenue generated.

(b) Comparison with immediate preceding quarter (3 months ended 31 December 2024 ("Q4 2024"))

The Group's Q1 2025 revenue of RM277.0 million was lower compared to Q4 2024 (Revenue: RM308.5 million), primarily due to year-end festive seasons (e.g., Christmas and New Year) and major online sales campaigns (e.g., 11.11 and 12.12) that fall within Q4 2024.

However, the Group's Q1 2025 PBT of RM5.6 million was higher as compared to Q4 2024 (PBT: RM1.6 million). The variance is primarily due to the write-off of fixed assets from non-productive stores in Q4 2024, which substantially lowered PBT for the quarter.

18. Prospects

While the Malaysian retail sector is projected to grow in 2025, rising living costs, the anticipated rationalization of RON95 fuel subsidies and uncertainties stemming from global tariff wars may impact consumer purchasing decisions, particularly for big-ticket items. These macroeconomic headwinds could continue to pose challenges to sustaining the sales momentum recorded in the previous year.

Nevertheless, the Group remains confident in the resilience of its business and expects its ongoing omnichannel growth initiatives to deliver positive results. These initiatives are driving increased online presence while enabling the Group to tap into new customer segments and strengthen engagement with existing customers.

The Group's Flywheel 1.0 strategy, launched in 2025, focuses on boosting customer loyalty, operational efficiency, and long-term growth. Key efforts include expanding its digital presence, optimizing e-commerce, and using data and AI to enhance customer engagement, all of which strengthen its seamless omnichannel experience.

Additionally, the Group is enhancing its brand positioning with 'My Rewards, My Choice'. This program offers personalized rewards with enhanced S-Coin redemption policy, aiming to drive member acquisition and deepen existing member loyalty.

The Group's strategies are complemented by ongoing optimization of its store network performance. This involves enhancing in-store experience to drive footfall and improve per-store revenue. Operational performance of outlets is consistently reviewed, with a strong focus on driving improvements, implementing strategies and promotions to boost store productivity.

19. Variance of actual profit from profit forecast or profit guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

20. Status of corporate proposals

There were no corporate proposals for the current quarter and financial period under review.

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Notes to The Financial Report For The Period Ended 31 March 2025

21. Profit before tax

Profit before tax for the current quarter and financial period under review is arrived at after charging/(crediting):-

	Individual Quarter		Cumulative Quarter	
	31.3.2025 RM	31.3.2024 RM	31.3.2025 RM	31.3.2024 RM
Interest expenses	1,673,548	1,462,395	1,673,548	1,462,395
Gain on disposal of other investments	(700,099)	(1,148,470)	(700,099)	(1,148,470)
Fair value (gain)/loss on other investments	(7,745)	85,038	(7,745)	85,038
Depreciation of property, plant and equipment	5,138,985	5,232,196	5,138,985	5,232,196
Depreciation of right-of-use assets	7,285,924	7,212,219	7,285,924	7,212,219
Amortisation of intangible assets	8,104	6,706	8,104	6,706
Impairment loss on trade and other receivables	-	52,096	-	52,096
Interest income	(1,011,971)	(1,058,375)	(1,011,971)	(1,058,375)
Realised loss on foreign exchange	43	-	43	-
Unrealised (gain)/loss on foreign exchange	(6,061)	131,309	(6,061)	131,309

Save as disclosed above, the other disclosure items pursuant to Paragraph 16, Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

22. Tax expense

	Individual Quarter		Cumulative Quarter	
	31.3.2025 RM	31.3.2024 RM	31.3.2025 RM	31.3.2024 RM
Current tax expense:				
- Current period	899,270	1,522,880	899,270	1,522,880
- Prior years	133,034	-	133,034	-
	1,032,304	1,522,880	1,032,304	1,522,880
Deferred tax:				
- Relating to origination and reversal of temporary differences	(477,829)	63,134	(477,829)	63,134
Real property gains tax	328,275	-	328,275	-
Total tax expense	882,750	1,586,014	882,750	1,586,014

The effective tax rate of the Group for the financial period under review was lower than the statutory tax rate mainly due to certain income which are not taxable and lower applicable tax rate of 3% for profit derived from our reinsurance activities in Labuan.

23. Borrowings

	As at 31.3.2025		As at 31.12.2024	
	Current RM	Total RM	Current RM	Total RM
Secured				
Bankers' acceptances	-	-	13,665,000	13,665,000
Revolving credit	40,000,000	40,000,000	41,200,000	41,200,000
	40,000,000	40,000,000	54,865,000	54,865,000

The above borrowings are denominated in Ringgit Malaysia.

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Notes to The Financial Report For The Period Ended 31 March 2025

24. Derivatives

There were no derivatives in the current quarter and financial period under review.

25. Material litigation

There is no material litigation for the current financial period to date.

26. Earnings per share ("EPS")

	Individual Quarter		Cumulative Quarter	
	31.3.2025	31.3.2024	31.3.2025	31.3.2024
Profit attributable to owners of the Company	4,724,805	6,227,101	4,724,805	6,227,101
Weighted average number of ordinary shares in issue ('000)	1,500,000	1,500,000	1,500,000	1,500,000
Basic EPS [^] (sen)	0.31	0.42	0.31	0.42
Diluted EPS ^{**} (sen)	0.31	0.42	0.31	0.42

[^] Basic and diluted EPS is computed based on profit after tax attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue during the period under review.

^{**} Diluted EPS is equivalent to the basic EPS as the Company does not have any convertible securities as at the end of the financial year under review.

The diluted earnings per ordinary share equal basic earnings per ordinary share because there was no potential dilutive ordinary shares as at the end of the reporting period.

27. Utilisation of proceeds from the public issue

The status of the utilisation of proceeds from the Initial Public Offering and listing as at 31 March 2025 are summarized as follows:

Details of use of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Re-allocation RM'000	Balance unutilised RM'000	Revised timeframe for use from the date of our Listing
(i) Enhance customer experience via upgrading and expanding the Group's chain of retail stores*	160,500	(97,959)	(30,000)	32,541	Within 60 months ^
(ii) Repayment of bank borrowings	46,000	(46,000)	-	-	Within 6 months
(iii) Develop new brand distribution business	22,000	(22,000)	-	-	Within 36 months
(iv) Expand and upgrade the Group's warehouse and logistics network	20,000	(20,122)	122	-	Within 36 months
(v) Boost the Group's digital infrastructure	9,700	(9,700)	-	-	Within 36 months
(vi) Estimated listing expenses	9,300	(9,178)	(122)	-	Within 3 months
(vii) Acquisition of warehouse*	-	(30,000)	30,000	-	Within 3 months
Total	267,500	(234,959)	-	32,541	

Save as disclosed above, there were no other corporate proposal announced as at the date of issue of this quarterly report.

* The unutilized balance of RM30 million earmarked for upgrading and expanding the Group's chain of retail stores has been reallocated to the acquisition of warehouse in financial year ended 31 December 2023.

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