

SENHENG NEW RETAIL BERHAD
[Registration No.: 202101019079 (1419379-T)]
(Incorporated in Malaysia)
("the Company")

MINUTES OF THE FOURTH ANNUAL GENERAL MEETING ("4TH AGM" OR "THE MEETING") OF THE COMPANY 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.

DIRECTORS PRESENT	: Mr. Lim Kim Heng (<i>Non-Independent Executive Chairman</i>) Mr. Lim Kim Chieng (<i>President and Non-Independent Executive Director</i>) Mr. Lim Kim Yew (<i>Non-Independent Non-Executive Director</i>) Dato' Yeow Wah Chin (<i>Independent Non-Executive Director</i>) Ms. Aireen Omar (<i>Independent Non-Executive Director</i>) Ms. Ho Kim Poi (<i>Independent Non-Executive Director</i>) Mr. Oh Keng Leng (<i>Independent Non-Executive Director</i>)	
MEMBERS / PROXIES / CORPORATE REPRESENTATIVES	: As per the summary of Attendance List	
IN ATTENDANCE	: Ms. Teo Soon Mei Ms. Lim Jia Huey	- <i>Company Secretary</i> - <i>Company Secretary</i>
EXTERNAL AUDITORS	: Mr. Law Kian Huat Mr. Ong Suk Vern Mr. David Tan Wu Pin	- <i>Representative of Messrs. BDO PLT</i> - <i>Representative of Messrs. BDO PLT</i> - <i>Representative of Messrs. BDO PLT</i>
POLL ADMINISTRATOR	: Tricor Investor & Issuing House Services Sdn. Bhd.	
INDEPENDENT SCRUTINEERS	: Quantegic Services Sdn. Bhd.	
SPONSOR	: Mr. Lee Yan Hoe	- <i>Representative of Mercury Securities Sdn. Bhd.</i>
BY INVITATION	: Ms. Nicole Kiew Kor Shin - <i>Chief Financial Officer</i> Ms. Nadiah Binti Mohd Yusoff - <i>Representative from Amerits Corporate Sdn. Bhd.</i> Ms. Anna Wai Mai Qi - <i>Representative from Amerits Corporate Sdn. Bhd.</i> Ms. Nur Azwa Adha Binti Rosli - <i>Representative from Amerits Corporate Sdn. Bhd.</i> Amier Arief Bin Hamdan - <i>Representative from Tricor Investor & Issuing House Services Sdn. Bhd.</i> Zulhafri Bin Abdul Rahman - <i>Representative from Tricor Investor & Issuing House Services Sdn. Bhd.</i> Samantha Goh - <i>Representative from Tricor Investor & Issuing House Services Sdn. Bhd.</i> Zaqwan Syahmi Bin Sarman - <i>Representative from Tricor Investor & Issuing House Services Sdn. Bhd.</i> Cheang Siow Voon - <i>Representative from Quantegic Services Sdn. Bhd.</i>	

Lilian See

- *Representative from*
Quantegic Services Sdn. Bhd.

CHAIRMAN'S OPENING REMARK

The Chairman of the Board, Mr. Lim Kim Heng ("**Chairman**" or "**Mr. KH Lim**"), chaired the 4th AGM. On behalf of the Board, Mr. KH Lim welcomed and thanked the shareholders/proxies and invitees for their presence and continuous support to the Company.

The Chairman then sought the cooperation of the attendees to switch off or silence their phones to avoid any interruptions during the meeting proceedings.

The Chairman then introduced his fellow members of Directors, the Company Secretary, the Chief Financial Officer and the External Auditors, who present at the Meeting.

QUORUM

The Chairman then called upon the Company Secretary to confirm the presence of a requisite quorum.

The Company Secretary then informed the Meeting that according to Clause 89 of the Company's Constitution, two (2) members personally present in person or by proxy shall constitute a quorum for a general meeting.

The Company Secretary informed that the Company has received a total of 69 valid proxy forms from 69 shareholders representing a total of 1,114,720,723 shares or 74.31% of the total number of issued shares of the Company, within the stipulated prescribed period of forty-eight (48) hours before the time convening this Meeting. The Company Secretary announced that based on the registration data provided by the Poll Administrator, a total of eighty-one (81) shareholders and proxies have registered and present as at the commencement of the Meeting.

The Company Secretary pleased to confirm the presence of the requisite quorum at the commencement of the Meeting and the Chairman then called the Meeting to order.

POLLING AND PROCEEDING

Before the Chairman proceeded further with the first agenda of the Meeting, he briefed the shareholder/proxies on the poll voting and other administrative matters for the 4th AGM as follows: -

- (a) Pursuant to Paragraph 8.29A of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Main Market LR**"), all proposed resolutions set out in the Notice of the Meeting shall be voted by way of poll and the Company must appoint at least one (1) Independent Scrutineer to validate the votes cast at the meeting.
- (b) In compliance with the Main Market LR of Bursa Securities and pursuant to Clause 95 of the Company's Constitution, the Chairman of the Meeting had directed all proposed resolutions as set out in the Notice of the Meeting to be voted by way of poll. The poll voting would be conducted by way of electronic voting as stated in the Administrative Guide.
- (c) Certain shareholders have appointed the Chairman of the Meeting as their proxy to vote for and on their behalf. The Chairman would cast their votes in accordance with the instructions provided.
- (d) The Company appointed **Tricor Investor & Issuing House Services Sdn. Bhd.** ("**Tricor**") as the Poll Administrator to conduct the poll by way of electronic voting, and, **Quantegic Services Sdn. Bhd.** ("**Quantegic**") as the Independent Scrutineer to verify and validate the poll results of the Meeting in accordance to the Main Market LR.

- Minutes of the Fourth Annual General Meeting (“4th AGM”) held on 26 June 2025 - (Cont’d)

- (e) There would be a Questions and Answers (“**Q&A**”) session after the Meeting deal with all the resolutions on the Agenda. Shareholders may raise their questions, if any, during the Q&A session later.
- (f) The electronic voting process for all resolutions would be commenced after the Q&A session when the Chairman announces the commencement of the electronic voting process.
- (g) The electronic voting procedures would be briefed before the commencement of electronic voting process

The Chairman further reminded the Meeting that the attendance at the Meeting is strictly limited to the Company’s shareholders, proxies, and authorised representatives of corporate shareholders who had registered to participate in the Meeting. He highlighted to the attendees that the discussions at the 4th AGM might involve confidential matters intended solely for the knowledge of the eligible participants, as such, any form of visual or audio recording was strictly prohibited unless the Company’s written consent is obtained prior to the Meeting.

NOTICE

The Notice of the Meeting dated 29 April 2025, having been issued and circulated together with the Annual Report of the Company to all the eligible shareholders of the Company, within the prescribed period in accordance with the Company’s Constitution, was with the permission of the Meeting, taken as read.

The Chairman informed the Meeting that Ms. Chia Cui Ying and Mr. Lee Jia Hern, who were both shareholders of the Company, had indicated their offer and consent to act as proposer and/or seconder for the motions of all resolutions as stated in the Notice of the meeting in accordance with their letter of consent received by the Company.

It was recorded that the motions under Ordinary Resolutions 1 to 8 as set out in the Notice to be tabled at the Meeting, were proposed by Ms. Chia Cui Ying, and seconded by Mr. Lee Jia Hern.

PRESENTATION BY THE MANAGEMENT

The Chairman then informed the Meeting that before he continue with the Agenda of the Meeting, he would share a presentation on the Company’s business strategy and direction. Mr. Lim Kim Chieng (“**KC Lim**”), the President of the Company would continue to share operational highlights, followed by Ms. Nicole Kiew, the Chief Financial Officer to present the financial highlights of the Company. The following presentations were presented to the shareholders at the 4th AGM:-

1. Our Strategic Foundation & Vision
2. Operational Performance & Key Initiatives
3. Adapting to Market Dynamics
4. Financial Performance FY2024 Review
5. Our Strategic Roadmap Flywheel 1.0
6. Corporate Sustainability Initiatives

Upon the presentation, the Chairman thanked Mr. KC Lim, the President and Ms. Nicole Kiew, the Chief Financial Officer for the presentation.

The Chairman then proceeded with the Agendas of the Meeting.

AGENDA 1 **TO RECEIVE AND CONSIDER THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman informed the Meeting that this item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon ("**AFS 2024**").

He further informed the Meeting that the AFS 2024 was made available to all shareholders on the Company's website. The Group's performance for the financial year ended 31 December 2024 was disclosed in the Management Discussion and Analysis section in the Annual Report.

He informed the Meeting that he hoped everyone had taken the time to read the AFS 2024. The Chairman then informed the Meeting that if the shareholders have any questions on this agenda item, they could raise the questions during the Q&A session later and the Board would address them accordingly.

The Chairman then informed the Meeting that the AFS 2024 were tabled for discussion purposes only and, in accordance with Section 340 of the Companies Act 2016, did not require approval from the shareholders. Hence, the AFS 2024 would not be put forward for voting.

Since there was a proposer and a seconder for this item at the Meeting, the Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors were deemed received.

The Chairman then continued with the next item Agenda of the Meeting.

AGENDA 2 **ORDINARY RESOLUTION 1:
TO APPROVE THE DIRECTORS' FEES OF UP TO RM514,800.00 FOR THE PERIOD COMMENCING FROM THE DATE IMMEDIATELY AFTER THE DATE OF THE FOURTH AGM OF THE COMPANY UP TO THE DATE OF THE NEXT ANNUAL GENERAL MEETING TO BE HELD IN 2026**

The Chairman informed the Meeting that the agenda item 2 was to seek shareholders' approval on the proposed payment of Directors' Fees for an amount of up to RM514,800.00 payable to the Non-Executive Directors of the Company for the period commencing from the date immediately after the date of the 4th AGM of the Company until the next AGM to be held in 2026, in such proportions and manner as the directors may determined, under Ordinary Resolution 1.

The Chairman informed that the estimated total amount of the Directors' fees were derived based on the current board size.

He further informed that the interested Independent Non-Executive Directors had abstained from deliberation and voting on the agenda item.

The Chairman then continued with the next item on the Agenda. He reminded the Meeting that the electronic voting process would commence after the Meeting dealt with all agenda items.

AGENDA 3

**ORDINARY RESOLUTION 2:
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**

The Chairman then informed the following: -

- 1) Agenda item 3 was to seek the shareholders' approval for the payment of Directors' benefits for an amount of up to RM65,700.00 payable to the Non-Executive Directors for the period commencing from the date immediately after the date of the 4th AGM until the next AGM of the Company to be held in year 2026 under Ordinary Resolution 2; and
- 2) The proposed Directors' benefits payable to the Non-Executive Directors ("NED") of the Company comprising of meeting allowances based on actual attendance of meetings by the NED. The payment of the Directors' benefits would be made by the Company on monthly basis and/or as and when incurred, in such manner as the Directors may determine.

He informed that the interested Independent Non-Executive Directors had abstained from deliberation and voting on the agenda item.

The Chairman then informed the shareholders that if they have any questions, they could raise the questions during the Q&A session later.

The Meeting then continued with the next item on the Agenda.

AGENDA 4

**ORDINARY RESOLUTION 3:
TO RE-ELECT DATO' YEOW WAH CHIN, WHO RETIRES PURSUANT TO
CLAUSE 129.1 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE,
HAS OFFERED HIMSELF FOR RE-ELECTION**

The Chairman informed the Meeting that Agenda item 4 was to seek the shareholders' approval on the re-election of Dato' Yeow Wah Chin, the Director of the Company, who retired pursuant to Clause 129.1 of the Company's Constitution and being eligible, had offered himself for re-election under Ordinary Resolution 3.

He then informed the Meeting that the profile of Dato' Yeow Wah Chin was set out in the Directors' Profile section in the Company's Annual Report 2024.

The Chairman informed that the Board has unanimously recommended the re-election of Dato' Yeow Wah Chin under Ordinary Resolutions 3.

The Chairman then proceeded with the next agenda item.

AGENDA 5

**ORDINARY RESOLUTION 4:
TO RE-ELECT MS. HO KIM POI, WHO RETIRE PURSUANT TO CLAUSE 129.1
OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAS OFFERED
HERSELF FOR RE-ELECTION**

The Chairman informed the Meeting that the Agenda item 5 was to seek the shareholders' approval for the re-election of Ms. Ho Kim Poi, the Director of the Company, who retired pursuant to Clause 129.1 of the Company's Constitution and being eligible, had offered herself for re-election under Ordinary Resolution 4.

The Chairman informed the Meeting that the profile of Ms. Ho Kim Poi was set out in the Directors' Profile section of the Company's Annual Report 2024.

He further informed that the Board has unanimously recommended the re-election of Ms. Ho Kim Poi under Ordinary Resolution 4.

The Meeting then proceeded to the next item on the Agenda.

AGENDA 6

**ORDINARY RESOLUTION 5:
TO RE-ELECT MS. AIREEN OMAR, WHO RETIRE PURSUANT TO CLAUSE 114
OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAS OFFERED
HERSELF FOR RE-ELECTION**

The Agenda item 6 was to seek the shareholders' approval for the re-election of Ms. Aireen Omar, the Director of the Company, who retired pursuant to Clause 114 of the Company's Constitution and being eligible, had offered herself for re-election under Ordinary Resolution 5.

The Chairman then informed the Meeting that the profile of Ms. Aireen Omar was set out in the Directors' Profile section of the Company's Annual Report 2024.

He informed that the Board has unanimously recommended the re-election of Ms. Aireen Omar under Ordinary Resolution 5.

The Chairman then continued with the next item on the Agenda.

AGENDA 7

**ORDINARY RESOLUTION 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**

The Chairman informed the Meeting that Ordinary Resolution 6 was to seek the shareholders' approval on the proposed re-appointment of Messrs. BDO PLT as the Auditors of the Company until the conclusion of the next Annual General Meeting and to grant authority to the Directors to fix their remuneration.

The Chairman informed that Messrs. BDO PLT had expressed their willingness to continue in office until the conclusion of the next Annual General Meeting.

The Meeting then proceeded to the next item on the Agenda.

AGENDA 8

**ORDINARY RESOLUTION 7:
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE
COMPANIES ACT 2016**

Having concluded the ordinary business of the 4th AGM, the Chairman proceeded with Ordinary Resolution 7 under special business of the Meeting. He then informed the Meeting that the proposed Ordinary Resolution 7 was to seek shareholders' approval on a new general mandate, which, if passed, would empower the Directors to allot and issue new shares pursuant to Sections 75 and 76 of the Companies Act 2016, not exceeding 10% of the total number of issued shares (excluding treasury shares). He added that under Paragraph 7.08 of Main Market LR of Bursa Securities, the new shares would 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.

The Chairman informed that this resolution if passed, would enable the Directors to take swift action in case of a need to issue and allot new shares in the Company to undertake fund raising activities. He then further informed the Meeting that should the shareholders/proxies approved the Ordinary Resolution 7, they would be waiving their pre-emptive rights pursuant to Section 85(1) of the Companies Act 2016, 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.

The Chairman then informed that the full text of the proposed Ordinary Resolution 7 was set out in the Notice of the 4th AGM. With the permission of the Meeting, the Chairman declared the text of the proposed Ordinary Resolution No. 7 was taken as read.

The Chairman reminded the shareholders that they may raised their questions, if any, during the Q&A session later.

The Meeting then proceeded to the next item on the Agenda.

AGENDA 9

ORDINARY RESOLUTION 8: PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Chairman proceeded with Ordinary Resolution 8 under special business, which was to seek the shareholders' approval on the proposed renewal general mandate to allow the Group to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature ("**RRPT**") in the ordinary course of business.

The Chairman informed that this resolution if passed, would enable the Group to conduct transactions which are necessary for the Group's day to day operations and on normal commercial terms, not more favorable to related parties than to the public, and without detriment to minority shareholders. He then further informed this mandate would also reduce administrative time, effort, and expenses associated with convening separate general meetings for RRPT approvals.

The Chairman informed the Meeting that the interested Directors and interested Major Shareholders as disclosed in the circular to shareholders dated 29 April 2025 in relation to the Ordinary Resolution 8, have undertaken to abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the Ordinary Resolution 8. They have also further undertaken to ensure the persons connected to them should abstain from voting in respect of their direct and/or indirect shareholder in the Company, if any, when deliberating or approving the Ordinary Resolution 8.

The Chairman then informed that the full text of the proposed Ordinary Resolution 8 was set out in the Notice of the 4th AGM. With the permission of the Meeting, the Chairman declared the text of the proposed Ordinary Resolution No. 8 was taken as read.

The Meeting then proceeded to the next item on the Agenda.

- Minutes of the Fourth Annual General Meeting (“4th AGM”) held on 26 June 2025 - (Cont’d)

**AGENDA 10 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**

The Chairman then informed that the final item of the Agenda was to transact any other business of which due notice have been given in accordance with the Companies Act 2016 and the Company’s Constitution.

The Chairman further informed the Meeting that the Company Secretary had confirmed that no notice was received from the shareholders to transact any other ordinary business, and the Meeting then proceeded with the Q&A Session.

QUESTION & ANSWER SESSION

The Chairman thanked all shareholders for their interest and questions, he informed that the Company had received a total of 45 questions from shareholders prior to this 4th AGM. The Chairman, the President and the Chief Financial Officer (“**CFO**”) were invited to address the questions one by one to ensure clarify and transparency.

The responses to the questions received prior to the AGM provided by the Management were set out in “**Annexure A**”.

After dealing with the questions received from shareholders prior to the 4th AGM, the Chairman then opened the floor for questions. The shareholders present at the Meeting had raised questions to the Directors and the Management. The Chairman and the CFO then addressed the questions accordingly.

The responses provided by the Company for questions raised during the 4th AGM are set out in “**Annexure B**”.

The Q&A session was closed at 12.15 p.m. and the Meeting proceeded with the voting session.

POLL VOTING SESSION

Having dealt with all agenda items as set out in the Notice of the 4th AGM and the Q&A session, the Chairman announced the closure of registration for attendance at the 4th AGM to facilitate the commencement of the poll voting.

Before commence with the poll voting session, the Chairman invited the representative of Tricor, the Poll Administrator of this AGM, to brief the shareholders/proxies on the conduct of electronic voting process. A short video clip was presented by Tricor on the screen to guide the shareholders/proxies on the electronic voting process. The Chairman then thanked Tricor for their presentation.

The Chairman then declared the commencement of the electronic poll voting process. He informed the Meeting that five (5) minutes would be provided to the shareholders/proxies to cast their votes on all resolutions as tabled via electronic poll voting. The appointed Poll Administrator and scrutineers were on standby to assist the shareholders/proxies for poll voting session.

The Chairman then, after five (5) minutes, announced the poll voting session for the 4th AGM be closed at 12.24 p.m. and thanked all shareholder/proxies for their participation.

The Chairman declared that the 4th AGM be adjourned for approximately 20 minutes or until such time the scrutineer completed the verification of poll results for declaration in respect of Ordinary Resolutions 1 to 8. The Chairman invited the shareholders and/or proxies to collect the Bento Boxes for lunch while awaiting the announcement of poll results.

- Minutes of the Fourth Annual General Meeting ("4th AGM") held on 26 June 2025 - (Cont'd)

DECLARATION OF RESULTS

The Chairman resumed the Meeting for the announcement of the poll results at 12.45 p.m. He thereafter received the poll results which were duly verified by the Independent Scrutineer.

The poll results were projected on screen for the information of shareholders and proxies. Based on the poll results as set out in "**Annexure C**", the Chairman declared that the Ordinary Resolutions 1 to 8 were carried as follows: -

Ordinary Resolution 1:

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:-

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

*The Meeting **RESOLVED**: -*

***THAT** the following payment of 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, be and is hereby approved:-*

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

Ordinary Resolution 2:

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:-

No	Type of Director	Non-Executive Directors' Fee of the Company (RM)
1	Independent Non-Executive Directors	65,700.00
	Total	65,700.00

*The Meeting **RESOLVED**: -*

***THAT** the following 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, be and is hereby approved: -*

- Minutes of the Fourth Annual General Meeting ("4th AGM") held on 26 June 2025 - (Cont'd)

No	Type of Director	Non-Executive Directors' Fee of the Company (RM)
1	Independent Non-Executive Directors	65,700.00
	<i>Total</i>	65,700.00

Ordinary Resolution 3:

To re-elect Dato' Yeow Wah Chin, the Director who retires pursuant to Clause 129.1 of the Company's Constitution and being eligible, has offered himself for re-election

*The Meeting **RESOLVED:** -*

***THAT** Dato' Yeow Wah Chin, the Director who retired pursuant to Clause 129.1 of the Company's Constitution, be and is hereby re-elected as Director of the Company.*

Ordinary Resolution 4:

To re-elect Ms. Ho Kim Poi, the Director who retires pursuant to Clause 129.1 of the Company's Constitution and being eligible, has offered herself for re-election

*The Meeting **RESOLVED:** -*

***THAT** Ms. Ho Kim Poi, the Director who retired pursuant to Clause 129.1 of the Company's Constitution, be and is hereby re-elected as Director of the Company.*

Ordinary Resolution 5:

To re-elect Ms. Aireen Omar, the Director who retires pursuant to Clause 114 of the Company's Constitution and being eligible, has offered herself for re-election

*The Meeting **RESOLVED:** -*

***THAT** Ms. Aireen Omar, the Director who retired pursuant to Clause 114 of the Company's Constitution, be and is hereby re-elected as Director of the Company.*

Ordinary Resolution 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

*The Meeting **RESOLVED:** -*

***THAT** Messrs. BDO PLT be and are hereby re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.*

Ordinary Resolution 7:

Authority to Allot and Issue Shares pursuant to the Companies Act 2016

*The Meeting **RESOLVED:** -*

***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,*

- Minutes of the Fourth Annual General Meeting ("4th AGM") held on 26 June 2025 - (Cont'd)

*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.*

Ordinary Resolution 8:

Proposed Renewal of Existing Shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading nature

*The Meeting **RESOLVED:** -*

***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,*

- Minutes of the Fourth Annual General Meeting ("4th AGM") held on 26 June 2025 - (Cont'd)

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.

TERMINATION

The Chairman concluded the meeting and declared the meeting closed at 12.47 p.m.

The Chairman then thanked all participants for taking their time to attend and participate at the 4th AGM.

SIGNED AS A CORRECT RECORD

- Signed -

LIM KIM HENG
CHAIRMAN

Dated: 10 July 2025

Pre-submitted Questions

SENHENG



FLYWHEEL 1.0

Pre-submitted Questions

Q1) What were the specific reasons for the write-off of fixed assets related to the closure of the Senheng Mobile store network? If I remember correctly, it was one of the growth drivers of the Group.

The closure of the Senheng Mobile store network resulted from a strategic decision to optimize our store network with a comprehensive strategic review. While the mobile store concept was initially launched as a potential growth driver, after evaluating its performance over a two-year period, we found that it did not meet the Group's key performance indicators (KPIs) and desired sales productivity.

Given the underperformance and changes in market dynamics, we made the difficult decision to close down the dedicated mobile store network and concentrating resources on our core Senheng and senQ brands and enhancing omnichannel capabilities for better customer experiences and bring better store productivity.

Pre-submitted Questions

Q2) The report mentions "dampened consumer sentiment" as a reason for lower sales. What specific strategies are in place to mitigate the impact of challenging retail sector conditions and subdued consumer sentiment?

Senheng is implementing a multi-faceted approach to mitigate these challenges through our Flywheel 1.0 initiatives. The Group is undertaking comprehensive activities across six core dimensions include improve profitability, revenue growth, enhance customer loyalty, improve operational efficiency, elevate customer experience, and improve competitive advantage.

Pre-submitted Questions

Q3) What is the expected impact of the ongoing optimization of the physical store network through closures and upgrades on the Group's overall revenue and profitability in the upcoming periods?

The ongoing store network optimization through closures, relocations, and upgrades is a strategic move to enhance customer experience, improve sales performance, and prepare for future growth. While short-term costs may increase due to continued investment in prime locations, the initiative is expected to strengthen the Group's market position, boost store productivity, and drive long-term improvements in revenue and profitability.

Decisions to close underperforming stores are based on productivity assessments and single-store profitability reviews. Closures of less productive outlets will improve overall profitability despite some sales impact.

Starting from the end of 2024, we began consolidating our physical store network and adopting a more selective approach to store expansion with the aim of reallocating resources to existing stores. This strategic move is intended to strike a balance between driving long-term growth and maintaining healthy financial performance.

Pre-submitted Questions

Q4) What steps are being taken to improve the performance of loss-making outlets and reduce future impairment losses on assets? How many are loss-making now?

Senheng strategically reviews underperforming outlets through closures and optimizes our store network to improve profitability. Decisions are based on thorough productivity and profitability reviews.

While we do not publicly disclose the specific number, strategies are in place to improve their performance or rationalize their operations include relocation, content creation event to attract more users, specialised in store promotions to pull traffics, assigning experienced team manager to better manage the store operations and monthly review of the stores' productivity at management meetings.

Pre-submitted Questions

Q5) Please close the non-performing outlets and initiate cost reduction and optimization exercise

We are actively optimizing our store network to enhance efficiency, improve customer experience, and strengthen overall profitability. Starting from the end of 2024, we began consolidating our physical store network and adopting a more selective approach to store expansion with the aim of allocating resources to existing stores. This strategic move is intended to strike a balance between driving long-term growth and maintaining healthy financial performance.

As part of this initiative, we have closed underperforming outlets based on detailed performance reviews and have redirected investments toward upgrading stores with strong growth potential. These efforts are part of a broader cost reduction and optimization exercise designed to increase operational resilience and support sustainable and long-term performance.

Pre-submitted Questions

Q6) In Dec 2024, Senheng launched nationwide solar solutions available at all Senheng and senQ outlets. How is this business fares so far in terms of contribution to the revenue and GP?

Q7) What is the current revenue contribution from the "growth areas like solar solutions"?

Our venture into nationwide solar solutions have experienced positive initial demand with tremendous response. Sales have been increasing month-over-month, reflecting strong consumer interest in sustainable energy solutions. Although still in its early phase, the segment is showing promising potential, with a healthy gross profit contribution supported by an asset-light business model.

Pre-submitted Questions

Q8) In Mar 2024, Senheng has also entered the electric vehicle charging market, with a partnership with Huawei Technologies (Malaysia) Sdn Bhd and APulsar Technologies. How is this business fares so far in terms of contribution to the revenue and GP?

Our entry into the electric vehicle (EV) segment, specifically through EV chargers, currently contributes an immaterial portion to revenue. However, this initiative is part of a broader strategy to expand our product offerings and position the Group in the growing green energy market. We are actively working to raise public awareness and drive adoption of sustainable, energy-efficient solutions.

Pre-submitted Questions

Q9) Senheng is the authorised distributor for both Starlink and Laifen products in Malaysia. How are these brands fare so far in terms of contribution to the revenue and GP

As an official appointed reseller for Starlink in Malaysia, we have made good progress in sell-through revenue. While its contribution to the Group's overall revenue remains immaterial at this stage, gross profit contribution is healthy, supported by a light-weight and low-overhead business model.

Our brand distribution business, operated under subsidiary SC Alliance (M) Sdn. Bhd., has shown strong revenue progress. As the official authorized distributor for Laifen in Malaysia, the group sales have grown significantly of more than 200% compared to 2023 with gross profit remaining healthy.

Pre-submitted Questions

Q10) Any B2G venture for the Group similar to the ICT providers like VSTECS and SNS for its products and solutions? The retail business is too competitive and subject to many macroeconomics factors

Senheng's primary focus remains on strengthening our competitive advantage within the consumer electrical and electronics sector. This includes diversifying our product offerings and enhancing our omnichannel capabilities to deliver a seamless and elevated customer experience.

These strategic priorities are intended to drive sustainable growth and create long-term value for our stakeholders. While B2G is not currently a core focus, the Group remains open to exploring new avenues that align with our business model and growth objectives.

Pre-submitted Questions

Q11) How quickly can the company adapt its inventory strategies and utilize new analytical tools to respond to sudden shifts in consumer demand or market trends? As we are dealing with trendy and subject to technological obsolescence electrical appliances and gadgets

Senheng is focused on improving operational efficiency by leveraging data and AI to optimize inventory management. Through initiatives like the AI Demand Forecast project in collaboration with University Malaya, we are deploying predictive analytics and machine learning to forecast demand more accurately and adjust inventory levels dynamically.

In addition, automation tools such as smart reorder systems are being developed to enable rapid responses to emerging trends, helping to reduce stockouts and minimize excess inventory.

Pre-submitted Questions

**Q12) How data and AI are being leveraged to manage costs and streamline operations?
What are the measurable outcomes of these initiatives so far?**

Senheng leverages data and AI across operations and marketing to optimize costs and boost efficiency. Key projects include the AI Demand Forecast project in collaboration with University Malaya for inventory management and automated replenishment systems to improve stock accuracy and responsiveness.

In marketing, AI-driven customer analytics and chat commerce enhance personalization and engagement, resulting in increased website traffic, higher ad impressions, and more seamless customer interactions.

Pre-submitted Questions

Q13) What are the key performance indicators for the OMO strategy, and what progress has been made in integrating the online and offline customer journey?

Key performance indicators for our Online-Merge-Offline (OMO) strategy include an ambitious target for online sales via our official webstore, marketplace and app store in FY2024, reflecting strong digital momentum.

Additionally, the adoption rate of Buy Online, Pick Up In Store (BOPIS) reached 48%, nearing our 50% target. This demonstrates significant progress in integrating the online and offline customer experience.

Pre-submitted Questions

Q14) How the company will effectively compete in an increasingly crowded online and offline retail landscape:

Senheng's competitive strategy centres on enhancing the omnichannel experience, strengthening customer loyalty, and expanding our brand distribution network to offer a wider range of in-demand products.

Announced in early 2025, we are pursuing our Flywheel 1.0 strategy, a comprehensive plan to cultivate a cycle of growth across six core dimensions include improve profitability, revenue growth, enhance customer loyalty, improve operational efficiency, elevate customer experience, and improve competitive advantage.

Pre-submitted Questions

Q15) There is a growing consumer demand for energy-efficient appliances in Malaysia due to rising utility costs and increased environmental awareness. How the Group capitalised on this? Pls elaborate with its new product launches

Senheng is actively capitalizing on the growing consumer demand for energy-efficient appliances in Malaysia which aligns with our broader commitment to sustainability and responsible consumption.

To meet this demand, the Group has diversified its product portfolio through strategic partnerships with leading brands, focusing on high-efficiency solutions. Our key initiatives include:

- Prioritizing the selection of appliances with 4 or 5-star energy ratings under the Energy Efficiency Labelling scheme to offer customers more sustainable choices.
- Achieving over 70% revenue contribution from inverter air conditioners, significantly outperforming the market average of 50%. This is a direct result of our targeted product selection, effective marketing, and customer education efforts.

Sustainability is now embedded in our retail strategy, and we remain committed to promote energy-saving solutions to support environmental goals and meet the expectations of eco-conscious consumers.

Pre-submitted Questions

Q16) Is smart home integration a significant factor influencing consumer purchasing decisions in the Malaysian electrical appliance market, with a rising interest in connected and automated devices?

Smart home integration is increasingly influencing appliance purchase decisions in Malaysia, particularly among tech-savvy, urban consumers.

We are diversifying our product portfolio by introducing high quality and popular international brands featuring smart home and IoT devices, sourced directly from manufacturers through our brand distribution business.

These targeted consumers often prioritize appliances that offer features such as remote or voice control, automated energy monitoring and notifications.

Pre-submitted Questions

Q17) Despite its e-commerce shows a rapidly expanding channel in Malaysia for electrical appliances, offering convenience and a wide selection, but how are the margins as compared to its physical outlets? Pls explain

E-commerce is a key growth driver for Senheng with significant online sales growth in 2024 as compared to previous year. While providing precise margin comparisons between e-commerce and physical outlets is complex due to our integrated omnichannel model, we are focused on optimizing margins across all channels through efficient pricing strategies, logistics, and cost management.

Our omnichannel approach allows us to leverage both channels to enhance profitability. To provide a seamless omnichannel experience, products are priced consistently across online and offline channels, resulting in similar margins.

Pre-submitted Questions

Q18) While the PlusOne membership has grown significantly, what is the active engagement rate of these 4 million members? Are they consistently making purchases, or is it a large but potentially inactive base? As I can't see the high conversion rate. They are just to enjoy additional promotion and warranty periods.

The PlusOne Loyalty Programme is a significant asset, with over 4 million members contributing more than 90% of the Group's annual revenue. While not every member is equally active at all times, we closely monitor engagement metrics such as repeat purchase rates, redemption of S-Coin, and participation in member-exclusive campaigns.

We are working to enhance engagement through personalized rewards, improved S-Coin cashback options, and data-driven insights from our customer data platform and AI partnerships. While some members may be more active than others, we emphasise providing greater lifetime value to all members.

Pre-submitted Questions

Q19) Please brief the flywheel 1.0 strategy of the Group to the shareholders and how it will turnaround the Group's business

We acknowledged your recommendation and have presented the Flywheel 1.0 strategy during the AGM earlier.

To recap, the Flywheel 1.0 strategy is a comprehensive plan to cultivate a cycle of growth across six core dimensions includes improve profitability, revenue growth, enhance customer loyalty, improve operational efficiency, elevate customer experience, and improve competitive advantage. These strategies aims to create a self-reinforcing system where improvements in each area contribute to overall business growth and success. Each of these areas are interconnected and creating a self-sustaining cycle of improvement that supports the Group's business turnaround and long-term success.

Key initiatives under this strategy include expanding brand distribution channels, increasing focus on online and social media engagement, enhancing the PlusOne loyalty program, fully leveraging AI capabilities, improving online visibility, and relaunching our brand positioning.

Pre-submitted Questions

Q20) On 7 May 2025 at 8.50pm, I pass by Grand Senheng outlet at Kuchai Lama and it was completely closed. It supposed to close at 9pm. Pls explain this

We sincerely apologize for the 10 minutes early closure of our Grand Senheng outlet at Kuchai Lama on 7 May 2025. Our standard operating hours extend until 9pm and closing earlier than scheduled is not in line with our service commitment.

While store managers are given limited discretion under specific circumstances, this incident should not have occurred. We appreciate you bringing this to our attention, as it helps us uphold consistent service standards across all outlets. Appropriate follow-up action will be taken to prevent a recurrence.

Pre-submitted Questions

Q21) What were the specific reasons for the 8.9% decrease in the Group's gross profit and the slight dip in the gross profit margin from 21.1% to 20.7% in 2024?

The decrease in gross profit in FY2024 in line with reduced revenue which reflects normalization of consumer purchasing behaviour following exceptionally high demand during the pandemic years from 2020 to 2022.

The audited gross profit margin for FY2024 remained stable at 21.1% compared to FY2023.

Pre-submitted Questions

Q22) How is the re-allocation of the RM30 million initially earmarked for upgrading retail stores to the acquisition of a warehouse expected to impact the Group's strategy and future profitability?

As we have decided to slow down our expansion pace in response to changing market conditions, we made the strategic decision to reallocate the funds toward acquiring a warehouse. This is a strategic decision to strengthen our logistics capabilities and support future growth. Our prudent approach on capital allocation allows us to manage our expansion pace.

Additionally, this reallocation allows us to avoid long-term lease commitments with approximately RM 3.8 million annually and reduce financing costs, with estimated annual interest savings of RM1.3 million. These cost savings are partially offset by annual depreciation of RM0.6 million. These financial and operational benefits are expected to contribute positively to the Group's profitability and long-term operational efficiency.

Pre-submitted Questions

Q23) The Group's profit before tax saw a significant 44.4% decrease in 2024. What factors, including lower sales and the write-off of fixed assets from non-productive stores, contributed to this substantial drop

In addition to one-off write-off of fixed assets related to the rationalization of Senheng Mobile store network, the decrease in profit before tax (PBT) was primarily driven by lower revenue due to normalization of consumer spending following the demand surge during the pandemic years.

The lower sales productivity during the year was insufficient to offset higher fixed costs, particularly staff expenses and depreciation stemming from our ongoing expansion since the IPO. These additional fixed costs represented approximately a 1% increase in operating expenses as a percentage of sales and had a direct impact on our PBT margin.

These combined factors contributed to the decline in profitability. However, measures have been taken including consolidation of non-performing stores, streamlining operational processes, optimizing headcount allocation and closely monitoring capital expenditure. We strongly believe these initiatives will strengthen our financial performance in the medium to long term.

Pre-submitted Questions

Q24) What specifically were the "certain expenses which are not deductible for tax purposes" and the "one-off adjustment of under provision of tax" that led to a significantly higher effective tax rate of 198.1% in Q4 2024:

The significantly higher effective tax rate of 198.1% recorded in Q4 2024 was primarily due to a one-off adjustment resulting from the under-provision of corporate income tax. This adjustment arose from a final review and reconciliation of tax liabilities for the financial year. A full-year impact was recognized in Q4, which distorted the quarterly effective tax rate.

It's important to highlight that this was an exceptional, non-recurring adjustment. Excluding these one-off adjustment, the Group's effective tax rate for the full year 2024 would be approximately 20.8%. This is lower than the statutory rate as we benefited from a reduced tax rate applicable to profits derived from our reinsurance activities in Labuan.

Pre-submitted Questions

Q25) Please improve on the free cash flow similar to FYE24 of RM26.54mil (FYE23: -34.67mil). In the past, the Group has recorded many years of negative free cash flow. Since the Group it not doing well it is better to adopt conservative and healthy growth.

Thank you for your comment and for recognising the improvement in our free cash flow performance in FYE2024. We acknowledge the concerns regarding historical trends and agree that maintaining a healthy cash flow is essential for the Group's long-term resilience.

Several initiatives have been implemented including tighter inventory control to reduce excess stock and adopting a more selective approach to store expansion to manage capital expenditure more conservatively.

Pre-submitted Questions

Q26) The trade payable days decreased from 36.32 days to 28.32 days from FYE23 to FYE24. Its trade receivable days of 31.2 days is even higher than its trade payable days. Please provide the reason behind this as it indicates a working capital management issue

We would like to clarify that trade receivable days appearing higher than trade payable days mainly due to the calculation likely included non-operational items such as prepayments, deposits, accruals, and other non-trade balances which should be excluded when calculating turnover ratios for operational working capital.

Upon recalculating based solely on trade-related receivables and payables, our actual trade receivable turnover for FY2024 stands at approximately 9 days, while trade payable turnover is around 21.6 days.

This indicates a healthy and efficient working capital cycle, where we collect cash from customers significantly faster than we make payments to suppliers. This favourable cash flow position strengthens our operational liquidity and demonstrates prudent financial management.

Pre-submitted Questions

Q27) What are the specific financial targets for the coming years? Will the year 2025 be a year of recovery? If not, pls cut more non-performing stores and do cost-cutting measures

While we do not publicly disclose specific financial projections, our priorities remain clear, to grow revenue, improve margins, and strengthen our return on equity through a combination of operational efficiency, and customer-centric initiatives.

FY2025 is considered a pivotal year for establishing a foundation for sustainable growth, and we are achieving positive momentum in brand distribution, online sales, and membership expansion which mitigates softer consumer purchasing patterns.

The Group actively manages costs and optimizes its store network through selective closures of underperforming stores (including the closure Senheng Mobile stores network), relocations, and upgrades. We aim to drive improvements in average revenue per store and achieve further optimize operating expenses.

Pre-submitted Questions

Q28) With its ramping up of online presence, what specific measures are in place, to proactively prevent sophisticated cyber threats and data breaches?

To safeguard against sophisticated cyber threats as our online presence grows, we have implemented a robust cybersecurity framework to protect against sophisticated threats. Key measures include 24/7 threat monitoring via a Security Operations Center (SOC), multi-factor authentication, endpoint protection, and a zero-trust architecture.

We also conduct regular security assessments and penetration testing, enforce strict patch management, ensure data encryption, and promote user education on cybersecurity best practices. These actions reflect our strong commitment to safeguarding data and maintaining digital trust.

Pre-submitted Questions

Q29) Can you provide examples of how the ERM framework has successfully identified and mitigated significant risks during FY2024?

The ERM framework sets out the Group's risk strategy, objectives, risk governance, structure, practices, tools and roles and responsibilities in managing material risks.

Specific examples can be found in our Statement on Risk Management and Internal Control (page 78-79 of Annual Report), which includes market competition threats, information technology security and data security breaches and slow-moving and inventory turn monitoring.

Pre-submitted Questions

Q30) How frequently is the Business Continuity Plan tested and updated to address evolving potential disruption?

An annual review of the Business Continuity Plan (BCP) will be conducted to assess its effectiveness in mitigating risks and maintaining operational continuity during disruptive events.

Based on the annual assessment, Senheng will identify areas for improvement within the BCP and proceed with necessary updates. These updates will be communicated promptly to all relevant stakeholders, and training will be provided to key personnel and employees to ensure awareness and understanding of the changes made to the BCP.

Pre-submitted Questions

Q31) The Group has many related party transactions (“RPTs”) from rental of properties, distribution of electric appliances, insurance services, software services to marketing activities. It is the low profitability since the listing was due to these RPTs. For the transactions with S Ecosystem alone, the Group paid RM45.12m S Ecosystem from 22/6/2024 to 31/3/2024 and expected to rise to RM73.33m. Kindly explain how the mechanisms and structures of the commissions and marketing fees work and whether the independent non-executive directors deemed these transactions as fair and reasonable? Furthermore, does the Group pays the salaries of the management team and staff of S Ecosystem.

The related party transactions entered are beneficial to our operations and have been carefully assessed with rates aligned to prevailing market levels to ensure traded at arms' lengths. Furthermore, these RPTs are approved by shareholders with major controlling shareholders abstaining from voting to ensure transparency and fairness.

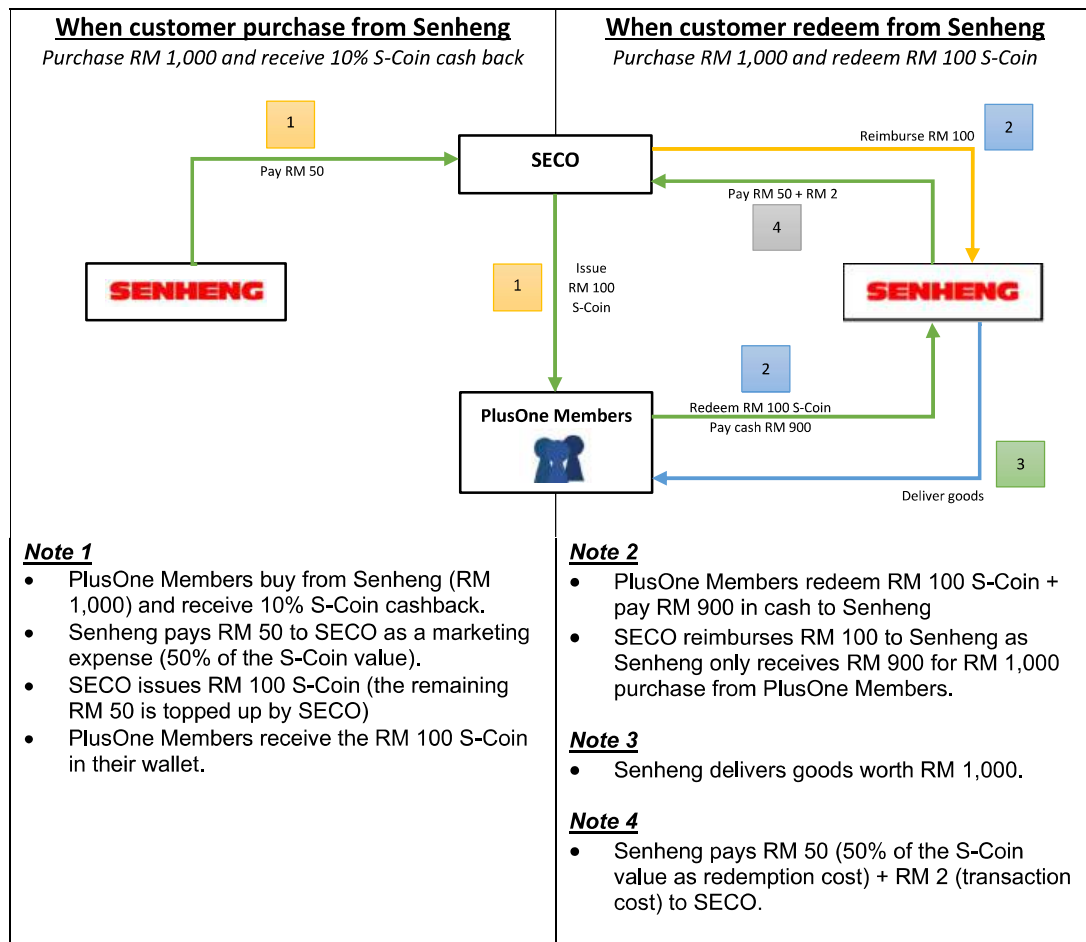
Pre-submitted Questions

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Senheng and S Ecosystem jointly reward PlusOne members with S-Coins, each contributing 50% of the total value. The S-Coins are then credited to customer e-wallet by S Ecosystem and customer is allowed to redeem S-Coins through Senheng stores and Senheng Apps.

As part of the S-Coin loyalty program, S Ecosystem manages the entire coin system and holds the associated point liabilities. All S-Coins issued to customers are first routed through S Ecosystem.

Pre-submitted Questions



S Ecosystem generates a net gain of RM 2 transaction fees from the entire arrangement. The net impact of this arrangement is illustrated in the summary table below:

Description	RM
Payment upon S-Coin issuance	-50
SECO reimbursement upon redemption	+100
Payment upon S-Coin redemption	-52
Net cash flow	-2

Pre-submitted Questions

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The increase in marketing costs related to S-Coin is primarily due to a higher issuance rate, as we aim to reward our customers more generously and remain competitive in the market.

Similarly, S-Coin redemption reflects the positive customer response following enhancements to our redemption policy and the launch of the “My Reward My Choice” program. These initiatives are designed to improve overall customer satisfaction and engagement, driving loyalty and repeat purchases.

Pre-submitted Questions

Q31) The Group has many related party transactions (“RPTs”) from rental of properties, distribution of electric appliances, insurance services, software services to marketing activities. It is the low profitability since the listing was due to these RPTs. For the transactions with S Ecosystem alone, the Group paid RM45.12m S Ecosystem from 22/6/2024 to 31/3/2024 and expected to rise to RM73.33m. Kindly explain how the mechanisms and structures of the commissions and marketing fees work and **whether the independent non-executive directors deemed these transactions as fair and reasonable?** Furthermore, does the Group pays the salaries of the management team and staff of S Ecosystem.

Importantly, the Audit and Risk Management Committee (ARMC) plays a vital role in overseeing all related party transactions (RPTs). Under its Terms of Reference, the ARMC, together with the Board, rigorously reviews and assesses these transactions to ensure they are fair, reasonable, conducted at arm's length, and comply with all regulatory requirements and governance best practices.

Pre-submitted Questions

Q31) The Group has many related party transactions (“RPTs”) from rental of properties, distribution of electric appliances, insurance services, software services to marketing activities. It is the low profitability since the listing was due to these RPTs. For the transactions with S Ecosystem alone, the Group paid RM45.12m S Ecosystem from 22/6/2024 to 31/3/2024 and expected to rise to RM73.33m. Kindly explain how the mechanisms and structures of the commissions and marketing fees work and whether the independent non-executive directors deemed these transactions as fair and reasonable? Furthermore, does the Group pays the salaries of the management team and staff of S Ecosystem.

Regarding staff costs, the Group does not pay salaries to the management team and staff of S Ecosystem, as they are employed by S Ecosystem independently. Our payments relate to fees as per contractual agreements, not payroll.

We remain committed to upholding strong corporate governance standards and will continue to ensure transparency and fairness in all related party dealings.

Pre-submitted Questions

Q32) What are the other specific non-productive assets that the Group is identifying and disposing of similar to the freehold industrial vacant land?

Currently, the primary non-productive asset identified is the freehold industrial vacant land H.S.(D) 139744 PT 69171, Mukim Kapar, located adjacent to our Central Distribution Centre. This land is reserved for potential future warehouse expansion when the timing is appropriate.

At this point, no other material non-productive assets have been identified for disposal. The Group continues to assess its asset portfolio to ensure optimal utilization and alignment with strategic priorities.

Pre-submitted Questions

Q33) Senheng achieve its aim to increase its home appliance market share to 30% by 2025, from 13% share in late 2021? It was the mission of the Group back then. Why it was not achieved? Pls explain

While we have not fully achieved the target of reaching 30% market share in the home appliance segment by 2025, we have made progress in expanding our market presence.

Several external and strategic factors contributed to this outcome include intensified market competition, changes in consumer spending behaviour, and macroeconomic headwinds such as inflationary pressures and a general slowdown in discretionary spending.

In response to these conditions, the Group made a strategic decision to postpone aggressive expansion plans to safeguard profitability. This included scaling back our initial target of upgrade or expanding 61 outlets by 2025. Instead, we shifted focus to optimizing our existing store network, improving store productivity and enhancing customer experience. Despite these adjustments, we continued to grow our customer base and remains one of the leading players in the home appliance retail sector.

Pre-submitted Questions

Q34) Why the remunerations of the Executive Directors have increased from RM2.8m to RM2.98m from FYE23 to FYE24, >6% increase despite underperformance of the Group? Pls justify this:

Senheng's remuneration policy is designed to attract, retain, and motivate experienced leadership which are critical for navigating the challenging retail environment and executing our strategic transformation. Remuneration is determined holistically, taking into account each director's contributions and relevant industry benchmarks.

The remuneration increase was mainly due to our Executive Directors have voluntarily forego their bonuses in FY2023. Excluding this, the actual increment was approximately 2%. Additionally, our Executive Directors have committed to a 40% pay cut from April 2025 until the Group's market cap returns to RM1 billion, demonstrating strong leadership and alignment with shareholder interests.

Pre-submitted Questions

Q35) Please be mindful of the management team packages and tie them to the performance of the sales, profitability and share price (or market cap). We need leaders that can deliver

We acknowledge the importance of linking management remuneration to performance. Senheng's remuneration policy is designed to attract, retain, and motivate experienced leadership which are key to navigating the evolving retail environment and driving our strategic transformation.

While remuneration is assessed holistically based on individual contributions and industry benchmarks, performance-based incentives are in place for Key Senior Management (KSM). These incentives are tied to clearly defined KPIs that reflect core business outcomes, including sales performance and profitability of the Group.

Pre-submitted Questions

Q36) Please brief on the outlook for FYE25 and beyond. We already have 2 years of contractions in sales and earnings and the shareholders have suffered since its IPO in 2022 with tumbling of more than 80% of its value and low dividend yield. Don't solely blame on Trump and tariffs. The management team needs to turn this into opportunities. As far the operating costs, it needs to be reduced and optimized.

We acknowledge the concerns over the decline in sales, profitability, and share price since IPO. The management is fully committed to turning this around through our “Flywheel 1.0” strategy, which focuses on six core dimensions include improve profitability, revenue growth, enhance customer loyalty, improve operational efficiency, elevate customer experience, and improve competitive advantage.

While external factors have impacted consumer sentiment, we are not placing blame solely on tariffs or macroeconomic conditions. Internally, we are taking concrete steps to adapt and transform. This includes and adopting a more selective approach to store expansion, consolidating non-performing outlets, embracing AI-driven process automation, and streamlining cost structures to improve efficiency.

We are committed to turning these challenges into opportunities for long-term, sustainable growth.

Pre-submitted Questions

Q37) The Group revenue and profitability have shown a declining trend in the past two years (FYE23-24) compared to FYE22. Please explain why and for FYE25, can we finally see recovery?

The decline in FY2024 revenue was primarily due to cautious consumer sentiment which follows a period of accelerated purchases during the pandemic (2020-2022) and reflects a return to typical purchasing behaviour. Net profit was also impacted by higher operating expenses including write-off of fixed assets related to the closure of the Senheng Mobile store network and one-off tax adjustment.

FY2025, the Group views it as a pivotal year for establishing a foundation for sustainable growth and observes positive momentum in key areas like brand distribution, online sales, and membership expansion. The Group is cautiously optimistic about performance in 2025, anticipating improved customer footfall and sales, and is focused on executing growth strategies to enhance profitability

Pre-submitted Questions

Q38) Any share buy-back initiatives to restore the confidence in the market?

While we remain committed to maintaining compliance with the 25% public spread requirement, our current financial priorities are focused on initiatives to drive sustainable growth and enhance shareholder returns.

Q39) Can the selling promoters show confidence in the market by buying shares in the open market? Any share buy-back by the Company

The promoters remain invested in the company's future and have not sold any shares since the IPO. While we remain committed to maintaining compliance with the 25% public spread requirement, our current financial priorities are focused on initiatives to drive sustainable growth and enhance shareholder returns.

Pre-submitted Questions

Q40) Institutional like Eastspring and Tabung Haji already disposed their entire stakes in the Company as its share price is trading at all-time low. Wealthy businessman like Lim Wee Chai also trimmed his stake. Please comment on this as this represents loss of confidence by institutional and wealthy individuals on the Group

We acknowledge the recent changes in shareholding by certain institutional and individual investors. However, it is important to recognize that share price movements and investment decisions are often influenced by a range of external factors, including macroeconomic conditions, market sentiment, and portfolio rebalancing strategies, which may not necessarily reflect the Group's underlying fundamentals. While some investors have reduced their positions, we have also seen interest from other institutional investors who have taken up shares, reflecting continued belief in our long-term potential.

We remained committed to delivering long-term value for all shareholders. Our business fundamentals remain strong, and we believe that as our transformation strategies continue to show results, investor confidence will strengthen over time.

Pre-submitted Questions

Q41) Can the share price of Senheng recover back to its IPO price? Pls look into improvement across its operations and downsizing if required. We, the shareholders demand a restructuring plan for the Group so that it can at least achieve RM40-60m PAT per annum

Q42) Despite a dividend policy of 30% of annual net profit, however, the dividend payments were negligible with low profitability and we shareholders have suffered more than 80% decline in the share price. How the Company plans to create more returns for the shareholders? pls clarify

We fully acknowledge shareholders' concerns regarding the current share price and expectations for stronger financial performance. While we cannot predict future share price movements, we are firmly committed to rebuilding shareholder value and enhancing profitability.

We have already taken decisive steps to realign the business including adopting a more selective approach to store expansion, consolidating underperforming outlets, and strengthening cost discipline across the Group. Notably, the closure of non-performing stores since the end of 2024 is expected to positively impact our financial performance in 2025. Our focus is now on driving higher store productivity, growing contribution from digital and loyalty platforms, and improving overall margins.

We recognize the importance of delivering a sustainable profit base and our expectations are aligned. The Board and management are actively reviewing all aspects of the business, and where necessary, we will not hesitate to implement further restructuring or downsizing to improve efficiency and performance.

We are confident that as our initiatives take hold, both financial results and market confidence will recover. Our commitment is to restore long-term value for all shareholders.

Pre-submitted Questions

Q43) Please increase the dividend payout for the shareholders in FYE25 and ensuing years.

Senheng's policy is to distribute at least 30% of annual net profit as dividends, balancing shareholder returns with reinvestment in the business.

While we appreciate the request to increase the dividend payout for FYE25 and beyond, any adjustments will be carefully considered in light of the company's performance, cash flow, and strategic priorities.

Pre-submitted Questions

Q44) Why was no e-voucher been given to the shareholders? I firmly believe it should be given so that all the shareholders can support the Group

Q45) Why for this coming AGM, there is no door gift for the shareholders. Please make more effort to boost your sales. Please provide an e-voucher for the shareholders that attended this AGM. Can it be increased to RM100 or more as RM50 doesn't make sense at all?

We deeply appreciate the support of all our shareholders. In light of the current market and our commitment towards enhancing shareholder value, we are focused on cost-saving and prioritizing investments in the company's growth over door gifts.

We believe this prudent approach will lead to stronger future returns and more sustainable value creation for our shareholders. We appreciate your feedback and will take your recommendation for future consideration.

QUESTIONS AND ANSWERS SESSION FOR THE FOURTH ANNUAL GENERAL MEETING (“4TH AGM”) OF SENHENG NEW RETAIL BERHAD HELD ON THURSDAY, 26 JUNE 2025

The following questions/statements were raised during the 4th AGM of the Company by the shareholders and/or proxies. The Directors and the Management Team have summarised and responded to the answers as follows: -

Question 1:

Over the past two (2) years, a competitor expanded almost twelve (12) new stores and achieved 9% revenue growth. Why hasn't Senheng delivered similar growth? Were there any business opportunities or market segments that the Company may have missed?

Answer:

Senheng has expanded from a single store to over one hundred (100) stores and has successfully undergone eight (8) major transformations over the years. The Company currently has more than four million PlusOne members.

Over its 36-year history, Senheng has experienced three (3) distinct periods of decline, but has consistently demonstrated resilience and rebounded by implementing strategic business initiatives. For instance, during the downturn in 2001, the Company introduced a fixed pricing policy, launched a customer loyalty program, and established a two-brand strategy (Senheng and senQ). Furthermore, Senheng focused on continuous learning, including visiting Alibaba Business School to gain insights into evolving market trends, which supported a sustained recovery lasting more than a decade.

In 2024, Senheng launched its “Flywheel 1.0” strategy, focusing on six core areas and includes 24 initiatives aimed at fostering long-term sustainable growth.

Question 2

What are the three (3) core business initiatives that will play the most significant role in driving the Company's growth?

Answer:

The Company is focused on several key initiatives to drive growth. Three (3) core business initiatives that have significantly contributed to its growth are:

- i. Optimised Product Assortment: Over the past twelve (12) months, the Company streamlined its offerings by closing nearly twenty (20) stores. This initiative improved inventory efficiency and positively impacted overall revenue of the Company.*
- ii. Enhanced PlusOne Membership Programme: The Company continues to enhance customer loyalty through the PlusOne Membership Programme, which offers more than twenty-five (25) exclusive benefits to members. This has been instrumental in driving customer retention, with approximately 90% of total sales currently generated from PlusOne membership programme.*
- iii. "My Reward, My Choice" Programme: This programme was established to enable customers to earn and redeem S-Coin reward points for a variety of products and services. Since its establishment, this initiative has encouraged an average of 20,000 to 25,000 customers to return to Senheng store monthly to redeem their points.*

Question 3

Will the Company be providing any door gifts/vouchers to shareholders attending the AGM?

Answer:

As per our Administrative Guide circulated with the Notice of the 4th AGM, there will be no door gifts or e-vouchers provided at the AGM. However, the Company values this feedback and will take it into consideration for the next AGM in 2026.

Question 4

Is there an alternative solution to help customers carry their purchase more easily, given that no paper bags are provided as part of the Company's ESG initiative?

Answer:

The Company has taken note of this feedback and will review the potential alternatives to assist customers in carrying larger items purchased, more conveniently.

Question 5

Has the Company ensured that all staff members at Senheng stores receive adequate training on the products offered, such as provide professional answer to customers' enquiries on the pricing or products?

Answer

The Company has provided regular product training to all sales partners. However, we recognise that the impact of the training may vary by individual. To further support our sales team and improve customer service, the Company is developing an AI-powered assistant to help sales staff provide more accurate product information and better service to customers.

Question 6

How does the Company ensure the accuracy of customer feedback results and safeguard the privacy and confidentiality of customer evaluations? For instance, the employees request the customer to provide rating in the presence of the employees when the products delivered to the customers.

Answer

In addition to the rating score provided by customers during product delivery by the Company's delivery team, Senheng has developed an additional feedback mechanism known as the Net Promoter Score ("NPS"). This tool helps the Company to obtain more accurate and reliable customer feedback.

Furthermore, Senheng's Customer Relations Centre independently conducts a separate NPS evaluation, without any involvement from the delivery team, to ensure an objective and accurate assessment of the overall customer experience.

Question 7

What is the difference between an inventory write-down and a write-off? Additionally, the write-off amount has increased significantly from RM355k to RM1.8 million. Could you please explain the reasons behind this substantial increase?

Answer

An inventory write-down occurs when the selling price of a product falls below its cost value. However, the Company receives support from the suppliers to manage these price changes and minimise the impact of price variances.

Inventory write-offs generally apply to discontinued models or inventory that is no longer saleable. This process is a standard part of our annual inventory cleanup to ensure accurate stock valuation. While the increase in inventory write-off to RM1.8 million may appear significant, it represents approximately 0.3% of our total revenue. This level is consistent with the scale of our business and reflects normal operational adjustments.

Question 8

There is a decrease in the share of profit of the Group from RM20 million to RM15 million in 2024, what caused the significant drop? Any reduction of incentive to the sales personnel that affecting their motivation to generate sales?

Answer

The decrease in the share of profit from RM20 million to RM15 million in 2024, was mainly driven by a decline in overall sales revenue. The commission rate paid to sales personnel/promoters remained unchanged. This commission is awarded based on individual sales performance and is calculated at a fixed percentage of sales revenue generated by the sales personnel.

Question 9

What are the key factors that contributed to the increase in other operating income in Q1'2025, rising from RM4.1 million in Q1'2024 to RM7.4 million?

Answer

The increase in other operating income in Q1'2025 was primarily due to a gain from the disposal of a vacant land parcel located in Johor.

Question 10

The Profit After Tax ("PAT") margin for 2024 was 0.9%, compared to 1.9% in 2023. Is this performance considered normal, and is within the Company's expectations? If not, what is the ideal PAT margin the Company aims to achieve?

Answer

The lower PAT margin in 2024 was primarily impacted by a one-off tax adjustment and the write-off of fixed assets, related to the closure of the Senheng Mobile Stores. Additionally, reduced sales performance contributed to the decline, as it was insufficient to fully absorb the fixed costs incurred from expansion efforts following the Initial Public Offering ("IPO").

This is not the ideal PAT margin the Company is targeting. The Management remains committed to improving profitability through various strategic initiatives, including the Flywheel 1.0 program, with the goal of strengthening PAT margins and enhancing long-term shareholders value.

Question 11

Given the current economic downturn, should the Company consider reintroducing a store concept similar to Home Mart Plus, which was originally launched during the early establishment of Senheng and was designed to serve lower-income customers?

Answer

The Home Mart Plus store previously operated under the "Point Guard" system, offering customers cashback through a low-price, do-it-yourself (DIY) retail model. However, the Company encountered challenges in sourcing suppliers for the system, and after four (4) years of operations, HomePlus store's sales performance did not meet expectations.

As a result, the Management decided to discontinue the “Point Guard” business model and convert the outlets back to the Senheng brand.

This decision proved successful, with sales increasing significantly following the rebranding exercise. The Management believes the improvement was primarily driven by the strong brand trust that Senheng has built with its customers, rather than the business model itself.

In the business-to-consumer (B2C) segment, brand strength and quality customer service remain key drivers of long-term success.

Question 12

There have been rumours claiming that the Company repackages demo units and sells them as new products to customers. Could you please clarify the accuracy of this claim?

Answer

The Company assures shareholders and customers that the Company has never repackaged demo units or sold them as new products. Senheng remains fully committed to ensuring that all products sold are new and genuine. Throughout Senheng’s 36-year history, even during periods of aggressive expansion and intense competition in its early years, the Company has consistently upheld honest and transparent business practices.

Question 13

This is the 1st physical AGM held by the Company. Will the Company consider to hold a hybrid AGM to allowed more shareholders to join the AGM in the future?

Answer

We will take this into consideration for future AGMs. However, the Board and the Management currently prefer to foster direct engagement and face-to-face interaction with shareholders.

SENHENG NEW RETAIL BERHAD

(202101019079)

4th Annual General Meeting

Ballroom III, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana,
47410 Petaling Jaya, Selangor
On 26-June-2025 at 10:00AM

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	169,159,152	99.9113	150,100	0.0887	169,309,252	100.0000
Ordinary Resolution 2	1,039,745,952	99.9843	163,300	0.0157	1,039,909,252	100.0000
Ordinary Resolution 3	1,120,779,152	99.9866	150,100	0.0134	1,120,929,252	100.0000
Ordinary Resolution 4	1,120,779,152	99.9866	150,100	0.0134	1,120,929,252	100.0000
Ordinary Resolution 5	1,120,780,152	99.9867	149,100	0.0133	1,120,929,252	100.0000
Ordinary Resolution 6	1,120,783,152	99.9870	146,100	0.0130	1,120,929,252	100.0000
Ordinary Resolution 7	1,120,771,152	99.9859	158,100	0.0141	1,120,929,252	100.0000
Ordinary Resolution 8	4,942,552	97.4161	131,100	2.5839	5,073,652	100.0000

