

Senheng accelerates digital transformation to drive long-term growth

- *'Flywheel 1.0' strategy drives resilience and future opportunities*
- *1H25 revenue at RM547.4 million amid market normalization; Group positioned for asset replacement cycle*

Kuala Lumpur, Malaysia, 25 August 2025 - Senheng New Retail Berhad (Senheng or the Group; Bloomberg: SENHENG MK; 新兴集团) is accelerating its retail transformation via its digital integration and operational enhancements, building long-term resilience while positioning for the next market uptrend.

Revenue stood at RM270.4 million in 2Q25, reflecting normalization following the exceptional surge in consumer electronics purchases during 2020-2021. For 1H25, the Group delivered RM547.4 million revenue with RM5.9 million net profit, reinforcing its resilience and readiness for the anticipated asset replacement cycle in 2026.

"Our Flywheel 1.0 blueprint accelerates our long-term growth strategy while keeping us agile in today's environment. We are also fully prepared for the anticipated global consumer electronics replacement cycle in late 2025 and 2026 when consumers worldwide will look to upgrade their digital gadgets and home electronics, a trend supported by industry reports.

We are leveraging our 4-million-strong PlusOne loyalty member base to boost awareness of government rebates and expand access to value-added promotions, while also enhancing engagement through AI-driven precision marketing and an optimized store network.

These initiatives are already reshaping the way we connect with customers, and more importantly, they will enable Senheng to capture the next wave of consumer demand, strengthen our leadership position, and deliver sustainable growth well into the future."

Mr Lim Kim Heng ("林金兴")

Chairman and Managing Director, Senheng New Retail Berhad

The Group's digital and omnichannel enhancement initiatives aim to increase market share amid a projected acceleration in consumer demand. This strategy aligns with industry trends, as NielsenIQ (NIQ) GfK's Consumer Tech Industry Trends 2025 report indicated that replacement cycles for key tech and durables products, notably including gaming PCs, laptops, and smartphones, have commenced in global markets. The report forecasts substantial growth for Emerging Asia, including Malaysia, mirroring global consumer patterns.

Central to the Group's growth strategy is the accelerated integration of new technologies, including the development of a centralized data lake to support data-driven decision-making and the impending launch of the New Retail Solution (NRS) 2.0. In line with the Group's 'Flywheel 1.0' strategy, AI initiatives are being implemented to deliver superior customer

experience, precision marketing, and improved operational efficiency, laying the foundation for sustainable, long-term growth.

At the same time, the Group is also focused on the ongoing optimization of its store network, with a focus on enhancing the in-store experience and boosting per-store revenue. The Group continues to adapt to consumer trends, leveraging its proprietary New Retail Model to deliver tailored engagement to its PlusOne loyalty member base. The Group is expanding its sales footprint through new digital channels, including chat commerce and affiliate programs while enhancing its offline retail stores to deliver a unified and elevated omnichannel shopping experience.

This is further supported by initiatives to build stronger connections with audiences on high-traffic social commerce platforms, utilizing influencer collaborations and interactive content to drive brand engagement and attract new customer segments. The Group is also enhancing its customer loyalty with its 'My Rewards, My Choice' program, offering personalized rewards with an enhanced S-Coin redemption policy to drive member acquisition and deepen loyalty.

About Senheng New Retail Berhad

Senheng is Malaysia's leading consumer electrical and electronics retailer. Founded in 1989, the Group has grown its retail network to over 100 physical stores across Peninsular and East Malaysia, and is supported by various online retail platforms. The Group's stores carry renowned consumer E&E brands, featuring a comprehensive range of digital gadgets, audio visuals, home appliances and related products. An early adopter of digitalisation and business transformation, Senheng continues to deliver excellent customer satisfaction via its seamless New Retail Model. The Group has a growing customer base, with over 4 million PlusOne loyalty members to-date.

Issued for and on behalf of SENHENG NEW RETAIL BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd

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