

SENHENG

Senheng New Retail Berhad

202101019079 (1419379-T)

Annual Report 2025

**HAPPINESS, WELLBEING
AND A BETTER QUALITY OF LIVING**

EMPOWERING BETTER LIVING **EVERY DAY**



AT SENHENG, WE BELIEVE THAT TECHNOLOGY IS MORE THAN CONVENIENCE, IT IS A CATALYST FOR BETTER LIVING. FOR OVER THREE DECADES, WE HAVE BEEN AT THE HEART OF MALAYSIAN HOMES, CONTINUOUSLY EVOLVING TO MEET THE CHANGING NEEDS OF OUR CUSTOMERS

Today, we are redefining retail through a seamless integration of digital innovation and physical experiences. From our expanding network of experiential **"Territory Champion"** stores to our growing ecosystem powered by a seamless integration of retail, web, and app, we are creating a smarter, more connected lifestyle for millions.

Guided by our commitment to innovation, customer-centricity, and long-term value creation, we are building a future where every interaction delivers greater convenience, deeper engagement, and meaningful rewards.



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5th Annual General Meeting



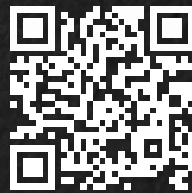
Ballroom III Main Wing,
Tropicana Golf & Country Resort,
Jalan Kelab Tropicana,
47410 Petaling Jaya, Selangor



26 June 2026



10.00 a.m.



The online version of Senheng's
Annual Report 2025 is available on
the Company's website.



S

Grand

SENHENG

SENHENG

Different... Truly Different!
Berbeza... Memang Berbeza!

SENHENG

My Rewards, My Choice
App

SENHENG

Digital

SENHENG

ABOUT US

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WHO WE ARE

ENHANCING EVERYDAY HOME LIVING

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

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



IN THE PRESENT DAY, WE HAVE STRENGTHENED OUR POSITION AS MALAYSIA’S LEADING CONSUMER ELECTRONICS RETAIL BRAND, WITH OVER 100 STORES. WE HAVE ALSO CONSISTENTLY RECEIVED ACCOLADES FOR OUR BRAND BUILDING EXERCISES FROM ORGANISATIONS INCLUDING THE SOBA AWARDS, THE PUTRA BRAND AWARDS, READER’S DIGEST, THE BRANDLAUREATE, THE MALAYSIA RETAIL CHAIN ASSOCIATION AND THE CHINESE CHAMBER OF COMMERCE AND INDUSTRY OF KL & SELANGOR.”



OUR MISSION AND CORE VALUES



Mission

Happiness + Well-Being + A Better Quality of Living

Our Values

We are driven by the desire to create a better quality of living for our customers. Our three core values are:

Quality



- Our products are branded and come from reputable suppliers with a high standard of quality control
- Our customers can access various quality bathroom, bedroom, living room systems, kitchen appliances and electronics in our stores
- We provide professional in-store and after-sales services, and ensure timely shipment of goods from warehouse to stores and to customers
- We are a reliable organisation with over 100 stores established nationwide
- We are fast and efficient in our response to customer needs
- We strive to maintain a superb quality of service

Convenience



- We provide a variety of electronic appliances from home to kitchen, computers to smartphones, as a one-stop consumer electronics center
- We offer a single-point-of-purchase with nationwide services
- We offer our customers flexi-payment options

Peace of Mind



- All Senheng sales personnel undergo continuous stringent training programme to enhance their service professionalism and product knowledge
- We provide various care plans to take care of our customers
- We offer an all-improved in-store look, design, and feel
- We provide a One to One Replacement Programme or warranty extension options for all of our products
- We offer a year extra warranty programme to our customers*

*on selected products, for PlusOne members only



OUR PERFORMANCE IN 2025

Financial Highlights

<p>REVENUE</p> <ul style="list-style-type: none"> ● Physical Stores ● Online Stores ● Others <p>RM 1,148.3 million FY2024: RM1,216.9 million</p>	<p>TOTAL ASSETS</p> <p>RM 847.1 million FY2024: RM855.3 million</p> <hr/> <p>DIVIDEND PAYOUT RATIO</p> <p>30.2% FY2024: 30%</p>
<p>NET PROFIT</p> <p>RM 9.4 million FY2024: RM11.0 million</p>	<p>DIVIDEND PER SHARE</p> <p>0.19 sen FY2024: 0.22 sen</p>

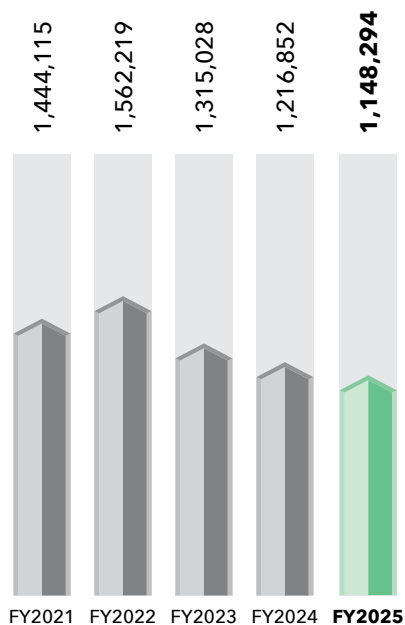
Operational Highlights

<p>TOTAL STORES</p> <p>106 FY2024: 116 stores</p>	<p>NEW/UPGRADED STORES</p> <p>4 FY2024: 9 stores</p>	<p>REVENUE FROM PAID PLUSONE MEMBERS</p> <p>89% FY2024: 90%</p>	<p>PLUSONE MEMBERS (31 DECEMBER 2025)</p> <p>4.08 million FY2024: 4.27 million</p>
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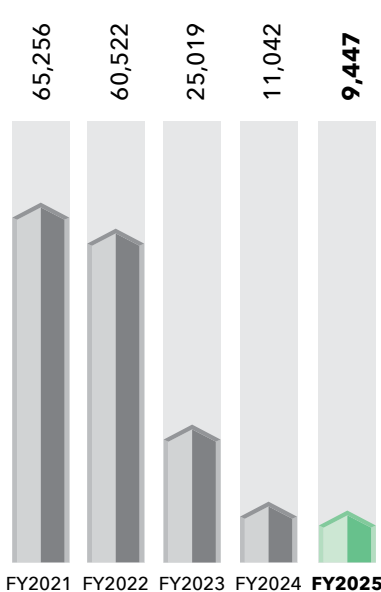
5-YEAR FINANCIAL HIGHLIGHTS

Financial Summary	2021	2022	2023	2024	2025
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER (RM'000)					
Revenue	1,444,115	1,562,219	1,315,028	1,216,852	1,148,294
Gross Profit	303,648	340,794	276,978	256,822	244,387
Earnings before Interest, Tax, Depreciation and Amortisation	127,022	130,962	83,394	70,545	65,436
Profit Before Tax	84,524	85,261	33,641	18,781	13,165
Net Profit Attributable to Shareholders	65,256	60,522	25,019	11,042	9,447
AS AT 31 DECEMBER (RM'000)					
Total Shareholders' Fund	233,664	529,122	543,698	547,090	553,211
Total Assets	702,897	850,440	911,710	855,294	847,102
Total Current Assets	431,770	539,671	517,171	467,405	467,454
Total Liabilities	469,233	321,318	368,012	308,204	293,890
Total Borrowings	56,997	24,000	71,500	54,865	36,400
Cash and Bank Balances	51,742	155,492	87,401	73,772	88,866
Net Gearing Ratio	2.3%	N/A	N/A	N/A	N/A

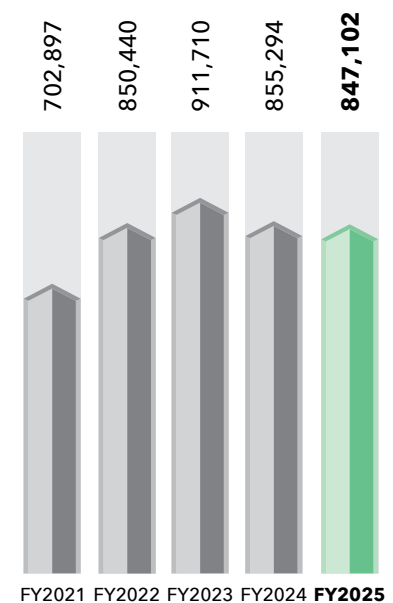
REVENUE (RM' 000)



NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS (RM' 000)



TOTAL ASSETS (RM' 000)



WHAT WE DO

Powering Everyday Living Through Seamless Retail



At SENHENG, we go beyond retail, we deliver a complete lifestyle ecosystem that connects products, services and experiences to enhance everyday living.

As Malaysia’s leading consumer electrical and electronics retailer, we offer a comprehensive range of home appliances, digital gadgets, and smart solutions through an integrated omnichannel platform. Our network of physical stores, online channels and mobile app work seamlessly together to provide customers with convenience, accessibility and personalised experiences.

Delivering Value Across Every Touchpoint

Our business is built on a customer-first philosophy, driven by innovation and data insights. Through our “Territory Champion” stores, we create immersive retail environments where customers can explore, experience and make informed choices.

Complementing this is our digital ecosystem anchored by the S-Coin loyalty platform which extends beyond consumer electronic products to include lifestyle services, rewards and partnerships. With over millions of loyal members, we continuously engage customers through personalised offerings, exclusive benefits and a rewarding loyalty programme.

Building a Smarter, Connected Future

We are continuously evolving to stay ahead of changing consumer needs. By leveraging technology, expanding our product offerings and strengthening our supply chain and logistics capabilities, we aim to deliver greater efficiency and value.

From smart homes to connected lifestyles, SENHENG is committed to be empowering individuals and families with solutions that make life better, easier and meaningful, every day.

OUR PRODUCTS AND SERVICES



Retail of Electrical and Electronic Products



We retail a comprehensive range of consumer electrical and electronic (“E&E”) products, including home appliances, digital gadgets and lifestyle electronics from both international and local brands.

Our offering is supported by a curated product selection, competitive pricing and integrated services such as delivery, installation and after-sales support ensuring a seamless and reliable customer experience across all touchpoints.

Warranty Services



We provide value-added warranty solutions designed to enhance customers’ peace of mind beyond standard manufacturer coverage.

These include extended warranty programmes, protection plans and replacement services, offering customers greater assurance, flexibility and long-term product reliability.



OUR RETAIL PLATFORMS



Physical stores



Our nationwide network of physical stores forms the backbone of our omnichannel model, enabling customers to experience products firsthand before making informed purchasing decisions.

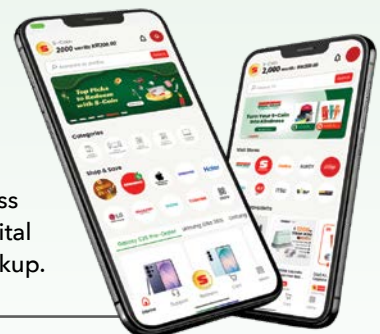
Through our “Senheng”, “Grand Senheng”, “Grand Senheng Elite”, “senQ”, “Grand senQ” and “senQ elite” formats, we deliver enhanced retail environments with wider product offerings, experiential layouts and personalised customer service.

Online Stores



Our online platforms, including our e-commerce website and mobile application, provide customers with convenient access to our products anytime, anywhere.

Integrated with our physical store network, these platforms enable a seamless shopping journey supported by personalised recommendations, digital engagement and flexible fulfilment options such as home delivery or in-store pickup.



KEY MILESTONES

1989

- Senheng® was first established in 1989, from a tiny consumer electronics half shop lot set up with stocks worth less than RM30,000 to the largest electronics chain store today with branches straddling the length and breadth of Malaysia.

Helmed by the Lim brothers, K.H., K.C. and K.Y., Senheng® has gained its reputation and credibility that has made it the number one in the industry through progressive, forward looking, and innovative touches.

1992

- Senheng® receive our first accolade, a Gold Award at the 7th annual Sharp Malaysia Dealers Convention.

1995

- Our turnover exceeds the RM100 million mark.

2001

- Our number of branches exceeds 50.

2003

- senQ is established to focus on the high-end market, while our turnover surpasses the RM200 million mark.

2011

- The Malaysia Retail Chain Association honours our work with the MRCA Excellent Customer Service Award (Gold) and the MRCA Entrepreneur Award
- We receive the Sharp Platinum Award and the Astro Platinum Retailer Award for our consistently high sales in their respective products
- Our number of stores in Malaysia hits 125, while our turnover reaches another peak of RM900 million

2010

- Our work to build a trusted brand is recognised as we are crowned Gold Winner in the Trusted Brand Awards by Reader's Digest.

2009

- Our turnover hits a new record of RM600 million.

2008

- Our number of stores reaches a new height of 100 branches.

2005

- Our turnover jumps to RM300 million.

2012

- We receive the Putra Brand Awards' Putra SME Brand of the Year Award, our first triumph in this prestigious category
- Our number of branches in Malaysia increases to 135, with our turnover officially exceeding the RM1 billion mark

2013

- We win the MCRA Excellent Customer Service Gold Award from the Malaysia Retail Chain Association
- The Malaysian Book of Records crowns us the Largest Electrical Chain Store in Malaysia

2014

- We receive the Outstanding Entrepreneur Award from the Chinese Chamber of Commerce and Industry of KL & Selangor
- Our efforts to build an equitable and enjoyable work environment are recognised with our inclusion in the HR Asia Best Company to Work For in Asia list
- We receive the BrandLaureate award for Best Brand in Retail (Electronic Appliances Category)
- We receive Sin Chew Excellence Awards in the Retail and CSR categories





2017

- Our consistent efforts to build our online sales volumes is recognised with an Outstanding Performer gong in the Lazada Revolutionary Hero Brand Awards
- Grand Senheng, our own electronics megastore, is officially established
- In the Retail Asia-Pacific Top 500 Awards 2017, we are named to the Top 10 Retailers list
- In the Malaysia Franchise Awards 2017, we win in the Best Franchise CSR and Best Franchisee categories
- We win the 2017 Brand Award - Silver Award in the Home Furnishing Products and Stores category

2016

- Huawei names us as a Modern Trade Best Partner, in recognition of our successful partnership

2015

- The Putra Brand Awards honours our innovative efforts in expanding the Senheng® brand with the Most Enterprising Brand Of The Year award
- We are named to the Retail Asia-Pacific Top 500 list by Euromonitor, a widely respected market research firm, our first of three consecutive annual listings
- The Malaysia Franchise Awards names us as the Franchise Employer of the Year

2018

- We receive eight awards in the prestigious The Star Outstanding Business Awards (SOBA)
- Microsoft names us as one of the winners of their Consumer Best Online Transformation awards, a recognition of our work to drive internal digital transformation to meet modern consumer needs
- The Malaysia Retail Chain Association declares that we are the brand with the largest distribution of electronics in Malaysia
- Our sales reach a new high of RM1.26 billion, with single store sales estimated at RM940,000 per month, a nearly four-fold increase from our worst sales performance of RM250,000 in 2001

(2023-Present)

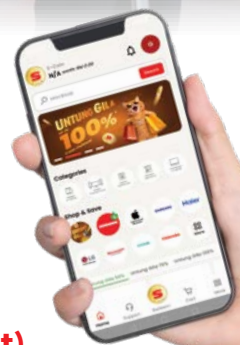
- Today, Senheng is redefining the retail experience. In 2023, we launched our 'Online First' initiative to uplift our customer journey.

2020

- Senheng win 8 awards in The Star Outstanding Business Awards (SOBA), and are crowned as the Malaysia Business of the Year

2019

- Winning at The Star Outstanding Business Awards (SOBA) 2020



OUR AWARD MILESTONES

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

2016

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

2017

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

2018

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



2019

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

2020

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

2022

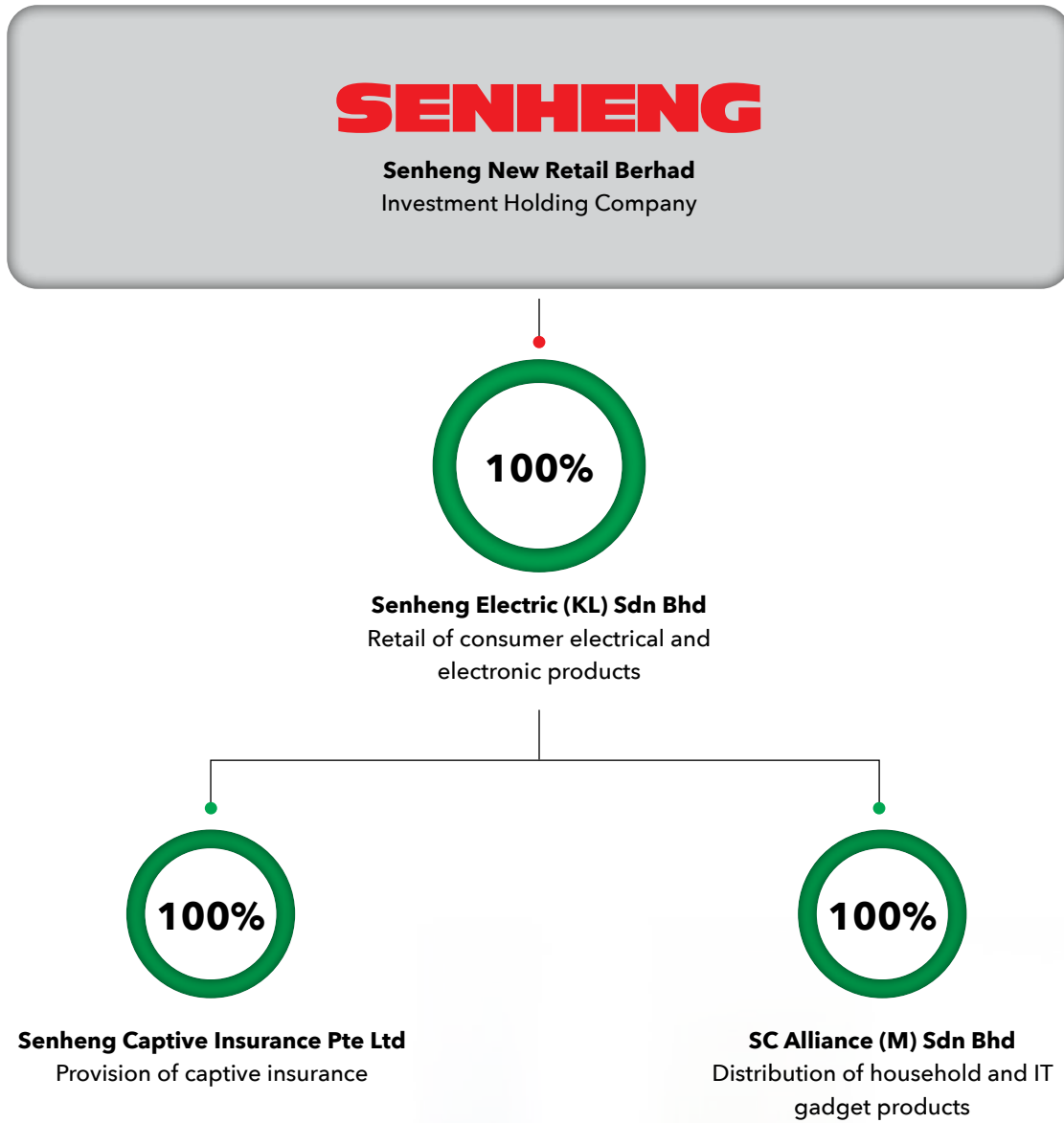
- **CXP Best Customer Experience Awards**

2021

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



GROUP CORPORATE STRUCTURE



Note:
The Group Corporate Structure excludes dormant company.

CORPORATE INFORMATION

Boards of Directors

DATO' YEOW WAH CHIN

D.S.T.M. and D.I.M.P

Independent Non-Executive
Chairman

MR. LIM KIM HENG

Managing Director

MR. LIM KIM CHIENG

Non-Independent Non-
Executive Director

MR. LIM KIM YEW

Non-Independent Non-
Executive Director

MR. OH KENG LENG

Independent Non-Executive
Director

MS. HO KIM POI

Independent Non-Executive
Director

MS. LAM SWEE KIM

Independent Non-Executive
Director

AUDIT AND RISK MANAGEMENT COMMITTEE

MS. HO KIM POI

Chairperson

MR. OH KENG LENG

Member

MS. LAM SWEE KIM

Member

REMUNERATION COMMITTEE

MR. OH KENG LENG

Chairman

MS. HO KIM POI

Member

MS. LAM SWEE KIM

Member

NOMINATION COMMITTEE

MS. HO KIM POI

Chairperson

MS. LAM SWEE KIM

Member

MR. OH KENG LENG

Member

COMPANY SECRETARIES

MS. TEO SOON MEI

(MAICSA 7018590)
(SSM PC No. 201908000235)

MS. LIM JIA HUEY

(MAICSA 7073258)
(SSM PC No. 201908000929)

REGISTERED OFFICE

No. D-09-02, Level 9
EXSIM Tower Millerz Square @
Old Klang Road,
Megan Legasi No. 357,
Jalan Kelang Lama
58000 Kuala Lumpur
Tel. No. : +603 7971 8080
Fax No. : +603 7972 8585
Email : info@amerits.com.my

HEAD/MANAGEMENT OFFICE

No. 44B, Jalan Pandan 3/2
Pandan Jaya, 55100 Kuala Lumpur
Tel. No. : +6011 3600 4040
Email : ir@senheng.com.my
Website : www.senheng.com.my

AUDITORS & REPORTING ACCOUNTANTS

BDO PLT
201906000013
(LLP0018825-LCA) & AF 0206
Level 8, BDO @ Menara Centara
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel. No. : +603 2616 2888
Fax No. : +603 2616 3190

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi 59200 Kuala
Lumpur
Tel. No. : +603 2783 9299
Email : is.enquiry@vistra.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : SENHENG
Stock Code : 5305
Shariah-compliant



LEADERSHIP AND PEOPLE

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BOARD COMPOSITION

DESIGNATIONS

Total



Board of Directors

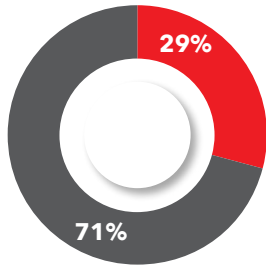
1 Independent Non-Executive Chairman

1 Managing Director

2 Non-Independent Non-Executive Director

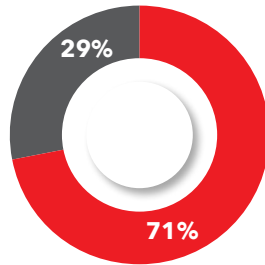
3 Independent Non-Executive Director

AGE



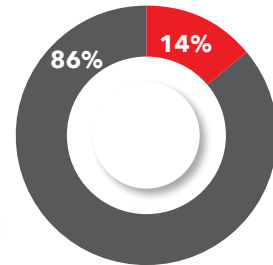
- 51-60
- 61-70

GENDER



- Male
- Female

TENURE



- Less than 3 years
- More than 3 years

BOARD OF DIRECTORS' PROFILE



DATO' YEOW WAH CHIN
D.S.T.M. and D.I.M.P

Independent Non-Executive Chairman



Date of Appointment: 14 June 2021

Membership of Board Committees

- Nil

Directorship of Other Listed Issuers / Public Companies

- NWE Resources Group Berhad

No. of Board Meeting Attended for FY2025

100%
9/9

RELEVANT WORKING EXPERIENCE AND QUALIFICATION(S)

On 1 March 2026, Dato' Yeow Wah Chin ("**Dato' Yeow**") was appointed as the Chairman of the Board and be re-designated as Independent Non-Executive Chairman of the Company.

He holds a Bachelor of Economics (Honours) from Universiti Kebangsaan Malaysia in 1984 and a Bachelor of Laws (Honours) from Aberystwyth University, United Kingdom in 1991. He obtained his Certificate in Legal Practice in 1992 and was called to the Malaysian Bar as an Advocate and Solicitor in 1993. He is also a member of the Institute of Corporate Directors Malaysia ("**ICDM**").

Dato' Yeow began his professional career with Malayan Banking Berhad ("**Maybank**") in 1984, where he served as a Trainee Officer, and later rejoining Maybank in 1991 as Legal Counsel. In 1993, he transitioned into legal practice and later co-founded the legal firm, Messrs Yeow & Salleh, where he currently serves as Managing Partner, specialising in banking and commercial law.

Over the years, he has served in various advisory and leadership roles including as Legal Advisor to the Yeow See Association in Melaka, a member of the Bar Council Malaysia's Advocates and Solicitors Disciplinary Committee, Conveyancing Practice Committee, and the Society of Interpreters of the Deaf in Selangor and Wilayah Persekutuan.

Dato' Yeow has been an active member of the Lions Club of Kuala Lumpur Central since 1994. In 2011, he founded the Lions Education Foundation to support students in need of financial assistance for tertiary education. He currently sits as the Board Chairman of the Foundation, as well as several other organisations, including a board member of Institut Integriti Malaysia and Universiti Kebangsaan Malaysia.

Any Family Relationship with Any Director and/or Major Shareholder of the Company

- Nil

Any Conflict of Interest or Potential Conflict of Interest, including Interest in any competing business with the Company and/or its Subsidiaries

- Nil

List of Convictions for Offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the Financial Year (Other than traffic offences, if any)

- Nil



LIM KIM HENG

Managing Director



M

65

Date of Appointment: 21 May 2021

Membership of Board Committees

- Nil

Directorship of Other Listed Issuers / Public Companies

- Nil

No. of Board Meeting Attended for FY2025

100%
9/9

RELEVANT WORKING EXPERIENCE AND QUALIFICATION(S)

Mr. Lim Kim Heng ("**Mr. KH Lim**" or "**Managing Director**") was appointed as the Managing Director of the Company and be re-designated as Non-Independent Executive Chairman and Managing Director, effective from 1 August 2025. Previously, he served as the Non-Independent Executive Chairman of the Company, bringing with him over four decades of experience in Malaysia's retail industry.

On 1 March 2026, he relinquished his position as Non-Independent Executive Chairman and was re-designated as Managing Director of the Company. Since his appointment to the Board in 2021, he has played a key leadership role in defining the Group's strategic direction, business model, and long-term planning initiatives.

He began his career in 1981 as a sales representative at Campbell Electronics Sdn Bhd after completing his pre-university education at Tunku Abdul Rahman College in 1980. He advanced quickly through various operational roles and joined Senhong Sales and Services Sdn Bhd in 1986 as Head of Operations. In 1989, together with his brothers, namely Mr. Lim Kim Chieng ("**Mr. KC Lim**") and Mr. Lim Kim Yew ("**Mr. KY Lim**"), he co-founded Senheng Electric, laying the foundation for what would become Malaysia's largest consumer electrical and electronics chain retailer. The business was later transferred to Senheng Electric (KL) Sdn Bhd ("**Senheng KL**") in 1994.

Under the Mr. KH Lim's visionary leadership, Senheng has grown from a single retail outlet to a nationwide network of over 100 physical stores, supported by a workforce of approximately 1,742 employees. He has been instrumental in driving several key initiatives,

including the introduction of the chain store concept, fixed price policy, the PlusOne loyalty programme, digital transformation efforts, and the Group's seamless retail model. His leadership has also been recognised through the numerous awards received by our Group and him personally.

Presently, he serves as Non-Executive Director of Genesis Resources Limited, a public company limited by shares, whose shares are publicly listed on Australian Securities Exchange (ASX: GES) since his appointment to the Board on 31 May 2016. He also holds multiple directorships within the Senheng Group of Companies and several private companies. He holds a direct shareholding in SQ Digital Sdn Bhd, a substantial shareholder of the Company.

Any Family Relationship with Any Director and/or Major Shareholder of the Company

- Lim Kim Heng, Lim Kim Chieng and Lim Kim Yew are siblings. They are the Directors and substantial shareholders of the Company.

Any Conflict of Interest or Potential Conflict of Interest, including Interest in any competing business with the Company and/or its Subsidiaries

- Nil

List of Convictions for Offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the Financial Year (Other than traffic offences, if any)

- Nil

BOARD OF DIRECTORS' PROFILE



LIM KIM CHIENG

Non-Independent Non-Executive Director



Date of Appointment: 21 May 2021

Membership of Board Committees

- Nil

Directorship of Other Listed Issuers / Public Companies

- Nil

No. of Board Meeting Attended for FY2025

100%
9/9

RELEVANT WORKING EXPERIENCE AND QUALIFICATION(S)

Mr. Lim Kim Chieng ("Mr. KC Lim") was re-designated as Non-Independent Non-Executive Director with effect from 1 August 2025, following his retirement as the President/Non-Independent Executive Director of the Company.

Previously in his role as President, he is responsible for overseeing the sales, operations, and marketing functions of the Group. He plays a key role in identifying business opportunities and sales trends, contributing significantly to the Group's strategic direction and growth. He is instrumental in the development and implementation of operational policies and strategies, including the rollout of a centralised logistics model, which has enhanced the efficiency of our supply chain. He also works closely with the Managing Director to lead the Group's digital transformation initiatives, including the implementation of the electronic document management system, business-to-business portal, warehouse management system, and mobile application, all of which have streamlined operations and strengthened digital integration across the Group.

He began his career in 1980 as a sales representative in a stationery shop in Kuala Lumpur. In 1983, he became self-employed, undertaking small-scale renovation works for offices, shop lots, and residential properties. In 1989, he co-founded Senheng Electric together with Mr. KH Lim and Mr. KY Lim (The business was subsequently

transferred to Senheng KL in 1994). He initially contributed part-time by delivering goods to customers before joining the company full-time in 1990 as Sales Manager, where he managed the sales and operations of all physical retail outlets.

He also holds directorships in various companies within the Senheng Group and other private companies. Additionally, he holds a direct shareholding in SQ Digital Sdn Bhd, a substantial shareholder of the Company.

Any Family Relationship with Any Director and/or Major Shareholder of the Company

- Lim Kim Heng, Lim Kim Chieng and Lim Kim Yew are siblings. They are the Directors and substantial shareholders of the Company.

Any Conflict of Interest or Potential Conflict of Interest, including Interest in any competing business with the Company and/or its Subsidiaries

- Nil

List of Convictions for Offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the Financial Year (Other than traffic offences, if any)

- Nil



LIM KIM YEW

Non-Independent Non-Executive Director



M

64

Date of Appointment: 21 May 2021

Membership of Board Committees

- Nil

Directorship of Other Listed Issuers / Public Companies

- Nil

No. of Board Meeting Attended for FY2025

78%
7/9

RELEVANT WORKING EXPERIENCE AND QUALIFICATION(S)

Mr. Lim Kim Yew ("**Mr. KY Lim**") is a member of the ICDM since August 2021.

Throughout the years, Mr. KY Lim has played a pivotal role in the Group's growth and development. He was instrumental in formulating and executing outlet expansion plans, including the identification and evaluation of suitable new store locations. He also contributed significantly to the implementation of the Enterprise Resource Planning ("**ERP**") system, and the establishment of franchise and incentive programmes for store managers, which have helped strengthen the Group's operational effectiveness and staff engagement. Although Mr. KY Lim stepped back from day-to-day operations in 2017, he continues to provide strategic guidance and advisory support to the Management in his capacity as a Board member, drawing on his deep understanding of the business and retail industry.

Mr. KY Lim completed his secondary education at SMK Sultan Sulaiman Shah, Selangor in 1980. He started his career in 1981 as an Assistant Interior Designer at Interior Graphic (Malaysia) Sdn Bhd, contributing to interior design projects for offices and residential units. He later joined Planscape (M) Sdn Bhd as an Interior Designer, focusing on open-space office design. He was promoted to Manager, overseeing daily operations of the company in 1986.

Mr. KY Lim co-founded Senheng Electric as a partnership business with Mr. KH Lim and Mr. KC Lim in 1989. Initially involved on a part-time basis—handling goods delivery and bill collections. He then joined the company full-time in 1992 as Administration Manager, taking charge of human resources, administrative matters, billing, and collections.

Mr. KY Lim sat on the boards within the Senheng Group of Companies and in several private companies. He holds a direct shareholding in SQ Digital Sdn Bhd, a substantial shareholder of the Company.

Any Family Relationship with Any Director and/or Major Shareholder of the Company

- Lim Kim Heng, Lim Kim Chieng and Lim Kim Yew are siblings. They are the Directors and substantial shareholders of the Company

Any Conflict of Interest or Potential Conflict of Interest, including Interest in any competing business with the Company and/or its Subsidiaries

- Nil

List of Convictions for Offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the Financial Year (Other than traffic offences, if any)

- Nil

BOARD OF DIRECTORS' PROFILE



OH KENG LENG

Independent Non-Executive Director



Date of Appointment: 14 June 2021

Membership of Board Committees

- Chairman of Remuneration Committee
- Member of Audit and Risk Management Committee
- Member of Nomination Committee
(Appointed as member on 1 March 2026)

Directorship of Other Listed Issuers / Public Companies

- Nil

No. of Board Meeting Attended for FY2025

100%
9/9

RELEVANT WORKING EXPERIENCE AND QUALIFICATION(S)

Mr. Oh Keng Leng ("**Mr. Oh**") holds a Bachelor of Commerce degree from the University of Melbourne, Australia, which he obtained in 1992. He is a member of the Malaysian Institute of Accountants ("**MIA**") and Certified Practising Accountant ("**CPA**") Australia since 1995, and a member of the ICDM since August 2021.

Mr. Oh began his career in 1992 as an Audit Associate with Arthur Andersen & Co. He later joined the Group in 1995 as Finance Manager, where he was responsible for the Group's financial and management accounting functions. During his tenure, he played an instrumental role in the formulation and implementation of key initiatives such as the Group's fixed price policy, customer loyalty programme, and franchising scheme.

Upon leaving the Group in 2005, Mr. Oh joined Borneo Technical Co (M) Sdn Bhd as Finance Controller in early 2006. In this capacity, he oversaw various functions including finance, accounts, banking, administration, human resources, and information technology. He was subsequently promoted to Finance and Operation Director in 2010, where his portfolio expanded to include warehouse and logistics operations.

In 2015, Mr. Oh joined Yokohama Distribution Services Sdn Bhd as Finance and Operation Director. He was responsible for the finance, accounts, and administration departments, and played a key role in the establishment of branch offices and a distribution centre to support the company's operational expansion.

Any Family Relationship with Any Director and/or Major Shareholder of the Company

- Nil

Any Conflict of Interest or Potential Conflict of Interest, including Interest in any competing business with the Company and/or its Subsidiaries

- Nil

List of Convictions for Offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the Financial Year (Other than traffic offences, if any)

- Nil



HO KIM POI

Independent Non-Executive Director



F

63

Date of Appointment: 14 June 2021

Membership of Board Committees

- Chairperson of Audit and Risk Management Committee
- Chairperson of Nomination Committee
(Appointed as Chairperson on 1 March 2026)
- Member of Remuneration Committee
(Appointed on 1 October 2025)

Directorship of Other Listed Issuers / Public Companies

- Amway (Malaysia) Holdings Berhad

No. of Board Meeting Attended for FY2025

100%
9/9

RELEVANT WORKING EXPERIENCE AND QUALIFICATION(S)

Ms. Ho Kim Poi ("**Ms. Ho**") holds a Bachelor of Science from the University of Adelaide, Australia in 1987 and a Master of Business Administration from the University of Lincoln, United Kingdom in 2001. Ms. Ho is a member of the MIA since 1990 and CPA Australia since 1991. She has also been a member of ICDM since August 2021.

Ms. Ho began her career in 1987 as a Tax Assistant at KPMG Malaysia and was promoted to Senior Tax Consultant the following year. In 1990, she joined the OYL Industries Berhad group of companies ("**OYL Group**") as Finance and Human Resources Manager, overseeing finance, human resources, and business development functions in OYL Group.

She later assumed the role of Finance and Human Resources Director at Astra Pharmaceutical Sdn Bhd in 1993. Following the global merger of Astra AB and the Zeneca Group in 2000, she was re-designated as the Finance and Human Resources Director of AstraZeneca Sdn Bhd. In 2001, she was promoted to Regional Chief Financial Officer for Southeast Asia, India, and South Africa, where she led strategic financial initiatives and played a key role in the establishment of shared service centres across the region.

In 2012, Ms. Ho joined Amway Malaysia Sdn Bhd as Regional Chief Financial Officer and Strategic Planning Director for the Southeast Asia & Australia New Zealand region. Concurrently, she served as Chief Financial Officer of Amway (Malaysia) Holdings Berhad. In 2018, she was promoted to Regional Chief Financial Officer for Asia Pacific region, including Japan and South Korea markets. She left Amway (Malaysia) Holdings Berhad in 2019 and has not undertaken any executive employment since. She was previously a member of the Board and Audit Committee of Mah Sing Group Berhad commencing from 28 March 2019 and left on 30 June 2025.

Any Family Relationship with Any Director and/or Major Shareholder of the Company

- Nil

Any Conflict of Interest or Potential Conflict of Interest, including Interest in any competing business with the Company and/or its Subsidiaries

- Nil

List of Convictions for Offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the Financial Year (Other than traffic offences, if any)

- Nil

BOARD OF DIRECTORS' PROFILE



LAM SWEE KIM

Independent Non-Executive Director



F

51

Date of Appointment: 1 October 2025

Board Committee:

- Member of Audit and Risk Management Committee
(Appointed on 1 October 2025)
- Member of Nomination Committee
(Appointed on 1 October 2025)
- Member of Remuneration Committee
(Appointed on 1 March 2026)

Directorship of Other Listed Issuers / Public Companies

- Nil

No. of Board Meeting Attended for FY2025

100%
2/2

RELEVANT WORKING EXPERIENCE AND QUALIFICATION(S)

Ms. Lam Swee Kim ("**Ms. Lam**") holds a Bachelor of Law degree from the University of London, Post Graduate Diploma in Asia Pacific Regional Business from Byrne University and International Diploma in Management from University of Cambridge. She is also an Asean Senior Management Development Programme Alumni of the Harvard Business School. She has been a member of ICDM since February 2026.

Ms. Lam began her career in 1999 with EMI (M) Sdn Bhd as a Business Development Manager managing artistes and international exploitation. From music, she went on to join the pioneer team who started 8TV, the number 1 Chinese TV station in Malaysia and subsequently managed 8TV as General Manager. She has led the team as Group General Manager of Media Prima Berhad which oversees the Group digital initiatives from all the television and radio networks newspapers, and the nation's number 1 video portal, Tonton. Over the years, she held various C-suite positions in media conglomerates and digital businesses, including at Guoline eMarketing Sdn Bhd, part of Hong Leong Group, where she managed user experience, branding, content, and business development.

During her tenure as Chief Marketing Officer at Star Media Group, Ms. Lam served as a council member of the Communications & Multimedia Content Forum of Malaysia from 2017 to 2021. She specialised in product innovation and led the digital advertising team.

She has also been actively involved as a speaker and panellist at various local and international forums such as the MSC Malaysia Creative Industry Dialogue Q3, The Himalayan Times Perspectives Brand Summit in Nepal, the MIPTV Conference in Cannes, and Broadcast Asia in Singapore, where she presented on topics related to branding, business growth in broadcasting, distributing entertainment content and production. She was also part of the judging panel for Asia Television Awards for 11 years, between 2009 to 2019.

Any Family Relationship with Any Director and/or Major Shareholder of the Company

- Nil

Any Conflict of Interest or Potential Conflict of Interest, including Interest in any competing business with the Company and/or its Subsidiaries

- Nil

List of Convictions for Offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the Financial Year (Other than traffic offences, if any)

- Nil

KEY SENIOR MANAGEMENT'S PROFILE



KIEW KOR SHIN

Chief Financial Officer



Academic/Professional Qualification(s):

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

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

Furthermore, she assumed oversight of the Human Resources and Administration functions since 1 August 2025. In this expanded capacity, she provides strategic leadership in human capital management and administrative governance to enhance organisational alignment and operational effectiveness across the Group. Her responsibilities now encompass financial planning and reporting, corporate compliance, administration and human resources.



PHANG WENG NAM

Chief Commercial Officer



Academic/Professional Qualification(s):

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

Mr. Phang Weng Nam ("**Mr. Phang**") was appointed as Senior Vice President of Digital Commerce and Supply Chain on 1 September 2020 and was redesignated as Chief Commercial Officer on 1 August 2025. Mr. Phang has more than 20 years of experience in supply chain management, digital commerce, and operations. He provides strategic leadership and oversight of the Group's overall operations and commercial direction including driving the growth of our Group's online business and implementing supply chain strategies to enhance operational efficiency. Additionally, he also spearheading the Group's marketing and communications functions, with a focus on driving sustainable growth, strengthening brand equity, and enhancing overall organisational performance.

With a proven track record in streamlining supply chain processes, leveraging digital innovations, and enhancing business agility, Mr. Phang plays a key role in strengthening the Group's competitive edge. His leadership ensures a robust and adaptive supply chain that supports the Group's long-term growth and digital transformation initiatives. Effective 1 August 2025, he assumed expanded responsibilities, overseeing Brand Marketing, Creative Production and the Customer Experience Centre operations.

KEY SENIOR MANAGEMENT’S PROFILE



HO WENG HUNG

Chief Operating Officer



Academic/Professional Qualification(s):

- Bachelor of Mass Communication, Universiti Putra Malaysia

Mr. Ho Weng Hung (“**Mr. Ho**”) was appointed as Vice President of Retail Operations, Support & Management on 1 September 2020 and subsequently promoted to Senior Vice President of Retail Operation, Support & Management on 1 January 2025. He was then redesignated as Chief Operating Officer on 1 August 2025. Mr. Ho has more than 20 years of experience in sales, inventory management and retail operations. He oversees the outlets located in the central region, Sabah, and Sarawak, and executes policies and procedures for retail, logistic and service operations at all outlets and distribution centres nationwide. In addition, he leads the franchise division, driving initiatives to expand and strengthen the Group’s franchise operations.



TENG KEAN KHENG

Chief Operating Officer



Academic/Professional Qualification(s):

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

Mr. Teng Kean Kheng (“**Mr. Teng**”) was appointed as Vice President of Retail Operations and New Retail Management on 2 January 2025 and redesignated as Chief Operating Officer on 1 August 2025. Mr. Teng has over 20 years of experience in sales, inventory management, and retail operations, playing a key role in optimising retail performance across the Group. He oversees outlets in the southern, northern, and east coast regions of Peninsular Malaysia, driving strategies to achieve sales targets and enhance operational efficiency.

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



LIM YAU YOUNG

Corporate Strategy Officer

37

M



Academic/Professional Qualification(s):

- Bachelor of International Business, Macquarie University
- Master of Business in Marketing, University of Technology Sydney
- Competing on Analytics & Big Data Programme, Harvard Business School
- Chief Strategy Officer Programme, National University of Singapore
- Senior Management Programme, Judge Business School, University of Cambridge

Mr. Lim Yau Young ("**Mr. Lim YY**") was appointed as Corporate Strategy Officer effective 1 August 2025. He has over 14 years of leadership experience encompassing marketing, merchandising, customer loyalty, big data, training and development, recruitment, developing loyalty and reward platforms, app transformation and customer engagement across multiple industries.

Mr. Lim is responsible for oversight, execution, and contributing towards the organisation's long term strategic initiatives. This role involves identifying growth opportunities, assessing market trends, and aligning business activities with the Company's vision and goals by collaborating closely with senior leadership to formulate corporate strategies, drive cross-functional projects and ensure strategic coherence across all divisions.

Notes:-

1. None of the key senior management hold any directorship in other public companies and listed issuers in Malaysia.
2. Mr. Lim YY is the son of Mr. KH Lim and nephew of Mr. KC Lim and Mr. KY Lim, the Managing Director and Non-Independent Non-Executive Directors, respectively. Saved for Mr. Lim YY as disclosed, none of the key senior management have any family relationship with any director and/or major shareholder of the Company.
3. None of the key senior management have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
4. None of the key senior management have been convicted for offences (other than traffic offences) within the past 5 years.
5. None of the key senior management have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



32%

78%

54%

89%

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The cover features a dark, textured background. On the left, a hand is shown pointing towards a series of vertical bars and a line graph. The bars are in shades of blue and red, and the line graph is white. The title 'PERFORMANCE REVIEW' is prominently displayed in the center-right. The word 'PERFORMANCE' is in a large, bold, green font, and 'REVIEW' is in a smaller, bold, red font. Below the title, the table of contents is listed in white text.

PERFORMANCE REVIEW

32	Chairman's Statement
36	Management Discussion and Analysis
42	Sustainability Statement

CHAIRMAN’S STATEMENT



Dear valued shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements for Senheng New Retail Berhad (“Senheng” or “the Group”) for the financial year ended 31 December 2025 (“FYE 2025”).”

DATO’ YEOW WAH CHIN
D.S.T.M. and D.I.M.P
Independent Non-Executive Chairman

Against a backdrop of macroeconomic headwinds, which we anticipated, FYE 2025 became the year we decisively accelerated our transformation. The retail landscape continued to be shaped by evolving consumer behaviours, presenting both challenges and opportunities. For Senheng, this environment was a catalyst for strategic execution. FYE 2025 was a pivotal year where we demonstrated not only resilience but a renewed commitment to proactively redefine future-ready retail. Our new mission, **“Happiness, Well-Being, and a Better Quality of Living,”** remains as our guiding principle, inspiring us to innovate and enhance the value we deliver to our customers, partners, and shareholders. This statement will elaborate on our performance and the strategic evolution that defined our year.



Revenue
RM1,148.3 million



Gross Profit
RM244.4 million



Profit Before Tax
RM13.2 million

Financial Performance: Building Momentum Through Strategic Execution

In a year of transition, our primary objective was to strike a prudent balance between navigating short-term market pressures and making strategic, long-term investments in our business. This approach is fundamental to building a resilient enterprise capable of generating sustainable value through economic cycles.

The Group’s financial performance in FYE 2025 reflects this balanced strategy. Our results can be viewed as a tale of two halves. The first half of the year was marked by moderated consumer sentiment, which impacted discretionary spending on larger-ticket items, resulting in a revenue of RM547.4 million and a profit before tax of RM7.1 million. However, we began to see a positive shift in momentum in the second half of the year as strategic initiatives, such as the rollout of our Untung Gila Campaign, **“My Rewards, My Choice”** programme and the strengthening of the S-Coin ecosystem began to gain traction with customers. This was reflected in the stronger fourth-quarter performance, supported by improved consumer sentiment, festive season demand and encouraging early response to the Group’s Point-Based Economy (**“PBE”**) Business Model. These developments underscore the disciplined execution of our strategic priorities and reinforce our confidence in the Group’s evolving **“Flywheel”** framework as the foundation for the next phase of growth.

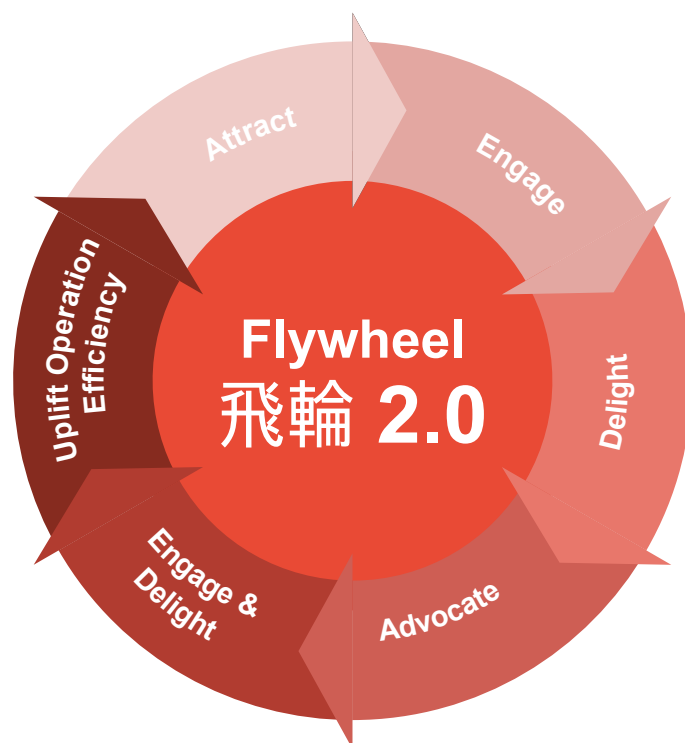
Strategic Evolution: From Flywheel 1.0 to Flywheel 2.0

In today’s fast-paced retail environment, strategic frameworks must be living blueprints, continuously refined by real-world data and insights. FYE 2025 was dedicated to the rigorous operationalisation of our **“Flywheel 1.0”** strategy, which provided a comprehensive framework across six core dimensions of our business.

The successful implementation of this framework provided invaluable learnings and illuminated new opportunities for acceleration. This has led to the strategic evolution into **“Flywheel 2.0”**. Flywheel 2.0 is our Group-wide execution framework for the next phase of growth. Importantly, it is anchored by our 9th Transformation, the PBE Business Model, which elevates S-Coin from a traditional rewards mechanic into a core value currency within

our ecosystem. This strengthens the earn-redeem-re-engage loop, supporting demand rebuilding, more efficient conversion and improved margin quality over time.

This enhanced framework is not a departure from our core principles but a significant acceleration. Flywheel 2.0 is designed as a six-dimension execution framework to deepen our competitive advantages, elevate customer experience, drive revenue growth, improve profitability, enhance customer loyalty and uplift operational efficiency. At the core of this framework is our PBE Business Model. It represents a shift from building a foundation to leveraging that foundation for more scalable and sustainable growth, ensuring Senheng is not just a participant but a leader in the future of retail. This enhanced strategic framework guided our key achievements throughout the year.



CHAIRMAN'S STATEMENT

Key Achievements in FYE 2025

Our progress in FYE 2025 was marked by significant achievements across key strategic pillars, each aligned with the accelerated ambitions of our Flywheel 2.0 framework.



Deepening Customer Loyalty and Engagement

A cornerstone of our success has always been our powerful PlusOne loyalty ecosystem. In FYE 2025, we successfully rolled out our new brand positioning, encapsulated by the tagline "My Rewards, My Choice". This initiative, coupled with an enhanced S-Coin redemption policy, has provided our members with greater flexibility and personalised value. By putting the power of choice directly into our customers' hands, we have strengthened engagement and reinforced the value of the PlusOne membership. This customer-centric focus is a core tenet of Flywheel 2.0, which aims to build unbreakable loyalty through superior value and personalisation.

Under Flywheel 2.0, the PBE Business Model strengthens how we acquire, retain and grow customers. By deepening the role of S-Coin in the customer journey, we aim to drive higher repeat frequency and lifetime value, reduce reliance on broad-based discounting, and improve conversion efficiency across channels. This is central to strengthening margin quality and building a more resilient earnings profile.



Fortifying Omnichannel Leadership

We continued to solidify our position as Malaysia's leading omnichannel retailer by seamlessly integrating our digital and physical channels. Our online sales channels demonstrated sustained growth, driven by targeted digital marketing and an improved user experience on our e-commerce platforms. Concurrently, we undertook a strategic optimisation of our physical store network, which included upgrading more outlets to our immersive Grand Senheng, Grand Senheng Elite and Grand senQ formats. This dual focus ensures that our customers enjoy a consistent, high-quality experience whether they shop online, on our app, or in-store, thereby reinforcing our omnichannel leadership.

This positions Senheng not merely as a retailer, but as an integrated commerce ecosystem capable of competing effectively across both physical and digital retail environments.



Expanding Our Market Reach and Product Portfolio

Diversification remains a key pillar of our resilience strategy and a deliberate lever for long-term growth. Building on the introduction of new categories in FYE 2024, we continued in FYE 2025 to sharpen our focus on higher-value growth areas such as solar solutions, water systems and smart locks. By expanding into these adjacent lifestyle and home-focused categories, we strengthened our value proposition, improved margin potential and broadened our relevance to customers beyond traditional electrical and electronics purchases. These initiatives directly support Flywheel 2.0's objective of diversifying revenue streams, enhancing earnings quality and reinforcing our competitive advantage.

These achievements are not isolated successes but interconnected components of our strategic blueprint, working in concert to create sustainable, long-term shareholder value.



Financial Stewardship and Shareholder Value

The Group remains steadfast in its commitment to prudent financial management and delivering tangible returns to our shareholders. Our approach prioritises reinvestment for sustainable growth while ensuring our shareholders are rewarded for their continued confidence in Senheng.

Our commitment to shareholder returns was demonstrated by the payment of a single tier interim dividend of 0.22 sen per share for the financial year ended 2024, which was disbursed on 15 May 2025. Looking ahead, the Board has declared a single tier interim dividend of 0.19 sen per share for the financial year ended 31 December 2025. The Group remains committed to its dividend policy of distributing at least 30% of net profit, balancing shareholder returns with financial flexibility to support future growth.

Acknowledgements and Looking Ahead

Our achievements this year would not have been possible without the unwavering dedication of our Board of Directors, the strategic leadership of our management team, and the tireless efforts of our employees. Your commitment is the engine that drives our success.

I also extend our deepest gratitude to our business partners, brand principals, suppliers, and most importantly, our loyal PlusOne members and valued customers. Your trust and support are the bedrock of our business. To our shareholders, thank you for your continued belief in our vision.

As we look to the future, we are confident that the strategic groundwork laid with Flywheel 2.0 has positioned Senheng to not only navigate uncertainties but to thrive. We are no longer just participating in the retail sector; with the intelligence engine of Flywheel 2.0, we are actively shaping its future, creating a more personalised, efficient, and rewarding experience for our customers and delivering sustainable, superior returns for our shareholders.

DATO' YEOW WAH CHIN

Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS



Dear valued shareholders,

The financial year 2025 was characterised by persistent macroeconomic headwinds and a competitive retail landscape, which we anticipated and used as a catalyst to accelerate our strategic initiatives. Despite these challenges, Senheng New Retail Berhad and its subsidiaries (“Senheng” or “the Group”) leveraged its established market leadership and strategic agility to navigate the environment effectively.

LIM KIM HENG
Managing Director



As Malaysia’s leading omnichannel retailer of electrical and electronics (E&E) products, Senheng is supported by an extensive network of over 100 physical stores across Peninsular and East Malaysia, alongside dynamic digital platforms including our e-commerce website and the Senheng App. Our business is structured across two core business segments:



Consumer E&E Product Retailing

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



Value-Added Extended Warranty Solutions

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

The following sections provide a detailed analysis of our operational and financial performance, the evolution of our strategic blueprint, and our outlook for the coming year.



Operational and Financial Performance Review

This section provides a detailed examination of the Group's performance in FYE 2025, linking our operational achievements directly to their financial outcomes and demonstrating the effectiveness of our strategic execution.

Financial Performance Analysis

Our financial performance was moderated compared to the previous year, reflecting the challenging market conditions. For the financial year ended 31 December 2025, the Group's revenue stood at RM1,148.3 million, compared to RM1,216.9 million in FYE 2024, while profit before tax was RM13.2 million, compared to RM18.8 million previously. This performance in the 12-month was primarily attributable to weaker consumer sentiment, which impacted spending on discretionary goods.

Despite the softer revenue environment, the Group's focus on strategic cost management and the operational efficiencies driven by our Flywheel strategy were instrumental in protecting profitability. These measures allowed us to maintain healthy margins and a solid financial position, ensuring we have the resources to continue investing in our long-term growth initiatives.

Early results from the trial implementation of our Point-Based Economy ("PBE") Business Model between September and December 2025 were encouraging, with the Group recording an approximately 18.2% quarter-on-quarter revenue increase in the fourth quarter. The trial received a positive response from customers, with observable improvements in participation, redemption trends and repeat engagement patterns. This outcome reflected the effectiveness of the revised earn-and-redeem structure and reinforced management's confidence in the PBE model as a scalable engine for strengthening customer engagement, supporting demand quality and driving sustainable growth.



MANAGEMENT DISCUSSION AND ANALYSIS

Operational Highlights

Our operational achievements in FYE 2025 were the direct result of executing our strategic priorities, with a clear focus on enhancing our core value proposition.



Enhancing the Customer Ecosystem

- The official launch of our **"My Rewards, My Choice"** programme marked a significant milestone in our customer-centric strategy. By empowering customers with more flexible and valuable redemption options through our enhanced S-Coin policy, we have deepened engagement and reinforced the appeal of our PlusOne loyalty programme.
- Our PlusOne membership base continued its steady growth, reaching over 4 million members in FYE 2025. This loyal community remains the cornerstone of our business, consistently contributing over 90% of our total revenue and reflecting the success and resilience of our membership-driven model.



Accelerating Digital and Omnichannel Growth

- Online revenue streams increased 2% year-on-year to RM130.7 million in FYE 2025 from RM128.3 million in FYE 2024. This growth was driven by strong momentum in selected marketplace channels, reflecting the effectiveness of the Group's digital channel strategy despite softer performance in certain owned and brand store platforms.
- We continued the strategic optimisation of our physical retail network. This ongoing process involves upgrading existing stores to our premium Grand formats, reviewing underperforming locations, and ensuring our physical footprint is perfectly aligned with evolving consumer traffic patterns and enhances both customer experience and operational productivity.
- Operationally, the Group continues to prioritise productivity and cost discipline across the network. This includes structured performance review of outlets, targeted interventions to improve conversion and service delivery, and optimisation of underperforming locations where required. These actions are intended to strengthen per-store economics while protecting the brand experience.

These operational achievements are the direct output of our evolved strategic blueprint, **"Flywheel 1.0,"** which is designed to create a virtuous cycle of growth and profitability.

Our Strategic Blueprint: The Evolution to “Flywheel 2.0”

Flywheel 2.0 represents the Group’s next phase of disciplined execution, a fully integrated operating framework designed to strengthen demand generation, improve conversion efficiency, deepen customer engagement, enhance profitability and uplift operational productivity in a highly competitive retail environment. Building on insights gained from Flywheel 1.0, this enhanced framework addresses key structural challenges in today’s retail landscape, including softer consumer sentiment, rising competition, digital conversion gaps and margin pressure.

At the core of Flywheel 2.0 is our 9th Transformation, the PBE Business Model, which elevates S-Coin from a traditional loyalty mechanism into a central value currency across our ecosystem. By embedding S-Coin across customer touchpoints, we strengthen the earn-redeem-re-engage cycle, driving repeat purchases, improving lifetime value, enhancing conversion efficiency and supporting stronger margin quality over time.

Flywheel 2.0 is structured around six interlinked strategic dimensions covering competitiveness, customer experience, revenue growth, profitability, loyalty and operational efficiency. Rather than operating as standalone initiatives, these dimensions work together as an integrated framework to strengthen the Group’s market position, improve earnings quality and support sustainable long-term growth.

Execution under Flywheel 2.0 remains focused on reinforcing customer engagement, widening conversion pathways, strengthening profitability through the PBE framework, and uplifting operational discipline across the Group. Together, these priorities position Senheng to build a more resilient, agile and future-ready organisation capable of delivering sustainable long-term shareholder value.







Flywheel 2.0 is our Group-wide execution framework for the next phase of growth. Importantly, it is anchored by our 9th Transformation, the Point Based Economy (“PBE”) Business Model, which elevates S-Coin from a traditional rewards mechanic into a core value currency within our ecosystem.”



MANAGEMENT DISCUSSION AND ANALYSIS

Risks, Challenges, and Mitigation Strategies

Proactive risk management is integral to our strategic planning, allowing us to anticipate challenges and adapt with agility. The following table outlines the key risks we face and our strategic responses, updated for the FYE 2025 context and guided by our Flywheel 2.0 Framework.

Risks & Challenges	Mitigation Through Flywheel 2.0 Strategy
 <p>Macroeconomic Volatility & Consumer Sentiment</p>	<p>Our strategy to diversify the product portfolio into a wider range of categories and price points helps insulate us from shifts in discretionary spending. Furthermore, by strengthening the value proposition of our PlusOne programme through the “My Rewards, My Choice” initiative, we provide compelling reasons for customers to continue shopping with us, even in a cautious economic climate.</p>
 <p>Intensified Competitive Landscape</p>	<p>Flywheel 2.0’s relentless focus on creating a superior, personalised omnichannel experience serves as our primary competitive edge. This is reinforced by the strength of our S-Coin ecosystem, including higher S-Coin issuance, promotional campaigns such as Untung Gila, and engagement-led initiatives such as MyGreen Rewards, which deepen customer participation and encourage repeat interaction across channels. Together with exclusive brand offerings and a deeply integrated loyalty platform that rewards every transaction, these initiatives create a differentiated value proposition that is difficult for pure-play online or traditional brick-and-mortar competitors to replicate.</p>
 <p>Technological Evolution & Digital Disruption</p>	<p>At its core, Flywheel 2.0 is designed to embrace technological disruption as an opportunity, not a threat. Our strategic investments in AI, advanced data analytics, and scalable digital platforms are not merely defensive; they are offensive strategies designed to position Senheng at the forefront of retail innovation and lead the market’s digital transformation.</p>
 <p>Profitability and Margin Compression</p>	<p>We mitigate profitability and margin compression risks through a combination of stronger supplier engagement, continuous product portfolio diversification and tighter execution across our omnichannel platform. By expanding into more relevant and higher-value categories, strengthening collaboration with brand partners, and revamping our e-commerce capabilities to improve conversion and cost efficiency, Flywheel 2.0 enhances our ability to protect margins while sustaining competitiveness in a challenging retail environment.</p>

While risks are inherent in the retail sector, our dynamic strategic framework provides the foresight and agility required to navigate these challenges effectively and protect our long-term objectives.

Future Outlook and Strategic Priorities for Financial Year 2026 ("FY 2026")

The Group's strategic direction is centred on scaling the effectiveness of its PBE model as the primary engine of customer engagement, revenue generation and margin enhancement.

Looking ahead, we maintain a clear and confident outlook. While certain market uncertainties may persist, we believe the structural enhancements made through Flywheel 2.0, anchored by our PBE Business Model, have positioned the Group to deliver more resilient growth, stronger margin quality and improved earnings visibility over time.

Our strategic priorities for FY 2026 are therefore focused on strengthening the core value engine of this ecosystem and accelerating the full-scale execution of its integrated components:

Full-Scale Execution of Flywheel 2.0

We will focus on disciplined execution across all six strategic dimensions of Flywheel 2.0, supported by clear metrics, stronger accountability and closer performance monitoring. This includes strengthening initiatives across competitiveness, customer experience, revenue growth, profitability, customer loyalty and operational efficiency, while further scaling the S-Coin ecosystem and PBE model as key drivers of customer engagement, conversion and repeat purchases. Enablers such as AI and data analytics will support sharper decision-making, stronger demand targeting and better execution quality across channels.

Aggressive expansion into social and live-stream commerce

Building on the momentum of online sales growth, we will accelerate expansion into social, assisted and live-stream commerce channels to extend our reach into digitally native customer segments. These channels complement the PBE ecosystem by expanding entry points into our loyalty framework, lowering acquisition costs and increasing engagement frequency, thereby strengthening lifetime value economics.

Expanding the Value Currency Ecosystem of S-Coin

We will continue to strengthen the S-Coin ecosystem by actively onboarding new partners to the S-Coin Rewards Centre and refreshing the redemption catalogue with more relevant and attractive offerings for our PlusOne members. By widening the real-world utility and appeal of S-Coin, we reinforce its role as a central value currency that encourages repeat interaction, deeper loyalty and stronger long-term customer relationships.

Together, these priorities reflect a disciplined execution roadmap designed to scale the effectiveness of our PBE model while reinforcing Flywheel 2.0 as a self-reinforcing growth system. Through this integrated approach, we aim to strengthen demand resilience, enhance operating leverage and position Senheng for sustainable long-term value creation.

Appreciation

On behalf of the Management team, I extend my sincere appreciation for the collective dedication and passion that propelled Senheng forward this year. My deepest gratitude goes to our Board of Directors for their invaluable guidance, our exceptional management team for their strategic leadership, and every member of the Senheng family for their tireless efforts and commitment to excellence.

Furthermore, I wish to acknowledge the unwavering support of our PlusOne members, whose loyalty continually inspires us to innovate and improve. To our esteemed business partners and shareholders, thank you for your steadfast belief in our vision as we work together to chart the future of retail.

MR. LIM KIM HENG
Managing Director

SUSTAINABILITY STATEMENT



OUR SUSTAINABILITY COMMITMENT

At Senheng New Retail Berhad and its subsidiaries (“Senheng”, “the Group”, “we”, “our”), sustainability is integrated into how we operate, serve our customers, and manage long-term business performance. Guided by our purpose of enabling better quality of living, we strive to deliver commercial growth while managing environmental impacts, safeguarding stakeholder interests, and upholding high standards of governance.

Our sustainability commitment is anchored in our core values of Quality, Peace of Mind, and Convenience. These values shape how we design our products and services, manage our operations, and engage with stakeholders across the value chain. We recognise that sustainable value creation requires effective governance oversight, risk management, transparent reporting, and continuous performance improvement across our value chain.

This Sustainability Statement outlines how sustainability considerations are embedded into our strategy, risk management processes, and operational practices. It describes our approach to identifying and managing material environmental, social, and governance risks and opportunities, and our efforts to strengthen operational resilience while delivering responsible and inclusive growth.

REPORTING COVERAGE AND PERIOD

This Sustainability Statement presents the Group’s sustainability approach, initiatives, and performance for the financial year ended 31 December 2025 (“**FYE 2025**”), covering the period from 1 January 2025 to 31 December 2025.

The reporting scope encompasses Senheng New Retail Berhad and its subsidiaries, covering operations where the Group has operational oversight and decision-making authority. The Statement focuses on key sustainability matters relevant to our business model, stakeholders, and regulatory expectations, and reflects our progress in embedding sustainability into our operational and governance practices. Unless otherwise stated, the disclosures presented in this Statement apply to all entities listed below:

SENHENG
Senheng New Retail Berhad
Investment Holding Company

Senheng Electric (KL) Sdn Bhd

- Retailing of consumer electrical and electronic products, operating of e-commerce platform, redemption programs and telecommunication services

SC Alliance (M) Sdn Bhd


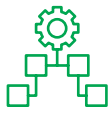

- Distribution of household and IT gadget products via wholesale, retail and e-commerce channels

Senheng Captive Insurance Pte Ltd

- Provision of captive insurance

SUSTAINABILITY REPORTING FRAMEWORK AND DISCLOSURE

In addition to Bursa Malaysia’s prescribed requirements, we consider and adopt key frameworks and guidelines to strengthen the quality, consistency, and relevance of our disclosures. This Statement has been developed as guided by the following recognised guidelines, standards and frameworks:

 <p>Bursa Malaysia’s Main Market Listing Requirements Sustainability Reporting Guide (3rd Edition) - Ensuring compliance with local regulatory expectations.</p>	 <p>United Nations Sustainable Development Goals (UN SDGs) - Guiding our contributions to broader social and environmental objectives.</p>
 <p>Malaysian Code on Corporate Governance, updated in April 2021 - Enhancing board oversight, integrity, and risk governance practices, supporting responsible and sustainable corporate conduct.</p>	 <p>National Sustainability Reporting Framework (NSRF) - Supporting structured, consistent, and comparable disclosures in line with national standards</p>
 <p>Global Reporting Initiative (“GRI”), 2021 - For comprehensive sustainability disclosure and impact reporting.</p>	 <p>IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) - Phased adoption under the Group 2 NSRF pathway, guiding financial-materiality-based sustainability reporting.</p>

As a Group 2 entity under the NSRF adoption pathway, we have started the preparation of adoption to IFRS S1 and S2. In support of this transition, we undertook a comprehensive review and refinement of our materiality matters during FYE 2025. The refined material matters form the foundation of our disclosures for FYE 2025, enhancing the relevance, clarity, and transparency of our reporting. This strengthened framework provides stakeholders with more meaningful insights into the sustainability-related risks and opportunities that may influence our long-term value creation as we progress along our NSRF adoption journey.

CLIMATE-RELATED DISCLOSURES AND REPORTING TRANSITION

Climate change is identified as one of the Group’s material sustainability matters due to its potential impact on operational costs, regulatory requirements, and stakeholder expectations. For FYE 2025, the Group continues to monitor and manage energy consumption and greenhouse gas (“GHG”) emissions arising from its operations.

The Group’s Scope 1, 2 and 3 emissions are disclosed in this Statement to provide transparency on its carbon footprint. At this stage, climate-related information is presented within the context of emissions management and operational efficiency, consistent with the Group’s current reporting approach.



FEEDBACK

We value the perspectives of our stakeholders and regard open dialogue as an important element of our sustainability journey. Feedback, suggestions, and enquiries relating to this Sustainability Statement or our sustainability practices are welcome and may be directed to ir@senheng.com.my

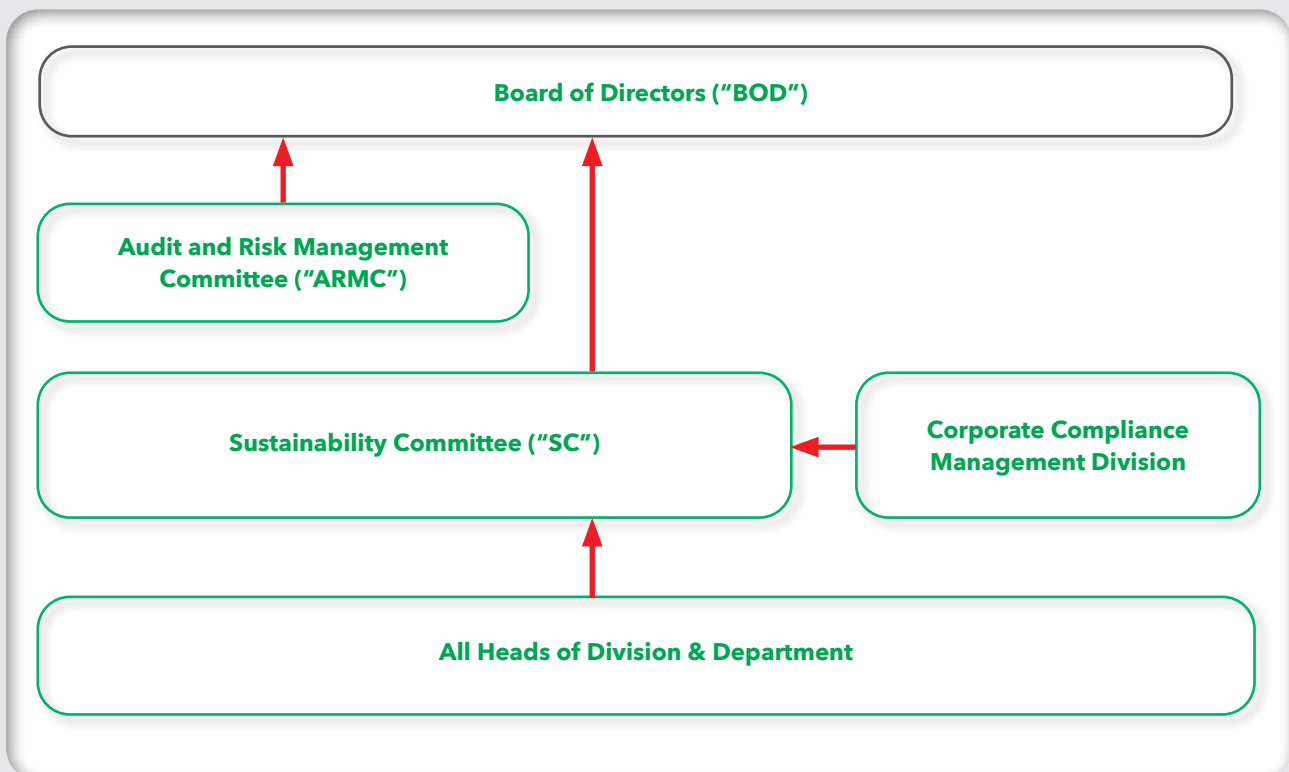
Stakeholder input helps inform our priorities and supports continuous improvement in how we manage sustainability matters across the Group.

SUSTAINABILITY STATEMENT

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

At Senheng, sustainability governance underpins our commitment to accountability, transparency, and strategic alignment across environmental, social, and governance (“ESG”) matters, including climate-related risks and opportunities. By embedding sustainability into our corporate strategy and Enterprise Risk Management (“ERM”) framework, we ensure that every initiative contributes to long-term value creation while supporting responsible business practices.



Board of Directors



- The Board of Directors holds ultimate responsibility for the Group’s sustainability framework, providing strategic guidance, approving policies, and ensuring ESG considerations are fully integrated into operational and risk management processes.

Throughout FYE 2025, the Board received regular updates on the Group’s sustainability progress, reviewed performance against climate-related and operational targets, and deliberated key ESG matters. In August 2025, it approved updates to the Corporate Governance Policies and Procedures, reinforcing oversight mechanisms to strengthen sustainability practices. Later, in November 2025, the Board endorsed the Group’s Enhanced Sustainability Framework along with the newly established Sustainability and Climate Policy, cementing a clear strategic direction and ensuring sustainability initiatives are aligned with business objectives and capital allocation priorities. During this period, the Board also received updates on advisory engagements with Axcelasia, including governance development, alignment with reporting standards, and the materiality assessment process supporting transparent sustainability reporting.

Audit and Risk Management Committee



- ➔ Supporting the Board's oversight, the Audit and Risk Management Committee ("ARMC") monitors the integrity of sustainability disclosures, internal controls, and ESG-related risks and opportunities. ESG compliance risks, which include evolving regulatory, environmental, and societal developments, are embedded within the ERM framework and reviewed quarterly by ARMC, with key updates escalated to the Board to inform decision-making and ensure risks are effectively mitigated.

Sustainability Committee



- ➔ The Sustainability Committee ("SC"), chaired by the Managing Director and composed of the Corporate Strategy Officer, Chief Financial Officer, Chief Commercial Officer, and Chief Operating Officers, leads the operational management of sustainability across the Group. Its cross-functional composition ensures strong coordination and oversight. Throughout FYE 2025, the SC developed policies and frameworks for Board approval, monitored the implementation of sustainability initiatives across departments, and tracked progress against approved objectives and targets. It also reviewed climate-related risks and opportunities, integrated these into the ERM framework, and supported scenario analysis to anticipate potential impacts. By ensuring accurate data collection and regular reporting to the Board, the SC played a central role in translating strategy into measurable outcomes.

Corporate Compliance Management



- ➔ The Corporate Compliance Management ("CCM") Division works closely with the SC, division heads and departmental heads to coordinate initiatives across the Group.

During Q4 2025, the Group conducted a materiality assessment and reviewed sustainability-related policies, ensuring that governance and reporting practices remained robust and aligned with relevant standards. CCM also consolidates progress reports, monitors sustainability metrics and targets, and ensures the completeness of sustainability data, supporting both internal decision-making and external disclosures.

Heads of Division and Department



- ➔ Heads of Division and Department are responsible for embedding sustainability into daily operations of their respective functions. They implement policies, engage with stakeholders to understand ESG concerns, identify and manage risks and opportunities, and integrate sustainability goals into departmental plans, budgets, and KPIs.

During FYE 2025, these efforts were reinforced through the establishment of departmental KPIs and targets covering financial performance, Net Promoter Score (NPS), sales of inverter air conditioners and solar solutions, and employee training hours, providing a clear framework to monitor operational performance alongside sustainability priorities. Division heads also execute initiatives, maintain accurate records, validate performance data, and collaborate across functions to address cross-departmental sustainability matters.

Sustainability progress is actively reviewed during monthly management meetings, where performance against targets is tracked, issues are addressed, and initiatives remain aligned with the Group's strategic priorities. Material matters are escalated to the SC, ARMC, or Board as necessary, ensuring governance remains robust, accountable, and responsive, while reinforcing the connection between strategy, execution, and tangible outcomes.

SUSTAINABILITY STATEMENT

GOVERNANCE EXCELLENCE POLICIES AND GUIDELINES

Our sustainability governance is reinforced by policies and guidelines that guide responsible economic, environmental, and social practices across the Group. These policies are periodically reviewed and updated to ensure alignment with regulatory requirements, stakeholder expectations, and evolving best practices.

POLICIES & PROCEDURES



Code of Ethics



Anti-Bribery & Anti-Corruption Policy



Whistleblowing Policies and Procedures



Directors Fit & Proper Policy



Safety & Health Policy



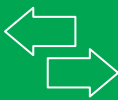
Conflict-Of-Interest Policy and Guidelines



Corporate Governance Framework



Directors Training Policy



Related Party Transaction Policy



Corporate Disclosure & Stakeholder's Communication Policies and Procedures



Sustainability & Climate Policy



Sustainability Framework



Directors Remuneration Policy & Procedures



Supplier Code of Conduct



STAKEHOLDER ENGAGEMENT

At Senheng New Retail Berhad, we believe that sustainable value creation is strengthened through continuous and meaningful dialogue with our stakeholders. Throughout FYE 2025, we have focused on deepening these interactions, ensuring that our strategies and operations reflect both stakeholder expectations and long-term business objectives.

Our engagement approach is proactive and structured, combining formal and informal communication channels to capture feedback, address concerns, and identify opportunities for improvement. By integrating stakeholder perspectives into our decision-making, we can align initiatives with emerging trends, regulatory developments, and sustainability priorities, reinforcing our commitment to responsible and forward-looking growth.

The table below provides a snapshot of our key stakeholder groups, the channels we used to engage them, the main topics they raised, and our corresponding actions.

Frequency & Methods of Engagement	Key Concern	Our Response
EMPLOYEES		
Ongoing → Training and Development Programmes → Safety Briefing	→ Employees' rewards and recognitions → Well-being and benefits → Personal development	→ Employee Training and Talent Development, page 70
CUSTOMERS		
Ongoing → Advertisements → Promotional Campaigns → Personalised engagement in the physical retail store and online stores	→ Customer experience → Product quality → Online merge offline	→ Economic Performance, pages 53 - 54
VENDORS / SUPPLIERS		
Annual / Ongoing → Supplier Assessment → Business Review Meetings	→ Compliance with terms and conditions of transaction → Product diversification, sustainability and safety	→ Supply Chain Management, page 55
REGULATORS / CERTIFICATION BODIES		
Ongoing → Audits → Site Visits → Dialogues with Government / Non-government Bodies, Regulators & Agencies → Trainings	→ Maintenance of corporate governance and best business practices → Commitment to regulatory compliance	→ Product Quality & Safety, page 71 → Governance & Ethics, page 56 - 57
LOCAL COMMUNITIES		
Ad-hoc → Community Events → Environmental Awareness and Education → Livelihood Support → Employment Support	→ Corporate social responsibility → Donations and financial aids	→ Corporate Social Responsibilities, page 75 - 76

SUSTAINABILITY STATEMENT

Frequency & Methods of Engagement	Key Concern	Our Response
SHAREHOLDERS		
<p>Annual</p> <ul style="list-style-type: none"> ➔ Annual Report ➔ Annual General Meeting <p>Ad-hoc</p> <ul style="list-style-type: none"> ➔ Fund / Analyst Briefings ➔ Investor Relations Website 	<ul style="list-style-type: none"> • Transparency and profitability • Compliance and governance 	<ul style="list-style-type: none"> ➔ Economic Performance, pages 53 - 54

MATERIALITY MATTERS

Materiality assessment continues to be a critical mechanism through which we identify and prioritise sustainability and climate-related topics that are most relevant to our business and stakeholders. By applying a structured and rigorous approach, we ensure that the issues we manage not only support regulatory compliance and stakeholder expectations but also preserve and enhance enterprise value. This process strengthens strategic decision-making, reinforces risk management, and enables us to allocate resources effectively to drive long-term value creation.

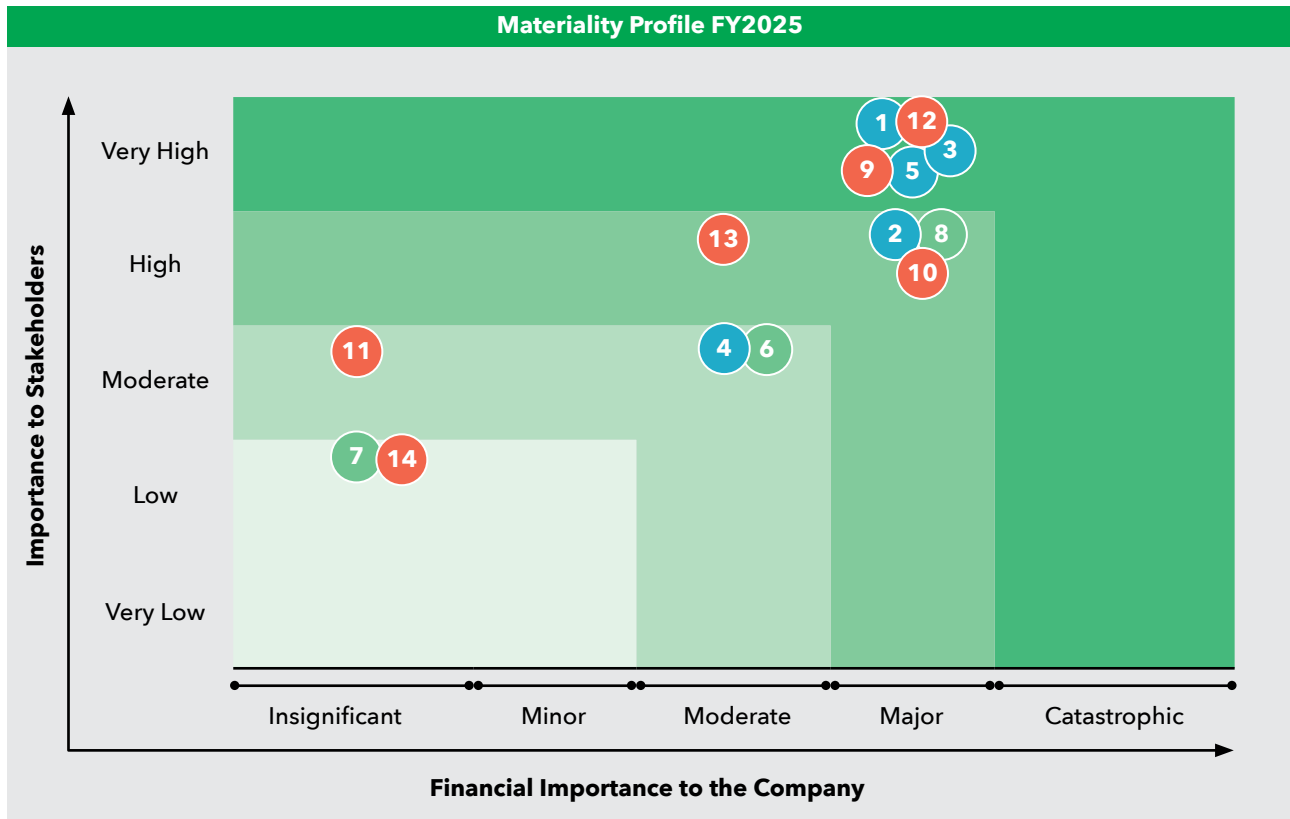
Materiality Assessment Process



We continue to ensure that our sustainability disclosures focus on topics that are most relevant to our business performance, long-term value creation, and stakeholder priorities. During FYE 2025, we reviewed our materiality matters, and as part of our ongoing progression in adopting IFRS S1 and S2, we refined our materiality profile to better align with anticipated future reporting requirements.

This reassessment resulted in the introduction of two new material matters - Digital Retail Ecosystem and Customer Loyalty & Experience - reflecting the Group’s strategic focus on technological advancement and customer-centric growth. Following the review, Water Consumption was excluded from materiality matters as their impact rating were lower in our current nature of business. Environmental Compliance was combined into overall Governance, Ethics and Compliance in alignment with the Group’s risk management strategies. We ensure that these refinements strengthen the relevance of our disclosures and provide a clear link between our strategic priorities, operational decisions, and stakeholder expectations.

The FYE 2025 materiality profile is presented as follows:



ECONOMIC

- 1 Economic Performance
- 2 Supply Chain Resilience
- 3 Governance, Ethics & Compliance
- 4 Digital Retail Ecosystem
- 5 Customer Loyalty & Experience



ENVIRONMENT

- 6 Energy Consumption
- 7 Waste Management
- 8 Climate Change & Emission Management



SOCIAL

- 9 Data Privacy and Security
- 10 Diversity, Equity Opportunity & Inclusion
- 11 Employee Training and Talent Development
- 12 Product Quality and Safety
- 13 Workplace Safety & Wellbeing
- 14 Community Engagement & Contribution

SUSTAINABILITY STATEMENT

Pillars	No.	Materiality Matter	Relevant Stakeholders	Relevant SDGs
ECONOMIC 	1	Economic Performance	Employees, Shareholders	
	2	Supply Chain Resilience	Employees, Shareholders, Vendors, Suppliers	
	3	Governance, Ethics & Compliance	Employees, Customers	
	4	Digital Retail Ecosystem	Employees, Customers	
	5	Customer Loyalty & Experience	Employees, Customers	
ENVIRONMENT 	6	Energy Consumption	Regulators, Community	
	7	Waste Management	Regulators, Community	
	8	Climate Change & Emission Management	Regulators, Community	
SOCIAL 	9	Data Privacy and Security	Employees, Customers	
	10	Diversity, Equity Opportunity & Inclusion	Employees	
	11	Employee Training and Talent Development	Employees	
	12	Product Quality and Safety	Employees, Customers	
	13	Workplace Safety & Wellbeing	Employees	
	14	Community Engagement & Contribution	Employees, Customers	

RISKS AND OPPORTUNITIES

Effective identification and management of sustainability-related risks and opportunities are integral to the Group’s long-term value creation and operational resilience. In FYE 2025, we assessed key risks and opportunities associated with each material matter, taking into consideration our evolving business model, digital transformation initiatives, regulatory developments, and changing stakeholder expectations. Our risks & opportunities for each materiality matters are as follows:

Materiality Matters	Risks	Opportunities
Economic Performance	<ul style="list-style-type: none"> ➔ Profitability and margin compression ➔ Market competition and price pressure 	<ul style="list-style-type: none"> ➔ Cost optimisation ➔ Investment in sustainable practices to provide competitive advantage
Supply Chain Resilience	<ul style="list-style-type: none"> ➔ Consistency on vendor performance and support on Group’s initiatives 	<ul style="list-style-type: none"> ➔ Strengthen procurement transparency to improve supplier relationships and mitigate risks
Governance, Ethics & Compliance	<ul style="list-style-type: none"> ➔ Regulatory disclosures increase compliance burden 	<ul style="list-style-type: none"> ➔ Enhance governance framework and practices
Digital Retail Ecosystem	<ul style="list-style-type: none"> ➔ E-commerce, ERP or CRM platforms service disruption affecting sales and customer experience ➔ Technology obsolescence due to rapid advancements in retail technology 	<ul style="list-style-type: none"> ➔ Enhance operational efficiency through automation, data analytics and integrated inventory management
Customer Loyalty & Experience	<ul style="list-style-type: none"> ➔ Inconsistent service quality and customer satisfaction across outlets ➔ Loyalty programme may fall short of achieving its full potential in customer engagement 	<ul style="list-style-type: none"> ➔ Increase customer engagement, retention and repeat purchases through enhanced loyalty programmes
Energy Consumption	<ul style="list-style-type: none"> ➔ Health, safety & environmental hazards 	<ul style="list-style-type: none"> ➔ Enhance energy efficiency via resource-efficient practices
Waste Management	<ul style="list-style-type: none"> ➔ Health, safety & environmental hazards 	<ul style="list-style-type: none"> ➔ Minimise environmental impact of waste generation
Climate Change & Emission Management	<ul style="list-style-type: none"> ➔ Health, safety & environmental hazards 	<ul style="list-style-type: none"> ➔ Initiatives to adapt to climate conditions

SUSTAINABILITY STATEMENT

Materiality Matters	Risks	Opportunities
Data Privacy & Security	<ul style="list-style-type: none"> ➔ Data governance ➔ Cybersecurity 	<ul style="list-style-type: none"> ➔ Enhance data privacy and security measures can enhance customer trust
Diversity, Equity Opportunity & Inclusion	<ul style="list-style-type: none"> ➔ Talent attraction ➔ Employee engagement 	<ul style="list-style-type: none"> ➔ Strengthen productivity and engagement of employees through numerous programmes and activities
Employee Training & Talent Development	<ul style="list-style-type: none"> ➔ Workforce capability and performance 	<ul style="list-style-type: none"> ➔ Customise structured training and development initiatives to strengthen internal talent
Product Quality & Safety	<ul style="list-style-type: none"> ➔ Consistency in meeting consumer demand for high quality and environmentally friendly products ➔ Slow-moving and inventory turn monitoring 	<ul style="list-style-type: none"> ➔ Enhance partnership with suppliers in ensuring robust quality control
Workplace Safety & Wellbeing	<ul style="list-style-type: none"> ➔ Health and safety of employees 	<ul style="list-style-type: none"> ➔ Enhance safety and wellbeing initiatives
Community Engagement & Contribution	<ul style="list-style-type: none"> ➔ Group's reputation and trust 	<ul style="list-style-type: none"> ➔ Strategise community programmes to improve public perception and brand reputation

FYE 2025 KEY SUSTAINABILITY HIGHLIGHTS

Senheng's key sustainability milestones and initiatives in FYE 2025 include:

GOVERNANCE, ETHICS & COMPLIANCE

Achieved **99.9%** attendance in Annual Training of ABAC of our employees

Zero corruption cases

DIGITAL RETAIL ECOSYSTEM

S-Coin Issuance: Doubled to x2 **RM130,413,690** in FYE 2025. (FYE 2024: RM64,873,780)



ENHANCED CUSTOMER LOYALTY & EXPERIENCE

Net Promoter Score (NPS) **90.2%**



ENERGY CONSUMPTION

Operational solar panels at **14 locations**. Collectively generated **933,966 kWh**



WASTE MANAGEMENT

Increase in styrofoam and item boxes recycled in FY2025:

112.01 tonnes (FY2024: 102.95 tonnes)



PRODUCT QUALITY & SAFETY

Defective rate: Defected **3.30%** (FY2024: 3.49%)



WORKPLACE SAFETY & WELLBEING

Zero workplace fatalities

98% employees trained on workplace health and safety

CONTINUED COMMUNITY CONTRIBUTIONS

invested in community initiatives **RM120,812**

7 Groups of beneficiaries supported through community programmes

OUR SUSTAINABILITY PROGRESS

1 ECONOMIC PERFORMANCE

GRI 201-1

Our economic performance reflects the Group's ability to adapt to evolving consumer behaviour, expand our omnichannel capabilities, and optimise our retail network. In FYE 2025, we continued to strengthen revenue generation, operational efficiency, and customer engagement through disciplined execution of our digital and physical retail strategies. These efforts support sustainable growth, employment generation, and long-term value creation.

Our Approach

Our strategy centres on strengthening our omnichannel retail ecosystem by integrating digital platforms with our physical store network. During FYE 2025, we enhanced our e-commerce capabilities, improved customer engagement through data-driven marketing, and refined our Online-Merge-Offline ("**OMO**") model to deliver a more seamless purchasing experience.

We leveraged customer analytics to optimise product offerings, improve demand forecasting, and drive higher online-to-offline conversion rates. The relaunch of the "My Rewards, My Choice" programme and enhancements to the S-Coin redemption system were implemented to increase customer retention, repeat purchases, and lifetime value.

Complementing these initiatives, the Territory Champion store expansion programme continues to guide strategic new store openings and upgrades, with measured growth planned through 2025. Ongoing optimisation of our physical store network ensures operational efficiency while maintaining a strong market presence.

Note:

While these initiatives reflect the Group's priorities in 2025, strategies such as digital engagement, OMO integration, and store expansion may continue to evolve in response to changing market dynamics and customer expectations

SUSTAINABILITY STATEMENT

Our Performance

For the financial year ended 31 December 2025, the Group recorded total revenue of RM1.17 billion, representing a 5.5% decrease compared to FY2024. While the revenue decline continues from the prior year, it is less pronounced than the 7.5% drop recorded in FY2024, indicating a moderation in the downward trend.

Target & Commitments	Unit	Performance Target ¹	Performance in		
			FYE 2023	FYE 2024	FYE 2025
Economic value generated ²	RM'000	Internal target	1,333,109	1,235,609	1,167,825
Economic value distributed ³	RM'000	Internal target	1,308,090	1,224,567	1,158,378
Economic value retained ⁴	RM'000	Internal target	25,019	11,042	9,447

Notes:

1. Performance targets vary among the years. The board establishes annual performance targets based on economic outlook, industry trends, ensuring alignment with the Group's strategic plans. These figures are determined by overall business performance and prevailing market conditions.
2. Economic Value Generated reflects the total income earned by the Group, including both revenue and other sources of earnings.
3. Economic Value Distributed denotes how this value is allocated across operational costs, employee wages and benefits, returns to capital providers, government contributions, and community support.
4. Economic Value Retained represents the portion of generated value that remains after distribution, available for reinvestment and future growth.



Detailed insights into the Group's financial performance can be found in the Financial Statements.

Target & Commitments	Performance Target	Performance in		
		FYE 2023	FYE 2024	FYE 2025
Annual sales growth (%)	Above 10	Target not met	Target not met	Target not met
Annual profit growth (%)	Above 10	Target not met	Target not met	Target not met
Dividend distribution (%)	At least 30	Payout of 30.6	Payout 30.0	Payout 30.2

2 SUPPLY CHAIN RESILIENCE

GRI 204-1

A resilient and efficient supply chain is critical to maintaining product availability, managing procurement costs, and supporting consistent retail operations. In FYE 2025, the Group continued to strengthen supplier oversight and performance monitoring to enhance supply continuity and operational reliability.

We prioritise local suppliers where feasible to support domestic businesses and reduce supply chain complexity.

Our Approach

The Group’s Supplier Code of Conduct (“**SCOC**”) sets out expectations relating to regulatory compliance, ethical business practices and environmental management. Suppliers are required to adhere to these standards and confirm these as part of our procurement framework.

During FYE 2025, the Group started to track Annual Supplier Performance Rating to strengthen supplier evaluation processes. This assessment considers criteria such as product quality, delivery performance, compliance with contractual requirements, and operational reliability. The results support procurement decisions and identify areas for performance improvement.

The Group also maintains ongoing engagement with key suppliers to monitor operational performance and address supply-related risks in a timely manner.

Our Performance

In FYE 2025, 96.2% of our procurement spending was directed to local suppliers, a slight decrease from 96.7% in FYE 2024. This marginal decline reflects natural variations in sourcing requirements while highlighting ongoing challenges in balancing local support with operational flexibility. Despite this, we remain committed to prioritising domestic suppliers to strengthen local businesses and maintain a resilient supply chain. All suppliers continue to comply fully with our SCOC, demonstrating alignment with our environmental, ethical, and governance standards and supporting the Group’s long-term sustainability objectives.

Target & Commitments	Performance Target ¹	Performance in		
		FYE 2023	FYE 2024	FYE 2025
Percentage of spending on local suppliers (%)	90	98.6	96.7	96.2
Percentage of suppliers meeting SCOC (%)	90	90	100	100
Percentage of evaluated suppliers achieving satisfactory performance (%)	80	New indicator. No data	New indicator. No data	85.7

SUSTAINABILITY STATEMENT

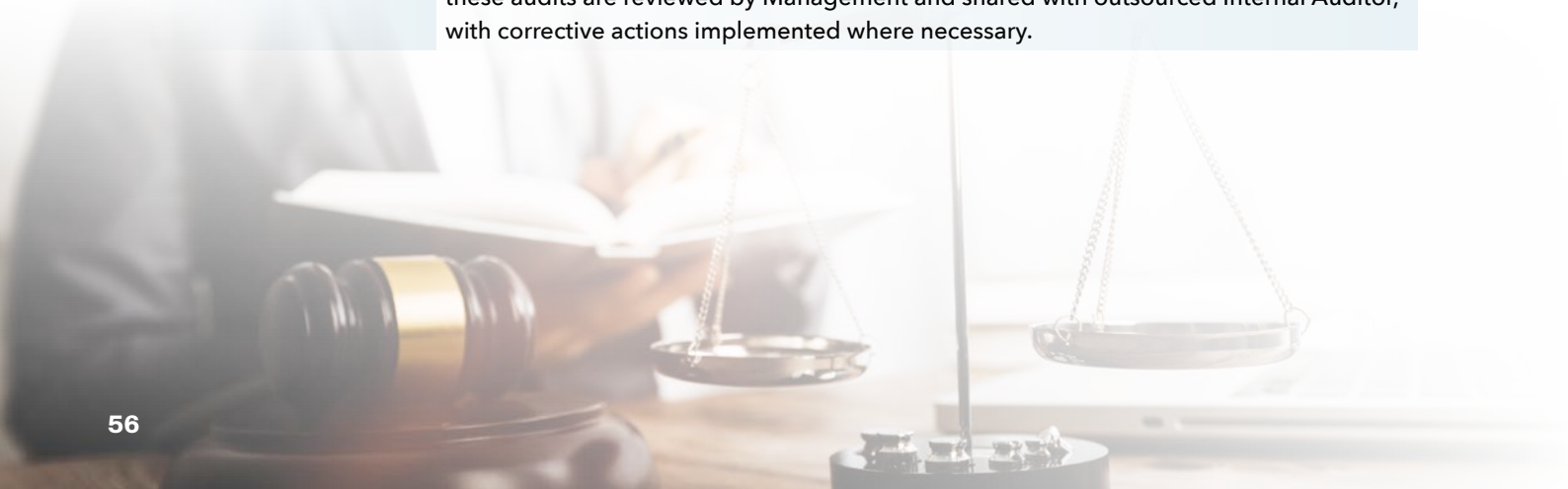
3 GOVERNANCE ETHICS & COMPLIANCE

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

Strong governance and ethical conduct underpin the Group’s operations and decision-making processes. We are committed to maintaining transparency, protecting stakeholder interests, and complying with applicable laws and regulatory requirements.

Our Approach

<p>Anti-Bribery and Anti-Corruption Policy</p>	<p>The Group adopts a zero-tolerance policy against all forms of bribery and corruption. The Anti-Bribery and Anti-Corruption (“ABAC”) Policy applies to all employees, Board members, and relevant business partners. The policy is reviewed every three (3) years, or as and when deemed necessary by the ARMC to ensure alignment with applicable regulatory requirements and industry standards, with updates subject to Board approval where required. The policy was last updated in August 2025 with organisational title changes.</p>						
<p>Whistle-blowing Policies and Procedures</p>	<p>The Group provides a safe and confidential reporting avenue for employees and external stakeholders to raise concerns relating to misconduct or unethical behaviour.</p> <p>All reports are treated with utmost seriousness, with clear mechanisms in place to facilitate disclosures through designated channels:</p> <table border="1" data-bbox="454 1245 1418 1554"> <thead> <tr> <th>Reporting Mode</th> <th>Contact Details</th> </tr> </thead> <tbody> <tr> <td>Letter</td> <td> <p>Senheng New Retail Berhad No.44B, Jalan Pandan 3/2, Pandan Jaya, 55100 Kuala Lumpur</p> <p><i>Attention to: Corporate Compliance Management Department</i></p> </td> </tr> <tr> <td>Electronic mail</td> <td>whistleblowing@senheng.com.my</td> </tr> </tbody> </table>	Reporting Mode	Contact Details	Letter	<p>Senheng New Retail Berhad No.44B, Jalan Pandan 3/2, Pandan Jaya, 55100 Kuala Lumpur</p> <p><i>Attention to: Corporate Compliance Management Department</i></p>	Electronic mail	whistleblowing@senheng.com.my
Reporting Mode	Contact Details						
Letter	<p>Senheng New Retail Berhad No.44B, Jalan Pandan 3/2, Pandan Jaya, 55100 Kuala Lumpur</p> <p><i>Attention to: Corporate Compliance Management Department</i></p>						
Electronic mail	whistleblowing@senheng.com.my						
<p>Operational Audits</p>	<p>To strengthen oversight over store operations and inventory management, the Group had set targets for in-house Operation and Inventory Audit team during FYE 2025. The team conducts regular audits across retail outlets and warehouses to assess operational controls, inventory accuracy, and compliance with internal procedures. Findings from these audits are reviewed by Management and shared with outsourced Internal Auditor, with corrective actions implemented where necessary.</p>						



SUSTAINABILITY STATEMENT

Our Performance

For FYE 2025, we achieved 99.9% attendance rate in annual training of ABAC of our employees, with no cases of corruption reported during the year. This reflects our unwavering commitment to embedding integrity, transparency, and ethical conduct throughout every level of our organisation.

Target & Commitments	Performance Target	Performance in		
		FYE 2023	FYE 2024	FYE 2025
Percentage of employees on ABAC training (%)	100	1. Executive - 79 2. Non-Executive - 69 3. Overall - 71	1. Executive - 100 2. Non-Executive - 98 3. Overall - 98	1. Executive - 99.5 2. Non-Executive - 100 3. Overall - 99.9
Corruption case reported and action taken	0 cases	0 cases reported	0 cases reported	0 cases reported
Number of operational branch audits conducted	300	New indicator. No data	New indicator. No data	352

4 DIGITAL RETAIL ECOSYSTEM

(New material matter in FYE 2025)¹

Digitalisation remains a key enabler of the Group’s retail strategy, supporting omnichannel integration, inventory optimisation, and customer engagement. In FYE 2025, the Group continued enhancing its digital infrastructure through the rollout of New Retail System (“NRS”) modules and the integration of digital tools to improve demand forecasting, marketing personalisation, and operational efficiency.

A core component of this ecosystem is the S-Coin digital rewards programme, which integrates online and offline transactions within a unified customer engagement platform.

Our Approach

The Group’s digital initiatives focus on:

Strengthening omnichannel capabilities through phased implementation of NRS modules;

Enhancing retail operations efficiency and customer experience; and

Expanding digital reward and redemption functionalities to support customer acquisition and retention.

These initiatives aim to improve operational efficiency, sales conversion, and customer lifetime value.

SUSTAINABILITY STATEMENT

Our Performance

In FYE 2025, the Group introduced new digital performance indicators to enhance visibility over customer engagement and online activity, reflecting the increasing adoption of digital channels and the S-Coin programme.

S-Coin issuance continued its strong growth momentum, doubling to RM130,413,690 in FYE 2025 from RM64,873,780 in FYE 2024, reflecting increased customer engagement and effectiveness of the Group's loyalty ecosystem.

Online sales contribution was emphasised, achieving 11.4% of total sales, while online redemptions, totalling 67,665 transactions, were also introduced as a new metric, signalling active programme utilisation.

Together, these indicators demonstrate the Group's commitment to monitoring and enhancing digital engagement, supporting both customer experience and the ongoing growth of the digital retail ecosystem.

Target & Commitments	Performance Target ¹	Performance in		
		FYE 2023	FYE 2024	FYE 2025
S-Coin issuance (RM)	-	87,292,694	64,873,780	130,413,690
Percentage of Online Sales (%)	-	New indicator. No data.	New indicator. No data.	11.4
Number of Online Redemption	-	New indicator. No data.	New indicator. No data.	67,665

Notes:

1. Performance targets vary among the years. The board establishes annual performance targets based on economic outlook, industry trends, ensuring alignment with the Group's strategic plans. These figures are determined by overall business performance and prevailing market conditions

5**CUSTOMER LOYALTY & EXPERIENCE***(New material matter in FYE 2025)¹*

Customer loyalty and service consistency remain important drivers of revenue stability and repeat purchases. The Group manages loyalty engagement primarily through the PlusOne membership programme and the S-Coin redemption ecosystem, while monitoring customer satisfaction through Net Promoter Score (“NPS”).

Our Approach

Our strategy for fostering loyalty is centred on the PlusOne membership programme and the S-Coin redemption ecosystem. We aim to achieve high levels of member retention by offering exclusive benefits and a seamless redemption process that encourages repeat purchases. To ensure we are meeting our service standards, we rigorously monitor our Net Promoter Score (NPS), using it as a primary metric to gauge customer satisfaction and identify areas for improvement. By embedding this feedback loop into our daily operations, we maintain a high standard of service excellence that strengthens the bond between Senheng and its community.

In FYE 2025, the Group continued enhancing its digital rewards ecosystem through the online S-Coin Rewards Centre, expanding to over 2,400 SKUs that consist of good representation among products in home living, lifestyle, health and beauty categories. The initiative aims to increase redemption participation and support a targeted redemption rate of 70% over time.

Our Performance

During FYE 2025, we continued to prioritise member engagement as a key driver of customer loyalty and long-term value creation. Member sales contribution remained strong at 89.1%, slightly below the Group’s target of 90%. This sustained level of contribution reflects the resilience of our membership ecosystem and the continued trust placed in the Senheng brand by our loyal customer base despite a dynamic retail environment.

Customer advocacy also remained strong during the year. The Group recorded a Net Promoter Score (NPS) of 90.2% in FYE 2025, indicating a high level of customer satisfaction and willingness among customers to recommend our products and services. This performance reflects the Group’s continued efforts to enhance service quality, strengthen customer engagement, and improve the overall customer experience.

Engagement with the Group’s loyalty programme also strengthened during the year. S-Coin redemption rate reached 72.3% in FYE 2025, exceeding the Group’s target of 70%. This encouraging uptake reflects active participation by members in utilising their loyalty rewards, highlighting the effectiveness of the programme in driving repeat engagement and strengthening long-term customer relationships.



The Group recorded a Net Promoter Score (NPS) of 90.2% in FYE 2025, indicating a high level of customer satisfaction and willingness among customers to recommend our products and services.”

SUSTAINABILITY STATEMENT

It is worth noting that S-Coin redemption rate and Net Promoter Score were newly introduced indicators, with formal tracking and reporting commencing in FYE 2025. These metrics provide additional insight into customer engagement and satisfaction and the Group will continue to monitor and refine these indicators to further enhance customer experience and loyalty initiatives.

Target & Commitments	Performance Target ¹	Performance in		
		FYE 2023	FYE 2024	FYE 2025
Member sales contribution (%)	>90	92.6	89.8	89.1
S-Coin redemption rate (%)	>70	New indicator. No data.	New indicator. No data.	72.3
Net Promoter Score [NPS] (%)	80	New indicator. No data.	New indicator. No data.	90.2



6 ENERGY CONSUMPTION

GRI 302-1 | GRI 302-4

Managing energy effectively is our commitment to environmental sustainability and operational excellence. By optimising energy use across our retail stores, offices, and facilities, we not only reduce greenhouse gas emissions but also enhance operational efficiency and support our long-term climate objectives.

Our Approach

In FYE 2025, we have strengthened our energy efficiency measures through both infrastructure upgrades and behavioural initiatives. Energy-efficient air-conditioning systems and LED lighting have been deployed throughout our facilities, complemented by standardised air-conditioning temperature settings and the transition to energy-saving T8 light tubes. These improvements are designed to lower energy consumption while maintaining a comfortable and safe environment for our employees and customers.

Equally important, we encourage energy-conscious behaviours across our workforce. Employees are prompted to switch off unused devices and lighting, supported by regular reminders and communications across our headquarters and strategic business units.

Further advancing our commitment, we have embarked on installing solar panels across 14 locations. As of the reporting period, these installations have collectively generated 933,966 kWh of energy year-to-date, demonstrating our proactive approach to integrating renewable energy into our operations and supporting progress towards our long-term sustainability targets.

The Group also promotes adoption of solar energy solutions by retailing solar systems, enabling customers to explore renewable energy alternatives for their homes and businesses. While contributing to the Group’s revenue streams, this initiative has supported the public awareness of sustainable energy consumption.

Through these combined measures, we continue to ensure that energy management is a strategic lever for both environmental performance and business resilience.



These installations have collectively generated 933,966 kWh of energy year-to-date, demonstrating our proactive approach to integrating renewable energy into our operations and supporting progress towards our long-term sustainability targets.

Our Performance

Target & Commitments	Performance Target ¹	Performance in		
		FYE 2023	FYE 2024	FYE 2025
Electricity consumption (kWh)	-	21,775,117	18,921,045	17,978,166
Fuel [Diesel] (Litres)	-	656,168 ²	723,414 ²	741,661
Fuel [Petrol] (Litres)	-	10,194 ²	12,790 ²	9,041

Note:

- Given that energy and fuel consumption are closely linked to operational and business scale, no absolute targets are set. The Group emphasises efficiency and continuous improvement initiatives instead.
- The FYE 2023 and FYE 2024 fuel data have been restated during the current reporting cycle following updates to underlying fuel consumption data. The recalculation was undertaken to enhance data accuracy and maintain consistency in year-on-year emissions reporting.
- Energy consumption values were converted using the following standard conversion factors:
 Electricity Consumption: 1 kWh = 3.6 MJ
 Fuel Consumption (Diesel & Petrol): 1 litre = 38.6 MJ
 Total energy consumption in megajoules (MJ) is calculated as:
 Total Energy Consumption (MJ) = (Electricity × 3.6) + (Diesel × 38.6) + (Petrol × 38.6)
 To convert to gigajoules (GJ):
 Total Energy Consumption (GJ) = Total Energy Consumption (MJ) / 1000

SUSTAINABILITY STATEMENT

7 WASTE MANAGEMENT

GRI 306-4

Waste management remains relevant to the Group’s retail operations, particularly in relation to packaging materials and end-of-life electronic products. Waste streams primarily include packaging materials (such as styrofoam and item boxes), general operational waste, and customer-returned electronic waste (“e-waste”).

Our Approach

The Group manages packaging waste through structured recycling arrangements at its operational facilities. Styrofoam and item boxes generated from product deliveries are segregated and collected for recycling.

The Group also operates an E-Waste Recycling Programme, which facilitates the collection of selected electronic appliances through trade-in initiatives and customer drop-off channels. Collected items include televisions, refrigerators, washing machines, air-conditioners, phones, and tablets. E-waste collected may include products not originally purchased from Senheng, supporting broader responsible disposal practices.

The volume of e-waste collected in the financial year was lower compared to previous years as the Group intends to align of trade-in initiatives with S-Coin and customer loyalty programme, while ensuring new e-waste partners comply with regulations of Department of Environment.

The volume of e-waste collected in the financial year was lower compared to previous years as the Group intends to align of trade-in initiatives with S-Coin and customer loyalty programme, while ensuring new e-waste partners comply with regulations of Department of Environment.

General operational waste generated from retail stores, warehouses, and office premises is managed through municipal waste collection services. Waste is collected based on scheduled frequency and disposed of at designated municipal landfill facilities.

For FYE 2025, the estimated quantity of general waste sent to municipal landfill was 112,005 kg.

Our Performance

Target & Commitments	Performance Target ¹	Performance in		
		FYE 2023	FYE 2024	FYE 2025
Styrofoam and item boxes recycled (tonnes collected)	-	100.68	102.95	112.01
E-waste collected [factory process] ² (units)	-	11,223	12,640	8,003

Note:

1. Waste management targets are not set, given that waste generation fluctuates with operational activity. The Group prioritises efficiency, responsible disposal, while enhancing recycling practices.
2. Data presented currently cover operations in Peninsular Malaysia only. Data for East Malaysia operations are being compiled and will be progressively incorporated in future reporting cycles where available.

8

**CLIMATE CHANGE &
EMISSION MANAGEMENT**

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

Recognising the significant impacts of climate change on ecosystems, communities and business continuity, the Group remains committed to managing and reducing greenhouse gas (“GHG”) emissions across its operations. By embedding sustainability considerations into operational decision-making, the Group aims to improve environmental performance while supporting long-term business resilience and value creation.

The Group’s GHG emissions inventory is prepared in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard. The Group adopts the operational control approach in defining its organisational boundary, covering emissions from operations where the Group has operational control, including its retail outlets and central distribution centres (“CDC”). The operational boundary includes Scope 1 (direct emissions from fuel consumption), Scope 2 (indirect emissions from purchased electricity) and Scope 3 emissions from selected value chain activities, as disclosed in the table below.

Our Approach

In FYE 2025, the Group continued to strengthen its emission management initiatives across energy consumption, logistics operations and responsible waste management. Energy efficiency measures were implemented across retail outlets and central distribution centres (“CDC”), focusing on optimising electricity usage and improving operational efficiency.

To minimise transportation-related emissions, the Group optimises logistics routes through structured delivery planning and geographic route management. Deliveries are consolidated and assigned to specific service zones to reduce unnecessary travel between distant locations, helping to improve fuel efficiency and reduce transportation-related emissions.

These operational measures are supported by continuous monitoring of the Group’s carbon emissions inventory. By tracking emissions trends across Scope 1, Scope 2 and Scope 3 categories, the Group is able to identify improvement opportunities and strengthen internal data management for climate-related performance monitoring.

Looking ahead, the Group aims to continue enhancing operational efficiency, strengthening emissions monitoring processes and exploring practical opportunities to reduce its carbon footprint across its value chain.

SUSTAINABILITY STATEMENT

Our Performance

Target & Commitments	Performance Target	Performance in		
		FYE 2023	FYE 2024	FYE 2025
Scope 1 ^{2,5} (tonnes of CO ₂ e)	-	1,708	1,886	1,925
Scope 2 ^{3,5} (tonnes of CO ₂ e)	-	15,922	13,626	12,363
Scope 3 ^{4,6,7} (tonnes of CO ₂ e)	-	4,159,627	3,027,428	1,237,423

Note:

- No performance target was set as the Group is focusing more on tracking and monitoring emission trends before realistic targets can be set.
- The emission factors used for the calculation of Scope 1 emissions are based on the UK Government GHG Conversion Factors for Company Reporting 2025 published by the UK Department for Environment, Food & Rural Affairs (DEFRA). For mobile combustion, the emission factors applied are 0.00257082 tCO₂e per litre for diesel and 0.00206916 tCO₂e per litre for petrol. To ensure consistency in methodology, Scope 1 emissions for FY2023 and FY2024 have been recalculated using the same emission factor basis following updates to the underlying fuel consumption data.
- Scope 2 emissions were calculated using Malaysia's Grid Emission Factor (GEF). For FY2023 and FY2024, an emission factor of 0.000774 tCO₂e/kWh was applied based on the GEF available at the time of reporting. For FY2025, the updated provisional 2024 GEF published for Malaysia was applied, using emission factors of 0.000740 tCO₂e/kWh for Peninsular Malaysia, 0.000539 tCO₂e/kWh for Sabah and 0.000199 tCO₂e/kWh for Sarawak. FY2023 Scope 2 emissions have been recalculated based on the revised electricity consumption data and rounded to the nearest whole number for reporting purposes.
- Emission factors used to calculate Scope 3 are based on factors km is kg CO₂e = 0.178189 published by UK Government GHG Reporting Conversion Factors for Company Year 2023. Greenhouse gas reporting: conversion factors 2023 - GOV.UK (www.gov.uk).
- Scope 1 covers non-stationary emissions from petrol and diesel consumption, while Scope 2 accounts solely for emissions from electricity usage.
- Scope 3 includes emissions from Categories 1, 2, 4, 5, 6, 7, and 15. However, certain investments under Category 15 could not be included due to the unavailability of updated information as of the reporting date.
- Scope 3 Category 5 emissions for FY2023 and FY2024 have been restated during the current reporting cycle following a refinement of the waste classification and calculation methodology. The updated approach ensures that only waste generated from the Group's operational activities and treated by third-party waste service providers is included in the Scope 3 Category 5 calculation. Comparative figures have been recalculated accordingly for consistency.

9

DATA PRIVACY AND SECURITY

GRI 418-1

The protection of customer and business data is integral to the Group's operations, particularly given the increasing reliance on digital platforms and customer loyalty systems. The Group manages personal data in accordance with the Personal Data Protection Act 2010 ("PDPA"), which governs the collection, processing, storage, and safeguarding of personal information

Our Approach

To ensure effective governance, the Group has established a structured personal data protection framework to operationalise the PDPA's seven Personal Data Protection Principles set out under Section 5 (1) and Part II of the PDPA. A Data Protection Officer was also appointed and registered with Personal Data Protection Department effective June 1, 2025.

The Group implements technical and administrative controls designed to prevent unauthorised access, misuse, or loss of information. These controls include access management protocols, system security measures, and periodic internal checks to assess compliance with applicable data protection requirements.

Employee awareness on data handling responsibilities is reinforced through internal communication and training initiatives, supporting adherence to established procedures. Focusing on cybersecurity, information security best practices, and personal data handling. In FYE 2025, initial cybersecurity awareness programs were conducted across the Group, and we are developing additional metrics to better capture training effectiveness, which will be disclosed in future reporting once the indicators are fully established.

The Group also maintains ISO/IEC 27001:2022 certification (CNS 27001:2023), which provides a structured framework for information security management. This certification supports the Group's ongoing efforts to strengthen data protection practices, to strengthen cybersecurity practices, protect information assets, and mitigate emerging threats in an increasingly digital environment.

Our Performance

During FYE 2025, we introduced few additional indicators to strengthen the Group's oversight of cybersecurity awareness and information security governance. These indicators relate to cybersecurity awareness and training initiatives as well as the maintenance of information security certification, reflecting our continued efforts to enhance internal capabilities in managing information security risks and safeguarding organisational data. The introduction of these indicators represents an important step in strengthening the Group's internal monitoring of cybersecurity practices and will support more structured tracking of our information security initiatives in future reporting periods.

As part of these initiatives, we conducted several cybersecurity and information security awareness programmes during the year, covering areas such as information security awareness, data leak prevention and broader cybersecurity practices. Participation included employees across both management and non-management levels, reflecting our commitment to promoting responsible information handling practices across the organisation. These initiatives form part of the Group's broader efforts to reinforce a strong cybersecurity culture and enhance employee awareness of evolving cyber risks.

SUSTAINABILITY STATEMENT

In addition, we continue to maintain our ISO/IEC 27001 Information Security Management System certification, which provides a structured framework for managing information security risks and protecting critical information assets. Thus, demonstrating our commitment to internationally recognised information security standards. The certification was initially issued in 2022 and underwent its latest issuance update during FYE 2025, with validity extending until 2028. The certification supports the Group’s structured approach in safeguarding information assets, managing cybersecurity risks and maintaining the integrity of our information management practices.

Alongside these initiatives, we continue to monitor incidents relating to customer and privacy data. Historical records indicate that no confirmed breaches were recorded in FYE 2023, FYE 2024, and FYE 2025. This continued track record reflects the effectiveness of our existing information security controls and our ongoing commitment to safeguarding confidential information and personal data handled within our operations.

Target & Commitments	Performance Target	Performance in		
		FYE 2023	FYE 2024	FYE 2025
Number of breaches of customer and privacy data	0 Cases	0 confirmed breaches	0 confirmed breaches	0 confirmed breaches



Historical records indicate that no confirmed breaches were recorded in FYE 2023, FYE 2024, and FYE 2025."



10 DIVERSITY, EQUITY OPPORTUNITY & INCLUSION

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

At Senheng, we recognise that a diverse and inclusive workforce supports sustainable growth, operational effectiveness, and employee engagement. Diversity considerations across gender, age, and background are integrated into workforce planning and talent management processes

Our Approach

At Senheng, employment practices are guided by its Code of Ethics Policy, which outlines commitments to equal opportunity and non-discrimination in recruitment, promotion, and performance evaluation. Employment decisions are based on merit, qualifications, and business requirements.

The Group provides employee benefits aligned with statutory requirements and industry practices, including medical coverage, retirement savings contributions, and paid leave entitlements. Career development initiatives are implemented to support skill enhancement and internal progression.

The Group periodically reviews its human resource policies and employee benefit structures to ensure continued relevance and alignment with evolving workforce needs.



SUSTAINABILITY STATEMENT



Physical Well-Being

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



Balance and Sustainable Working Norms

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



Incentives

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



Career Growth and Community Support

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



Reimbursements

- ➔ Mileage claim
- ➔ Dental claim
- ➔ Hotel accommodation claim
- ➔ Medical claim



The Group had launched a new mission statement "Happiness + Well-Being + Better Quality of Living" in the year. This "people oriented" corporate philosophy is not just a slogan but guides our employees in daily interactions within the Group, and with customers and business partners. With Employee Get-Together Engagement activities, employees feel valued and internal collaboration had significantly strengthened.

Our Performance

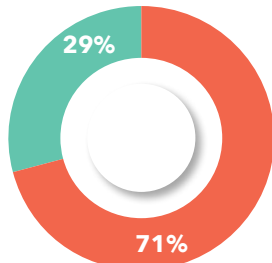
Board of Directors

The composition of the Board remained unchanged in FYE 2025 compared to the previous year. At present, female representation on the Board stands at 29%, which is slightly below 30%, the target recommended by the Malaysian Code on Corporate Governance (“MCCG”). Senheng continues to prioritise future appointments based on relevant experience, expertise, and the overall contribution to the Group.

Board's Composition

BOARD BY GENDER (%)

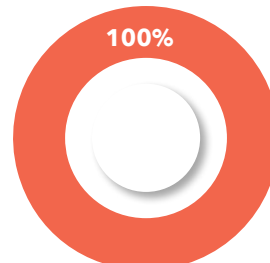
FYE 2023, FYE 2024 and FYE 2025



● Male ● Female

BOARD BY AGE

FYE 2023, FYE 2024 and FYE 2025



● >50 years old

Employees Composition

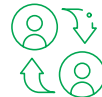
Total Number of Employees



1,742
(FYE 2025)

FYE 2024 - 1,836
FYE 2023 - 1,970

Employee Turnover Rate (%)¹

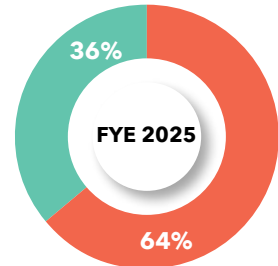
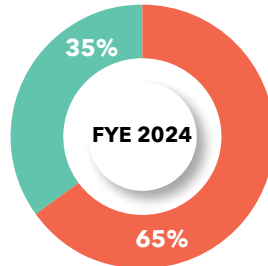
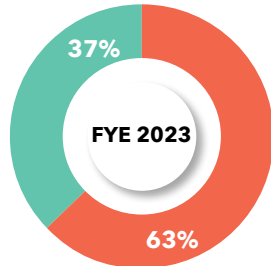


42%
(FYE 2025)

FYE 2024 - 43%
FYE 2023 - 40%

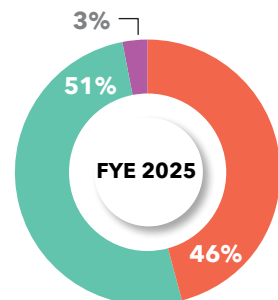
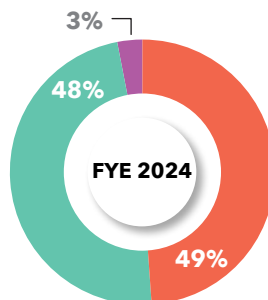
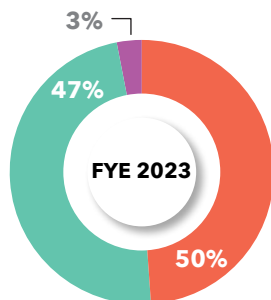
EMPLOYEES BY GENDER

● Male
● Female



EMPLOYEES BY AGE

● <30
● 30-50
● >50



Note:

1. The Employee Turnover Rate (%) for FYE 2024 and FYE 2025 exclude intern & contractors.

SUSTAINABILITY STATEMENT

11 EMPLOYEE TRAINING & TALENT DEVELOPMENT

GRI 404-1 | GRI 404-2

At Senheng, we recognise that workforce capability supports operational consistency, customer service standards, and long-term business performance. Training and development initiatives are structured to enhance role-specific competencies and leadership readiness across the organisation.

Our Approach

During FYE 2025, the Group continued implementing structured training programmes in collaboration with SH Retail Academy to support technical skill development and operational knowledge. Annual performance and career development reviews were conducted to assess employee performance, identify development needs, and set individual objectives aligned with business requirements.

The Group also advanced internal talent development initiatives, including:

Ongoing implementation of the "Super Executive" programme to strengthen leadership capabilities among identified new talents;

Corporate visits to industry peers to enhance management exposure and operational learning; and

Continuous rollout of in-house and DEI-focused training sessions to support inclusive workplace practices.

Our Performance

In FYE 2025, a total of 33,006 training hours were recorded across the Group (FYE 2024: 33,141; FYE 2023: 36,248), reflecting continued investment in employee capability development. During the year, 8 corporate benchmarking visits were conducted to enhance management exposure to industry practices, and 18 employees participated in the Super Executive programme as part of internal leadership development initiatives. These efforts support the Group's ongoing focus on strengthening workforce skills and succession readiness.

Target & Commitments	Performance Target ¹	Performance in		
		FYE 2023	FYE 2024	FYE 2025
Total Hours of Training	-	36,248	33,141	33,006
Total Hours of Training by Employee Category:				
Executive (Management)	-	11,122	8,550	9,514
Non-executive (Non-Management)	-	25,126	24,591	23,492
Average Training Hours Per Employee	18	18.4	17.2	19.0
Number of "Super Executive" identified	-	New indicator. No data	New indicator. No data	18
Number of corporate visits	8	New indicator. No data	New indicator. No data	8

Note:

1. The Group does not set fixed targets for training hours, as these vary depending on the total number of employees and the workforce composition. Instead, the Group focuses on delivering quality development programmes that support employee growth and organisational objectives. The Board reviews performance annually and determines suitable targets based on the prevailing economic outlook, industry trends, alignment with strategic priorities, and overall business and market conditions. As a result, the targets may differ from one reporting period to another.

12 PRODUCT QUALITY & SAFETY

GRI 416-2

Product quality and safety are central to maintaining customer trust and regulatory compliance. The Group manages product governance processes to ensure that products distributed meet applicable safety requirements and performance standards.

Our Approach

The Group complies with applicable regulatory requirements, including the Electricity Regulations 1994 and relevant Minimum Energy Performance Standards (“MEPS”). Products distributed are required to meet safety, performance, and energy efficiency requirements prescribed by relevant authorities.

Products are subject to approvals and certifications from relevant bodies, including the Energy Commission, SIRIM, and the Malaysian Communications and Multimedia Commission (“MCMC”), where applicable. Energy-labelled products comply with MEPS energy rating requirements in accordance with regulatory guidelines.

In FYE 2025, the Group continued to maintain 100% warranty coverage across key product categories, ensuring baseline product assurance for customers. In addition, differentiated warranty options were introduced across selected product segments to provide greater flexibility based on product type and customer needs.



In our continuous effort in elevating customer experience, our Delivery Management Systems had been enhanced to ensure consistency of achieving consistent high rating in our Last Mile Customer Satisfaction survey.

Our Performance

Throughout FYE 2025, Senheng continued to prioritise customer satisfaction and service excellence, as reflected in our customer experience indicators. Our Last Mile Customer Satisfaction Survey scored 92.46%, demonstrating strong customer advocacy and overall satisfaction with our products and services. These results underscore our continued focus on enhancing customer engagement, strengthening service delivery, and maintaining product quality standards.

Target & Commitments	Performance Target	Performance in		
		FYE 2023	FYE 2024	FYE 2025
Last mile customer satisfaction survey (%)	Above 85	94.25	94.32	92.46
Small appliances defective rate (%)	Below 5.0	3.26	3.49	3.30
Percentage of key product categories that comes with warranty (%)	Above 90	New indicator. No data	New indicator. No data	100

SUSTAINABILITY STATEMENT

13 WORKPLACE SAFETY & WELLBEING

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

Workplace safety management remains an operational responsibility across the Group’s retail stores, warehouses, and support functions. The Group manages occupational health and safety risks to support business continuity and employee wellbeing.

Our Approach

Throughout our operations, we uphold structured safety practices designed to maintain a secure, compliant, and healthy workplace. Our Occupational Health and Safety Management System provides a formal framework for managing workplace risks, supported by clearly defined Standard Operating Procedures (“SOPs”) that guide day-to-day operational conduct.

Our safety framework is anchored by applicable legislation and recognised standards, ensuring that workplace practices remain aligned with regulatory requirements. Key governing regulations include:

Our SOPs and safety protocols are developed with reference to regulatory expectations and industry best practices, supported by engagement with relevant authorities, including:



Fire and Rescue Service


Supports fire prevention measures, safety controls, and emergency preparedness procedures.



Department of Occupational Safety and Health (“DOSH”)

Provides regulatory oversight and guidance on workplace health and safety standards.

Legislation and Standards



Factories and Machinery Act 1967

Governs workplace safety requirements and the safe use of machinery within Senheng’s operational scope.



Occupational Safety and Health Act 1994

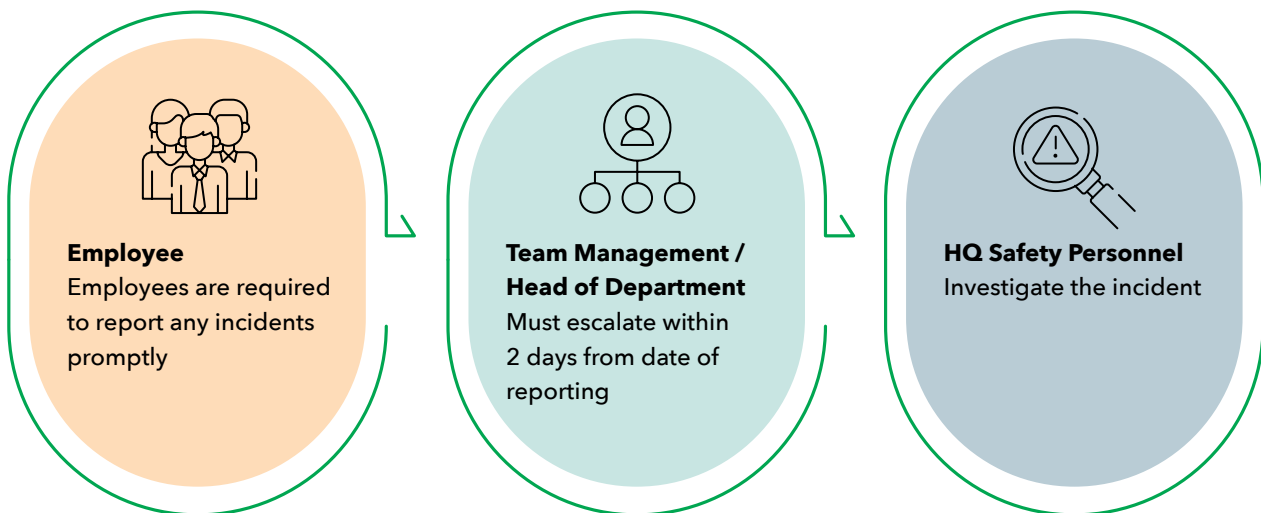
Establishes the overarching principles for maintaining a safe and healthy work environment.



The Group continues to emphasise preventive safety practices and employee awareness to manage workplace risks across operational sites.



To strengthen workplace safety practices, safety notices are displayed in showrooms and operational areas, and routine inspections are conducted to monitor adherence to established safety protocols. The process for reporting incidents is outlined in the flowchart below:



Workplace safety is managed as an operational responsibility across all functions. Employees are required to report incidents promptly, and reported cases are reviewed and investigated in accordance with internal procedures.

Regular training initiatives, including Occupational Health and Safety (“OHS”) induction programmes, are conducted to reinforce awareness of workplace hazards, reporting protocols, and individual responsibilities. These sessions support early identification of risks and timely incident reporting.

Oversight of safety practices is supported by Senheng’s Health & Safety Committee, comprising representatives from relevant functional areas. The committee reviews reported incidents, monitors safety performance trends, and evaluates existing procedures to identify areas for improvement. Findings are discussed periodically to ensure that control measures remain aligned with operational needs.

SUSTAINABILITY STATEMENT

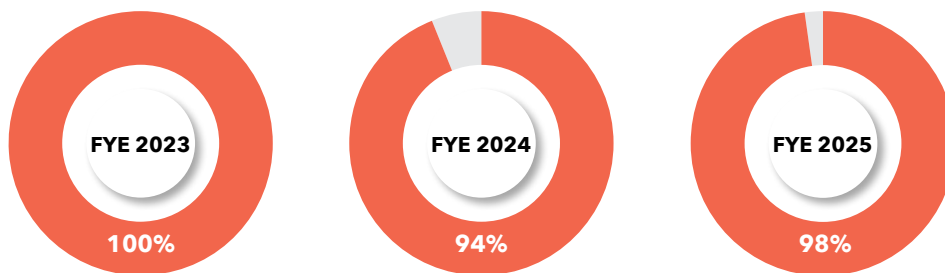
Our Performance

Target & Commitments	Performance Target	Performance in		
		FYE 2023	FYE 2024	FYE 2025
Number of work fatalities	0	0	0	0
Lost time incident rate	0	0	0	0
Number of employees trained on health and safety training	At Least 90% of employees	1,970	1,625	1,553
Percentage of employees training on H&S (%)	90	100	94	98

Number of employees trained on health and safety training



Percentage of employees training on H&S (%)



14 COMMUNITY ENGAGEMENT & CONTRIBUTION

GRI 203-2 | 413-1

We remain committed to conducting our business responsibly while delivering meaningful contributions to the communities we serve. Our corporate social responsibility (“CSR”) initiatives are designed to create positive social impact, strengthen stakeholder trust, and support community development through targeted and purpose-driven programmes.

Our Approach

Throughout FYE 2025, we continued to implement CSR initiatives centred on education, community support, and collaborative partnerships. Our programmes were designed to provide practical assistance while fostering engagement with beneficiaries across diverse community segments.

During the financial year, the Group undertook several initiatives, including the CSR Projects with schools to sponsor chairs, and collaborating with ABARO, where we supported students through the provision of essential school items, including school set which contains bag, shoes, bottle, socks, stationary set.



School set which contains bag, shoes, bottle, socks, stationary set

SUSTAINABILITY STATEMENT



CSR Event (FRIM)

In addition, we collaborated with FRIM and Laifen to organise an educational programme involving special needs children. The programme included learning sessions on the synchronised fireflies in Malaysia, interactive quizzes on nature and fireflies, a Do-It-Yourself (“DIY”) bottle firefly craft activity, a heritage walk around FRIM, and the distribution of ABS toothbrush souvenirs contributed by Laifen. The Group also conducted the *Program Lawatan Sambil Belajar Mengenai Kelip-Kelip* as part of our community engagement efforts.

Our Performance

In FYE 2025, Senheng contributed RM 120,812 towards community-focused initiatives. Across these programmes, our CSR activities reached 7 groups of beneficiaries, reflecting the Group’s continued commitment to delivering measurable social value through structured community contributions.

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

Target & Commitments	Performance Target ¹	Performance in		
		FYE 2023	FYE 2024	FYE 2025
Total number of beneficiaries of the investment in communities	-	2	4	7
Total Amount Contributed (RM)	-	575,000	164,885	120,812
Number of social events/programs (e.g. Roadshows, media briefing)	-	New indicator. No data	New indicator. No data	80

Note:

1. Performance targets vary among the years. The board establishes annual performance targets based on economic outlook, industry trends, ensuring alignment with the Group’s strategic plans. These figures are determined by overall business performance and prevailing market conditions.

MOVING FORWARD

In FYE 2025, the Group refined its materiality assessment process and strengthened alignment with evolving reporting expectations under the National Sustainability Reporting Framework (“NSRF”). This included reviewing previously identified material matters, incorporating new priority areas such as Digital Retail Ecosystem and Customer Loyalty & Experience, and updating topic definitions to better reflect operational relevance.

Building on these refinements, the Group will continue enhancing internal data collection processes, governance oversight, and disclosure clarity in FYE 2026. Priority areas include improving consistency in KPI tracking, strengthening cross-functional reporting coordination, and progressively enhancing the quality of sustainability-related disclosures in line with the Group’s reporting maturity and regulatory developments.

The Group will continue monitoring developments under the NSRF adoption pathway and Bursa Malaysia’s Sustainability Reporting Guide, taking a phased and practical approach to future disclosure enhancements.

Assurance Statement

The sustainability-related disclosures presented in this Sustainability Statement have not been subjected to independent external assurance.

While external assurance providers and internal auditors were not engaged for sustainability disclosures during this cycle, we recognise the importance of progressively enhancing the robustness and credibility of our reporting practices. As part of our ongoing reporting evolution, we will evaluate the suitability and scope of independent assurance for future sustainability disclosures.

Scope and Methodology

This Sustainability Statement covers Senheng New Retail Berhad and its subsidiaries for the financial year ended 31 December 2025. The reporting scope includes operations where the Group has operational oversight and decision-making authority.

Information presented is compiled from relevant business units and functional departments. Internal validation and review procedures are applied to support data consistency and completeness.

Given the Group’s current reporting stage, sustainability-related information has not undergone external assurance. Enhancements to internal data governance and reporting controls will continue to be prioritised in future reporting cycles.

Stakeholder Engagement

Stakeholder engagement continues to inform the Group’s sustainability priorities and disclosure approach. Feedback from customers, employees, investors, suppliers, and community partners is considered in the review of material matters and reporting focus areas.

As the Group enhances its reporting practices, stakeholder input will continue to support improvements in data quality, disclosure clarity, and alignment with evolving regulatory expectations.

Conclusion

In FYE 2025, the Group refined its materiality assessment and updated selected sustainability topics to better reflect operational priorities and reporting developments. These refinements strengthen the relevance and clarity of the disclosures presented in this Statement.

Looking ahead to FYE 2026, the Group will continue enhancing internal data governance, reporting consistency, and cross-functional coordination to support progressively improved sustainability disclosures. Enhancements will be implemented in line with the Group’s reporting maturity and applicable regulatory requirements.

SUSTAINABILITY STATEMENT

BURSA MALAYSIA PRESCRIBED TABLE

Senheng New Retail Berhad BMLR Transition Period		Date & Time: 2026-04-17 16:14:56 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Economic Performance	Economic value generated	MYR'000	1,157,825	Internal Target	No assurance
Economic Performance	Economic value distributed	MYR'000	1,158,378	Internal Target	No assurance
Economic Performance	Economic value retained	MYR'000	9,447	Internal Target	No assurance
Supply Chain Resilience	Percentage of spending on local suppliers	Percentage	96.2	90	No assurance
Supply Chain Resilience	Percentage of suppliers meeting SCOC	Percentage	100	90	No assurance
Supply Chain Resilience	Percentage of evaluated suppliers achieving satisfactory performance	Percentage	85.7	90	No assurance
Governance, Ethics & Compliance	Percentage of employees on ABAC training	Percentage	99.9	100	No assurance
Governance, Ethics & Compliance	Corruption case reported and action taken	Number	0	0	No assurance
Governance, Ethics & Compliance	Number of operational branch audits conducted	Number	352	300	No assurance
Digital Retail Ecosystem	S-Coin issuance	MYR	130,413,690	None	No assurance
Digital Retail Ecosystem	Percentage of online sales	Percentage	11.4	None	No assurance
Digital Retail Ecosystem	Number of online redemption	Number	67,665	None	No assurance
Customer Loyalty & Experience	Member sales contribution	Percentage	891	90	No assurance
Customer Loyalty & Experience	S-Coin redemption rate	Percentage	72.3	70	No assurance
Customer Loyalty & Experience	Net Promoter Score	Percentage	90.2	80	No assurance
Energy Consumption	Electricity consumption	kWh	17,978,166	None	No assurance
Energy Consumption	Fuel [Diesel]	Litres	741,661	None	No assurance

BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-04-17 16:14:56
FYE 31/12/2025

Senheng New Retail Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Energy Consumption	Fuel [Petrol]	Litres	9,041	None	No assurance
Waste Management	Styrofoam and item boxes recycled [collected]	Tonnes	112.01	None	No assurance
Waste Management	E-waste collected [factory processed]	Units	8,003	None	No assurance
Climate Change & Emission Management	Scope 1	Tonnes of CO2e	1,925	None	No assurance
Climate Change & Emission Management	Scope 2	Tonnes of CO2e	12,363	None	No assurance
Climate Change & Emission Management	Scope 3	Tonnes of CO2e	1,237,423	None	No assurance
Data Privacy & Security	Number of breaches of customer and privacy data	Number	0	0	No assurance
Diversity, Equity & Inclusion	Percentage of Board by gender (Male)	Percentage	71	70	No assurance
Diversity, Equity & Inclusion	Percentage of Board by gender (Female)	Percentage	29	30	No assurance
Diversity, Equity & Inclusion	Percentage of Board by age (>50 years old)	Percentage	100	None	No assurance
Diversity, Equity & Inclusion	Total number of employees	Number	1,742	None	No assurance
Diversity, Equity & Inclusion	Percentage of employees by gender (Male)	Percentage	64	None	No assurance
Diversity, Equity & Inclusion	Percentage of employees by gender (Female)	Percentage	36	None	No assurance
Diversity, Equity & Inclusion	Percentage of employees by age (<30 years old)	Percentage	46	None	No assurance
Diversity, Equity & Inclusion	Percentage of employees by age (30 - 50 years old)	Percentage	51	None	No assurance

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SUSTAINABILITY STATEMENT

Date & Time: 2026-04-17 16:14:56
FYE 31/12/2025

Senheng New Retail Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity, Equity & Inclusion	Percentage of employees by age (>50 years old)	Percentage	3	None	No assurance
Diversity, Equity & Inclusion	Employee turnover rate	Percentage	42	None	No assurance
Employee Training & Talent Development	Total hours of training	Number of hours	33,006	None	No assurance
Employee Training & Talent Development	Total hours of training by employee category (Executive/Management)	Number of hours	9,514	None	No assurance
Employee Training & Talent Development	Total hours of training by employee category (Non-Executive/Non-M- management)	Number of hours	23,492	None	No assurance
Employee Training & Talent Development	Average training hours per employee	Number of hours	19.0	18.0	No assurance
Employee Training & Talent Development	Number of "Super Executive" identified	Number	18	None	No assurance
Employee Training & Talent Development	Number of corporate visits	Number	8	None	No assurance
Product Quality & Safety	Last mile customer satisfaction survey	Percentage	92.46	Above 85	No assurance
Product Quality & Safety	Small appliances defective rate	Percentage	3.30	Below 5.0	No assurance
Product Quality & Safety	Percentage of key product categories that comes with warranty	Percentage	100	Above 90	No assurance
Workplace Safety & Wellbeing	Number of work fatalities	Number	0	0	No assurance
Workplace Safety & Wellbeing	Lost time incident rate	Rate	0	0	No assurance
Workplace Safety & Wellbeing	Number of employees trained on health and safety training	Number	1,553	90% of employees	No assurance
Workplace Safety & Wellbeing	Percentage of employees training on H&S	Percentage	98	90	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-17 16:14:56

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Senheng New Retail Berhad
BMLR Transition Period

Date & Time: 2026-04-17 16:14:56
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Community, Engagement & Contribution	Total number of beneficiaries of the investment in communities	Number	7	None	Internal
Community, Engagement & Contribution	Total amount contributed	MYR	120,812	None	No assurance
Community, Engagement & Contribution	Number of social events/programs	Number	80	None	No assurance

SUSTAINABILITY STATEMENT

GRI CONTENT INDEX

Statement of use: Senheng New Retail Berhad has reported information cited in this GRI content index for the period of 1 January 2025 to 31 December 2025 in accordance with the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI STANDARD / OTHER SOURCE	DISCLOSURE ITEM	REFERENCE PAGES(S) IN ANNUAL REPORT
GRI 2: General Disclosures 2021		
2-1	Organisation details	42
2-2	Entities included in the organisation’s sustainability reporting	42
2-3	Reporting period, frequency and contact point	42
2-4	Restatement of information	61, 64
2-5	External assurance	No external assurance
2-6	Activities, value chain and other business relationship	42
2-7	Employees	67-70
2-8	Workers who are not employees	67-70
2-9	Governance structure and composition	44-45
2-10	Nomination and selection of highest governance body	84-103
2-11	Chair of the highest governance body	84-103
2-12	Role of the highest governance body in overseeing the management of impacts	43-45
2-13	Delegation of responsibility for managing impacts	44-45
2-14	Role of the highest governance body in sustainability reporting	44-45
2-15	Conflict of interest	19-26, 84-103
2-16	Communication of critical concerns	Corporate Governance Report
2-17	Collective knowledge of the highest governance body	Corporate Governance Report
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report
2-19	Remuneration policies	Corporate Governance Report
2-20	Process to determine remuneration	Corporate Governance Report
2-21	Annual total compensation ratio	Corporate Governance Report
2-22	Statement on sustainable development strategy	Corporate Governance Report
2-23	Policy commitments	Corporate Governance Report
2-24	Embedding policy commitments	77
2-25	Processes to remediate negative impacts	47-52
2-26	Mechanism for seeking advice and raise concerns	47-52
2-27	Compliance with laws and regulations	46
2-29	Approach to stakeholder engagement	47-48
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	43-52
3-2	List of material topics	49-50
3-3	Management of material topics	47-76

GRI STANDARD / OTHER SOURCE	DISCLOSURE ITEM	REFERENCE PAGES(S) IN ANNUAL REPORT
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	55
GRI 205: Anti-corruption 2016		
205-1	Operation assessed for risks related to corruption	56
205-2	Communication and training about anti-corruption policies and procedures	56-57
205-3	Confirmed incidents of corruption and actions taken	57
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	61
302-4	Reduction of Energy Consumption	61
GRI 303: Water and Effluents 2018		
303-5	Water consumption	48
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	67-69
401-2	Benefit provided to full-time employees that are not provided to temporary or part-time employees	67-69
401-3	Parental leave	67-69
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	72-74
403-2	Hazard identification, risk assessment, and incident investigation	72-74
403-3	Occupational health services	72-74
403-4	Worker participation, consultation, and communication on occupational health and safety	72-74
403-5	Worker training on occupational health and safety	72-74
403-6	Promotion of worker health	72-74
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	72-74
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	70
404-2	Programs for upgrading employee skills and transition assistance programs	70
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	67-69
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	75-76
413-2	Operations with significant actual and potential negative impacts on local communities	75-76
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	65-66

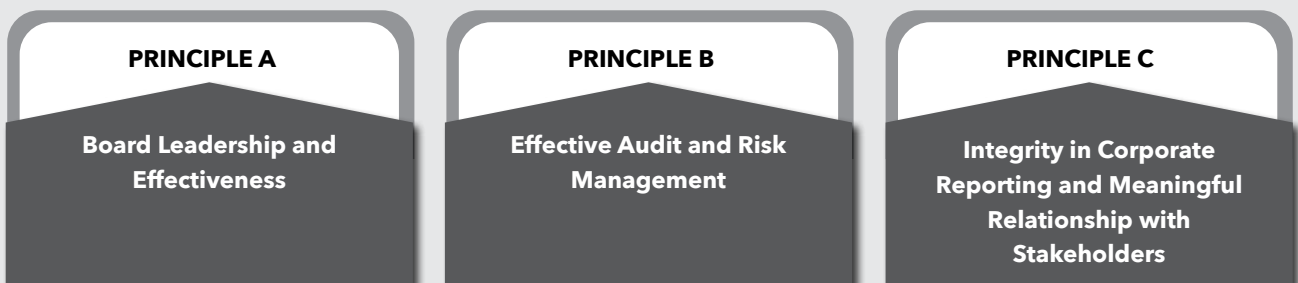
CORPORATE GOVERNANCE OVERVIEW STATEMENT



The Board of Directors ("**Board**") of Senheng New Retail Berhad ("**Senheng**" or "**the Company**"), together with its subsidiaries (collectively referred to as "**the Group**" or "**Senheng Group**"), remains committed to upholding high standards of corporate governance as an integral part of the Group's business conduct. The Board recognises that the effective application of the principles and practices set out in the Malaysian Code on Corporate Governance ("**MCCG**") is fundamental to achieving sustainable growth, enhancing corporate accountability and strengthening stakeholder confidence.

In discharging its fiduciary duties, the Board provides effective leadership, oversight, and exercises independent and unfettered judgment in the best interests of the Company. The Board ensures that due consideration is given to the interests of shareholders and other stakeholders, with the overarching objective of creating sustainable long-term value.

The Board is pleased to present this Corporate Governance Overview Statement ("**CG Overview Statement**"), which provides an overview on the Board's initiatives and commitments in promoting good corporate governance across the Group throughout the financial year ended 31 December 2025 ("**FYE 2025**"). This CG Overview Statement has been prepared in accordance with Paragraph 15.25(1) and Practice Note 9 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), with reference to the following three (3) key corporate governance principles as set out in the MCCG: -



This statement should be read together with the Corporate Governance Report ("**CG Report**"), which is prepared in accordance with the prescribed format under the MMLR of Bursa Securities for FYE 2025. This CG Report provides detailed explanations on the application of each practice as set out in the MCCG.

The CG Report is available on the Company's website at www.senheng.com as well as via an announcement on the website of Bursa Securities at www.bursamalaysia.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS



PART I: BOARD RESPONSIBILITIES

Discharging Board Responsibilities

Collectively, the Board shoulders the responsibility for the Group's long-term growth and the delivery of sustainable value to its stakeholders. In fulfilling its fiduciary duties and leadership functions, the Board establishes the strategic direction and exercises effective oversight over the management of the Group. Key responsibilities include providing effective oversight of the Group's business operations, ensuring the existence of robust risk management and internal control systems, and conducting regular reviews to ensure their adequacy, integrity, and effectiveness. Each Director has an obligation to exercise independent judgement, in good faith and with due care and skill.

Guided by the Company's Constitution, the Companies Act 2016 ("**the Act**"), the MMLR of Bursa Securities, the Board Charter, and other relevant laws, rules and regulatory guidelines, the Board oversees its stewardship, fiduciary, and leadership responsibilities. These include, but are not limited to:-

- reviewing and adopting strategic plans, addressing the sustainability of the Group's business.
- overseeing the conduct of the Group's businesses and evaluating the effectiveness of management.
- identifying principal business risks and implementing appropriate systems for risk management.
- ensuring Senior Management has the necessary skills and experience and that appropriate succession planning for the Board and Senior Management is in place.
- reviewing the adequacy and integrity of the Group's internal control and management information systems, and ensuring compliance with applicable laws, regulations, rules, directives, and guidelines.
- ensuring the Group has in place procedures to enable effective communication with stakeholders.
- ensuring that all Directors have the necessary financial literacy to interpret the Group's financial statements and form a view of the information presented.
- ensuring the integrity of the Group's financial and non-financial reporting.
- promoting a good corporate governance culture together with Senior Management by reinforcing ethical, prudent, and professional conduct.
- reviewing, challenging, and approving Management's critical proposals, providing challenge where appropriate and overseeing their implementation.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Ethical Board Leadership

The ethical culture of an organisation is largely shaped by its leadership. Principles and values set by the Board and Management must be consistently embedded across the Group.

In upholding a culture of integrity, the Group adopts a zero-tolerance approach towards corruption and implements robust policies and procedures that are consistent with the Directors' Code of Conduct as set out in the Board Charter, the Conflict-of-Interest Policy and Guidelines, and the Code of Ethics, which include the Whistle-Blowing Policies and Procedures ("**WBPP**") and the Anti-Bribery & Anti-Corruption Policy ("**ABAC Policy**"). These policies provide a framework to manage and control the risks of fraud, bribery, corruption, misconduct, and unethical practices, thereby promoting the long-term success and integrity of the Company.

Board Charter

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

The Board Charter is reviewed and updated periodically to ensure its continued relevance and effectiveness, taking into account the evolving needs of the Company and any new regulations that may affect the discharge of the Board's responsibilities. This dynamic approach reflects the Board's commitment to staying abreast of industry developments and regulatory changes.

Serving as a key reference for understanding the Company's governance framework, the Board Charter was last reviewed by the Board on 25 August 2025. The revised Board Charter is readily accessible on the Company's website at www.senheng.com, demonstrating the Company's commitment to transparency and ensuring stakeholders have convenient access to essential governance information.

Whistle-Blowing Policies and Procedures

The Group has adopted the WBPP to provide an avenue for stakeholders to raise concerns regarding any suspected wrongdoing, misconduct or unethical behaviour in a confidential manner and to facilitate inquiries into such reported concerns.

The WBPP outlines the policies and procedures to enable Whistle-Blowers to report misconduct through appropriate channel. Complaint or allegations of bribery, corruption or other misconduct may be submitted via whistleblowing@senheng.com.my.

All reported concerns will be treated confidentially and protected against unauthorised access or use, except where disclosure is required by law or where prior notice has been given to the Whistle-Blower.



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

Anti-Bribery and Anti-Corruption Policy

The Senheng Group maintains a firm stance against bribery and corruption through the implementation of its ABAC Policy as part of the Group's Anti-Bribery Management System. The ABAC Policy expressly prohibits all forms of bribery and corrupt practices throughout the organisation.

The ABAC Policy reflects the Group's commitment to ethical business practices and good corporate governance in line with the Government's efforts to combat corruption. It is supported by compliance with the Malaysia Penal Code 1936, Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (Act A1567), and other relevant policies, including the Gift and Hospitality Policy.

Through the ABAC Policy, the Group promotes a culture of integrity, transparency, and compliance. It provides a framework for identifying, preventing, and managing bribery and corruption risks across the Group's operations, thereby reinforcing ethical conduct and adherence to applicable laws and regulations.

No individual will face retaliation or adverse consequences for refusing to engage in bribery or corruption, or for raising concerns or reporting suspected wrongdoing, in accordance with the Group's ABAC Policy.

Ethic Statement Regarding Anti-Bribery and Anti-Corruption

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

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

Conflict-of-Interest Policy and Guidelines

The Board is committed to upholding the highest ethical standards and recognises the importance of consistently demonstrating exemplary corporate governance. Directors and employees are expected to act with integrity, impartiality, and professionalism in the performance of their duties, and to avoid any conflicts of interest ("**COI**") that may arise in the course of their responsibilities.

Senheng Group has adopted a Conflict-of-Interest Policy and Guidelines to ensure that actual, potential, and perceived COI are identified and managed effectively. The Policy provides clear guidance on addressing situations where COI may arise, safeguarding that all business decisions are made in the best interests of the stakeholders.

Separation of roles between Chairman and Managing Director

The Chairman plays a pivotal leadership role in guiding the conduct of the Board and managing its interactions with shareholders and other stakeholders. Key responsibilities include promoting good corporate governance, fostering effective leadership, and ensuring the overall effectiveness of the Board. The Chairman also serves as a linchpin in embedding a culture of transparency, accountability, and ethical decision-making, thereby reinforcing sound governance and leadership principles throughout the organisation and enhancing stakeholder confidence.

On 1 August 2025, the Board approved the temporary combination of the positions of Chairman and Managing Director, in recognition of the extensive experience and in-depth institutional knowledge of Mr. Lim Kim Heng ("**Mr. KH Lim**"), the Group's founder. Notwithstanding this arrangement, the Board remained committed to the best practices outlined in the MCCG, ensuring that appropriate safeguards and oversight mechanisms were in place to maintain checks and balances over major decisions.

On 1 March 2026, the Board approved the appointment and re-designation of Dato' Yeow Wah Chin as Independent Non-Executive Chairman of the Company and Mr. KH Lim relinquished his position as the Non-Independent Executive Chairman and be re-designated as the Managing Director of the Company. These efforts were undertaken by the Company in line with good corporate governance practice in accordance with MCCG and to ensure there is a balance of power and authority to promote clear accountability and unfettered powers in decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The key responsibilities of the Chairman of the Board are, among others, as follows:-

- providing leadership to ensure the Board exercises effective oversight of Management;
- leading the Board in adopting and implementing good corporate governance practices across the Group;
- establishing the agenda for Board meetings in consultation with the Managing Director and Company Secretary;
- promoting active participation by all Directors and encouraging the expression of differing views to be expressed, while ensuring that all relevant matters are included on the agenda. Directors are provided with timely and relevant information and are properly briefed on issues arising during Board meetings;
- ensuring that Executive Directors go beyond their executive functions and fully assume their responsibilities in corporate governance;
- managing the interface between the Board and Management;
- coordinating investor relations activities with the Managing Director to provide stakeholders with relevant information and communicate their views to the Board;
- acting as the primary spokesperson for the Company at the Annual General Meeting ("AGM") and in reporting the Company's financial and operational performance; and
- performing any other responsibilities as may be assigned by the Board from time to time.

The Managing Director oversees the Group's day-to-day strategic operations and ensures the effective implementation of the Board's decisions to sustain the Group's growth and success. An experienced Senior Management team supports the Managing Director in driving performance and steering the Group towards operational and strategic excellence.

The combined role was strictly temporary, and the Board had initiated succession planning efforts immediately upon the occurrence of the vacancy. The appointment of an Independent Non-Executive Chairman on 1 March 2026 reflects the Board's commitment to full compliance with MCGG best practices.

Chairman of the Board

The Chairman of the Board is not a member of the Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") or Remuneration Committee ("RC"). The Company recognises that the participation of the Chairman in Board Committees could create a risk of self-review and compromise the objectivity of Board deliberations. Accordingly, the Company has adopted a practice whereby the Chairman does not sit on any Board Committees, thereby reinforcing effective checks and balances and supporting independent oversight by the Board.

Qualified Company Secretaries

The Board is supported by qualified and competent Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretaries possess the requisite qualifications to act in accordance with Section 235(2) of the Act.

The Company Secretaries play an advisory role in ensuring adherence to proper procedures and compliance with the relevant rules and regulations governing the Board's conduct, as well as overseeing matters relating to the effective and efficient functioning of the Board. They provide regular updates and briefings to the Board and give timely advice and support to the Directors as and when required.

The Company Secretaries also keep the Directors and Principal Officers informed of the closed periods for trading in the Company's shares as well as briefings, seminars and updates disseminated by Bursa Securities. This collaborative effort enhances the overall effectiveness of the Board and ensures strict compliance with regulatory requirements.

The roles of the Company Secretaries include the following:-

- ensuring that Board procedures and all applicable rules are observed;
- advising the Board on its roles and responsibilities;
- maintaining records of the Board and ensuring the effective management of the Company's records;

- attending meetings and preparing minutes to document the proceedings of the Board and Board Committee, ensuring that conclusions are accurately recorded;
- advising the Board on corporate disclosures and ensuring compliance with company and securities laws as well as MMLR of Bursa Securities;
- advising Management on processes related to the general meeting;
- monitoring developments in corporate governance and updating the Board on best practices to enable the Board to meet its responsibilities and stakeholders' expectations; and
- performing any other functions as deemed appropriate by the Board from time to time.

The appointment and removal of the Company Secretary are subject to the approval of the Board.

Governing Sustainability

The Board is committed to achieving sustainable growth through responsible business practices, environmental stewardship, and social responsibility. To achieve this, the Board has adopted the Sustainability & Environment, Social & Governance (Sustainability Framework) to provide structured guidance for the Senheng Group in integrating sustainability into its strategy, operations and decision-making. The Board has also established the Sustainability and Climate Policy on 28 November 2025 to manage sustainability and climate-related matters as an integral part of the Company's long-term business strategy. The Board, together with the Sustainability Committee, is ultimately accountable for ensuring that the governance framework provides effective oversight and facilitates the successful implementation of sustainability and climate-related initiatives across the Group's business direction and operations. In addition, one of the ARMC's responsibilities is to ensure the adequacy of the Group's various risks management measures, including those related to sustainability and climate.

Senheng's sustainability strategies, priorities and performance against these targets, are disclosed in the Sustainability Statement of this Annual Report. Internal and external stakeholders are regularly updated on the

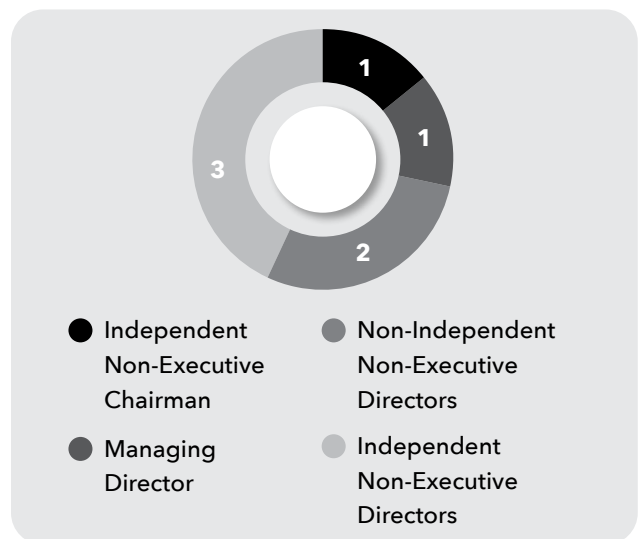
Group's sustainability and climate initiatives through multiple communication channels, ensuring awareness, engagement, and effective support for their successful implementation.

To ensure the Board is fully equipped to discharge its responsibilities, it identifies its professional development needs in relation to sustainability and takes appropriate steps to address them. The Directors have attended several programmes on Sustainability and Environment, Social, and Governance ("ESG") matters, organised by external providers such as Bursa Securities. In addition, the Sustainability Committee provides regular or periodic updates to the Board on sustainability and climate-related matters, as required.

PART II: BOARD COMPOSITION

Size and composition of the Board

The composition of the Board is a key factor influencing its effectiveness and the dynamics among its members. The Board comprises seven (7) members in accordance with the Company's Constitution, which permits a minimum of two (2) and a maximum of fifteen (15) Directors. The Board led by an Independent Non-Executive Chairman and is supported by six (6) Directors, consisting of one (1) Managing Director, two (2) Non-Independent Non-Executive Directors, and three (3) Independent Non-Executive Directors ("INEDs"). This composition reflects the Company's commitment to maintaining objectivity in decision-making by ensuring a Board majority of INEDs, thereby promoting independent oversight and balanced governance.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Independence of the Board

The Board comprises four (4) INEDs, representing a majority of independent Directors on the Board. This composition satisfies the requirement under Paragraph 15.02(1)(a) of the MMLR of Bursa Securities, which stipulates that at least two (2) directors or one-third (1/3) of the Board, whichever is higher, must be independent directors. In addition, the Board composition aligns with Practice 5.2 of the MCCG, which recommends that at least half of the Board comprise independent directors.

Tenure of Independent Directors

None of the INEDs have served a cumulative term of nine (9) years. This reflects the Company’s commitment to strengthening objectivity in decision-making by ensuring a high level of independent judgement, impartiality and robust oversight, particularly in areas such as executive performance and remuneration, related party transactions, sustainability matters and audit oversight.

Additionally, each Independent Director is required to provide an annual declaration of independence. Having reviewed these declarations, the Nominating Committee and Board is satisfied with the level of independence demonstrated by all INEDs and their ability to act in the best interest of the Company.

Skills, Experience and Expertise

The Board is composed of members with a balanced mix of skills, experience, and independence that align with the Company’s objectives and strategic goals. Drawing on diverse backgrounds and expertise in areas, including retail, marketing, accounting and finance, legal, risk management as well as media and digital expertise contributed by a newly onboarded Director, the Directors collectively contribute to a broad and complementary skill set that enhances the Board’s effectiveness and decision-making.

This diversity extends beyond a balance of skills, qualifications, and experience. The Board demonstrates a strong ability to make sound and judicious business decisions, underpinned by its commitment to devote significant time to deliberations on business strategies, financial performance, and the Company’s annual




business plans. This dedication ensures a robust governance framework that contributes to the creation of long-term shareholder value.

In addition to their professional acumen, the Board upholds high ethical standards, thereby promoting sustainability across all aspects of the Company’s operations. This commitment to ethical conduct, together with the Directors’ strategic insight and business acumen, positions the Board as a key driving force in achieving the Company’s long-term objectives.


Directors Fit & Proper Policy

The Group has adopted a Directors Fit & Proper Policy in compliance with the MMLR of Bursa Securities. The Policy serves as a guide for the NC and the Board in evaluating and assessing candidates for appointments to the Board, as well as Directors seeking re-election at the AGM.

The three (3) high-level considerations underpinning the Policy are categorised as follows:-

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

The Policy also sets out that the Board and Senior Management shall possess the requisite competence, character, diligence, honesty, integrity and judgement to discharge their responsibilities effectively, while upholding high standards of corporate governance.

 The Policy is accessible on the Company’s website at www.senheng.com and is subject to annual review or review as and when is necessary.

Board Diversity Policy

The Board is committed to embracing the best practices outlined in the MCCG and promoting diversity across multiple dimensions, including independence, professional and business experience, skills, knowledge, gender, ethnicity, age as well as cultural and educational background. The presence of diverse perspectives fosters robust and constructive Board deliberations, ensuring that matters are evaluated from multiple viewpoints before decisions are made. This strengthens the Board's ability to exercise independent judgement, manage risks effectively and formulate strategies that are in the best interests of the Company and its stakeholders.

This commitment is reinforced through the Board Diversity Policy adopted by the Group, which emphasises the creation of an inclusive environment that respects individuals irrespective of gender across the Group's corporate culture. In line with Practice 5.9 of the MCCG, which recommends that at least thirty per centum (30%) of the Board comprising women directors, the Board remains attentive to this recommendation. Ongoing efforts are in place to actively attract and facilitate the inclusion of women at Board as well as Senior Management level.

Currently, the Board comprises two (2) women directors, representing approximately twenty-nine per centum (29%) of the total Board composition, who contribute meaningfully to the Board's deliberations and decision-making process. The NC and Board will continue to seek opportunities to expand the pool of potential women candidates for future Board appointments to further strengthen Board diversity.

Board Committees

In fulfilling its fiduciary duties, the Board delegates specific responsibilities to three (3) Board Committees, each operating in accordance with its respective Terms of Reference ("TOR"). The Board reviews and assesses the TORs of these Committees at periodic intervals, and any amendment to the Committee's TOR requires the approval of the Board. This meticulous process ensures that the TORs remain aligned with the latest developments under the MMLR of Bursa Securities and the MCCG.

Through regular review and evaluation of the TORs, the Board ensures their continued relevance and adequacy in governing the functions and responsibilities of the respective Committees. This ongoing assessment reflects the Board's commitment to upholding high standards of corporate governance and ensuring that the Committees are well-equipped to respond to evolving regulatory requirements and industry's best practices.

In addition, the Board, through NC, reviews the effectiveness of the Board Committees on an annual basis. This facilitates the NC's evaluation of Board Committees' performance.

The roles and responsibilities of the following Board Committees are summarised below:-

(a) Audit and Risk Management Committee

The ARMC plays a pivotal role in overseeing the Group's financial, accounting and reporting practices, thereby ensuring that disclosures to the Company's stakeholders are accurate, timely and transparent.

As at the date of this Report, the ARMC comprises three (3) members, all of whom are INEDs, as follows:-



Ms Ho Kim Poi, Chairperson
(Independent Non-Executive Director)



Mr Oh Keng Leng, Member
(Independent Non-Executive Director)



Ms Lam Swee Kim, Member
(Independent Non-Executive Director)

Remarks:

1. Ms. Lam Swee Kim was appointed as an Independent Non-Executive Director and a member of ARMC on 1 October 2025.
2. Ms. Aireen Omar resigned as an Independent Non-Executive Director and ceased to be a member of ARMC on 30 September 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The ARMC has the following principal objectives in overseeing:-

- the Group’s internal and external audit processes, including matters pertaining to the system of internal controls, risks management and governance;
- financial reporting, with particular focus on ensuring the integrity and reliability of the Group’s financial statements;
- the quality of the audits conducted by both the internal and external auditors;
- COI and/or potential COI situations, as well as related party transactions;
- the Group’s compliance with applicable legal and regulatory requirements, as well as adherence to an appropriate code of conduct;
- the risk management and internal control framework of the Group, to ensure the adequacy of the Group’s risks and control environment; and
- the adequacy of resources and systems for risk and compliance management and the effectiveness of the Corporate Compliance and Management function in supporting the ARMC in performing its duties.



For details of the ARMC’s activities during FYE 2025, please refer to the ARMC Report in this Annual Report.



The function and duties of the ARMC are set out in its Terms of Reference, which are available on the Company’s website at www.senheng.com.

(b) Nomination Committee

The NC was established to assist the Board in discharging its statutory duties and responsibilities, particularly in matters relating to Board succession planning. The NC’s key responsibilities include, among others, recruiting and recommending new Board appointments to the Board. The overarching objective of the NC is to ensure that the Board maintains an appropriate balance of skills, experience, independence, and diversity, and continues to operate effectively in support of the Group’s strategic objectives. In carrying out its functions, the NC plays a critical role in promoting sound corporate governance practices and contributing to the long-term sustainability and success of the Group.

As at the date of this Report, the NC comprises three (3) members, all of whom are INEDs as follows:-



Ms Ho Kim Poi, Chairperson
(Independent Non-Executive Director)



Ms Lam Swee Kim, Member
(Independent Non-Executive Director)



Mr Oh Keng Leng, Member
(Independent Non-Executive Director)

Remarks:

1. Dato’ Yeow Wah Chin resigned as the Chairman of NC, effective 1 March 2026.
2. Ms. Ho Kim Poi was appointed and redesignated as the Chairman of NC, effective 1 March 2026.
3. Ms. Lam Swee Kim was appointed as an Independent Non-Executive Director and a member of NC on 1 October 2025.
4. Mr. Oh Keng Leng was appointed as a member of NC on 1 March 2026.
5. Ms. Aireen Omar resigned as an Independent Non-Executive Director and ceased to be a member of NC on 30 September 2025.

The main function and responsibilities of the NC include, but are not limited to, the following:-

- to review the NC's TOR periodically or as and when necessary;
- to review succession plans for the Board and Senior Management and to make recommendations to the Board on the succession planning policy for the Chairman of the Board as well as Senior Management;
- to identify, assess and recommend to the Board, suitable candidates for appointment as Directors as well as candidates to serve on Board Committees, taking into consideration the following attributes of candidates:-
 - skills, qualifications, knowledge, expertise, experience, professionalism and integrity;
 - commitment which includes time commitment;
 - in the case of the candidates for the position of INEDs, the NC would also evaluate the candidates' ability to discharge such responsibilities as expected from INEDs; and
 - the Board's diversity in terms of age, gender and culture background
- to review, on an annual basis, the structure, size, balance and composition of the Board to ensure that the Board has an appropriate mix of skills, independence, experience and other relevant qualities, including core competencies, to enable the Board to function effectively and efficiently;
- to review the length of service and independence of each Independent Directors on an annual basis;
- to perform an annual evaluation and appraisal of the effectiveness and performance of the Board as a whole, the Board Committees, and the contribution, commitment and performance of each individual Director;
- to deliberate on and make recommendations to the Board regarding the termination or removal of a Director of the Company, where deemed necessary, for justifiable reasons and in compliance with the relevant laws and regulatory regulations;

- to facilitate and recommend suitable orientation and continuous professional development programmes to ensure that Directors maintain the requisite knowledge, skills and competencies necessary to effectively discharge their responsibilities and perform their duties;
- to consider and examine such other matters as the Committee may deem appropriate; and
- to consider any other matters as may be delegated by the Board.

The roles and responsibilities of the NC are set out in its TOR, which are available on the Company's website.

The activities of the NC in discharging its duties in FYE 2025 included as follows:-

- Reviewed the tenure of each Director and recommended the re-election of the retiring Directors at the forthcoming AGM;
- Reviewed the contribution, performance and effectiveness of the Board as a whole, the Board Committees and each individual Directors;
- Reviewed the term of office and performance of the ARMC and each of its members according to its Terms of Reference;
- Reviewed the length of service and independence of each INEDs;
- Reviewed the performance and effectiveness of Chief Financial Officer of the Company;
- Reviewed the succession planning for the Chief Executive Officer and recommended it for the Board's approval;
- Reviewed and recommended to the Board the retirement of the President of the Company and his re-designation as Non-Independent Non-Executive Director of the Company;
- Reviewed and recommended to the Board the appointment of the Non-Independent Executive Chairman as the Managing Director of the Company, to concurrently hold both executive positions;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- Notation on the resignation of Key Senior Management staff;
- Reviewed and recommended to the Board the appointment of the Corporate Strategy Officer;
- Reviewed the revised portfolios of Key Senior Management and updated organisational chart of the Company;
- Notation on the resignation of INED and her cessation as a member of the Board Committees;
- Evaluated the qualifications and suitability of shortlisted candidates, and thereafter recommended the appointment of a new INED to the Board. The Board accepted the recommendation of the proposed candidate from one of the existing directors, based on her extensive experience in relevant industry, which aligns with the Group's objectives and strategic goals. The Board remain committed to furthering these initiatives to create a more diverse and inclusive corporate landscape; and
- Reviewed the composition of the Board Committees and made recommendations to the Board on the proposed changes to ensure compliance with MMLR and the best practices under the MCCG.

In accordance with MMLR and the Constitution of the Company, provides that one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third, shall retire from office at least once every three (3) years. A retiring Director shall hold office until the conclusion of the meeting at which he/she retires and shall be eligible for re-election. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office until the conclusion of the forthcoming AGM and shall eligible for re-election.

Ms. Lam Swee Kim, who was appointed on 1 October 2025 is subject to retirement pursuant to Clause 114 of the Company's Constitution, and is being eligible for re-election at the 5th AGM.

Mr. Lim Kim Heng, Mr. Lim Kim Chieng and Mr. Oh Keng Leng are subject to retirement by rotation pursuant to Clause 129.1 of the Company's Constitution, and are being eligible for re-election at the 5th AGM.

In assessing the directors who are eligible for re-election, the NC has conducted a thorough review of the performance, declarations, and undertakings of each retiring Director. In its assessment, the NC acknowledged the competencies, commitment, significant contributions and continued value that the retiring Directors, bring to the Group.

The NC acknowledges the retiring Directors' extensive experience and knowledge, which are of great value to the Group. Their deep understanding of the Group's operations and strategies positions them as valuable contributors who provide insightful perspectives to the Board. Furthermore, their continued involvement plays a pivotal role in ensuring continuity and stability in the Group's operations, underscoring their significance to the ongoing success of the organisation.

Based on the recommendation of the NC, the Board will be tabling the resolution on the re-election of Ms. Lam Swee Kim, Mr. Lim Kim Heng, Mr. Lim Kim Chieng and Mr. Oh Keng Leng for shareholders' approval at the forthcoming 5th AGM of the Company. The details of the retiring Directors are disclosed in the Profile of Directors section in this Report.

(c) Remuneration Committee ("RC")

With authority delegated by the Board to assist and advise its members, the RC has implemented a formal and transparent procedure to determine equitable remuneration packages for both Directors and Senior Management. This process is meticulously designed to consider various factors, including merit, qualifications, competence, skills, and experience. Additionally, the RC takes into account the complexities of the Company's business, individual performance, operational results, and relevant market benchmarks. The RC also ensures that the remuneration packages of the Board and Key Senior Management are well-structured, transparent and measured against financial and non-financial key performance indicators.

The remuneration framework is closely aligned with the Company's business strategy and long-term objectives. The primary objective is to establish a structure that not only attracts but also motivates and retains top-tier talents across the Board and Senior Management. By integrating these considerations into the remuneration process, the RC plays a crucial role in ensuring the Company can secure and retain skilled professionals who are essential to achieving its strategic goals.

The RC ensures that no executive directors participate in discussion or decision-making regarding their own remuneration, thereby avoiding any potential conflict of interest.

Non-executive directors receive fees that are not linked to the Company's profits and performance but are determined in recognition of their crucial roles in corporate governance, fiduciary duties, responsibilities and time commitments. Their remuneration is structured as fixed fees, payable annually. In addition, the RC ensures that the remuneration of non-executive directors is commensurate with their skills, duties and the complexity of the Company's operations.

As at the date of this Report, the RC comprises three (3) members, all of whom are INEDs. The RC members are as below: -



Mr Oh Keng Leng, Chairman
(Independent Non-Executive Director)



Ms Ho Kim Poi, Member
(Independent Non-Executive Director)



Ms Lam Swee Kim, Member
(Independent Non-Executive Director)

Remarks:

1. *Dato' Yeow Wah Chin resigned as the Member of RC, effective 1 March 2026.*
2. *Ms. Ho Kim Poi was appointed as member of RC on 1 October 2025.*
3. *Ms. Lam Swee Kim was appointed as a member of RC on 1 March 2026.*
4. *Ms. Aireen Omar resigned as an Independent Non-Executive Director and ceased to be a member of RC on 30 September 2025.*

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

The main activities of the RC in discharging its duties during FYE 2025 included the following:-

- Reviewed and recommended to the Board, the remuneration packages and benefits for the Executive Directors and Key Senior Management;
- Reviewed the fees and benefits payable to the Non-Executive Directors;
- Reviewed the Key Performance Indicator for the Executive Directors and Senior Management;
- Reviewed and recommended to the Board, the remuneration packages and benefits for the Corporate Strategy Officer of the Company;
- Reviewed and recommended to the Board, the Director's fee and benefits payable to the newly appointed INED from the date of her appointment; and
- Reviewed and recommended to the Board, the additional Directors' fee and benefits payable to the Non-Executive Directors, from the date of their appointment as the members of the Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The following table sets out the remuneration of the Directors' of the Group for FYE 2025:-

Company	Fee RM'000	Salaries, emoluments, and statutory contribution RM'000	Allowances RM'000	Bonuses RM'000	Benefit in- kinds RM'000	Total RM'000
Senheng New Retail Berhad						
<u>Executive Directors</u>						
Lim Kim Heng	-	-	-	-	-	-
<u>Non-Executive Directors</u>						
Lim Kim Chieng*	26	-	-	-	-	26
Lim Kim Yew	63	-	-	-	-	63
Dato' Yeow Wah Chin	101	-	13	-	-	114
Oh Keng Leng	103	-	14	-	-	117
Ho Kim Poi	136	-	14	-	-	150
Aireen Omar**	77	-	13	-	-	90
Lam Swee Kim***	23	-	2	-	-	25

Group	Fee RM'000	Salaries, emoluments, and statutory contribution RM'000	Allowances RM'000	Bonuses RM'000	Benefit in- kinds RM'000	Total RM'000
<u>Executive Directors</u>						
Lim Kim Heng	-	1,013	17	-	-	1,030
<u>Non-Executive Directors</u>						
Lim Kim Chieng*	26	651	7	-	-	684
Lim Kim Yew	63	-	-	-	-	63
Dato' Yeow Wah Chin	101	-	13	-	-	114
Oh Keng Leng	103	-	14	-	-	117
Ho Kim Poi	136	-	14	-	-	150
Aireen Omar**	77	-	13	-	-	90
Lam Swee Kim***	23	-	2	-	-	25

Remarks:-

* Mr. Lim Kim Chieng was re-designated from President/Non-Independent Executive Director to Non-Independent Non-Executive Director, with effect from 1 August 2025

** Ms. Aireen Omar resigned as an Independent Non-Executive Director of the Company on 30 September 2025.

*** Ms. Lam Swee Kim was appointed as an Independent Non-Executive Director on 1 October 2025

Remuneration of Senior Management

In respect of Senior Management, the Board believes that disclosing the names of the top five (5) Senior Management may not be in the best interest of the Company, as such disclosure could give rise to talent retention challenges, particularly in a highly competitive industry. This disclosure approach enables stakeholders to assess whether the remuneration is fair and transparent. Hence, the Board has decided that disclosing the remuneration of key management in bands of RM50,000 on an unnamed basis is sufficient to comply with the Malaysian Financial Reporting Standards ("MFRS") and the MCCG.

Nonetheless, the RC ensures that the remuneration packages are competitive to attract, retain and incentivise Senior Managements. Remuneration, including annual increments and bonuses, is linked to performance. Transparent remuneration practices help build stakeholders' trust and demonstrate the Company's commitment to good governance.

The top five (5) key senior management whose total remuneration falls within the following bands for FYE 2025, are as follows:-

Remuneration Band (in bands of RM50,000)		
Number of Key Senior Management (not including Managing Director)	Remuneration (RM)	Benefit-in-kind (RM)
1	550,000-600,000	0-50,000
1	500,000-550,000	0-50,000
1	400,000-450,000	0-50,000
1	350,000-400,000	0-50,000
1	100,000-150,000	0-50,000

The Board acknowledges the importance of providing fair and equitable remuneration to Senior Management, to foster a corporate culture that encourages and incentivises effective leadership, accountability and ethical conduct.

Board Attendance

The Board and its Committees convene meetings on a quarterly basis to conduct comprehensive reviews of the Group's business, operational, and financial performance. Additional meetings are held as necessary to address specific matters requiring the decision or approval of the Board. Senior Management and external experts are invited to attend Board and Board Committees meetings to present relevant matters, where applicable. To facilitate effective deliberation, meeting dates are scheduled annually in advance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the financial year under review, a total of nine (9) board meetings were convened and the attendance of each Directors at meetings of the Board and Committees for FYE 2025 is set out below:-

Name	Designation	Board	ARMC	NC	RC
Dato' Yeow Wah Chin	Independent Non-Executive Chairman ⁽¹⁾	9/9	-	3/3	4/4
Lim Kim Heng	Managing Director ⁽²⁾	9/9	-	-	-
Lim Kim Chieng	Non-Independent Non-Executive Director ⁽³⁾	9/9	-	-	-
Lim Kim Yew	Non-Independent Non-Executive Director	7/9	-	-	-
Ho Kim Poi	Independent Non-Executive Director	9/9	5/5	3/3	1/1 ⁽⁴⁾
Oh Keng Leng	Independent Non-Executive Director	9/9	5/5	-	4/4
Lam Swee Kim ⁽⁵⁾	Independent Non-Executive Director	2/2	1/1	-	-
Aireen Omar ⁽⁶⁾	Independent Non-Executive Director	6/7	4/4	3/3	3/3

Remarks:-

1. Dato' Yeow Wah Chin was appointed as Independent Non-Executive Chairman and ceased to be Chairman and/or members of NC and RC effective on 1 March 2026.
2. Mr. Lim Kim Heng was appointed as Managing Director and re-designated from Non-Independent Executive Chairman to Non-Independent Executive Chairman and Managing Director, with effect from 1 August 2025. Mr. Lim Kim Heng was then relinquished his position as Non-Independent Executive Chairman and redesignated as Managing Director effective on 1 March 2026.
3. Mr. Lim Kim Chieng was re-designated from President/Non-Independent Executive Director to Non-Independent Non-Executive Director, with effect from 1 August 2025.
4. Ms. Ho Kim Poi was appointed as a member of the RC on 1 October 2025.
5. Ms. Lam Swee Kim was appointed as an Independent Non-Executive Director of the Company and as members of the ARMC and NC on 1 October 2025.
6. Ms. Aireen Omar resigned as an Independent Non-Executive Director and ceased to be a member of ARMC, NC and RC on 30 September 2025.

Access to Information

Directors receive a detailed agenda and a comprehensive set of Board papers covering financial, operational, corporate, regulatory, business development, and audit matters prior to each meeting, typically at least seven (7) days in advance, or within a shorter timeframe when unavoidable. These materials are circulated in a timely manner and provide an adequate level of detail to enable the Board to make informed decisions and to effectively discharge its responsibilities.

To facilitate the discharge of their duties, Directors have unrestricted access to information from Senior Management and the Company Secretaries. The Board may seek further explanations or updates on the Group's operations and business matters and, where necessary, obtain independent professional advice at the Company's expense, either collectively or individually, with the prior approval of the Chairman or the Board.

This accessibility fosters open communication, ensures compliance with regulatory requirements, and equips Directors to make sound decisions in the best interests of the Company, thereby supporting effective governance.

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

Directors' Training

In line with Paragraph 15.08 of the MMLR of Bursa Securities, the Board recognises the importance of continuous learning and development in keeping abreast of industry dynamics, corporate governance practices, relevant legislations and regulations, as well as financial reporting standards, in the discharge of its fiduciary duties. All Directors, including the newly appointed Director, Ms. Lam Swee Kim have completed both Mandatory Accreditation Programme ("MAP") Part I and Part II. The Directors are required to assess their own training needs continuously to keep abreast of regulatory requirements and ongoing business developments.

During FYE 2025, the Directors attended various training programmes, seminars, webinars, conferences and forums, details of which are set out below:-

Director	Title of Training Programmes/Seminars/Webinars/Conferences/Forums
Lim Kim Heng	<ul style="list-style-type: none"> MAP Part II: Leading for Impact UBS Year Ahead 2025: Creating the next stage UBS Forging Ahead: Mid-Year Outlook 2025
Lim Kim Chieng	<ul style="list-style-type: none"> Rethinking Risk: Aligning Uncertainty with Opportunity MAP Part II: Leading for Impact
Dato' Yeow Wah Chin	<ul style="list-style-type: none"> Rethinking Risk: Aligning Uncertainty with Opportunity
Ho Kim Poi	<ul style="list-style-type: none"> Trump 2.0 - Navigating financial market beyond the noise Reducing collateral damage from US deglobalisation tantrums Comprehensive analysis on e-invoicing preparation for all businesses Cohort 5 mentoring From Influence to Impact A Journey into the AI Age: Risk, Governance, and Opportunities Audit Oversight Board's Conversation with Audit Committee
Oh Keng Leng	<ul style="list-style-type: none"> MBRS 2.0: Annual Return Strategic Leadership in the Age of AI and RPA ESG reporting and risk management for businesses Stamp Duty Self-Assessment 2026: Are You Prepared? The Paradox: Securing AI and Secure Against AI IFRS S1 & S2 Reporting: From Standards to Assurance SST Scope Expansion 2025 - What You Must Know Integrity Insights for Directors : Tackling CBT, Conflict of Interest, RPT & Corruption Budget 2026 for Business Leaders RDS General Counsel Forum 2025 AOB Conversation with Audit Committee Professional Ethics in Focus 2025
Lam Swee Kim	<ul style="list-style-type: none"> ICDM BAC Dialogue & Networking Session Raising the Bar: Strengthening Board Audit Committee Oversight MAP Part I Introduction to New Disclosure Requirements for Shariah Screening MAP Part II : Leading For Impact

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC assists the Board in the discharge of its fiduciary duties, with responsibility for overseeing the Group's financial reporting processes, transactions, other financial information, as well as risk management matters delegated to the committee.

In discharging its oversight roles on governance, internal controls, risk and compliance management, the ARMC is assisted by the Corporate Compliance and Management department, which leads the Group's in-house internal audit and compliance functions.

The ARMC comprises three (3) members of the Board, all of whom are Independent Non-Executive Directors. None of the ARMC members are former audit partners who are subject to a cooling-off period of at least three (3) years prior to appointment, in accordance with the TOR of ARMC. All ARMC members are financially literate, possess extensive corporate experience and are equipped with the requisite business skills.

A summary of the ARMC functions and activities during the financial year under review is set out in the ARMC Report.

RISK MANAGEMENT AND INTERNAL CONTROL

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

In support of this framework, the Group has implemented the Enterprise Risk Management ("ERM") system that promotes a structured and systematic approach to risk management. The ERM system encompasses risk awareness, capability development, strategic risk and opportunity assessment, as well as the formulation of action plans and key risk indicators. Risks identified and monitored through the ERM system are reported to the ARMC on a quarterly basis, together with proposed existing internal and additional internal controls in addressing existing and potential risks.

Under the guidance and oversight of the ARMC, the Board regularly assesses the effectiveness and efficiency of the ERM system. The Board also takes into consideration advice from the External Auditors, reports received from them and any other relevant matters brought to the Board attention. The expertise of the ARMC provides assurance to shareholders and potential investors through its comprehensive assessment of risks across Group's operations and its reporting to the Board to support informed decision-making.

For the financial year ended 2025, the Board considers the Group's risk management and internal control system to be adequate and effective. No material losses were incurred during the year as a result of weaknesses in internal control or adverse compliance events. The Board's ongoing review throughout the financial year reaffirms the adequacy and effectiveness of the Group's risk management and internal control framework. Further details on the Group's risk management practices are set out in the Statement on Risk Management and Internal Control in this Annual Report.

RELATIONSHIP WITH EXTERNAL AUDITORS

The External auditors, namely Messrs. BDO PLT ("**BDO**"), play a vital role in the accountability process for shareholders. The External Auditors report to the ARMC on their audit of the Group's statutory financial statements for each financial year, highlighting matters that require the ARMC's attention. The ARMC also engages in private discussions with the External Auditors, without the presence of Executive Directors or Management.

To safeguard independence, the External Auditors provide an annual declaration of independence to the ARMC, in accordance with the By-Laws on Professional Ethics, Conduct, and Practice issued by the Malaysian Institute of Accountants. The ARMC is satisfied that the External Auditors have maintained their independence throughout the audit process, and that the audit services rendered met the expected standards of quality.

Based on the ARMC's recommendation, the re-appointment of the External Auditors will be tabled to shareholders for approval at the forthcoming 5th AGM. Further details of the ARMC's activities and assessments in relation to the Group's risk management and audit functions are set out in the ARMC Report in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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



ENGAGEMENT WITH STAKEHOLDERS

The Board underscores the significance of transparency and accountability to the Company's stakeholders, which has led to the establishment of effective stakeholder engagement. Ongoing communication and engagement with shareholders and other stakeholders are essential in providing a clear understanding of the Company's objectives and the quality of its management. In view of the importance of stakeholder engagement, this commitment fosters trust, enhances mutual understanding and supports the sustainable growth of the business.

As part of its corporate governance initiatives, the Group has adopted Corporate Disclosure and Stakeholder's Communication Policies and Procedures to ensure accurate, clear, timely and complete disclosure of material information pertaining to the Group's performance and operations to the shareholders and other stakeholders. To further enhance investor relations and dissemination of information, the Group maintains a corporate website at www.senheng.com. This platform serves as a valuable resource for financial performance, corporate developments and other relevant information, including quarterly financial results, annual reports, corporate announcements to Bursa Securities and summaries of key matters discussed at the AGM and media releases. All relevant information is promptly published on the corporate website shortly after its release, ensuring that shareholders and other stakeholders have timely access to the latest updates. This commitment to open communication and equal access to material information reflects the Board's dedication to transparency and accountability in engaging with the broader community.

Stakeholders may contact the Group via its investor relations email at ir@senheng.com.my. This initiative forms part of the investor relations function, enabling the Senheng Group to engage effectively with valued shareholders, including potential investors, suppliers, customers and other stakeholders, to gain a better understanding of their expectations and concerns, which may help shape the Group's core values, mission and strategic business direction.

CONDUCT OF GENERAL MEETINGS

General meetings serve as a crucial platform for shareholders to engage with the Board and senior management and gain insights into the company's business activities and financial position. They provide shareholders with the opportunity to assess the Group's performance through the Annual Report and to engage with the Board by posing questions for clarification. Shareholders are encouraged to actively participate, interact with the Board during the AGM and to vote on all resolutions tabled.

On 26 June 2025, the Company successfully conducted its 4th AGM at Tropicana Golf & Country Resort. In line with Practice 13.1 of the MCCG, a notice period of at least twenty-eight (28) days was provided prior to the AGM. This allowed shareholders sufficient time to review the Annual Report and supporting papers relating to the proposed resolutions. Clear guidance notes on administrative matters and the conduct of the AGM were also provided to shareholders regarding attendance. To further promote engagement between the Board and Senior Management, shareholders were invited to submit questions before and during the AGM.

All Board members, Key Senior Management, the Company Secretaries and the External Auditors attended the 4th AGM. The proceedings of the 4th AGM included presentations on the Strategic Foundation & Vision, Operational Performance & Key Initiatives, Financial Performance FYE 2024 Review, Strategic Roadmap Flywheel 1.0, Corporate Sustainability Initiatives and Q&A Session for attendees.

In accordance with Paragraph 8.29A of the MMLR of Bursa Securities, all resolutions presented at the AGM were voted on by way of a poll. Tricor Investor & Issuing House Services Sdn. Bhd. acted as the Poll Administrator to manage the electronic polling process, while Quantegic Services Sdn. Bhd. was appointed as the Scrutineer. The Scrutineer verified and announced the poll results for each resolution, including votes in favour and against. Upon verification, the Chairman of the 4th AGM declared that all resolutions were carried. Poll results were promptly announced to Bursa Securities on the same day as the meeting. The Minutes of the 4th AGM, including all the questions raised and corresponding answers, were made available on the corporate website within 30 business days after the AGM.

COMPLIANCE STATEMENT

The Board believes that the Company has complied with the key principles and implemented most of the practices outlined in the MCCG during FYE 2025. The Company's CG Report outlines any departures from the MCCG practices, together with explanations for such deviations. For detailed information on the departures and their justifications, please refer to the Company's CG Report for FYE 2025.

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

This CG Overview Statement has been approved by the Board on 7 April 2026.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT



The Board of Directors of Senheng New Retail Berhad (“**Board**”) is pleased to present the Audit and Risk Management Committee (“**ARMC**”) Report for the financial year ended 31 December 2025 (“**FYE 2025**”), which provides insights as to the manner the ARMC discharged its duties and functions for Senheng Group, in compliance with Paragraph 15.15(1) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) as well as the Malaysian Code on Corporate Governance (“**MCCG**”). This report has been reviewed by the ARMC to ensure that they were prepared in accordance with the relevant regulatory requirements and guidelines.

COMPOSITION OF ARMC

The ARMC was established by the Board on 25 June 2021 to assist the Board in overseeing the Group’s accounting, financial reporting, internal control and risk management processes.

In compliance with Paragraph 15.09(1)(a) and (b) of the MMLR of Bursa Securities, the ARMC comprises three (3) members, all of whom are Independent Directors appointed by the Board of Directors. In addition, the Company complies with Paragraph 15.09(2) of MMLR of Bursa Securities as there is no alternate director appointed as a member of the ARMC.

The ARMC comprises the following members:-

Name	Position
Ms Ho Kim Poi	Chairperson, Independent Non-Executive Director
Mr Oh Keng Leng	Independent Non-Executive Director
Ms Lam Swee Kim <i>(Appointed as member on 1 October 2025)</i>	Independent Non-Executive Director
Ms Aireen Omar <i>(Resigned as member on 30 September 2025)</i>	Independent Non-Executive Director

The composition of the ARMC meets the requirements of Paragraph 15.09(1)(c) of the MMLR of Bursa Securities, with Ms Ho Kim Poi and Mr Oh Keng Leng, being members of the Malaysian Institute of Accountants (“**MIA**”). All members are financially literate, competent, and capable of understanding matters under the purview of the ARMC, including the financial reporting process.

In accordance with Paragraph 15.10 of MMLR of Bursa Securities and Practice 9.1 of the MCCG, the Chairman of the ARMC, Ms Ho Kim Poi, does not serve as the Chairman of the Board. This segregation of duties promotes objectivity and integrity of the Company’s financial reporting and audit processes.

All members of the ARMC continuously undertake professional development to remain abreast of relevant developments in accounting and auditing standards, practices and regulations.

TERMS OF REFERENCE

The scope and responsibilities of the ARMC are set out in the Terms of Reference (“**TOR**”) of ARMC, which are available at www.senheng.com. During the financial year, no revisions were made to the TOR of the ARMC.

The Nomination Committee (“**NC**”) and the Board reviews the terms of office of ARMC and assesses the performance of the ARMC and its members through an annual Board Committees Assessment form. The NC and Board is satisfied that the ARMC and its members have discharged their functions, duties and responsibilities, in accordance with the ARMC’s TOR.

MEETINGS AND ATTENDANCE

During the FYE 2025, the ARMC held a total of five (5) meetings. The attendance of each member at these meetings is set out below:-

Members	Attendance
Ms Ho Kim Poi (Chairperson)	5/5
Mr Oh Keng Leng	5/5
Ms Aireen Omar*	4/4
Ms Lam Swee Kim **	1/1

* Ms. Aireen Omar resigned as an Independent Non-Executive Director and ceased to be a member of ARMC on 30 September 2025.

** Ms. Lam Swee Kim was appointed as an Independent Non-Executive Director and a member of ARMC on 1 October 2025.

The ARMC met on a quarterly basis during the FYE 2025, with full quorum present at each meeting. The Chief Financial Officer, Corporate Strategy Officer, and other members of Senior Management, as required, were invited to attend the meetings to provide clarification on the matters raised.




The External Auditors, Messrs. BDO PLT (“**BDO**”), attended the ARMC meetings when invited to present on matters including, but not limited to, audit planning and status, audit report, key audit matters, compliance with laws and regulations, recommendation for improvement to internal controls of the Group and financial reporting issues.


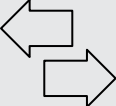


The ARMC Chairperson briefs the Board on the proceedings of each ARMC meeting at the Board Meeting to ensure that the Board is informed of matters that may significantly impact the financial condition or affairs of the Group. The minutes of each ARMC meetings are tabled at the subsequent meeting for confirmation.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

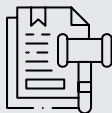
SUMMARY OF ACTIVITIES

The following activities were carried out by the ARMC during the FYE 2025 :-

Areas of focus	Matters considered / reviewed / deliberated / approved
<p>Financial Reporting</p> 	<ul style="list-style-type: none"> ➔ Reviewed the Audited Financial Statements of the Company for the financial year ended 31 December 2024 (“FYE 2024”) together with the Directors’ and Auditors’ Reports and recommended the same to the Board for approval. ➔ Reviewed the unaudited consolidated quarterly reports of the Group for recommendation them to the Board for approval prior to submission to Bursa Securities.
<p>Risk Management and Internal Control</p> 	<ul style="list-style-type: none"> ➔ Reviewed the Enterprise Risk Management Framework and Risk Profile of the Group, which identified and monitored the development of potential significant risks affecting the Group. ➔ Deliberated and reviewed the External Auditors’ evaluation of the effectiveness of the Company’s system of internal control. ➔ Reviewed the Statement on Risk Management and Internal Control and recommended to the Board for approval and inclusion in the Annual Reports for the FYE 2024.
<p>Internal Audit</p> 	<ul style="list-style-type: none"> ➔ Reviewed and approved the internal audit plan which align with key risks of the Group as defined by the framework. ➔ Reviewed and deliberated the internal audit reports, particularly internal audit observations and follow-up reports, on a quarterly basis. ➔ Reviewed the potential risks and impact of the Group arising from internal audit observations, as well as the progress of Management’s corrective actions on the recommendations made by the Internal Auditors. ➔ Conducted a performance evaluation of the Internal Auditors, including an assessment of the adequacy of the internal audit scope, as well as the competency and resources of the internal audit function, to ensure the effectiveness of the Group’s internal audit function. ➔ Conducted private sessions with Internal Auditors, without the presence of the Executive Directors and Managements, to discuss the areas of audit concern and recommendations on opportunities for improvement to the internal controls based on audit observations.

Areas of focus	Matters considered / reviewed / deliberated / approved
<p>External Audit</p> 	<ul style="list-style-type: none"> ➔ Reviewed the audit completion report prepared by the External Auditors arising from the final audit for the FYE 2024. ➔ Reviewed Audit Planning Memorandum prepared by the External Auditors for the FYE 2025. ➔ Reviewed the independence and effectiveness of the External Auditors and recommended their reappointment and remuneration to the Board. The ARMC was satisfied with their performance and audit independence. ➔ Held a private discussion with the External Auditors, without the presence of the Executive Directors and Managements, to discuss matters arising from the final audit and assistance provided by Management to them during the course of the audit.
<p>Related Party Transactions (“RPT”)</p> 	<ul style="list-style-type: none"> ➔ Reviewed all Related Party Transactions and Recurrent Related Party Transactions (“RRPT”) entered into by the Group and ensured that all transactions were conducted on an arm’s length basis, were fair and reasonable, undertaken in the best interest of the Group, not detrimental to interest of minority shareholders, and on normal commercial terms. ➔ Reviewed the Related Party Transactions Policy and recommended the same to the Board for approval. ➔ Reviewed the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholders’ Mandate for RRPT to be tabled at the Fourth Annual General Meeting of the Company. ➔ Monitored the thresholds for RPT and RRPT to ensure compliance with the MMLR of Bursa Securities.
<p>Conflict of Interest (“COI”)</p> 	<ul style="list-style-type: none"> ➔ Reviewed the COI and/or Potential COI Disclosure Report of the Group at each quarterly meeting of the ARMC. ➔ Reviewed revision on the Conflict of Interest Policy and Guidelines and recommend the same to the Board for approval. ➔ Reviewed disclosures of potential COI of the Group, including personal relationship, submitted by directors, key senior management or employees via the COI Declaration Form to the Human Resource Department, which were subsequently escalated to the ARMC for assessment, conflict management and/or mitigation. The ARMC will continue to monitor such potential COI and take the necessary actions should any actual COI materialise in the future. The matter was subsequently reported to the Board to ensure transparency and accountability in the decision-making process. <p>The ARMC concluded that none of the Director has any COI and/or potential COI with the Company and/or its subsidiaries, during FYE 2025.</p>
<p>Whistleblowing</p> 	<ul style="list-style-type: none"> ➔ Reviewed the Whistleblowing Report at the ARMC’s quarterly meetings. ➔ Reviewed and recommended the revision on the Whistleblowing Policies and Procedures to the Board for approval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Areas of focus	Matters considered / reviewed / deliberated / approved
<p>Compliance and Others</p> 	<ul style="list-style-type: none"> ➔ Reviewed the Company’s compliance with the MMLR of Bursa Securities, applicable approved accounting standards and other legal and regulatory requirements in respect of the quarterly and year-end financial statements. ➔ Reviewed and recommended the proposed interim dividend declaration to the Board for approval for the FYE 2024. ➔ Reviewed and recommended the ARMC Report, Corporate Governance Overview Statement and Corporate Governance Report to the Board for inclusion in the Annual Report for the FYE 2024. ➔ Reviewed the annual Anti-Bribery and Corruption assessment for 2024 based on the Group Policy.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to KPMG Management & Risk Consulting Sdn Bhd (“**KPMG**”), an established external independent professional firm. The internal audit function reviews the system of internal controls established and the adequacy and integrity of such internal control system objectively. The function is independent from the management of the Group and the functions which it audits.

KPMG adopts eight (8) cycles of risk-based internal audit across the FYE 2025 to assess the adequacy and integrity of the internal control system, in accordance with the Internal Audit Plan approved by the ARMC. KPMG has successfully delivered the internal audit function based on their own risk-based internal audit methodology, which is aligned with the Global Internal Audit Standards.

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

The ARMC provided constructive feedback and challenged management on the actions implemented to minimise the recurrence of unfavorable audit findings, ensuring satisfactory resolution of material issues identified during internal audits. The Management has successfully implemented the outstanding observations from KPMG’s preceding audit cycles in each quarter.

Chan Chee Keong is the partner assigned to lead the internal audit function. He is a Fellow of The Association of Chartered Certified Accountants of United Kingdom, Member of Malaysian Institute of Accountants (MIA) with Bachelor of Economics (Hons), major in Economic Studies. A total of six (6) personnel were deployed by KPMG for the internal audit work during FYE 2025.

The Internal Audit activities during FYE 2025 are summarised below:

- Established the 2025 internal audit plan and proposed the plan to the ARMC's review and approval which includes internal audit scope covering the campaign marketing & customer relation management, voucher management, vendor payment process, e-commerce operations, Centre of Excellence project implementation, recurring related party transactions, franchise operations as well as electronic waste management;
- Conducted internal audits based on the Global Internal Audit Standards issued by the Institute of Internal Auditors;
- Performed follow-up reviews to ensure that issues identified in previous audit reports were appropriately addressed with proper action taken; and
- Presented significant internal audit findings, recommendations and Management's responses to the ARMC for review and consideration.

The ARMC held its meeting on 6 February 2026 to review the performance of KPMG on the effectiveness of the internal audit function, including financial operation, compliance controls and processes as well as the risk management framework for FYE 2025. Based on the evaluation, the ARMC expressed satisfaction with the independence, performance and effectiveness of the internal audit function, particularly with regard to the scope of work, compliance and adequacy of resources.

The total cost incurred for internal audit function for the FYE 2025 was RM220,000.00.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("**Board**") of Senheng New Retail Berhad ("**the Company**") is pleased to provide this Statement on Risk Management and Internal Control which outlines the nature and scope of the Group's risk management and internal controls for the financial year ended 31 December 2025 ("**FYE 2025**"). This statement is prepared in accordance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance 2021 ("**MCCG**"), with guidance from the Statement on Risk Management and Internal Control (SORMIC): Guidelines Directors of Listed Companies ("**SORMIC Guide 2025**"), issued by the Institute of Internal Auditors Malaysia, which emphasises Board accountability, outcome-based disclosures and the articulation of assurance supporting the Board's conclusion.

RESPONSIBILITY AND ACCOUNTABILITY

The Board

The Board is responsible for maintaining a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets. The system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's objectives and can therefore only provide reasonable, and not absolute, assurance against material misstatement or loss.

In discharging its responsibilities, the Board:-

- Sets the tone at the top and determines the Group's risk appetite and tolerance levels in line with the Group's strategic objectives;
- Oversee the adequacy and effectiveness of the Group's risk management framework and internal control systems, including financial, operational, compliance and information technology controls;
- Ensures that significant risks are identified, assessed, monitored and managed in a timely and systematic manner;
- Reviews reports on principal risks and mitigation measures, and considers the impact of such risks on the Group's performance and sustainability;
- Ensures that appropriate resources, processes and competencies are in place to support effective risk management and internal control.

The Board has delegated specific oversight responsibilities to the Audit & Risk Management Committee ("**ARMC**"), to assist the Board in fulfilling its responsibilities. The ARMC, supported by the internal audit function, reviews the adequacy and effectiveness of the internal control system, including the processes for financial reporting, compliance and internal audit follow-up actions. The ARMC oversees the implementation and effectiveness of the enterprise risk management framework.

Management

Management is responsible for implementing the Board's policies on risk management and internal control, identifying and managing risks within approved parameters, and ensuring that appropriate controls are in place and operating effectively. Management provides regular assurances and reports to the Board and its committees on the status of risks and internal controls.

In addition, the Board has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control systems have been operating satisfactorily throughout the financial year under review and up to the date of this Statement.

RISK MANAGEMENT

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

The risk management framework is designed to provide a structured and consistent approach to risk management across the Group and is aligned with ISO 31000, has been established to set clear guidelines in relation to risk management methodology of the Group.

Sustainability-related risks, including environmental, social and governance considerations, are recognised as part of the Group’s overall risk profile and are assessed within the Group’s ERM Framework, with the Board providing oversight to ensure that such risks are identified, evaluated and managed in a manner that supports the Group’s long term sustainability, business resilience and strategic objectives.

SUMMARY OF KEY BUSINESS RISKS IDENTIFIED AND REVIEWED

The following key business risks were presented to the ARMC for their deliberation and the controls in place to mitigate the risks were evaluated during the ARMC meetings: -

Market Competition Threats

The retail market for consumers electronics is becoming increasingly competitive, due to low entry barriers, intense pricing pressure and shift to online purchase.

To remain competitive in the market, the Group has enhanced its business and promotional strategies, introduced new product categories, strengthened loyalty program via S-Coin redemption and upgraded online platform user interface and user experience.

Slow-Moving and Inventory Turn Risk

Inventory management and demand forecasting have been challenging with demand volatility and changes in consumer preferences. Slow-moving inventories may result in higher stock holding costs and inefficiencies in resource allocation.

To mitigate this risk, the Group undertakes various marketing initiatives including pricing strategies, incentives and promotional campaigns, while also diversifying suppliers as part of its supply chain risk management efforts.

Human Capital Risk

The Group faces challenges in attracting and retaining suitable talents, particularly for front-end operational roles, which may result in increased time and cost in recruitment and training.

To address this risk, Management continues to enhance its recruitment processes, implement structured training programmes and collaborate with educational institutions to strengthen the talent pipeline.

Automation Project Risk

With the increasing reliance on automation and digital initiatives to support business operations, the Group faces risks associated with system implementation, integration and change management.

To manage this risk, the Group adopts structured system implementation processes, implements change management practices and conduct periodic reviews of major automation projects, while maintaining strong data governance and cybersecurity controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY INTERNAL CONTROL PROCESSES

The Board and Management have taken various steps to establish a control environment that covers integrity and ethical values of the Group, the governance structure at both the Board and Management level that would allow the discharge of their respective duties and assignments of authorities and responsibilities.

Some of the key elements of the Group's system of internal control comprise the following:-

Board Committees

The Board has established several committees to oversee various functions which include ARMC, Nomination Committees ("NC") and Remuneration Committee ("RC"). These committees have been delegated to with specific accountability to review all matters within their scope of responsibilities as defined in their respective Terms of Reference.

Management, the ARMC and the Board ensure the timely preparation and review of quarterly and annual financial statements prior to approval. Regular meetings are held to discuss overall Group operational matters and to resolve key operational, financial and other related issues, while regular internal audit reviews are conducted to identify areas for improvement and ensure compliance with internal control best practices, guidelines and objectives.

Organisational Chart

The Board established a clearly defined Organisational Chart which specifies clear lines of authorities, accountabilities and responsibilities of each level of the Group's personnels, led by the Managing Director who is in charge of day-to-day operations of the Group's strategies and achievement of objectives.

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

Limits of Authority

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

Anti-Bribery and Corruption Policy

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

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

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

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

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

Whistle-Blowing Policies and Procedures

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

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

Sustainability and Climate Policy

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

INTERNAL AUDIT FUNCTION

The Company was listed on the Main Market of Bursa Securities on 25 January 2022. In its continued commitment to maintaining a sound and effective internal control environment, the Group has outsourced its internal audit function to Messrs. KPMG Management & Risk Consulting Sdn. Bhd. (“**KPMG**”), an independent consulting firm and corporate member of The Institute of Internal Auditors Malaysia. KPMG reports functionally to ARMC and presents the audit observations directly to ARMC on a quarterly basis. KPMG is independent of the Group’s operations and holds no direct operational responsibilities or authority over the activities it audits, thereby ensuring objectivity in its review processes.

KPMG performs Internal Audit in accordance with the Global Internal Audit Standards. The size of the audit team used for each cycle of internal audit is between four to six people. The partner in charge for our internal audit work is Chan Chee Keong, who is a Fellow of the ACCA, MIA member and licensed auditor by the Ministry of Finance.

During each audit cycle, KPMG presents its audit observations, including Management’s responses and proposed action plans, to the ARMC for deliberation. Follow-up reviews are also conducted to monitor the status of implementation of previously agreed action plans, and updates are provided to the ARMC to ensure tracking of implementation rate.

For FYE 2025, the Group incurred a total cost of RM220,000 for the outsourced internal audit services. During the year, KPMG carried out the following internal audit review scopes based on approved audit plan:-

- Campaign marketing and customer relation management, which involved review of controls over customer data protection, campaign planning and approval processes, customer engagement mechanisms, and effectiveness of complaint-handling and customer data analytics
- Voucher management, which includes assessment of the processes governing voucher issuance, tracking, system controls, misuse prevention, and post-mortem reviews for corrective actions
- Vendor payment process, which includes examination of authorisation controls, segregation of duties, system-enforced payment validations, and adherence to the Limits of Authority for vendor invoicing and payments
- E-commerce operations, which involved review of e-commerce operational controls including product catalogue accuracy, conversion metrics, picklist and delivery processes, user-experience initiatives, and product availability management
- Recurring related party transactions, which involved review of the framework to address and disclose related party relationships and compliance to Shareholders’ Mandate

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- Franchise operations, which involved assessment of franchise operating policies, KPI setting and monitoring, profit-sharing controls, performance reporting, support for underperforming franchisees and exit protocols
- Centre of Excellence (“COE”) project implementation, which includes evaluation of COE governance, project selection and prioritisation criteria, adequacy of project planning and monitoring, management of changes, post-mortem processes, and vendor involvement
- E-waste operations which involved evaluation of compliance to relevant laws and regulations, controls over reporting of collections, contract management with third parties and traceability of e-waste collected.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors, BDO PLT, have reviewed this SORMIC for inclusion in the Annual Report for the FYE 2025. The External Auditors do not assume responsibility to any person other than the Board in respect of any aspect of this Statement. Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the principles of Audit and Assurance Practice Guide 3 (“AAPG 3”), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report. It does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group.

Based on their review, BDO PLT have reported to the Board that nothing has come to their attention that causes them to believe this Statement is not been prepared, in all material respects, in accordance with the disclosures required by Section 7 of the SORMIC Guide 2025, nor is the Statement on Risk Management and Internal Control factually inaccurate.

MANAGEMENT ASSURANCE AND CONCLUSION

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

The Board has received assurance from the Managing Director and Chief Financial Officer that the Group’s risk management and internal control system is operating effectively, in all material respects for FYE 2025 and up to the date of approval of this Statement on Risk Management and Internal Control for inclusion in this Annual Report. The Board is of the view that the Risk Management and Internal Control Framework in place for the year under review and up to the date of the issuance of the financial statements, is adequate and effective to safeguard the shareholders’ investment, the interests of customers, regulators and employees, and the Group’s assets.

This Statement was approved by the Board on 7 April 2026.

FINANCIAL

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DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

In preparing the financial statements, the Directors have:

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

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

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

This statement was approved by the Board of Directors on 7 April 2026.

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

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

RESULTS

	Group RM	Company RM
Profit for the financial year	9,447,092	4,047,170
Profit attributable to owners of the Company	9,447,092	4,047,170

DIVIDEND

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

	Company RM
First interim single tier dividend of 0.22 sen per ordinary share in respect of financial year ended 31 December 2024, paid on 15 May 2025	3,300,000

On 7 April 2026, the Board of Directors declared a first interim single tier dividend of 0.19 sen per ordinary share amounting to RM 2,850,000 for the financial year ended 31 December 2025, which is to be paid on 18 May 2026 to shareholders of the Company whose names appeared in the Record of Depositors on 22 April 2026. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2025.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS' REPORT

DIRECTORS

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

Senheng New Retail Berhad

Lim Kim Heng
 Lim Kim Chieng
 Lim Kim Yew
 Dato' Yeow Wah Chin
 Ho Kim Poi
 Oh Keng Leng
 Lam Swee Kim (Appointed on 01 October 2025)
 Aireen Omar (Resigned on 30 September 2025)

Subsidiaries of Senheng New Retail Berhad

Lim Kim Heng
 Lim Kim Chieng
 Lim Kim Yew
 David Tai Cheng Wee

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

Shares in the Company	Note	Number of ordinary shares			Balance as at 31.12.2025
		Balance as at 1.1.2025	Bought	Sold	
<u>Direct interests:</u>					
Lim Kim Heng		83,800,000	-	-	83,800,000
Lim Kim Chieng		81,800,000	-	-	81,800,000
Lim Kim Yew		81,300,000	-	-	81,300,000
Dato' Yeow Wah Chin		240,000	-	-	240,000
Ho Kim Poi		240,000	-	-	240,000
Oh Keng Leng		240,000	-	-	240,000
<u>Indirect/Deemed interests:</u>					
Lim Kim Heng	(a) & (b)	870,955,600	-	-	870,955,600
Lim Kim Chieng	(a) & (c)	870,790,600	-	-	870,790,600
Lim Kim Yew	(a)	869,600,000	-	-	869,600,000

DIRECTORS' INTERESTS (CONT'D)

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (Cont'd)

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

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of emoluments received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the remuneration received by certain Directors as directors/executive of the ultimate holding company and a related company and the transactions entered into in the ordinary course of business with companies in which a Director of the Company has substantial financial interests as disclosed in Notes 26 and 27 to the financial statements.

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

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:

	Group RM	Company RM
Directors' fees	528,450	528,450
Short term employee benefits	1,679,632	56,250
Contributions to defined contribution plan	64,132	-
	2,272,214	584,700

DIRECTORS' REPORT

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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

The amount of insurance premium paid for the Directors and the officers of the Group and of the Company was RM52,367.

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

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

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

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)**(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (CONT'D)**

(d) In the opinion of the Directors:

- (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
- (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

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

ULTIMATE HOLDING COMPANY

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

DIRECTORS' REPORT

AUDITORS

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

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Company for the financial year ended 31 December 2025 were as follows:

	Group RM	Company RM
Statutory audit	315,000	60,000
Non-statutory audit	54,800	7,500
	369,800	67,500

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

Lim Kim Yew
Director

Kuala Lumpur
24 April 2026

Lim Kim Heng
Director

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

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Senheng New Retail Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 129 to 190.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year ended 31 December 2025. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

As at 31 December 2025, the Group had recognised right-of-use assets and lease liabilities for leases of Group with carrying amounts of RM108,793,625 and RM84,970,589 respectively as disclosed in Note 7 to the financial statements.

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

Key Audit Matters (Cont'd)

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

Audit response

Our audit procedures included the following:

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

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

Inventories of the Group as at 31 December 2025 amounted to RM279,103,814 of which RM7,639,716 are stated at net realisable value as disclosed in Note 12 to the financial statements.

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

Audit response

Our audit procedures included the following:

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

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

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

(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

(Incorporated in Malaysia)

Other Matters

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

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Chok Chau On
03683/08/2026 J
Chartered Accountant

Kuala Lumpur
24 April 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	234,352,236	246,392,461	-	-
Right-of-use assets	7	108,793,625	104,522,100	-	-
Intangible assets	8	111,743	105,109	-	-
Investments in subsidiaries	9	-	-	166,206,168	166,206,168
Deferred tax assets	10	9,710,977	8,172,389	-	-
Other receivables	11	23,755,828	28,696,929	278,328,445	277,583,320
Other investments	13	2,923,501	-	-	-
		379,647,910	387,888,988	444,534,613	443,789,488
Current assets					
Inventories	12	279,103,814	247,384,702	-	-
Other investments	13	1,171,598	5,516,968	-	-
Trade and other receivables	11	80,844,943	122,364,395	27,969	70,983
Current tax assets		17,467,731	18,366,337	-	-
Cash and bank balances	14	88,865,671	73,772,250	198,619	260,043
		467,453,757	467,404,652	226,588	331,026
TOTAL ASSETS		847,101,667	855,293,640	444,761,201	444,120,514
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	427,867,671	427,867,671	427,867,671	427,867,671
Reserves	16	125,343,531	119,222,341	15,828,832	15,081,662
TOTAL EQUITY		553,211,202	547,090,012	443,696,503	442,949,333

STATEMENTS FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES					
Non-current liabilities					
Lease liabilities	7	58,399,760	57,574,347	-	-
Deferred tax liabilities	10	-	16,542	-	-
Provision for restoration costs	18	6,695,329	6,462,255	-	-
Contract liabilities	20	34,292,828	35,833,225	-	-
		99,387,917	99,886,369	-	-
Current liabilities					
Trade and other payables	19	95,588,496	85,149,592	629,365	644,952
Lease liabilities	7	26,570,829	24,782,423	-	-
Provision for restoration costs	18	1,316,737	1,403,094	-	-
Contract liabilities	20	33,961,674	41,287,629	-	-
Borrowings	17	36,400,000	54,865,000	-	-
Current tax liabilities		664,812	829,521	435,333	526,229
		194,502,548	208,317,259	1,064,698	1,171,181
TOTAL LIABILITIES		293,890,465	308,203,628	1,064,698	1,171,181
TOTAL EQUITY AND LIABILITIES		847,101,667	855,293,640	444,761,201	444,120,514

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	21	1,148,293,585	1,216,851,841	-	11,000,000
Cost of sales		(903,906,804)	(960,029,498)	-	-
Gross profit		244,386,781	256,822,343	-	11,000,000
Other operating income		15,173,282	14,617,404	-	-
Net gain/(loss) on impairment of financial assets		146,819	(101,660)	(900,754)	(46,159)
Operating and administrative expenses		(245,339,437)	(251,009,352)	(1,384,469)	(1,556,647)
Interest income		4,211,177	4,139,375	8,114,117	8,528,552
Finance costs		(5,413,150)	(5,686,758)	-	(7,597)
Profit before tax	22	13,165,472	18,781,352	5,828,894	17,918,149
Tax expense	23	(3,718,380)	(7,739,349)	(1,781,724)	(1,962,430)
Profit for the financial year, attributable to the owners of the Company		9,447,092	11,042,003	4,047,170	15,955,719
Other comprehensive loss					
Item that will not be reclassified to profit or loss in subsequent period					
Fair value loss of other investments at fair value through other comprehensive income ("FVTOCI")		(25,902)	-	-	-
Other comprehensive loss for the financial year, net of tax		(25,902)	-	-	-
Total comprehensive income attributable to the owners of the Company		9,421,190	11,042,003	4,047,170	15,955,719
Earnings per ordinary share attributable to equity holders of the Company:					
Basic earnings per ordinary share (sen)	24	0.63	0.74		
Diluted earnings per ordinary share (sen)	24	0.63	0.74		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2025

Group	Note	Share capital RM	Merger reserve RM	Fair value reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2024		427,867,671	(165,206,168)	88,668	280,947,838	543,698,009
Profit for the financial year		-	-	-	11,042,003	11,042,003
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	11,042,003	11,042,003
Transaction with owners:						
Dividend	25	-	-	-	(7,650,000)	(7,650,000)
Balance as at 31 December 2024		427,867,671	(165,206,168)	88,668	284,339,841	547,090,012
Balance as at 1 January 2025		427,867,671	(165,206,168)	88,668	284,339,841	547,090,012
Profit for the financial year		-	-	-	9,447,092	9,447,092
Other comprehensive loss, net of tax		-	-	(25,902)	-	(25,902)
Total comprehensive (loss)/income		-	-	(25,902)	9,447,092	9,421,190
Transaction with owners:						
Dividend	25	-	-	-	(3,300,000)	(3,300,000)
Balance as at 31 December 2025		427,867,671	(165,206,168)	62,766	290,486,933	553,211,202

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

Company	Note	Share capital RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2024		427,867,671	6,775,943	434,643,614
Profit for the financial year		-	15,955,719	15,955,719
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	15,955,719	15,955,719
Transaction with owners:				
Dividend	25	-	(7,650,000)	(7,650,000)
Balance as at 31 December 2024		427,867,671	15,081,662	442,949,333
Balance as at 1 January 2025		427,867,671	15,081,662	442,949,333
Profit for the financial year		-	4,047,170	4,047,170
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	4,047,170	4,047,170
Transaction with owners:				
Dividend	25	-	(3,300,000)	(3,300,000)
Balance as at 31 December 2025		427,867,671	15,828,832	443,696,503

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		13,165,472	18,781,352	5,828,894	17,918,149
Adjustments for:					
Amortisation of intangible assets	8	36,566	28,858	-	-
Bad debts written off	22	40,014	120,418	-	-
Depreciation of property, plant and equipment	6	21,457,895	21,177,418	-	-
Depreciation of right-of-use assets	7	29,574,575	29,010,385	-	-
Deposits written off	22	475,898	-	-	-
Dividend income	22	-	-	-	(11,000,000)
Fair value adjustments on other investments	22	(554,046)	(203,571)	-	-
Gain on disposal of property, plant and equipment	22	(3,931,543)	(300,958)	-	-
Gain on disposal of right-of-use assets	22	(585,019)	(270,700)	-	-
Loss/(Gain) on reassessments and modifications of leases	22	450,948	(626,784)	-	-
Gain on disposal of other investments	22	(131,596)	(1,008,983)	-	-
Interest expense on:					
- advances from a subsidiary	22	-	-	-	7,597
- borrowings	22	1,777,240	2,174,979	-	-
- lease liabilities	7	3,328,429	3,213,888	-	-
- unwinding of discount on provision for restoration costs	18	307,481	297,891	-	-
Interest income from:					
- bank balances	22	(3,186,014)	(2,561,615)	-	-
- deposits with licensed banks	22	(69,031)	(803,203)	-	-
- receivables	22	(956,132)	(774,557)	-	-
- advances to a subsidiary	22	-	-	(8,114,117)	(8,528,552)
Inventories written down	12	2,306,831	3,516,266	-	-
Inventories written back	12	(3,821,213)	(4,020,999)	-	-
Property, plant and equipment written off	22	842,834	747,657	-	-
(Reversal of inventories previously written off)/Inventories written off	12	(69,931)	1,844,707	-	-

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
(Reversal of impairment)/Impairment losses on:					
- property, plant and equipment	6	(287,321)	287,321	-	-
- right-of-use assets	7	(56,290)	56,290	-	-
- trade and other receivables	11	75,559	271,460	-	-
- advances to a subsidiary	11	-	-	900,754	46,159
Reversal of provision of restoration costs	18	-	(31,340)	-	-
Reversal of impairment losses on trade and other receivables	11	(222,378)	(169,800)	-	-
Unrealised loss on foreign exchange	22	53,878	98,039	-	-
Operating profit/(loss) before changes in working capital		60,023,106	70,854,419	(1,384,469)	(1,556,647)
Changes in working capital:					
Inventories		(30,134,799)	22,704,162	-	-
Trade and other receivables		46,107,408	(291,172)	43,014	(28,495)
Trade and other payables		7,075,568	(30,327,534)	(15,587)	(87,185)
Contract liabilities		(8,866,352)	(6,359,937)	-	-
Current tax liabilities		(28,563)	-	-	-
Cash generated from/(used in) operations		74,176,368	56,579,938	(1,357,042)	(1,672,327)
Interest paid		(2,005,278)	(2,149,638)	-	(7,597)
Tax refund		1,063,232	-	-	-
Tax paid		(5,574,282)	(2,827,619)	(1,872,620)	(1,810,810)
Net cash from/(used in) operating activities		67,660,040	51,602,681	(3,229,662)	(3,490,734)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Repayment from/(Advances to) a subsidiary		-	-	6,468,238	(8,508,777)
Dividend received		-	-	-	11,000,000
Interest received		4,211,177	4,139,375	-	8,528,552
Withdrawal/(Placement) of fixed deposits with licensed banks with original maturity more than three (3) months		3,362,625	(6,826,455)	-	-
Advances from related parties		152,462	-	-	-
Proceeds from disposal of:					
- other investments		2,039,764	13,026,456	-	-
- property, plant and equipment		15,266,371	693,073	-	-
- right-of-use assets		5,935,653	270,700	-	-
Purchase of:					
- intangible assets	8	(43,200)	(13,565)	-	-
- property, plant and equipment	6	(18,958,654)	(19,639,009)	-	-
- right-of-use assets	7	(7,681,916)	(8,106,627)	-	-
Net cash from/(used in) investing activities		4,284,282	(16,456,052)	6,468,238	11,019,775
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	25	(3,300,000)	(7,650,000)	(3,300,000)	(7,650,000)
Drawdown of bankers' acceptances		12,000,000	94,665,000	-	-
Payments of lease liabilities	7	(31,718,992)	(31,318,550)	-	-
Repayments of:					
- bankers' acceptances		(25,665,000)	(106,500,000)	-	-
- revolving credit		(4,800,000)	(4,800,000)	-	-
Net cash used in financing activities		(53,483,992)	(55,603,550)	(3,300,000)	(7,650,000)
Net increase/(decrease) in cash and cash equivalents		18,460,330	(20,456,921)	(61,424)	(120,959)
Effects of exchange rate changes on cash and cash equivalents		(4,284)	1,366	-	-
Cash and cash equivalents at beginning of financial year		57,409,625	77,865,180	260,043	381,002
Cash and cash equivalents at end of financial year	14	75,865,671	57,409,625	198,619	260,043

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities RM (Note 7)	Other borrowings RM (Note 17)
At 1 January 2024	90,753,129	71,500,000
Cash flows	(31,318,550)	(16,635,000)
Non-cash flows:		
- Additions	5,283,667	-
- Reassessments and modifications	14,424,636	-
- Unwinding of interest	3,213,888	-
At 31 December 2024	82,356,770	54,865,000
At 1 January 2025	82,356,770	54,865,000
Cash flows	(31,718,992)	(18,465,000)
Non-cash flows:		
- Additions	3,968,967	-
- Reassessments and modifications	27,035,415	-
- Unwinding of interest	3,328,429	-
At 31 December 2025	84,970,589	36,400,000

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

1. CORPORATE INFORMATION

Senheng New Retail Berhad (the "Company") is a public limited company and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at No. D-09-02, Level 9, EXSIM Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur.

The principal place of business of the Company is located at No. 44B, Jalan Pandan 3/2, Pandan Jaya, 55100 Kuala Lumpur.

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

The consolidated financial statements for the financial year ended 31 December 2025 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 24 April 2026.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

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

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

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

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

4.1 New MFRSs adopted during the financial year

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

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

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

4.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

5. OPERATING SEGMENTS

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

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

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

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

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

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

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

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

5. OPERATING SEGMENTS (CONT'D)

2025	Trading RM	Warranty RM	Others RM	Total RM
Segment profits/(losses)	9,081,596	3,753,842	(3,388,346)	9,447,092
Included in the measure of segment profits are:				
Revenue from external customers	1,089,452,027	58,841,558	-	1,148,293,585
Inter-segment revenue	-	18,823,280	-	18,823,280
Amortisation of intangible assets	(36,566)	-	-	(36,566)
Bad debts written off	(40,014)	-	-	(40,014)
Depreciation of property, plant and equipment	(21,457,895)	-	-	(21,457,895)
Depreciation of right-of-use assets	(29,561,863)	(12,712)	-	(29,574,575)
Deposits written off	(475,898)	-	-	(475,898)
Fair value adjustments on other investments	-	-	554,046	554,046
Gain on disposal of other investments	-	-	131,596	131,596
Gain on disposal of property, plant and equipment	3,931,543	-	-	3,931,543
Gain on disposal of right-of-use assets	585,019	-	-	585,019
Loss on reassessments and modifications of leases	(450,948)	-	-	(450,948)
Impairment losses on trade and other receivables	(75,559)	-	-	(75,559)
Interest expense	(5,411,710)	(1,440)	-	(5,413,150)
Interest income	2,693,182	1,517,995	-	4,211,177
Inventories written down	(2,306,831)	-	-	(2,196,868)
Inventories written back	3,821,213	-	-	3,821,213
Inventories written off	69,931	-	-	69,931
Property, plant and equipment written off	842,834	-	-	842,834
Reversal of impairment losses on property, plant and equipment	287,321	-	-	287,321
Reversal of impairment losses on right-of-use assets	56,290	-	-	56,290
Reversal of inventories previously written off	69,931	-	-	69,931
Reversal of impairment losses on trade and other receivables	222,378	-	-	222,378
Tax expense	(1,652,944)	(283,712)	(1,781,724)	(3,718,380)
Unrealised loss on foreign exchange	(51,987)	(1,891)	-	(53,878)
Segment assets	633,328,814	20,161,389	166,432,756	819,922,959
Current tax assets	17,467,731	-	-	17,467,731
Deferred tax assets	9,710,977	-	-	9,710,977
Total assets				847,101,667
Included in the measure of segment assets are:				
Additions to property, plant and equipment	21,308,011	-	-	21,308,011
Additions to intangible assets	43,200	-	-	43,200
Additions to right-of-use assets	11,747,807	-	-	11,747,807
Segment liabilities	285,223,121	7,343,910	658,622	293,225,653
Current tax liabilities	-	229,479	435,333	664,812
Total liabilities				293,890,465

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

5. OPERATING SEGMENTS (CONT'D)

2024	Trading RM	Warranty RM	Others RM	Total RM
Segment profits/(losses)	7,875,085	6,739,090	(3,572,172)	11,042,003
Included in the measure of segment profits are:				
Revenue from external customers	1,149,392,261	67,459,580	-	1,216,851,841
Inter-segment revenue	-	18,875,537	-	18,875,537
Amortisation of intangible assets	(28,858)	-	-	(28,858)
Bad debts written off	(120,418)	-	-	(120,418)
Depreciation of property, plant and equipment	(21,176,636)	(782)	-	(21,177,418)
Depreciation of right-of-use assets	(28,999,221)	(11,164)	-	(29,010,385)
Fair value adjustments on other investments	-	-	203,571	203,571
Gain on disposal of other investments	-	-	1,008,983	1,008,983
Gain on disposal of property, plant and equipment	300,958	-	-	300,958
Gain on disposal of right-of-use assets	270,700	-	-	270,700
Gain on reassessments and modifications of leases	626,784	-	-	626,784
Impairment losses on trade and other receivables	(271,460)	-	-	(271,460)
Impairment losses on property, plant and equipment	(287,321)	-	-	(287,321)
Impairment losses on right-of-use assets	(56,290)	-	-	(56,290)
Interest expense	(5,685,862)	(896)	-	(5,686,758)
Interest income	2,704,447	1,434,928	-	4,139,375
Inventories written down	(3,516,266)	-	-	(3,516,266)
Inventories written back	4,020,999	-	-	4,020,999
Inventories written off	(1,844,707)	-	-	(1,844,707)
Property, plant and equipment written off	747,657	-	-	747,657
Reversal of provision for restoration costs	31,340	-	-	31,340
Reversal of impairment losses on trade receivables	169,800	-	-	169,800
Tax expense	(5,485,454)	(291,465)	(1,962,430)	(7,739,349)
Unrealised (loss)/gain on foreign exchange	(100,351)	2,312	-	(98,039)
Segment assets	641,892,337	20,325,383	166,537,194	828,754,914
Current tax assets	18,366,337	-	-	18,366,337
Deferred tax assets	8,172,389	-	-	8,172,389
Total assets				855,293,640
Included in the measure of segment assets are:				
Additions to property, plant and equipment	21,225,078	-	-	21,225,078
Additions to intangible assets	13,565	-	-	13,565
Additions to right-of-use assets	13,508,952	-	-	13,508,952
Segment liabilities	297,875,224	8,815,173	667,168	307,357,565
Current tax liabilities	-	303,292	526,229	829,521
Deferred tax liabilities	16,542	-	-	16,542
Total liabilities				308,203,628

5. OPERATING SEGMENTS (CONT'D)

Geographical segments

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

Major customer

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

6. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2025		Additions	Disposals	Reclassification	Written off	Balance as at 31.12.2025
	RM	RM					
At cost							
Freehold land	87,007,689	-	-	(8,084,557)	5,257,120	-	84,180,252
Buildings	120,456,298	6,138,084	6,138,084	(3,436,079)	(5,257,120)	-	117,901,183
Furniture and fittings	31,435,089	1,117,290	1,117,290	-	-	-	32,552,379
Office equipment	23,468,213	3,583,922	3,583,922	(499)	-	-	27,051,636
Office computers	22,645,256	1,334,212	1,334,212	(23,284)	-	(1,890)	23,954,294
Motor vehicles	14,097,632	1,451,152	1,451,152	(580,069)	-	-	14,968,715
Renovation and signboards	125,904,714	7,683,351	7,683,351	-	-	(1,647,439)	131,940,626
	425,014,891	21,308,011	21,308,011	(12,124,488)	-	(1,649,329)	432,549,085
Accumulated depreciation							
Buildings		9,168,886	9,168,886	2,351,967	(247,460)	-	11,273,393
Furniture and fittings		23,463,431	23,463,431	3,120,148	-	-	26,583,579
Office equipment		15,871,069	15,871,069	2,828,754	(158)	-	18,699,665
Office computers		17,358,555	17,358,555	2,229,538	(13,156)	(809)	19,574,128
Motor vehicles		11,270,242	11,270,242	1,176,333	(528,886)	-	11,917,689
Renovation and signboards		101,202,926	101,202,926	9,751,155	-	(805,686)	110,148,395
		178,335,109	178,335,109	21,457,895	(789,660)	(806,495)	198,196,849

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Balance as at 1.1.2025	Reversal on impairment loss for the financial year	Balance as at 31.12.2025	2025						
				RM	RM	RM	RM	RM	RM	
Accumulated impairment										
Renovation and signboards	287,321	(287,321)	-							
	287,321	(287,321)	-							
Group	Balance as at 1.1.2024	Disposals	Reclassification	Written off	Reclassification to right-of-use assets (Note 7)	Balance as at 31.12.2024				
2024	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At cost										
Freehold land	87,007,689	-	-	-	-	87,007,689				
Buildings	112,704,215	3,113,710	5,157,127	-	(518,754)	120,456,298				
Furniture and fittings	28,062,854	3,372,235	-	-	-	31,435,089				
Office equipment	19,362,572	4,105,641	-	-	-	23,468,213				
Office computers	21,444,612	1,203,619	(2,975)	-	-	22,645,256				
Motor vehicles	14,130,162	1,587,649	(1,620,179)	-	-	14,097,632				
Renovation and signboards	119,957,392	7,842,224	-	(1,894,902)	-	125,904,714				
Capital work-in-progress	5,157,127	-	(5,157,127)	-	-	-				
	407,826,623	21,225,078	(1,623,154)	(1,894,902)	(518,754)	425,014,891				

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Balance as at 1.1.2024 RM	Depreciation charge for the financial year RM	Disposals RM	Written off RM	Reclassification to right-of-use assets (Note 7) RM	Balance as at 31.12.2024 RM
Accumulated depreciation						
Buildings	6,925,503	2,300,883	-	-	(57,500)	9,168,886
Furniture and fittings	20,171,649	3,291,782	-	-	-	23,463,431
Office equipment	13,695,826	2,175,243	-	-	-	15,871,069
Office computers	14,937,887	2,423,048	(2,380)	-	-	17,358,555
Motor vehicles	11,277,204	1,221,697	(1,228,659)	-	-	11,270,242
Renovation and signboards	92,585,406	9,764,765	-	(1,147,245)	-	101,202,926
	159,593,475	21,177,418	(1,231,039)	(1,147,245)	(57,500)	178,335,109
Accumulated impairment						
Renovation and signboards	-	-	-	-	287,321	287,321
	-	-	-	-	287,321	287,321

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Carrying amount	Group	
	2025	2024
	RM	RM
Freehold land	84,180,252	87,007,689
Buildings	106,627,790	111,287,412
Furniture and fittings	5,968,800	7,971,658
Office equipment	8,351,971	7,597,144
Office computers	4,380,166	5,286,701
Motor vehicles	3,051,026	2,827,390
Renovation and signboards	21,792,231	24,414,467
	234,352,236	246,392,461

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) (Cont'd)

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

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

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

	Group	
	2025	2024
	RM	RM
Purchase of property, plant and equipment	21,308,011	21,225,078
Other payables	(2,349,357)	(1,586,069)
Cash payments on purchase of property, plant and equipment	18,958,654	19,639,009

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

	Group	
	2025	2024
	RM	RM
Freehold land	51,800,000	51,800,000
Buildings	26,232,936	26,779,456
Carrying amounts	78,032,936	78,579,456

(e) Reversal of impairment loss on property, plant and equipment amounting to RM287,321 was recognised in other income in the statement of profit or loss during the financial year, following the write-off of previously impaired renovation and signboard assets during the current financial year.

(f) In the previous financial year, impairment loss on property, plant and equipment of RM287,321 was recognised within operating and administrative expenses in the statement of profit or loss due to the carrying amount of the renovation and signboards exceed their recoverable amounts.

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

Right-of-use assets

Group	Leasehold land RM	Retail outlets RM	Motor vehicles RM	Total RM
Cost				
As at 1 January 2025	26,102,702	279,132,847	148,588	305,384,137
Additions	7,681,916	4,065,891	-	11,747,807
Reassessments and modifications	-	27,563,647	-	27,563,647
Reversals	-	(21,399,812)	-	(21,399,812)
Disposals	(5,547,587)	-	-	(5,547,587)
As at 31 December 2025	28,237,031	289,362,573	148,588	317,748,192
Accumulated depreciation				
As at 1 January 2025	1,747,444	198,909,715	148,588	200,805,747
Depreciation charged during the financial year	420,863	29,153,712	-	29,574,575
Reassessments and modifications	-	171,010	-	171,010
Reversals	-	(21,399,812)	-	(21,399,812)
Disposals	(196,953)	-	-	(196,953)
As at 31 December 2025	1,971,354	206,834,625	148,588	208,954,567
Accumulated impairment				
As at 1 January 2025	-	56,290	-	56,290
Reversal of impairment loss for the financial year	-	(56,290)	-	(56,290)
As at 31 December 2025	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

Right-of-use assets (Cont'd)

Group	Leasehold land RM	Retail outlets RM	Motor vehicles RM	Total RM
Cost				
As at 1 January 2024	17,477,321	274,168,886	1,019,832	292,666,039
Additions	8,106,627	5,402,325	-	13,508,952
Reassessments and modifications	-	14,307,432	-	14,307,432
Reversals	-	(14,745,796)	-	(14,745,796)
Reclassification from property, plant and equipment (Note 6)	518,754	-	-	518,754
Disposals	-	-	(871,244)	(871,244)
As at 31 December 2024	26,102,702	279,132,847	148,588	305,384,137
Accumulated depreciation				
As at 1 January 2024	1,464,232	185,209,829	1,019,832	187,693,893
Depreciation charged during the financial year	225,712	28,784,673	-	29,010,385
Reassessments and modifications	-	(338,991)	-	(338,991)
Reversals	-	(14,745,796)	-	(14,745,796)
Reclassification from property, plant and equipment (Note 6)	57,500	-	-	57,500
Disposals	-	-	(871,244)	(871,244)
As at 31 December 2024	1,747,444	198,909,715	148,588	200,805,747
Accumulated impairment				
As at 1 January 2024	-	-	-	-
Impairment loss for the financial year	-	56,290	-	56,290
As at 31 December 2024	-	56,290	-	56,290
Carrying amounts				
As at 31 December 2025	26,265,677	82,527,948	-	108,793,625
As at 31 December 2024	24,355,258	80,166,842	-	104,522,100

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

Lease liabilities

Group	Retail outlets RM
As at 1 January 2025	82,356,770
Additions	3,968,967
Lease payments	(31,718,992)
Interest expenses	3,328,429
Reassessments and modifications	27,035,415
As at 31 December 2025	84,970,589
As at 1 January 2024	90,753,129
Additions	5,283,667
Lease payments	(31,318,550)
Interest expenses	3,213,888
Reassessments and modifications	14,424,636
As at 31 December 2024	82,356,770

	Group	
	2025 RM	2024 RM
Represented by:		
Current liabilities	26,570,829	24,782,423
Non-current liabilities	58,399,760	57,574,347
	84,970,589	82,356,770

	Group	
	2025 RM	2024 RM
Lease liabilities owing to:		
Non-financial institutions	84,970,589	82,356,770

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

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

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

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

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

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

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

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

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

Leasehold land	Over the remaining lease period of 27 - 99 years
Retail outlets	2 - 11 years
Motor vehicles	5 years

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

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

(f) The following are the amounts recognised in profit or loss:

	Group	
	2025	2024
	RM	RM
Other operating income:		
Gain on disposal of right-of-use assets	(585,019)	(270,700)
Gain on reassessments and modifications of leases	-	(626,784)
Reversal of impairment loss on right-of-use assets	(56,290)	-
Finance costs:		
Interest expense on lease liabilities	3,328,429	3,213,888
Operating and administrative expenses:		
Depreciation of right-of-use assets	29,574,575	29,010,385
Loss on reassessments and modifications of leases	450,948	-
Variable lease payments:		
- based on sales	133,463	61,863
Impairment losses on right-of-use assets	-	56,290
	32,846,106	31,444,492

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

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

	Group	
	2025	2024
	RM	RM
Additions of right-of-use assets	11,747,807	13,508,952
Financed by:		
Lease liabilities	(3,968,967)	(5,283,667)
Provision for restoration costs (Note 18(b))	(96,924)	(118,658)
Cash payments on purchase of right-of-use assets	7,681,916	8,106,627

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

Group	Fixed payments	Variable payments	Total payments	Estimated annual impact on rent of a 1% increase in sales
	RM	RM	RM	RM
2025				
Leases with lease payments based on sales	31,718,992	133,463	31,852,455	1,335
2024				
Leases with lease payments based on sales	31,318,550	61,863	31,380,413	619

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

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

	Group	
	2025	2024
	RM	RM
Included in net cash from operating activities:		
Payment relating to variable lease payments not included in the measurement of lease liabilities:		
- based on sales	133,463	61,863
Included in net cash from investing activities:		
Purchase of right-of-use assets	7,681,916	8,106,627
Included in net cash from financing activities:		
Payment of lease liabilities	31,718,992	31,318,550
Total cash outflows for leases	39,534,371	39,487,040

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

Group	Weighted average incremental borrowing rates per annum %	Within	1 - 5	More than	Total
		1 year	years	5 years	
		RM	RM	RM	RM
2025					
Lease liabilities	3.27 - 4.52	26,570,829	54,175,337	4,224,423	84,970,589
2024					
Lease liabilities	3.27 - 4.52	24,781,438	51,201,518	6,373,814	82,356,770

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

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

Group	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
2025				
Lease liabilities	29,367,037	58,057,157	4,359,966	91,784,160
2024				
Lease liabilities	27,419,684	54,964,204	6,630,878	89,014,766

- (l) Sensitivity analysis for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rate.
- (m) The Group has certain low value leases of office equipment of RM20,000 and below. The Group applies the "lease of low-value asset" exemptions for these leases.
- (n) The Group determines the discount rates for leases based on the incremental borrowing rates of the Group. Significant judgements are required to be exercised by management in determining the appropriate discount rate for the respective leases based on prevailing market borrowing rates over similar lease terms, of similar value as the respective right-of-use assets in a similar economic environment.

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

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

- (o) In the previous financial year, impairment loss on right-of-use assets of RM56,290 was recognised within operating and administrative expenses in the statement of profit or loss due to the carrying amount of the right-of-use assets on loss making outlets exceed their recoverable amounts. The impairment loss of RM56,290 has been reversed during current financial year upon expiration and termination of leases.

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessor

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

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

	Group	
	2025	2024
	RM	RM
Less than one (1) year	982,584	410,040
One (1) to two (2) years	866,039	334,800
Two (2) to three (3) years	26,724	195,750
Three (3) to four (4) years	-	6,000
	1,875,347	946,590

8. INTANGIBLE ASSETS

Group	Balance as at	Additions	Balance as at
	1.1.2025		31.12.2025
	RM	RM	RM
At cost			
Computer software	147,679	43,200	190,879

	Balance as at	Amortisation	Balance as at
	1.1.2025	charged for	31.12.2025
	RM	the financial	RM
		year	
		RM	
Accumulated amortisation			
Computer software	42,570	36,566	79,136

Group	Balance as at	Additions	Balance as at
	1.1.2024		31.12.2024
	RM	RM	RM
At cost			
Computer software	134,114	13,565	147,679

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

8. INTANGIBLE ASSETS (CONT'D)

	Balance as at 1.1.2024 RM	Amortisation charged for the financial year RM	Balance as at 31.12.2024 RM
Accumulated amortisation			
Computer software	13,712	28,858	42,570
		2025 RM	2024 RM
Carrying amount			
Computer software		111,743	105,109

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

9. INVESTMENTS IN SUBSIDIARIES

	Company 2025 RM	2024 RM
At cost:		
- Unquoted shares	166,206,168	166,206,168

Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
Senheng Electric (KL) Sdn. Bhd. ("SHKL")	Kuala Lumpur, Malaysia	100	100	Retail of consumer electrical and electronic products, operating e-commerce platform, redemption programs and telecommunication services, operating of solar panels and dealer in electric vehicles, electric charging stations and other related accessories

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
<i>Subsidiaries of SHKL</i>				
Senheng Captive Insurance Pte. Ltd.	Federal Territory of Labuan, Malaysia	100	100	Provision of captive insurance
SC Alliance (M) Sdn. Bhd.	Kuala Lumpur, Malaysia	100	100	Distribution of household and IT gadget products and importers and exporters of electrical items, household appliances, kitchen utensils, household hardware and IT gadget products
Senheng Capital (M) Sdn. Bhd.	Kuala Lumpur, Malaysia	100	100	Dormant

10. DEFERRED TAX ASSETS/(LIABILITIES)

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

	Group	
	2025 RM	2024 RM
As at 1 January	8,155,847	7,503,863
Recognised in profit or loss (Note 23)	1,555,130	651,984
Balance as at 31 December	9,710,977	8,155,847
Presented after appropriate offsetting:		
Deferred tax assets, net	9,710,977	8,172,389
Deferred tax liabilities, net	-	(16,542)
	9,710,977	8,155,847

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

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

Deferred tax assets of the Group

	Leases RM	Provisions RM	Other temporary differences RM	Total RM
As at 1 January 2025	2,413,093	1,041,865	6,040,337	9,495,295
Recognised in profit or loss	95,683	733,101	1,098,508	1,927,292
At 31 December 2025 (before off-setting)	2,508,776	1,774,966	7,138,845	11,422,587
Off-setting	-	-	(1,711,610)	(1,711,610)
At 31 December 2025 (after off-setting)	2,508,776	1,774,966	5,427,235	9,710,977
As at 1 January 2024	2,423,511	(652,354)	6,875,080	8,646,237
Recognised in profit or loss	(10,418)	1,694,219	(834,743)	849,058
At 31 December 2024 (before off-setting)	2,413,093	1,041,865	6,040,337	9,495,295
Off-setting	(650)	-	(1,322,256)	(1,322,906)
At 31 December 2024 (after off-setting)	2,412,443	1,041,865	4,718,081	8,172,389

Deferred tax liabilities of the Group

	Property, plant and equipment RM
As at 1 January 2025	1,339,448
Recognised in profit or loss	372,162
At 31 December 2025 (before off-setting)	1,711,610
Off-setting	(1,711,610)
At 31 December 2025 (after off-setting)	-
As at 1 January 2024	1,142,374
Recognised in profit or loss	197,074
At 31 December 2024 (before off-setting)	1,339,448
Off-setting	(1,322,906)
At 31 December 2024 (after off-setting)	16,542

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current				
Amount due from a subsidiary	-	-	279,334,815	277,688,936
Less: Impairment losses	-	-	(1,006,370)	(105,616)
	-	-	278,328,445	277,583,320
Prepayments	23,755,828	28,696,929	-	-
Total other receivables (non-current)	23,755,828	28,696,929	278,328,445	277,583,320
Current				
Trade receivables	27,327,716	27,724,564	-	-
Less: Impairment losses	(818,220)	(898,860)	-	-
Total trade receivables	26,509,496	26,825,704	-	-
Other receivables				
Other receivables	6,396,932	23,747,778	-	-
Less: Impairment losses	(58,771)	(124,950)	-	-
	6,338,161	23,622,828	-	-
Deposits	12,828,300	18,563,072	9,098	4,500
Total other receivables	19,166,461	42,185,900	9,098	4,500
	45,675,957	69,011,604	9,098	4,500
Prepayments	35,168,986	53,352,791	18,871	66,483
Total trade and other receivables (current)	80,844,943	122,364,395	27,969	70,983
Total trade and other receivables (non-current and current)	104,600,771	151,061,324	278,356,414	277,654,303

- (a) Trade and other receivables excluding prepayments and accrued receivables are classified as financial assets and measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 7 days to 60 days (2024: 7 days to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition. During the financial year, the Group did not renegotiate the terms of any trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

11. TRADE AND OTHER RECEIVABLES (CONT'D)

- (c) The Group and the Company do not have any significant exposure to any individual customers or counterparty nor does it have any major concentration of credit risk related to any financial instruments except for amount due from a subsidiary of RM278,328,445 (2024: RM277,583,320) of the Company, representing 99.99% (2024: 99.97%) of the total trade and other receivables of the Company.
- (d) Included in prepayments of the Group are insurance premium paid for product warranties of RM50,957,393 (2024: RM59,647,950).
- (e) Included in prepayments of the Group are advance payments to suppliers of RM910,746 (2024: RM11,979,956).
- (f) The Group recognises allowance for impairment loss for trade receivables based on the simplified approach in accordance with MFRS 9 *Financial Instruments* and measures the allowance for impairment loss based on a lifetime expected credit loss from initial recognition.

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

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

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

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

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

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

11. TRADE AND OTHER RECEIVABLES (CONT'D)

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

Group	Weighted- average expected loss rate	Gross carrying amount	Impairment loss allowance
Customers' characteristics	%	RM	RM
2025			
Low risk	0.05	10,029,353	5,073
Fair risk	0.08	10,036,765	7,611
Substandard	11.02	7,255,774	799,712
Loss	100.00	5,824	5,824
		27,327,716	818,220
2024			
Low risk	0.05	10,624,783	5,418
Fair risk	0.08	7,812,172	5,971
Substandard	9.23	9,254,316	854,178
Loss	100.00	33,293	33,293
		27,724,564	898,860

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

11. TRADE AND OTHER RECEIVABLES (CONT'D)

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

Group	Lifetime ECL RM	Credit impaired RM	Total RM
At 1 January 2025	865,567	33,293	898,860
Charge for the financial year	69,568	5,824	75,392
Reversal of impairment losses	(122,739)	(33,293)	(156,032)
At 31 December 2025	812,396	5,824	818,220
At 1 January 2024	832,754	84,970	917,724
Charge for the financial year	117,643	33,293	150,936
Reversal of impairment losses	(84,830)	(84,970)	(169,800)
At 31 December 2024	865,567	33,293	898,860

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

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

Group	Lifetime ECL RM	12 months ECL RM	Total RM
At 1 January 2025	887	124,063	124,950
Charge for the financial year	-	167	167
Reversal of impairment losses	-	(66,346)	(66,346)
At 31 December 2025	887	57,884	58,771
At 1 January 2024	887	3,539	4,426
Charge for the financial year	-	120,524	120,524
At 31 December 2024	887	124,063	124,950

11. TRADE AND OTHER RECEIVABLES (CONT'D)

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

Company	12 months ECL RM
At 1 January 2025	105,616
Charge for the financial year	900,754
At 31 December 2025	1,006,370
At 1 January 2024	59,457
Charge for the financial year	46,159
At 31 December 2024	105,616

- (k) The non-current amount due from a subsidiary is an amount, which is not expected to be repayable within the next twelve months. The carrying amount of non-current amount due from a subsidiary approximates its fair value as its interest rates is priced at reasonable approximation of the market interest rates as the end of the reporting period.

Included in amount due from a subsidiary is an amount of RM261,135,000 (2024: RM261,135,000) which bears interest at rates ranging from 3.00% to 3.25% (2024: 3.25%) per annum.

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

	Company	
	2025 RM	2024 RM
Floating rate	257,200,000	261,135,000

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

	Company	
	2025 RM	2024 RM
Effects of 1% changes to profit after tax/equity		
- Floating rate	1,954,720	1,984,626

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

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For the Financial Year Ended 31 December 2025

12. INVENTORIES

	Group	
	2025	2024
	RM	RM
At cost		
Finished goods	270,978,124	233,107,193
At net realisable value		
Finished goods	8,125,690	14,277,509
	279,103,814	247,384,702

- (a) During the financial year, inventories of the Group recognised as cost of sales amounted to RM860,331,143 (2024: RM911,048,878).
- (b) The Group reversed inventories previously written off amounted to RM69,931, which were included in cost of sales.
- (c) In previous financial year, the Group has written off inventories amounted to RM1,844,707, which were included in cost of sales.
- (d) A write down of inventories to net realisable value of RM2,306,831 (2024: RM3,516,266) was made by the Group during the financial year.
- (e) The Group reversed RM3,821,213 (2024: RM4,020,999) in respect of inventories written down in the previous financial years that was subsequently not required as the Group was able to sell those inventories above their carrying amounts.
- (f) Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell.
- (g) Inventory cost is determined on a weighted average basis and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.
- (h) The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making this judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

13. OTHER INVESTMENTS

	Group	
	2025	2024
	RM	RM
<u>Equity securities</u>		
Non current		
Unquoted shares in Malaysia	2,923,501	-
Current		
Unquoted shares in Malaysia	-	2,876,449
Unquoted trust fund outside Malaysia	962,963	1,260,499
Quoted shares outside Malaysia	208,635	1,380,020
	1,171,598	5,516,968
Total other investments	4,095,099	5,516,968

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

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

Financial instruments	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair values
Unquoted shares and trust fund	Discounted cash flows method	Discount rate at 4.01% to 7.58% (2024: 7.50%)	The higher the discount rate, the lower the fair value

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

13. OTHER INVESTMENTS (CONT'D)

(d) The following table shows a reconciliation of Level 3 fair values of other investments:

	Group	
	2025	2024
	RM	RM
Balances as at 1 January	4,136,948	5,773,088
Disposal	(224,582)	(1,636,140)
Fair value changes through other comprehensive income	(25,902)	-
Balances as at 31 December	3,886,464	4,136,948

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

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

	Group	
	2025	2024
	RM	RM
Australian Dollar	180,865	91,348
Singapore Dollar	990,733	1,260,499
Hong Kong Dollar	-	1,048,940
Chinese Renminbi	-	239,732

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

	Group	
	2025	2024
	RM	RM
Effects of 3% changes to RM against foreign currencies		
Profit after tax/equity		
- Australian Dollar	4,124	2,083
- Singapore Dollar	22,589	28,739
- Hong Kong Dollar	-	23,916
- Chinese Renminbi	-	5,466

13. OTHER INVESTMENTS (CONT'D)

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

	Group	
	2025	2024
	RM	RM
Effects of 3% changes to market price		
Profit after tax/equity		
- Quoted shares outside Malaysia	4,757	31,464

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

14. CASH AND BANK BALANCES

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash and bank balances	71,065,671	55,509,625	198,619	260,043
Deposits with licensed banks	17,800,000	18,262,625	-	-
As per statements of financial position	88,865,671	73,772,250	198,619	260,043
Less:				
Fixed deposits placed with licensed banks with original maturity of more than three (3) months	(13,000,000)	(16,362,625)	-	-
As per statements of cash flows	75,865,671	57,409,625	198,619	260,043

- (a) Cash and bank balances are classified as financial assets and measured at amortised cost.
- (b) Deposits with licensed banks of the Group have an average maturity period of 25 days (2024: 43 days).
- (c) The foreign currencies profile of cash and bank balances are as follows:

	Group	
	2025	2024
	RM	RM
United States Dollar	48,820	28,206
Singapore Dollar	80,453	1,487,426

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

14. CASH AND BANK BALANCES (CONT'D)

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

	Group	
	2025	2024
	RM	RM
Effects of 3% changes to RM against foreign currencies		
Profit after tax/equity		
- United States Dollar	1,113	643
- Singapore Dollar	1,834	33,913

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

	Group	
	2025	2024
Fixed rates	3.83%	3.88%

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

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

15. SHARE CAPITAL

	Note	Group and Company			
		2025		2024	
		Number of shares	RM	Number of shares	RM
Ordinary shares					
Issued and fully paid with no par value					
At 1 January/31 December		1,500,000,000	427,867,671	1,500,000,000	427,867,671

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

16. RESERVES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable					
Merger reserve	(a)	(165,206,168)	(165,206,168)	-	-
Fair value reserve	(b)	62,766	88,668	-	-
Distributable					
Retained earnings		290,486,933	284,339,841	15,828,832	15,081,662
		125,343,531	119,222,341	15,828,832	15,081,662

(a) Merger reserve

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

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

(b) Fair value reserve

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

17. BORROWINGS

	Group	
	2025	2024
	RM	RM
Current liabilities		
Unsecured		
Bankers' acceptances	-	13,665,000
Secured		
Revolving credit	36,400,000	41,200,000
Total borrowings	36,400,000	54,865,000

- (a) Borrowings are classified as financial liabilities and measured at amortised cost.
- (b) All borrowings are denominated in RM.
- (c) In the previous financial year, the bankers' acceptances were supported by a corporate guarantee given by the Company to bankers for credit facilities granted to a subsidiary of the Group.
- (d) The revolving credit is supported by a corporate guarantee given by the Company to a banker for a credit facility granted to a subsidiary and a fixed charge over a freehold land and a building of the Group as disclosed in Note 6 to the financial statements.
- (e) The carrying amounts of borrowings are reasonable approximation of fair value, either due to their short term nature or that they are floating rate instruments, that are repriced to market interest rates on or near the end of reporting period.
- (f) At the end of reporting date, the interest rate profiles of the borrowings were:

	Group	
	2025	2024
	RM	RM
- Fixed rates	-	13,665,000
- Floating rates	36,400,000	41,200,000
	36,400,000	54,865,000

17. BORROWINGS (CONT'D)

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

	Group	
	2025	2024
	%	%
Bankers' acceptances	-	3.37
Revolving credit	4.40	4.48

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

Group	On demand or within one year RM
At 31 December 2025	
Financial liabilities	
Borrowings	36,400,000
At 31 December 2024	
Financial liabilities	
Borrowings	54,865,000

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

Group	On demand or within one year RM
At 31 December 2025	
Financial liabilities	
Borrowings	36,425,669
At 31 December 2024	
Financial liabilities	
Borrowings	55,022,113

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

17. BORROWINGS (CONT'D)

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

	Group	
	2025	2024
	RM	RM
Effects of 50 basis points changes to profit after tax/equity		
Floating rate instrument	138,320	156,560

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

18. PROVISION FOR RESTORATION COSTS

	Group	
	2025	2024
	RM	RM
Non-current		
Provision for restoration costs	6,695,329	6,462,255
Current		
Provision for restoration costs	1,316,737	1,403,094
	8,012,066	7,865,349

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

	Group	
	2025	2024
	RM	RM
As at 1 January	7,865,349	8,026,176
Recognised in right-of-use assets (Note 7(g))	96,924	118,658
Modifications	808,170	(404,997)
Finance cost	307,481	297,891
Utilisation	(1,065,858)	(141,039)
Reversal of provision	-	(31,340)
As at 31 December	8,012,066	7,865,349

- (c) The Group estimates provision for restoration costs based on historical costs incurred per square feet of rent area. The estimated provision for restoration costs is reviewed periodically and is updated if expectations differ from previous estimates due to changes in costs factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs of the Group.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables				
Third parties	53,803,989	44,822,594	-	-
Amounts due to related parties	4,125,212	3,512,735	-	-
	57,929,201	48,335,329	-	-
Other payables				
Other payables	14,036,611	16,132,502	-	-
Deposits	1,991,445	2,533,295	-	-
Accruals	21,403,473	18,089,110	629,365	644,952
Amounts due to related parties	227,766	59,356	-	-
Financial guarantee contracts	-	-	-	-
	37,659,295	36,814,263	629,365	644,952
Total payables	95,588,496	85,149,592	629,365	644,952

- (a) Trade and other payables are classified as financial liabilities and measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 15 days to 90 days (2024: 15 days to 90 days).
- (c) Included in other payables of the Group are captive insurance liabilities of RM7,278,009 (2024: RM8,766,156), estimated by an independent actuary with appropriate recognised professional qualifications.
- (d) Non-trade amounts due to related parties represent advances and payments on behalf, which are unsecured, interest-free and repayable on demand in cash and cash equivalents.
- (e) Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation.

The fair value of financial guarantees is classified as Level 3 in the fair value hierarchy and is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. The movement in financial guarantee contracts consists of fair value changes of financial guarantee contract during the current and previous financial years are insignificant.

The nominal amounts of financial guarantees provided by the Company are as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

19. TRADE AND OTHER PAYABLES (CONT'D)

	Company	
	2025 RM	2024 RM
Bank facilities granted to a subsidiary	36,400,000	55,865,000

Maturity profile of financial guarantee contracts of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the subsidiary in respect of the guaranteed bank facilities.

- (e) The maturity profile of the trade and other payables of the Group and of the Company at the reporting date based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.
- (f) The foreign currency profile of trade and other payables is as follows:

	Group	
	2025 RM	2024 RM
Chinese Renminbi	2,579,731	260,946
Singapore Dollar	72,208	-

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

	Group	
	2025 RM	2024 RM
Effects of 3% changes to RM against foreign currencies		
Profit after tax/equity		
Chinese Renminbi	58,818	5,950
Singapore Dollar	1,646	-

20. CONTRACT LIABILITIES

	Group	
	2025 RM	2024 RM
Current		
- Deferred income	33,961,674	41,287,629
Non-current		
- Deferred income	34,292,828	35,833,225
	68,254,502	77,120,854

20. CONTRACT LIABILITIES (CONT'D)

(a) Deferred income

	Group	
	2025	2024
	RM	RM
Current		
- Customer loyalty programme	313,715	453,034
- Warranty	29,342,763	32,712,322
- Membership fee	2,882,571	5,743,448
- Cash vouchers	1,422,625	2,378,825
	33,961,674	41,287,629
Non-current		
- Customer loyalty programme	188,840	330,517
- Warranty	29,699,129	35,502,708
- Membership fee	4,404,859	-
	34,292,828	35,833,225

(i) Customer loyalty programme

Customer loyalty programme allows its members to accumulate customer loyalty points, namely Plus One Loyalty Points, on the purchases of the products of the Group sold in its own retail outlets. These customer loyalty points are then converted into redemption points for selected redemption products and cash rebates based on the term and conditions in force.

The deferred income arising from customer loyalty points are estimated based on the amount of loyalty points outstanding as at the end of the reporting period that are expected to be redeemed within one (1) month to three (3) years (2024: one (1) month to three (3) years).

(ii) Warranty

Deferred income of warranty relates to the consideration received from the customers for the provision of warranty for the purchases of the products of the Group, which revenue is recognised over time, which the warranty period is covered.

(iii) Membership fee

Deferred income of membership fee relates to the consideration received from customers for the membership periods, which revenue is recognised over time over the service period on a straight-line basis.

(iv) Cash vouchers

Deferred income of cash vouchers relates to the unutilised cash vouchers. The amount will be recognised as revenue when the cash vouchers are utilised by customers.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

20. CONTRACT LIABILITIES (CONT'D)

- (b) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially satisfied) at the end of the reporting date, are as follow:

Group	Within a year RM	More than one year RM	Total RM
2025			
Contract liabilities	33,961,674	34,292,828	68,254,502
2024			
Contract liabilities	41,287,629	35,833,225	77,120,854

- (c) The amount of RM64,602,789 (2024: RM74,673,458) included in contract liabilities at the beginning of the financial year has been recognised as revenue for the financial year ended 31 December 2025.

20. CONTRACT LIABILITIES (CONT'D)

(d) A reconciliation of the deferred income is as follows:

Group	Customer loyalty programme RM	Warranty RM	Membership fee RM	Cash vouchers RM	Total RM
At 1 January 2024	814,795	75,705,808	4,549,613	2,410,575	83,480,791
Addition	222,446	59,968,802	5,743,448	2,378,825	68,313,521
Utilisation	(253,690)	-	-	(2,410,575)	(2,664,265)
Reversal	-	(67,459,580)	(4,549,613)	-	(72,009,193)
At 31 December 2024/1 January 2025	783,551	68,215,030	5,743,448	2,378,825	77,120,854
Addition	172,038	49,668,420	4,473,354	1,422,625	55,736,437
Utilisation	(453,034)	-	-	(2,378,825)	(2,831,859)
Reversal	-	(58,841,558)	(2,929,372)	-	(61,770,930)
At 31 December 2025	502,555	59,041,892	7,287,430	1,422,625	68,254,502

21. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<i>Revenue from contracts with customers</i>				
- Sales of goods	1,086,522,655	1,144,842,648	-	-
- Sales of services	61,770,930	72,009,193	-	-
<i>Other revenue:</i>				
- Dividend income	-	-	-	11,000,000
	1,148,293,585	1,216,851,841	-	11,000,000
<i>Timing of revenue recognition</i>				
Transferred at a point in time	1,086,522,655	1,144,842,648	-	-
Transferred over time	61,770,930	72,009,193	-	-
	1,148,293,585	1,216,851,841	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

21. REVENUE (CONT'D)

- (a) Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 5 to the financial statements, which has been presented based on nature of products and services from which the sale of transactions originated.

- (b) Sales of goods

Revenue from sales of goods is recognised at a point in time when control of the goods has been transferred to the customer, which coincides with the delivery of goods and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sales of goods.

There is no significant financing component in the revenue arising from sales of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

- (c) Sales of services

- (i) Warranty

The Group provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold together with the sale of goods. Contracts for bundled sales of goods and service-type warranty comprise two performance obligations because the goods and service-type warranty are both sold on a stand-alone basis and are distinct within the context of the contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a liability (deferred income) in the statement of financial position. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

- (ii) Membership income

Membership income is recognised in profit or loss when the payment is received and proportion to the membership tenure.

- (iii) Customer loyalty awards

The Group operates the customer loyalty programme, which allows customers to accumulate points for future redemption when they purchase products at the Group's stores.

The consideration received from the sale of goods is allocated to the goods sold and the points issued that are expected to be redeemed. The consideration allocated to the points issued is measured at fair value of the points. It is recognised as a liability (deferred income) in the statement of financial position and recognised as revenue when the points are redeemed, have expired or are no longer expected to be redeemed. The amount of revenue recognised is based on the number of points that have been redeemed, relative to the total number of points expected to be redeemed.

- (d) Dividend income

Dividend income is recognised when the right to receive payment is established.

22. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:				
Auditors' remuneration				
Statutory audit				
- BDO PLT	315,000	304,500	60,000	57,000
Non-statutory audit				
- BDO PLT	9,500	48,500	5,000	18,500
- Affiliate firm of BDO PLT	45,300	72,000	2,500	3,000
Bad debts written off	40,014	120,418	-	-
Deposits written off	475,898	-	-	-
Directors' remuneration	2,272,214	3,554,881	584,700	572,385
Impairment losses on:				
- advances to a subsidiary	-	-	900,754	46,159
- trade and other receivables	75,559	271,460	-	-
- property, plant and equipment	-	287,321	-	-
- right-of-use assets	-	56,290	-	-
Loss on reassessment and modifications of leases	450,948	-	-	-
Interest expenses on:				
- advances from a subsidiary	-	-	-	7,597
- bankers' acceptance	32,417	205,848	-	-
- bank overdraft	-	919	-	-
- lease liabilities	3,328,429	3,213,888	-	-
- letter of credit	29,990	-	-	-
- provision of restoration cost	307,481	297,891	-	-
- revolving credit	1,714,833	1,968,212	-	-
Property, plant and equipment written off	842,834	747,657	-	-
Realised loss on foreign exchange	-	7,959	-	-
Rental of premises	1,241,699	407,726	-	-
Share of profit paid as part of incentive programme	14,894,915	15,856,235	-	-
Unrealised loss on foreign exchange	53,878	98,039	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

22. PROFIT BEFORE TAX (CONT'D)

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at: (Cont'd)

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
And crediting:				
Dividend income	-	-	-	11,000,000
Fair value adjustments on other investments	554,046	203,571	-	-
Gain on disposal of property, plant and equipment	3,931,543	300,958	-	-
Gain on disposal of right-of-use assets	585,019	270,700	-	-
Gain on disposal of other investments	131,596	1,008,983	-	-
Gain on reassessments and modifications of leases	-	626,784	-	-
Interest income from:				
- advances to a subsidiary	-	-	8,114,117	8,528,552
- bank balances	3,186,014	2,561,615	-	-
- deposits with licensed banks	69,031	803,203	-	-
- receivables	956,132	774,557	-	-
Rental income	2,509,053	2,256,658	-	-
Reversal of impairment losses on trade and other receivables	222,378	169,800	-	-
Reversal of impairment losses on property, plant and equipment	287,321	-	-	-
Realised gain on foreign exchange	7,749	-	-	-
Reversal of impairment losses on right-of-use assets	56,290	-	-	-

(a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(b) Rental income

Rental income is recognised on a straight-line basis over the lease term of an ongoing leases.

(c) Subsidies and incentive income

The Group receives subsidies and incentives from suppliers for various programs, primarily advertisement and promotional incentives. Subsidies and incentives are recognised to statements of profit or loss and other comprehensive income when the performance obligations for promotional programs have been fulfilled by the Group in accordance with the terms as stipulated in the agreements with suppliers.

23. TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense based on profit for the financial year	4,458,466	4,773,842	1,774,302	1,964,646
Under/(Over) provision in prior years	496,647	3,617,491	7,422	(2,216)
	4,955,113	8,391,333	1,781,724	1,962,430
Deferred tax (Note 10)				
Relating to origination and reversal of temporary differences	(1,115,253)	(1,031,926)	-	-
(Over)/Under provision in prior years	(439,877)	379,942	-	-
	(1,555,130)	(651,984)	-	-
Real property gains tax	318,397	-	-	-
	3,718,380	7,739,349	1,781,724	1,962,430

- (a) Malaysian income tax is calculated at the statutory tax rate 24% (2024: 24%) of the estimated taxable profits for the fiscal year.
- (b) Numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	13,165,472	18,781,352	5,828,894	17,918,149
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	3,159,713	4,507,524	1,398,935	4,300,356
Tax effects in respect of:				
- Non-allowable expenses	5,832,380	5,003,826	375,367	304,290
- Non-taxable income	(5,648,880)	(5,769,434)	-	(2,640,000)
- Real property gain tax	318,397	-	-	-
	3,661,610	3,741,916	1,774,302	1,964,646
Under/(Over) provision in prior years:				
- Current tax	496,647	3,617,491	7,422	(2,216)
- Deferred tax	(439,877)	379,942	-	-
	3,718,380	7,739,349	1,781,724	1,962,430

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

23. TAX EXPENSE (CONT'D)

(c) Tax on each component of other comprehensive loss is as follows:

	Before tax RM	Group Tax effect RM	After tax RM
2025			
Item that will not be reclassified to profit or loss in subsequent period			
Fair value loss of other investments at FVTOCI	25,902	-	25,902
	25,902	-	25,902

24. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group 2025	2024
Profit for the financial year attributable to ordinary equity holders of the Company (RM)	9,447,092	11,042,003
Weighted average number of ordinary shares in issue	1,500,000,000	1,500,000,000
Basic earnings per ordinary share (sen)	0.63	0.74

(b) Diluted

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

25. DIVIDENDS

	Group and Company			
	2025		2024	
	Dividend per share sen	Amount of dividend RM	Dividend per share sen	Amount of dividend RM
First interim single-tier dividend in respect of the financial year ended 31 December 2024	0.22	3,300,000	-	-
First interim single-tier dividend in respect of the financial year ended 31 December 2023	-	-	0.51	7,650,000
	0.22	3,300,000	0.51	7,650,000

On 7 April 2026, the Board of Directors declared a first interim single tier dividend of 0.19 sen per ordinary share amounting to RM 2,850,000 for the financial year ended 31 December 2025, which is to be paid on 18 May 2026 to shareholders of the Company whose names appeared in the Record of Depositors on 22 April 2026. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2025.

26. DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company:				
Executive:				
Short term employee benefits	1,623,382	2,869,340	-	-
Contributions to defined contribution plan	64,132	113,156	-	-
	1,687,514	2,982,496	-	-
Non-Executive:				
Directors' fees	528,450	499,635	528,450	499,635
Short term employee benefits	56,250	72,750	56,250	72,750
	584,700	572,385	584,700	572,385
	2,272,214	3,554,881	584,700	572,385

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

27. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has controlling related party relationship with its subsidiaries and its holding company.

Related parties of the Group include:

- (i) Subsidiaries as disclosed in Note 9 to the financial statements.
- (ii) Companies in which certain Directors have financial interests.
- (iii) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

(b) In addition to the related party transactions disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Related parties:				
- Administrative and marketing fees receivable	1,057,512	1,187,650	-	-
- Administrative and marketing fees payable	(196,637)	(256,803)	-	-
- Commission payable	(38,880,716)	(20,396,172)	-	-
- Insurance premium collected on behalf of third-party insurance companies	(38,094,576)	(32,728,894)	(52,367)	(51,397)
- Marketing expenses	(51,324,204)	(26,513,067)	-	-
- Marketing fees	-	(74,462)	-	-
- Purchases of goods	(12,070,280)	(11,708,684)	-	-
- Rental income	203,390	186,050	-	-
- Rental payable	(1,195,918)	(1,138,506)	-	-
- Sales of goods	26,046	158,304	-	-
- Sales of motor vehicles	-	290,000	-	-
- Service rendered	(3,300,320)	(4,233,756)	-	-
Subsidiary:				
- Dividends received	-	-	-	11,000,000
- Interest payable	-	-	-	(7,597)
- Interest receivable	-	-	8,114,117	8,528,552

The related parties transactions described above have been entered into the normal course of business and have been established at terms agreed between the parties during the financial year.

27. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The key management personnel include the Directors of the Group and of the Company, whether executive or otherwise, and their remuneration for the financial year were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' fees	528,450	499,635	528,450	499,635
Short term employees benefits	3,972,664	5,247,984	56,250	72,750
Contributions to defined contribution plan	326,099	361,273	-	-
	4,827,213	6,108,892	584,700	572,385

28. EMPLOYEE BENEFITS

	Group	
	2025 RM	2024 RM
Short term employees benefits	69,171,313	69,641,188
Contributions to defined contribution plan	10,859,432	10,737,536
Other employee benefits	4,684,383	5,170,697
	84,715,128	85,549,421

Included in employee benefits expense of the Group are Executive Directors' remuneration excluding benefits-in-kind amounting to RM1,687,514 (2024: RM2,982,496).

29. CAPITAL COMMITMENTS

	Group	
	2025 RM	2024 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	4,950,000	8,910,000

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

30. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, loans and borrowings, less cash and bank balances. Capital represents only equity attributable to the owners of the Company.

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Borrowings	17	36,400,000	54,865,000	-	-
Less: Cash and bank balances	14	(88,865,671)	(73,772,250)	(198,619)	(260,043)
Net cash		(52,465,671)	(18,907,250)	(198,619)	(260,043)
Equity attributable to the owners of the Company		553,221,202	547,090,012	443,696,503	442,949,333
Gearing ratio		*	*	*	*

* Not required as the Group and the Company are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 31 December 2025.

The Group and the Company are not subject to any other externally imposed capital requirements.

30. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and price risk.

The following sections provide details regarding the Group's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are reputable institutions and organisations. It is the policy of the Group and of the Company to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group and the Company are exposed to minimal credit risk.

The primary exposure of the Group and of the Company to credit risk arises through their trade and other receivables and financial guarantees given to banks for banking facilities granted to a subsidiary. The credit period is generally for a period of one (1) month, extending up to two (2) months for major customers. Each customer has a maximum credit limit and the Group and the Company seek to maintain strict control over its outstanding receivables via a credit control section to minimise credit risk. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

The risk concentration profile has been disclosed in Note 11 to the financial statements.

(ii) Liquidity and cash flow risk

The Group and the Company actively manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group and the Company measure and forecast its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group and the Company.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 7, 17 and 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

30. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk

The primary interest rate risk of the Group and the Company relates to interest-earning deposits and interest-bearing borrowings from financial institutions. The fixed-rate deposits and borrowings of the Group is exposed to a risk of changes in their fair values due to changes in interest rates. The floating rate deposits and borrowings of the Group and the Company are exposed to a risk of change in cash flows due to changes in interest rates. The Group and the Company borrow in the desired currencies at both fixed and floating rates of interest.

The Group and the Company actively review its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows the Group and the Company to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 7, 11, 14 and 17 to the financial statements respectively.

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign currency rate.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of the operating entities. Exposure in foreign currency is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

The foreign currency profile and sensitivity analysis have been disclosed in Notes 13, 14 and 19 to the financial statements.

(v) Price risk

Price risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to price risk arising from investments held in the Group. These instruments are classified as financial assets designated at fair value through profit or loss.

The Group will monitor the exposure of price risk on-going basis.

The sensitivity analysis of price risk have been disclosed in Note 13 to the financial statements.

LIST OF MAJOR PROPERTIES

HELD AS AT 31 DECEMBER 2025

No.	Location	Postal address	Description	Current use	Tenure	Remaining lease period (expiry date)	Age of building	Land area/ Built-up (sq. feet)	Date of acquisition	Net book value as at 31 December 2025 RM'000
1.	HS(D) 164876, PT 84120, Mukim Kapar, Daerah Klang, Negeri Selangor	PT 77275, Jalan Astana 5/KU02, Bandar Bukit Raja, 41050 Klang, Selangor	Single storey warehouse facility with 3-storey office	Warehouse & Office	Freehold	N/A	5	286,503 /200,035	25.09.2023	78,033
2.	HS(D) 139744, PT 69171, Mukim Kapar, Daerah Klang, Negeri Selangor	PT 69171, Jalan Meru/ KU2, Bandar Bukit Raja, 41050 Klang, Selangor	Vacant industrial land	Not in use	Freehold	N/A	N/A	126,412	22.06.2022	26,278
3.	HS(D) 144831, PT 16, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor	No.31, Jalan PJU 5/18, 48000 Petaling Jaya, Selangor	1 corner unit of 4-storey shop-office	Retail outlet	Leasehold	75 Years (23 Nov 2100)	25	3,650/ 17,675	22.09.2023	10,174
4.	PM 28, 29 and 30, No. Lot 25116, 25117 and 25118, Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur	No.329, 331 and 333, Jalan 1/33A, Kepong Baru, 52000 Kuala Lumpur	3 intermediate units of 3-storey shop-offices	Retail outlet	Leasehold	50 Years (20 Apr 2075)	50	4,621/ 13,002	01.11.2024	10,042

LIST OF MAJOR PROPERTIES
HELD AS AT 31 DECEMBER 2025

No.	Location	Postal address	Description	Current use	Tenure	Remaining lease period (expiry date)	Age of building	Land area/ Built-up (sq. feet)	Date of acquisition	Net book value as at 31 December 2025 RM'000
5.	PM 636, 255, 254, 253 and 252, Lot 29856, 29855, 29854, 29853 and 29852, Mukim Ampang, Daerah Hulu Langat, Negeri Selangor	40, 42, 44, 46-1, 46-2, 46-3, 48-1 and 48-3, Jalan Pandan 3/2, Pandan Jaya, 55100 Kuala Lumpur	"Grand Senheng" store:- Lots 40-G, 40-1, 42-G, 42-1, 44-G, 44-1 - 3 intermediate units of 4-storey shop-offices Head Office:- Lots 40-2, 40-3, 42-2, 42-3, 44-2, 44-3 - 3 intermediate units of 4-storey shop-offices Lot 46 - A 4-storey shop-office where we own first, second and third floor Lot 48 - A 4-Storey shop-office where we own first and third floor	Retail outlet & Office	Leasehold	62 Years (5 May 2087)	41	16,146/ 16,146	27.12.2018 (Lot 40, 42, 44, 46-1, 46-2, 46-3, 48-1) & 18.11.1999 (Lot 48-3)	8,943
6.	GRN 1223, 1224 and 1225, Lot 304, 305 and 306, Presint 15, Bandar Putrajaya, Daerah Putrajaya, Negeri Wilayah Persekutuan Putrajaya	No.9, 11 and 13, Jalan Diplomatik P15, Precint 15, 62050 Putrajaya	No.9 - 1 intermediate unit of 3-storey shop-office No.11 & 13 - 2 intermediate units of 4-storey shop-offices	Retail outlet	Freehold	N/A	9	7,072/ 22,582	01.10.2019 (No.11 and 13) & 06.01.2022 (No.9)	8,404

No.	Location	Postal address	Description	Current use	Tenure	Remaining lease period (expiry date)	Age of building	Land area/ Built-up (sq. feet)	Date of acquisition	Net book value as at 31 December 2025 RM'000
7.	CL No. 015586222, Lot 2, Daerah Kota Kinabalu, Negeri Sabah	Lot 2, KKIP Exported Industrial Zone Phase 2, Kota Kinabalu Industrial Park, Jalan Sepangar, 88450 Kota Kinabalu, Sabah	A detached factory building comprising of single-storey warehouse and 2- storey office building with 1 guard house and 1 pump house	Warehouse	Leasehold	71 Years (31 Dec 2096)	9	87,941/ 26,000	28.12.2018	7,407
8.	PN 115443, 115444 and 115445, Lot 268, 267 and 270, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Negeri Selangor	No. 62, 63 and 64, Jalan Raja Harun, Bandar Kajang Seksyen 7, Kajang, 43000 Kajang, Selangor	3 intermediate units of 3 ½ storey shop-offices	Retail outlet	Leasehold/	64 Years (26 Jun 2089)	33	6,211/ 19,715	09.09.2019	7,212
9.	GRN 592141, 592140, 592139 and 592138, Lot 11057, 11056, 11055 and 11054, Bandar Penggaram, Daerah Batu Pahat, Negeri Johor	23, 23A, 23B, 24, 24A, 24B, 25, 25A, 25B, 26, 26A and 26B, Jalan Lingkaran Bentara 1, Pusat Komersial Bentara 83000 Batu Pahat, Johor	4 intermediate units of 3-storey shop-offices	Retail outlet	Freehold	N/A	5	6,588/ 13,196	24.06.2019 (23, 23A, 23B, 24, 24A, 24B, 25, 25A and 25B) & 16.01.2020 (26, 26A and 26B)	6,994
10.	GRN 616620 and 616619, Lot 20347 and 20346, Mukim Jalan Bakri, Daerah Muar, Negeri Johor	No.1 and 2, Jalan Gemilang Bakri, Pusat Komersial Gemilang Bakri, 84200 Muar, Johor	No.1 - 1 corner unit of 3-storey shop-office No.2 - 1 intermediate unit of 3-storey shop-office	Retail outlet	Freehold	N/A	3	6,641/ 14,076	19.09.2022 (No.1) & 27.04.2023 (No.2)	5,629

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

Total Number of Issued Shares	:	1,500,000,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) Vote per Ordinary Share
No. of Shareholders	:	8,113

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	117	1.442	617	0.000
100 - 1,000	1,436	17.699	788,752	0.052
1,001 - 10,000	3,850	47.454	20,682,531	1.378
10,001 - 100,000	2,212	27.264	74,633,900	4.975
100,001 - 74,999,999 (*)	493	6.076	293,394,200	19.559
75,000,000 and above (**)	5	0.061	1,110,500,000	74.033
	8,113	100.000	1,500,000,000	100.000

Remarks:

(*) Less than 5% of the total number of issued shares

(**) 5% and above of the total number of issued shares

Substantial Shareholders (Based on the Register of Substantial Shareholders)

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
SQ Digital Sdn. Bhd.	869,600,000	57.973	-	-
Lim Kim Heng	83,800,000	5.587	870,955,600 ^{(a)&(b)}	58.064
Lim Kim Chieng	84,222,800	5.615	870,790,600 ^{(a)&(c)}	58.053
Lim Kim Yew	81,300,000	5.420	869,600,000 ^(a)	57.973

Directors' Shareholdings (Based on the Register of Directors' Shareholding)

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Lim Kim Heng	83,800,000	5.587	870,955,600 ^{(a)&(b)}	58.064
Lim Kim Chieng	84,222,800	5.615	870,790,600 ^{(a)&(c)}	58.053
Lim Kim Yew	81,300,000	5.420	869,600,000 ^(a)	57.973
Oh Keng Leng	240,000	0.016	-	-
Dato' Yeow Wah Chin	240,000	0.016	-	-
Ho Kim Poi	240,000	0.016	-	-
Lam Swee Kim	-	-	-	-

Notes:

(a) Deemed interest by virtue of his shareholdings in SQ Digital Sdn. Bhd., pursuant to Section 8 of the Companies Act 2016.

(b) Indirect interested by virtue his child's direct shareholdings, pursuant to Section 59(11)(c) of the Companies Act 2016.

(c) Indirect interested by virtue of his spouse's and children's direct shareholdings, pursuant to Section 59(11)(c) of the Companies Act 2016.

List of Top Thirty (30) Largest Shareholders (Based on Record of Depositors)

No.	Name of Shareholders	Total No. of Shares Held	%
1	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR SQ DIGITAL SDN. BHD. (PB)	719,600,000	47.973
2	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK PRIVATE WEALTH MANAGEMENT FOR SQ DIGITAL SDN. BHD. (12022529)(444327)	150,000,000	10.000
3	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR LIM KIM HENG (PB)	80,300,000	5.353
4	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR LIM KIM YEW (PB)	80,300,000	5.353
5	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR LIM KIM CHIENG (PB)	80,300,000	5.353
6	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK BERHAD (EDP 2)	37,752,300	2.516
7	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	36,767,800	2.451
8	YAYASAN ISLAM TERENGGANU	8,000,000	0.533
9	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	7,122,800	0.474
10	GAN CHENG SWEE	5,158,300	0.343
11	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)	4,922,800	0.328
12	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIN KUAN WENG	4,502,100	0.300
13	OAN YEE LAI	4,300,000	0.286
14	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HONG KOK WAI (E-TMI)	4,200,000	0.280
15	LIM KIM HENG	3,000,000	0.200
16	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SHIN KAM SUN (0174801)	2,600,000	0.173
17	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW BEOW SOON	2,553,800	0.170
18	TOK SANG MAN	2,410,100	0.160
19	CARTABAN NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR STANDARD CHARTERED BANK MALAYSIA BERHAD (WEALTH MANAGEMENT) (TEMPATAN)	2,065,200	0.137
20	CHIA SEONG POW	2,000,000	0.133
21	KUAN CHOON LIAN	2,000,000	0.133
22	ZACKRI RADZI TAN	2,000,000	0.133

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

List of Top Thirty (30) Largest Shareholders (Based on Record of Depositors)

No.	Name of Shareholders	Total No. of Shares Held	%
23	MEDILIANCE (M) SDN. BHD.	1,940,000	0.129
24	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SIN HUAN KWANG (E-TWU)	1,800,000	0.120
25	LOW JIN LIAN	1,729,200	0.115
26	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG CHONG HEE	1,680,400	0.112
27	LIM CHOW SEN @ LIM CHOW SOON	1,580,000	0.105
28	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SIN HUAN KWANG (E-TWU)	1,508,000	0.100
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SETT EE-RLAN (7001593)	1,500,000	0.100
30	FARSATHY HOLDINGS SDN. BHD.	1,500,000	0.100
	Total	1,255,092,800	83.672

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

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

As of 31 March 2026, the status of the utilisation of proceeds raised from the IPO amounting to RM267,500,000 is as below in the following manner:-

Utilisation of proceeds

Details of use of proceeds	Revised timeframe	Utilisation		Reallocation RM	Balance		
		RM	%		RM	%	
Enhance customer experience via upgrading and expanding our chain of retail stores *	Within 60 months ^	160,500,000	60.0%	118,101,252	(30,000,000)	12,398,748	7.7%
Repayment of bank borrowings	Within 6 months	46,000,000	17.2%	46,000,000	-	-	0.0%
Develop new brand distribution business	Within 36 months	22,000,000	8.2%	22,000,000	-	-	0.0%
Expand and upgrade our warehouse & logistics network	Within 36 months	20,000,000	7.5%	20,121,393	121,393	-	0.0%
Boost our digital infrastructure	Within 36 months	9,700,000	3.6%	9,700,000	-	-	0.0%
Estimated listing expenses	Within 3 months	9,300,000	3.5%	9,178,607	(121,393)	-	0.0%
Acquisition of warehouse *	Within 3 months	-	0%	30,000,000	30,000,000	-	0.0%
		267,500,000	100.0%	255,101,252	-	12,398,748	4.6%

* The unutilised balance of RM30 million earmarked for upgrading and expanding the Group’s chain of retail stores has been re-allocated to the acquisition of warehouse in financial year ended 31 December 2023.

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

ADDITIONAL COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2025, the amount of audit fees paid to the external auditors on the Company and Group basis were RM67,500 and RM369,800 respectively.

The non-audit fees paid or payable to the external auditors, or a firm or corporation affiliated to the external auditors' firm by the Company during the financial year ended 31 December 2025 on the Company and Group basis were RM7,500 and RM54,800 respectively.

The details of the payment are set out below:-

	Company (RM)	Group (RM)
Audit Fees	60,000	315,000
Non-Audit Fees		
- BDO	5,000	9,500
- BDO Affiliate	2,500	45,300
Total	67,500	369,800

MATERIAL CONTRACTS

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

- On 4 February 2025, Senheng Electric (KL) Sdn Bhd [Registration No. 199401011012 (296691-X)], a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("**SPA**") with Mactree Sdn Bhd [Registration No. 202401040370 (1586217-U)] 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 for a total cash consideration of RM11,209,500.00 only ("**Proposed Disposal**"). The Proposed Disposal had been completed on 8 May 2025 in accordance with the terms of the SPA.

EMPLOYEE SHARE OPTION SCHEME

During the financial year ended 31 December 2025, the Group did not grant any employee share scheme to any person.

RECURRENT RELATED PARTY TRANSACTION (“RRPT”) OF A REVENUE OR TRADING NATURE

At the 4th Annual General Meeting of the Company held on 26 June 2025, the Company obtained a shareholders’ mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature (“RRPTs”).

In accordance with Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, details of the RRPTs transacted during the financial year ended 31 December 2025 pursuant to the shareholders’ mandate are as follows:

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Amount Transacted (RM’000)
1.	Senheng Group	Eight Development (M) Sdn. Bhd. (“ Eight Development ”)	Lim Kim Heng (“ KH Lim ”), Lim Kim Chieng (“ KC Lim ”) and Lim Kim Yew (“ KY Lim ”) are the Directors and major shareholders of the Group. KH Lim, KC Lim and KY Lim are the Directors and major shareholders of Eight Development, each having a 33.33% direct equity interest.	Rental payable to Eight Development in respect of the rental of shoplots and warehouses.	(1,196)
2.	Senheng Group	Tenn Pacific Sdn. Bhd. (“ Tenn Pacific ”)	KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group. KH Lim, KC Lim and KY Lim are the Directors and major shareholders of Tenn Pacific, each having a 33.33% direct equity interest.	Rental payable by Tenn Pacific for occupying spare office space at the central distribution centre (“ CDC ”) at 3 rd Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor.	6
3.	Senheng Group	100 Value Distribution Sdn. Bhd. (“ 100 Value Distribution ”)	KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group. KH Lim, KC Lim and KY Lim are the Directors and major shareholders of 100 Value Distribution, each having a 26.67% direct equity interest.	<ul style="list-style-type: none"> • Purchase of small item electrical accessories and consumables from 100 Value Distribution for sale. • Purchase of small item electrical accessories and consumables from 100 Value Distribution for own use. 	(12,067) -

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Amount Transacted (RM'000)
4.	Senheng Group	Blackbox BI Consultancy Sdn. Bhd. (" Blackbox BI ")	<p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group.</p> <p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of Blackbox BI, each having a 33.33% direct equity interest.</p>	<ul style="list-style-type: none"> Provision of business intelligence solutions by Blackbox BI. 	(453)
				<ul style="list-style-type: none"> Rental payable by Blackbox BI in respect of the rental of spare office space at the CDC at 3rd Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor. 	9
5.	Senheng Group	Insurnet Consultancy Sdn. Bhd. (" Insurnet ")	<p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group.</p> <p>KH Lim, KC Lim and KY Lim are also major shareholders of Insurnet with a deemed 90% indirect interest by virtue of S Active Holding Sdn. Bhd. ("S Active")'s shareholdings. The directors and substantial shareholders of S Active are KH Lim, KC Lim and KY Lim, each having a 33.33% direct equity interest.</p> <p>The directors and substantial shareholders of S Active are KH Lim, KC Lim and KY Lim, each having a 33.33% direct equity interest.</p>	<ul style="list-style-type: none"> Insurance premium in relation to warranty programmes and over-the-counter insurance business collected by Insurnet on behalf of third-party insurance companies. 	(35,966)
				<ul style="list-style-type: none"> Insurance premium in relation to own insurance coverage collected by Insurnet on behalf of third-party insurance companies. 	(2,128)
				<ul style="list-style-type: none"> Administrative and marketing fees payable to Insurnet for services provided by Insurnet in relation to the operations of PlusOne extended warranty programme and online insurance business. 	(197)
				<ul style="list-style-type: none"> Administrative and marketing fees payable by Insurnet for usage of Senheng Group's resources in relation to the operation of mobile protection plan, replacement warranty programme and over-the counter insurance business. 	1,058

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Amount Transacted (RM'000)
6.	Senheng Group	Senwave Retail Solutions Sdn. Bhd. ("Senwave Retail")	KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group.	<ul style="list-style-type: none"> Provision of software development of business application services by Senwave Retail. 	(1,068)
			<p>KH Lim, KC Lim and KY Lim are also the Directors and major shareholders of Senwave Retail with a deemed 60% indirect interest by virtue of Massive Solutions Sdn. Bhd. ("Massive Solutions")'s shareholdings.</p> <p>The Directors and major shareholders of Massive Solutions are KH Lim, KC Lim and KY Lim, each having a 33.33% direct equity interest.</p>	<ul style="list-style-type: none"> Rental payable by Senwave Retail in respect of the rental of spare office space at the CDC at 3rd Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor. 	50
7.	Senheng Group	SH Retail Academy Sdn. Bhd. ("SHR Academy")	KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group.	<ul style="list-style-type: none"> Provision of training services by SHR Academy. 	(1,088)
			<p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of SHR Academy with a deemed 40% indirect interest by virtue of Massive Solutions' shareholdings.</p>	<ul style="list-style-type: none"> Rental payable by SHR Academy in respect of the rental of spare office space at the CDC at 3rd Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor. 	22
8.	Senheng Group	S Ecosystem (M) Sdn. Bhd. ("S Eco")	KH Lim, KC Lim and KY Lim are the Directors and major shareholders of the Group.	<ul style="list-style-type: none"> Marketing fee payable to S Eco. 	(51,324)
			<p>KH Lim, KC Lim and KY Lim are the Directors and major shareholders of S Eco, each having a 33.33% direct equity interest.</p>	<ul style="list-style-type: none"> Commissions payable to S Eco. 	(38,881)
				<ul style="list-style-type: none"> Software Subscription (SAAS) payable to S Eco. 	(671)
				<ul style="list-style-type: none"> Rental payable by S Eco in respect of the rental of spare office space at the CDC at 3rd Floor, Office Level, No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor. 	97

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting party within the Group	Transacting related party(ies)	Nature of relationship of related parties	Nature of transactions	Amount Transacted (RM'000)
9.	Senheng Group	Planet Sonata Sdn. Bhd. ("Planet Sonata")	KY Lim is a Director and major shareholder of the Group. KY Lim is a Director and major shareholder of Planet Sonata with a 50% direct equity interest.	Rental payable by Planet Sonata in respect of lease of premises for installation of solar photovoltaic panels	6

The Company is seeking a renewal of existing Shareholders' Mandate and proposed new Shareholders' Mandate for the Company and/or its subsidiaries to enter into a Recurrent Related Party Transactions with Related Parties under the Special Business in the forthcoming 5th AGM

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		1,148,293,585	1,216,851,841
Other income		15,173,282	14,617,404
Interest income		4,211,177	4,139,375
Total		1,167,678,044	1,235,608,620
Total Assets		847,101,667	855,293,640

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Interest income	Conventional accounts interest	1,247,688	1,613,902
Gain from investment in conventional instruments		554,046	203,571
Income from disposal of Shariah non-compliant investments/instruments		131,596	1,008,983
Other Shariah non- compliant activities	Warranty services: Purchase prior to expiry of the manufactures' warranty and PlusOne warranty	88,139	89,800
Total		2,021,469	2,916,256

(C) Component of Financial Position**(i) Cash Component**

Islamic Account/ Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank (exclude cash in hand)		15,898,468	42,489,564
Deposits with licensed bank		13,000,000	-
Cash in hand		154,503	155,603
Total		29,052,971	42,645,167

Conventional Account/ Instruments		2025 (RM)	2024 (RM)
Cash at bank (exclude cash in hand)		55,012,700	12,864,458
Deposits with licensed bank		-	16,362,625
Short-term deposits		4,800,000	1,900,000
Total		59,812,700	31,127,083

ADDITIONAL COMPLIANCE INFORMATION

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current		36,400,000	41,200,000
Non-Current		-	-
Total Financing		36,400,000	41,200,000
Conventional Borrowing			
Current		-	13,665,000
Non-Current		-	-
Total		-	13,665,000

NOTICE OF FIFTH ANNUAL GENERAL MEETING

SENHENG

Senheng New Retail Berhad
[Registration No.: 202101019079 (1419379-T)]
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting ("**5th AGM**") of the Company will be held at Ballroom III Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor ("**Meeting Venue**") on Friday, 26 June 2026 at 10.00 a.m. to transact the following businesses: -

AGENDA

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note 1]**
- To approve an increase in the Directors' fees of up to RM77,150.00 payable to the Non-Executive Directors entitled to receive the Directors' fees for the period from 1 August 2025 to 26 June 2026, in such proportions and manner as the Directors may determine as follows: - **[Please refer to Explanatory Note 2]**
[Ordinary Resolution 1]

No.	Type of Director	Non-Executive Directors' Fee of the Company (RM)
1.	Non-Independent Non-Executive Directors	57,750.00
2.	Independent Non-Executive Directors	19,400.00
	Total	77,150.00

- To approve the Directors' fees of up to RM686,700.00 for the period commencing from 27 June 2026 up to the date of the next Annual General Meeting to be held in 2027, in such proportions and manner as the Directors may determine as follows: - **[Please refer to Explanatory Note 2]**
[Ordinary Resolution 2]

No.	Type of Director	Non-Executive Directors' Fee of the Company (RM)
1.	Non-Independent Non-Executive Directors	129,500.00
2.	Independent Non-Executive Directors	557,200.00
	Total	686,700.00

- To approve the Directors' benefits (excluding Directors' fees) of up to RM75,000.00 for the period commencing from 27 June 2026 up to the date of the next Annual General Meeting to be held in 2027, in such proportions and manner as the Directors may determine as follows: - **[Please refer to Explanatory Note 2]**
[Ordinary Resolution 3]

No.	Type of Director	Non-Executive Directors' Benefits (excluding Directors' Fees) of the Company (RM)
1.	Independent Non-Executive Directors	75,000.00
	Total	75,000.00

NOTICE OF FIFTH ANNUAL GENERAL MEETING

5. To re-elect the following Directors who retire by rotation pursuant to Clause 129.1 of the Company's Constitution and being eligible, have offered themselves for re-election: -
- (i) Mr. Lim Kim Heng
(ii) Mr. Lim Kim Chieng
(iii) Mr. Oh Keng Leng
6. To re-elect Ms. Lam Swee Kim who retires pursuant to Clause 114 of the Constitution of the Company and being eligible, has offered herself for re-election.
7. To re-appoint Messrs. BDO PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

*[Please refer to
Explanatory Note 3]*

*[Ordinary Resolution 4]
[Ordinary Resolution 5]
[Ordinary Resolution 6]*

*[Please refer to
Explanatory Note 3]
[Ordinary Resolution 7]*

*[Please refer to
Explanatory Note 4]
[Ordinary Resolution 8]*

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following Ordinary Resolutions: -

8. **ORDINARY RESOLUTION**
- **AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

*[Please refer to
Explanatory Note 5]
[Ordinary Resolution 9]*

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("**the Act**"), the Constitution of the Company, Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("**New Shares**") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("**Proposed General Mandate**").

THAT the existing shareholders of the Company do hereby waive their pre-emptive rights pursuant to Section 85(1) of the Act read together with the Clause 75.1 of 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."

9. **ORDINARY RESOLUTION**

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

*[Please refer to
Explanatory Note 6]
[Ordinary Resolution 10]*

"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 2026, 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 interest of the minority shareholders of the Company ("**Proposed RRPT Mandates**").

NOTICE OF FIFTH ANNUAL GENERAL MEETING

THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until: -

- a) the conclusion of the next Annual General Meeting of the Company ("**AGM**") at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
- b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**the Act**") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things as they may consider expedient or necessary (including, without limitation, to execute all such documents and to assent to any conditions, variations and/or amendments) in the interest of the Company to give effect to the transactions contemplated and/or authorised by this mandate."

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.

BY ORDER OF THE BOARD

TEO SOON MEI (SSM PC No. 201908000235) (MAICSA 7018590)

LIM JIA HUEY (SSM PC No. 201908000929) (MAICSA 7073258)

Company Secretaries

Kuala Lumpur

Dated: 29 April 2026

Explanatory Notes on Ordinary and Special Businesses:

1. **Item 1 of the Agenda**

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("**the Act**") does not require a formal approval of the shareholders for the Audited Financial Statements. As such, this Agenda item is not put forward for voting.

2. **Items 2, 3, and 4 of the Agenda**

Pursuant to Section 230(1) of the Act, the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.

The shareholders of the Company had, at the 4th AGM of the Company held on 26 June 2025 approved the following fees and benefits payable to the Non-Executive Directors for the period from 27 June 2025 until the 5th AGM: -

- a) Non-Executive Directors' fees of up to RM514,800.00 payable to the Non-Executive Directors; and
- b) Non-Executive Directors' benefits of up to RM65,700.00 payable to the Non-Executive Directors.

(hereinafter collectively, referred to as "**Approved Limit**")

The Directors' fees payable to the Non-Executive Directors for the period from 1 August 2025 until 5th AGM are expected to exceed the Approved Limit approved by the shareholders at the 4th AGM in 2025. This is primarily due to unforeseen changes in the composition of the Board and Board Committees, as well as additional roles and responsibilities assumed by certain Directors during the financial period, as summarised below: -

- a) The retirement of Mr. Lim Kim Chieng as President/Non-Independent Executive Director and his subsequent re-designation as Non-Independent Non-Executive Director with effect from 1 August 2025;
- b) The appointment of Dato' Yeow Wah Chin as Independent Non-Executive Chairman of the Company and the corresponding relinquishment by Mr. Lim Kim Heng of his role as Non-Independent Executive Chairman, both with effect from 1 March 2026. This arrangement forms part of the Company's efforts to comply with Practice 1.3 of the Malaysian Code on Corporate Governance ("**MCCG**"), which recommends that the positions of Chairman and Chief Executive Officer of the Company be held by different individuals; and
- c) In compliance with Practice 1.4 of the MCCG, Dato' Yeow Wah Chin has resigned as Chairman and Member of the Nomination Committee ("**NC**") and Remuneration Committee ("**RC**") respectively. Following these changes, the composition of the Board Committees was subsequently restructured, as announced to Bursa Securities on 6 February 2026.

Accordingly, the Board of Directors of the Company has resolved to seek shareholders' approval at the 5th AGM for the Directors' fees and benefits payable to the Non-Executive Directors of the Company through the following resolutions: -

- a) Ordinary Resolution 1 - Approval for the payment of additional Directors' fees of up to RM77,150.00 payable to the Non-Executive Directors for the period from 1 August 2025 to 26 June 2026.
- b) Ordinary Resolution 2 - Approval for the payment of Non-Executive Directors' fees of up to RM686,700.00 payable as and when incurred for the period from 27 June 2026 until the next Annual General Meeting of the Company to be held in 2027; and
- c) Ordinary Resolution 3 - Approval for the payment of Non-Executive Directors' benefits (excluding Directors' fees) of up to RM75,000.00 payable as and when incurred for the period from 27 June 2026 until the next Annual General Meeting of the Company to be held in 2027.

NOTICE OF FIFTH ANNUAL GENERAL MEETING

The proposed Directors' fees under Ordinary Resolution 2 are derived based on the current Board size and composition of the Board. The benefits payable to the Directors comprise meetings allowances based on actual attendance of meetings by the Directors. The payment of such benefits will be made by the Company in accordance with the Remuneration Policy and Procedures of the Company. The estimated amount of remuneration also caters for unforeseen circumstances, for example the appointment of additional Directors, additional Board meetings and/or Board Committees' Meetings as well as revised composition of Board and Board Committees.

These Ordinary Resolutions are intended to facilitate payment of Directors' fees and benefits for the financial year 2026/2027.

In the event that the proposed Directors' fees and benefits payable are insufficient due to the enlarged Board size or holding of additional meetings, the Company will seek shareholders' approval at the next Annual General Meeting of the Company for the additional Directors' fees and benefits required to meet the shortfall.

Details of the Directors' Remuneration for the financial year ended 31 December 2025 are enumerated in the Corporate Governance Report 2025.

3. Items 5 and 6 of the Agenda

Mr. Lim Kim Heng, Mr. Lim Kim Chieng and Mr. Oh Keng Leng, the Directors of the Company, are seeking re-election at the 5th AGM pursuant to Clause 129.1 of the Company's Constitution and being eligible, have offered themselves for re-election under Ordinary Resolutions 4, 5 and 6 respectively.

Ms. Lam Swee Kim, who was appointed as Director of the Company on 1 October 2025, is seeking re-election as Director of the Company at the 5th AGM pursuant to Clause 114 of the Company's Constitution, and being eligible, has offered herself for re-election under Ordinary Resolution 7.

The details of the Mr. Lim Kim Heng, Mr. Lim Kim Chieng, Mr. Oh Keng Leng and Ms. Lam Swee Kim (hereinafter collectively referred to as "**the Retiring Directors**") are set out in the Annual Report 2025, including their interests in the securities of the Company.

Based on the annual assessment conducted for the financial year ended 31 December 2025, the NC is satisfied with the performance and contribution of the Retiring Directors.

The Retiring Directors meet the criteria prescribed under Paragraph 2.20A of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") in respect of character, experience, integrity, competence and time to effectively discharge their role as the Directors. The Retiring Directors do not have any conflict of interest or potential conflict of interest, including any interest in businesses that are in competition with the Group's business. The NC has also assessed the Retiring Directors in accordance with the Directors Fit and Proper Policy ("**Policy**") and found them to have met the criteria for a fit and proper person as outlined in the said Policy.

Mr. Oh Keng Leng and Ms. Lam Swee Kim, who are Independent Non-Executive Directors have provided their confirmation that they have fulfilled the independence criteria prescribed by the MMLR of Bursa Securities.

The Board (save for the Retiring Directors who have abstained from deliberations and discussions relating to their own re-election at the NC and Board meetings) supports the re-election of the Retiring Directors.

4. Item 7 of the Agenda

The Board has through the Audit and Risk Management Committee ("**ARMC**"), considered the re-appointment of Messrs. BDO PLT as Auditors of the Company. The factors considered by the ARMC in making the recommendation to the Board to table their re-appointment at the 5th AGM are disclosed in the Corporate Governance Overview Statement of the Annual Report 2025.

5. **Item 8 of the Agenda**

Ordinary Resolution 9 is to seek a renewal of the general mandate for allotment and issuance of shares by the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed the prescribed limit under the MMLR of Bursa Securities ("**General Mandate**").

However, pursuant to Section 85(1) of the Act, the Company's Constitution and MMLR of Bursa Securities, the New Shares will have to be offered to the existing shareholders of the Company unless there is a direction to the contrary given in the general meeting of the Company. Should the existing shareholders of the Company approve the proposed Ordinary Resolution 9, they are waiving their pre-emptive rights pursuant to Section 85(1) of the Act, which then would allow the Directors to issue New Shares to any person without having to offer the said New Shares equally to all existing shareholders of the Company prior to the issuance. This will result in a dilution to the shareholding percentage of the existing shareholders of the Company.

This proposed Resolution, if passed, will provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of the issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

The Board of Directors of the Company is of the view that the General Mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the last Annual General Meeting of the Company held on 26 June 2025 and which will lapse at the conclusion of the 5th AGM.

6. **Item 9 of the Agenda**

This proposed Ordinary Resolution 10, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations and on normal commercial terms not more favourable to the related parties than those generally available to the public, and are not to the detriment of the interest of the minority Shareholders of the Company. The procurement of the Proposed RRPT Mandates would reduce substantially administrative time, effort and expenses associated with the convening of separate general meetings to seek shareholders' approval as and when potential Recurrent Related Party Transactions arise. The shareholders' mandate is subject to renewal on an annual basis.

The authority given for Ordinary Resolution 10 mentioned above unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Further information on Ordinary Resolution 10 is set out in the Circular to Shareholders of the Company dated 29 April 2026 which is despatched together with the Annual Report for the financial year ended 31 December 2025.

NOTICE OF FIFTH ANNUAL GENERAL MEETING

Notes:

- (1) *The 5th AGM of the Company will be held at the Meeting Venue, Members and proxies will have to attend physically in person at the Meeting Venue.*
- (2) *A member who is entitled to attend and vote at the 5th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 5th AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 5th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (3) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (4) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (5) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.*
- (6) *The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to the Constitution of the Company in relation to the Record of Depositors made available to the Company.*
- (7) *The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty eight (48) hours before the time appointed for holding the 5th AGM or at any adjournment thereof:-*
 - (i) *In Hardcopy Form*

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company’s Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - (ii) *By Electronic Means*

The proxy form can be electronically lodged with the Share Registrar of the Company via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com>. Kindly refer to the Administrative Guide for the 5th AGM on the procedures for electronic lodgement of proxy form.
- (8) *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*
- (9) *Last date and time for lodging the proxy form is Wednesday, 24 June 2026 at 10.00 a.m.*

- (10) For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative to the meeting if it has not been deposited with the Share Registrar.

The certificate of appointment of authorised representative should be executed in the following manner: -

- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
- (a) at least two (2) authorised officers, of whom one shall be a director; or
- (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (11) Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in this Notice of 5th AGM will be put to vote by poll.
- (12) In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2026 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 5th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.
- (13) Those proxy forms which are indicated with "X" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialed.
- (14) Shareholders are advised to check the Company's website at www.senheng.com and announcements from time to time for any changes to the administration of the 5th AGM.

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 5th AGM and/or any adjournment thereof, a member of the Company: -

- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the 5th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 5th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING THE NOTICE OF THE FIFTH ANNUAL GENERAL MEETING (“5TH AGM”)

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”))

1. STATEMENT RELATING TO THE ELECTION OF DIRECTOR

Ordinary Resolution 7 on the Re-election of Director

The following Director was appointed during the financial year, is standing for re-election as Directors of the Company at the 5th AGM under Ordinary Resolution 7 pursuant to Clause 114 of the Company’s Constitution: -

- (i) Ms. Lam Swee Kim

Ms. Lam Swee Kim, as the Independent Non-Executive Director has provided her confirmation that she fulfilled the independence criteria prescribed by the MMLR of Bursa Securities. She has confirmed that she does not have any existing or potential conflict of interest, business or family that could affect the execution of her role as Director.

The Board, through the Nomination Committee, has also assessed Ms. Lam Swee Kim and is satisfied that she has met the criteria of a fit and proper person as outlined in the Directors Fit and Proper Policy.

The profile of Ms. Lam Swee Kim including her declaration of conflict of interests is set out in Annual Report 2025 of the Company.

2. STATEMENT RELATING TO THE GENERAL MANDATE FOR ISSUANCE OF SECURITIES

Ordinary Resolution 9 on the general mandate for the issuance and allotment of securities

Details on the general mandate for the issuance and allotment of securities in accordance to Paragraph 6.04 of the MMLR of Bursa Securities are provided under the Explanatory Note 5 of the Notice of the 5th AGM.

ADMINISTRATIVE GUIDE FOR THE FIFTH ANNUAL GENERAL MEETING (“5TH AGM”)

Day & Date : **Friday, 26 June 2026**

Time : **10.00 a.m.**

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

1. SAFETY MEASURES

The Company will be taking precautionary measures for the conduct of the 5th AGM.

All attendees are encouraged to wear face mask at all times. The Company reserves the right to deny entry to anyone showing any symptoms of respiratory illness such as coughing and sneezing.

If you are unwell, you are strongly advised to appoint a proxy or the Chairman of the meeting to attend and vote on your behalf at the 5th AGM.

2. ELIGIBILITY TO ATTEND BASED ON THE RECORD OF DEPOSITORS

Only a shareholder whose name appears on the Record of Depositor as at **19 June 2026** shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her behalf at the 5th AGM.

3. REGISTRATION ON THE DAY OF THE 5TH AGM

Registration will start at 9.00 a.m. at **Ballroom III Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor**.

Original MyKad or passport (for non-Malaysian) is required to be presented during registration for verification. You will not be allowed to register on behalf of another person even with the original MyKad or passport of that person.

Upon registration and signing of attendance list, you will be given an identification wristband to enter the meeting room. There will be no replacement of wristband in the event that it is lost or misplaced.

Please note that you will only be allowed to enter the meeting hall if you are wearing the identification wristband.

Please vacate the registration area immediately after registration to prevent congestion.

4. POLL VOTING

The voting at the 5th AGM will be conducted on a poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as the Poll Administrator and Quantegic Services Sdn. Bhd. as the Independent Scrutineer.

The attendees at the Meeting will be briefed and guided by the Poll Administrator before the commencement of the voting process.

Shareholders or proxies or corporate representatives or attorneys can proceed to vote on the resolutions upon the announcement by the Chairman of the meeting.

Upon completion of the voting session for the 5th AGM, the Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

ADMINISTRATIVE GUIDE FOR THE FIFTH ANNUAL GENERAL MEETING (“5TH AGM”)

5. APPOINTMENT OF PROXY

If you wish to participate in the 5th AGM yourself, please do not submit any Proxy Form for the 5th AGM. You will not be allowed to participate in the 5th AGM together with a proxy appointed by you.

Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 5th AGM whether in hard copy or by electronic must be deposited or received by the Share Registrar in the following manner **not later than Wednesday, 24 June 2026 at 10.00 a.m.:** -

(i) In Hard copy:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. (“**Tricor**”) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

(ii) By Electronic form:

All shareholders can have the option to submit proxy forms electronically via Vistra Share Registry and IPO (MY) portal (“**Portal**”) and the steps to submit are summarised below: -

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with the Portal	<ol style="list-style-type: none"> 1. Visit the at https://srmy.vistra.com. 2. Click “Register” and select “Individual Holder” and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>If you are an existing user with The Portal or our TIH Online portal previously, you are not required to register again.</i></p>
Proceed with submission of Proxy Form	<ol style="list-style-type: none"> 1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: “SENHENG NEW RETAIL BERHAD 5TH AGM”. 3. Navigate to the 3 dots at the end of the corporate event and choose “SUBMISSION OF PROXY FORM”. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Indicate the total number of shares assigned to your proxy(s) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 7. Indicate your voting instructions - FOR or AGAINST or ABSTAIN. 8. Print the proxy form for your record.

ii. Steps for Corporation or Institutional Shareholders	
Register as a User with the Portal	<ol style="list-style-type: none"> 1. Visit the Portal at https://srmy.vistra.com. 2. Click "Register" and select "Representative or Corporate Holder" and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approval within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.</i></p>
Proceed with submission of Proxy Form	<ol style="list-style-type: none"> 1. Login to https://srmy.vistra.com with your email address and password. 2. Select the corporate event: "SENHENG NEW RETAIL BERHAD 5TH AGM". 3. Navigate to the icon ">" at the end of the corporate event. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Select the corporate holder's name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxy(ies) by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select "Confirm" to complete your submission. 10. Print the confirmation report of your submission for your record.

6. RESULTS OF THE VOTING

The results of the voting on the resolutions proposed at the 5th AGM will be announced at the 5th AGM and subsequently via an announcement made by the Company through Bursa Securities at www.bursamalaysia.com.

7. NO DOOR GIFTS OR FOOD VOUCHERS

There will be no door gifts or food vouchers provided to shareholders, proxies and invited guests who attend the 5th AGM.

8. REFRESHMENTS

Pre-packed food can be redeemed at the food counter, located near the registration counter.

9. NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the 5th AGM.

10. ENQUIRY

If you have any enquiry prior to the meeting, please call our Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at +603-2783 9299 or email to is.enquiry@vistra.com during office hours i.e. from 9.00 a.m. to 5.30 p.m. (Monday to Friday, except on public holidays).

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FORM OF PROXY

(before completing this Form of Proxy, please refer to the notes below)

SENHENG
SENHENG NEW RETAIL BERHADRegistration No. 202101019079 (1419379-T)
(Incorporated in Malaysia)

Number of shares held:	
CDS Account No.:	

I/We _____ NRIC No./Passport No. / Registration No. _____
(FULL NAME IN BLOCK LETTER)of _____
(FULL ADDRESS)

with email _____ and mobile phone no. _____,

being a *member/members of **SENHENG NEW RETAIL BERHAD**, do hereby appoint(s):

Full Name (in Block) [Proxy 1]	NRIC No./Passport No.	Proportion of shareholding	
		No. of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

and (if more than one (1) proxy)/or failing *him/her,

Full Name (in Block) [Proxy 2]	NRIC No./Passport No.	Proportion of shareholding	
		No. of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

or failing whom, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Fifth Annual General Meeting ("**5th AGM**") of the Company to be held at Ballroom III Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor ("**Meeting Venue**") on Friday, 26 June 2026 at 10.00 a.m. and/or at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy(ies) will vote or abstain for voting at his/her discretion.

ORDINARY RESOLUTIONS		FOR	AGAINST
A) ORDINARY BUSINESS			
1.	Approval of an increase in the Directors' fees of up to RM77,150.00 payable to the Non-Executive Directors for the period from 1 August 2025 to 26 June 2026.		
2.	Approval of the Directors' fees of up to RM686,700.00 payable to the Non-Executive Directors for the period commencing from 27 June 2026 up to the date of the next Annual General Meeting to be held in 2027.		
3.	Approval of the Directors' benefits (excluding Directors' fees) of up to RM75,000.00 payable to the Non-Executive Directors for the period commencing from 27 June 2026 up to the date of the next Annual General Meeting to be held in 2027.		
4.	Re-election of Mr. Lim Kim Heng as Director pursuant to Clause 129.1 of the Company's Constitution.		
5.	Re-election of Mr. Lim Kim Chieng as Director pursuant to Clause 129.1 of the Company's Constitution.		
6.	Re-election of Mr. Oh Keng Leng as Director pursuant to Clause 129.1 of the Company's Constitution.		
7.	Re-election of Ms. Lam Swee Kim as Director pursuant to Clause 114 of the Company's Constitution.		
8.	Re-appointment of Messrs. BDO PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
B) SPECIAL BUSINESS			
9.	Authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
10.	Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Dated this _____ day of _____ 2026

Signature of Member/Common Seal

*Strike out whichever is not desired.

Notes:

- (1) The 5th AGM of the Company will be held at the Meeting Venue, Members and proxies will have to attend physically in person at the Meeting Venue.
- (2) A member who is entitled to attend and vote at the 5th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 5th AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 5th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- (3) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (5) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.
- (6) The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to the Constitution of the Company in relation to the Record of Depositors made available to the Company.
- (7) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty eight (48) hours before the time appointed for holding the 5th AGM or at any adjournment thereof:-
- (i) In Hardcopy Form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company’s Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

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Affix
Stamp

The Share Registrar of
SENHENG NEW RETAIL BERHAD
[Registration No.: 202101019079 (1419379-T)]
C/O TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.
[Registration No.: 197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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- (ii) By Electronic Means
- The proxy form can be electronically lodged with the Share Registrar of the Company via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com>. Kindly refer to the Administrative Guide for the 5th AGM on the procedures for electronic lodgement of proxy form.
- (8) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- (9) Last date and time for lodging the proxy form is Wednesday, 24 June 2026 at 10.00 a.m.
- (10) For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative to the meeting if it has not been deposited with the Share Registrar.
- The certificate of appointment of authorised representative should be executed in the following manner: -
- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
- (a) at least two (2) authorised officers, of whom one shall be a director; or
- (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (11) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 5th AGM will be put to vote by poll.
- (12) In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2026 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 5th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.
- (13) Those proxy forms which are indicated with “X” in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialled.
- (14) Shareholders are advised to check the Company’s website at www.senheng.com and announcements from time to time for any changes to the administration of the 5th AGM.
- Personal data privacy:**
- By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 5th AGM and/or any adjournment thereof, a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of the 5th AGM dated 29 April 2026.



www.senheng.com

SENHENG NEW RETAIL BERHAD
202101019079 (1419379-T)

No.44B, Jalan Pandan 3/2
Pandan Jaya
55100 Kuala Lumpur

T: +6011 3600 4040
E: ccc@senheng.com.my
W: www.senheng.com.my

Bursa: 5305 / SENHENG
Bloomberg: 5305:MK
Syariah Compliant