

SENHENG

SENHENG NEW RETAIL BERHAD

Registration No. 202101019079 (1419379-T)

Interim Financial Report
For The First Quarter Ended 31 March 2026

25 May 2026

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Registration No. 202101019079 (1419379-T)

Unaudited Condensed Consolidated Statements of Financial Position As at 31 March 2026

	Note	Unaudited As at 31.3.2026 RM	Audited As at 31.12.2025 RM
ASSETS			
Non-current assets			
Property, plant and equipment		230,897,895	234,352,236
Right-of-use assets		107,926,035	108,793,625
Intangible assets		102,454	111,743
Other investments		2,923,501	2,923,501
Deferred tax assets		11,760,031	9,710,977
Other receivables		24,928,736	23,755,828
Total non-current assets		378,538,652	379,647,910
Current assets			
Inventories		284,402,072	279,103,814
Other investments		1,145,865	1,171,598
Trade and other receivables		84,096,590	80,844,943
Current tax assets		5,689,341	17,467,731
Cash and bank balances		102,486,850	88,865,671
Total current assets		477,820,718	467,453,757
TOTAL ASSETS		856,359,370	847,101,667
EQUITY AND LIABILITIES			
Equity attributable to the owners of the Company			
Share capital		427,867,671	427,867,671
Reserves		124,051,764	125,343,531
Total equity		551,919,435	553,211,202
Non-current liabilities			
Lease liabilities		58,072,378	58,399,760
Provision for restoration costs		5,916,647	6,695,329
Contract liabilities		29,748,133	34,292,828
Total non-current liabilities		93,737,158	99,387,917
Current liabilities			
Trade and other payables		101,274,583	95,588,496
Lease liabilities		26,205,135	26,570,829
Provision for restoration costs		1,804,190	1,316,737
Contract liabilities		45,402,911	33,961,674
Borrowings	23	35,200,000	36,400,000
Current tax liabilities		815,958	664,812
Total current liabilities		210,702,777	194,502,548
Total liabilities		304,439,935	293,890,465
TOTAL EQUITY AND LIABILITIES		856,359,370	847,101,667
Net assets per share (sen)		36.79	36.88

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

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Registration No. 202101019079 (1419379-T)

Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income For The Period Ended 31 March 2026

	Note	Individual Quarter		Cumulative Quarter	
		31.3.2026 RM	31.3.2025 RM	31.3.2026 RM	31.3.2025 RM
Revenue		250,838,069	276,982,872	250,838,069	276,982,872
Cost of sales		(197,051,327)	(218,427,332)	(197,051,327)	(218,427,332)
Gross profit		53,786,742	58,555,540	53,786,742	58,555,540
Other operating income		2,458,497	7,390,623	2,458,497	7,390,623
Operating and administrative expenses		(57,339,206)	(59,677,031)	(57,339,206)	(59,677,031)
Interest income		1,117,335	1,011,971	1,117,335	1,011,971
Finance costs		(1,535,205)	(1,673,548)	(1,535,205)	(1,673,548)
(Loss)/Profit before tax		(1,511,837)	5,607,555	(1,511,837)	5,607,555
Taxation	22	220,070	(882,750)	220,070	(882,750)
(Loss)/Profit for the financial period attributable to the owners of the Company		(1,291,767)	4,724,805	(1,291,767)	4,724,805
Other comprehensive (loss)/income attributable to the owners of the Company		-	-	-	-
Total comprehensive (loss)/income attributable to the owners of the Company		(1,291,767)	4,724,805	(1,291,767)	4,724,805
Diluted/Basic (losses)/earnings per ordinary share (sen)	26	(0.09)	0.31	(0.09)	0.31

The unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.



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**Unaudited Condensed Consolidated Statements of Changes in Equity
 For The Period Ended 31 March 2026**

	← Non-Distributable →			Distributable	
	Share capital RM	Merger reserve RM	Fair value reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2026	427,867,671	(165,206,168)	62,766	290,486,933	553,211,202
Loss for the financial period	-	-	-	(1,291,767)	(1,291,767)
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-
Total comprehensive loss	-	-	-	(1,291,767)	(1,291,767)
Transaction with owners:					
Dividend	-	-	-	-	-
Balance as at 31 March 2026	427,867,671	(165,206,168)	62,766	289,195,166	551,919,435
Balance as at 1 January 2025	427,867,671	(165,206,168)	88,668	284,339,841	547,090,012
Profit for the financial period	-	-	-	4,724,805	4,724,805
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-
Total comprehensive income	-	-	-	4,724,805	4,724,805
Transactions with owners:					
Dividend	-	-	-	-	-
Balance as at 31 March 2025	427,867,671	(165,206,168)	88,668	289,064,646	551,814,817

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

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Unaudited Condensed Consolidated Statement of Cash Flows For The Period Ended 31 March 2026

	Cumulative Quarter	
	31.3.2026	31.3.2025
	RM	RM
Cash Flows From Operating Activities		
(Loss)/Profit before tax	(1,511,837)	5,607,555
Adjustments for:		
Gain on disposal of other investments	-	(700,099)
Depreciation of property, plant and equipment	5,189,805	5,138,985
Interest expense	1,535,205	1,673,548
Interest income	(1,117,335)	(1,011,971)
Depreciation of right-of-use assets	7,385,897	7,285,924
Other non-cash items	787,277	(4,103,070)
Operating profit before changes in working capital	12,269,012	13,890,872
Changes in working capital:		
Inventories	(5,209,322)	(16,776,675)
Trade and other receivables	(4,868,989)	4,177,542
Trade and other payables	5,688,888	18,645,377
Contract liabilities	6,896,542	(2,210,270)
Cash generated from operations	14,776,131	17,726,846
Interest paid	(601,865)	(794,543)
Tax refund	10,792,312	-
Tax paid	(691,760)	(1,758,925)
Net cash generated from operating activities	24,274,818	15,173,378
Cash Flows From Investing Activities		
Proceeds from disposal of other investments	-	1,733,165
Proceeds from disposal of property, plant and equipment	35,000	10,146,950
Purchase of other investments and intangible assets	-	(43,200)
Purchase of property, plant and equipment	(2,720,079)	(10,883,132)
Interest received	1,117,335	1,011,971
Withdrawal of fixed deposits with licensed banks	-	6,260,502
Net cash (used in)/from investing activities	(1,567,744)	8,226,256
Cash Flows From Financing Activities		
Repayments of bankers' acceptances	-	(13,665,000)
Repayments of revolving credit	(1,200,000)	(1,200,000)
Payments of lease liabilities	(7,885,895)	(8,987,055)
Net cash used in financing activities	(9,085,895)	(23,852,055)
Net increase/(decrease) in cash and cash equivalents	13,621,179	(452,421)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents brought forward	75,865,671	57,409,625
Cash and cash equivalents carried forward	89,486,850	56,957,204
Cash and cash equivalents comprises of the following:		
Cash and bank balances	89,486,850	56,957,204
Deposits placed with licensed banks	13,000,000	10,102,123
	102,486,850	67,059,327
Less: Fixed deposits placed with licensed banks with original maturity of more than three (3) months	(13,000,000)	(10,102,123)
	89,486,850	56,957,204

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

Notes to The Financial Report For The Period Ended 31 March 2026**1. Basis of preparation**

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

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial report.

2. Basis of accounting

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2025 except for the adoption of the following new accounting standards, amendments and interpretation:

MFRS interpretations and amendments effective for annual periods

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
Annual <i>Improvements to MFRS Accounting Standards-Volume 11</i>	1 January 2026

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

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

Title	Effective Date
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
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

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

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

3. Auditors' report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2025.

4. Seasonal or cyclical factors

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

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

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

6. Material changes in estimates

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

7. Debts and equity securities

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

8. Dividend

On 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 was 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.

Notes to The Financial Report For The Period Ended 31 March 2026**9. Segmental information**

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

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

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

The segmental information for the financial year ended 31 March 2026 is as follows:

	Trading RM	Warranty RM	Others RM	Total RM
Sales to external customers	237,092,408	13,745,661	-	250,838,069
Inter-segment sales	-	5,150,801	-	5,150,801
Total revenue	237,092,408	18,896,462	-	255,988,870
Segment (losses)/profits	(1,640,771)	1,242,453	(893,449)	(1,291,767)
Segment assets*	652,119,893	20,088,446	166,701,659	838,909,998
Segment liabilities**	298,200,987	5,102,399	320,591	303,623,977

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

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

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

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

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

10. Property, plant and equipment**(i) Acquisitions and disposals**

There were no material acquisitions and disposals of property, plant and equipment during the current quarter and financial period under review.

(ii) Valuation

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

11. Capital commitments

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

	As at 31.3.2026 RM	As at 31.12.2025 RM
Contracted but not provided for	<u>1,170,000</u>	<u>4,950,000</u>

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

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

13. Changes in the composition of the group

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

14. Changes in contingent liability

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

Notes to The Financial Report For The Period Ended 31 March 2026**15. Significant related party transactions**

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

	Individual Quarter		Cumulative Quarter	
	31.3.2026 RM	31.3.2025 RM	31.3.2026 RM	31.3.2025 RM
Administration and marketing fee receivable	347,145	302,993	347,145	302,993
Administration and marketing fee payable	(56,890)	(48,880)	(56,890)	(48,880)
Commission payable	(8,254,452)	(6,783,480)	(8,254,452)	(6,783,480)
Insurance premium collected on behalf of third-party insurance companies	(11,302,648)	(9,409,212)	(11,302,648)	(9,409,212)
Marketing expenses	(687,746)	(8,578,635)	(687,746)	(8,578,635)
Purchases of goods	(3,655,970)	(2,823,254)	(3,655,970)	(2,823,254)
Rental income	30,805	48,750	30,805	48,750
Rental payable	(260,546)	(284,027)	(260,546)	(284,027)
Sales of goods	2,999	9,279	2,999	9,279
Service rendered	(1,078,653)	(1,139,032)	(1,078,653)	(1,139,032)

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

16. Fair value of financial liabilities

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

17. Performance review**(i) 3 months ended 31 March 2026 ("Q1 2026")****(a) Comparison with preceding year's corresponding quarter (3 months ended 31 March 2025 ("Q1 2025"))**

For Q1 2026, the Group experienced a challenging retail landscape, with revenue contracting by 9.4% year-on-year to RM250.8 million. This decline was primarily driven by softer demand for consumer electronics amid cautious consumer sentiment, which subsequently compressed gross profit by 8.1% to RM53.8 million.

Consequently, the Group recorded a loss before tax of RM1.5 million compared to a profit before tax of RM5.6 million in Q1 2025. This RM7.1 million decrease variance is largely attributable to the lower revenue and the absence of a one-off land disposal gain of RM4.2 million in the previous year's corresponding quarter. On an underlying basis, excluding the impact of this disposal, the decrease of profit before tax is RM2.9 million.

(b) Comparison with immediate preceding quarter (3 months ended 31 December 2025 ("Q4 2025"))

The Group's revenue of RM250.8 million in Q1 2026 was lower compared to RM322.2 million in Q4 2025, mainly due to the absence of major seasonal and promotional campaigns, including the year-end festive period (Christmas and New Year holidays), as well as 11.11 and 12.12 sales campaigns which were recorded in the preceding quarter, and accordingly, the Group recorded a weaker performance with a loss before tax of RM1.5 million in Q1 2026 compared to a profit before tax of RM4.0 million in Q4 2025, primarily reflecting the lower revenue generated in the current quarter.

18. Prospects

The Group anticipates a cautiously supportive operating environment based on the recent softer sales momentum amid recent geopolitical developments, rising cost of living and higher business costs. The Group will maintain a balanced disciplined focus on the rollout of Point-Based Economy ("PBE") and S-Coin initiatives to drive omnichannel conversion loyalty and product-mix optimisation as the primary levers for sustaining operational performance and competitive positioning.

Against this backdrop, the Group will remain focused on strengthening retention quality and customer engagement through its ongoing initiatives centered on the S-Coin ecosystem and the PBE business model. Through PBE, S-Coin is intended to drive repeat purchases, faster redemption cycles and deeper customer relationships, while encouraging more disciplined customer engagement across both physical and digital channels. Over the longer term, the Group believes the continued scaling of the PBE framework and S-Coin ecosystem will deliver stronger benefits through improved customer stickiness, more consistent repeat engagement and higher sales conversion, supporting a more resilient and sustainable growth profile.

Notes to The Financial Report For The Period Ended 31 March 2026**19. Variance of actual profit from profit forecast or profit guarantee**

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

20. Status of corporate proposals

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

21. Profit before tax

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

	Individual Quarter		Cumulative Quarter	
	31.3.2026 RM	31.3.2025 RM	31.3.2026 RM	31.3.2025 RM
Interest expenses	1,535,205	1,673,548	1,535,205	1,673,548
Gain on disposal of other investments	-	(700,099)	-	(700,099)
Fair value loss/(gain) on other investments	23,477	(7,745)	23,477	(7,745)
Depreciation of property, plant and equipment	5,189,805	5,138,985	5,189,805	5,138,985
Depreciation of right-of-use assets	7,385,897	7,285,924	7,385,897	7,285,924
Amortisation of intangible assets	9,289	8,104	9,289	8,104
Reversal loss on trade and other receivables	(390,002)	-	(390,002)	-
Interest income	(1,117,335)	(1,011,971)	(1,117,335)	(1,011,971)
Realised loss on foreign exchange	-	43	-	43
Unrealised loss/(gain) on foreign exchange	2,914	(6,061)	2,914	(6,061)

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

22. Taxation

	Individual Quarter		Cumulative Quarter	
	31.3.2026 RM	31.3.2025 RM	31.3.2026 RM	31.3.2025 RM
Current tax:				
- Current period	2,452,719	899,270	2,452,719	899,270
- Prior years	(623,735)	133,034	(623,735)	133,034
	1,828,984	1,032,304	1,828,984	1,032,304
Deferred tax:				
- Relating to origination and reversal of temporary differences	(2,049,054)	(477,829)	(2,049,054)	(477,829)
Real property gains tax	-	328,275	-	328,275
Total tax	(220,070)	882,750	(220,070)	882,750

The Group recorded a tax credit for the current financial period mainly due to the recognition of deferred tax assets arising from temporary differences and tax incentives recognised during the quarter.

23. Borrowings

	As at 31.3.2026		As at 31.12.2025	
	Current RM	Total RM	Current RM	Total RM
Secured				
Revolving credit	35,200,000	35,200,000	36,400,000	36,400,000

The above borrowings are denominated in Ringgit Malaysia.

24. Derivatives

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

25. Material litigation

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

Notes to The Financial Report For The Period Ended 31 March 2026**26. Earnings per share ("EPS")**

	Individual Quarter		Cumulative Quarter	
	31.3.2026	31.3.2025	31.3.2026	31.3.2025
(Loss)/Profit attributable to owners of the Company	(1,291,767)	4,724,805	(1,291,767)	4,724,805
Weighted average number of ordinary shares in issue ('000)	1,500,000	1,500,000	1,500,000	1,500,000
Basic EPS [^] (sen)	(0.09)	0.31	(0.09)	0.31
Diluted EPS ^{^**} (sen)	(0.09)	0.31	(0.09)	0.31

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

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

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

27. Utilisation of proceeds from the public issue

The status of the utilisation of proceeds from the Initial Public Offering and listing as at 31 March 2026 are summarized as follows:

Details of use of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Re-allocation RM'000	Balance unutilised RM'000	Revised timeframe for use from the date of our Listing
(i) Enhance customer experience via upgrading and expanding the Group's chain of retail stores*	160,500	(118,101)	(30,000)	12,399	Within 60 months [^]
(ii) Repayment of bank borrowings	46,000	(46,000)	-	-	Within 6 months
(iii) Develop new brand distribution business	22,000	(22,000)	-	-	Within 36 months
(iv) Expand and upgrade the Group's warehouse and logistics network	20,000	(20,122)	122	-	Within 36 months
(v) Boost the Group's digital infrastructure	9,700	(9,700)	-	-	Within 36 months
(vi) Estimated listing expenses	9,300	(9,178)	(122)	-	Within 3 months
(vii) Acquisition of warehouse*	-	(30,000)	30,000	-	Within 3 months
Total	267,500	(255,101)	-	12,399	

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

* The unutilized balance of RM30 million earmarked for upgrading and expanding the Group's chain of retail stores has been 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.