

Press Release

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Senheng Reports RM250.84 million Revenue in Q1FY2026*Group Advances S-Coin and Point-Based Economy Strategy While Navigating Softer Retail Demand*

KUALA LUMPUR, 25 MAY 2026 – **Senheng New Retail Berhad** (“Senheng” or the “Group”), Malaysia’s largest consumer electronics retailer, today announced its unaudited financial results for the first quarter ended 31 March 2026 (“Q1 FY2026”), recording a revenue of RM250.8 million.

For Q1 FY2026, the Group registered revenue of RM250.8 million compared to RM277.0 million in the corresponding quarter of the previous year, reflecting softer sales momentum as value-conscious consumer spending continued to weigh on higher-ticket discretionary purchases. Gross profit stood at RM53.8 million, with gross profit margin remained consistent at 21.4% compared to Q1 FY2025.

Despite the softer topline, Senheng continued to exercise cost discipline, with operating and administrative expenses reducing to RM57.3 million from RM59.7 million a year earlier. Finance costs also decreased to RM1.5 million from RM1.7 million, reflecting continued balance sheet management as the Group reduced borrowings to RM35.2 million as at 31 March 2026 from RM36.4 million as at 31 December 2025.

The Group reported a loss before tax of RM1.5 million for Q1 FY2026 compared to profit before tax of RM5.6 million in Q1 FY2025, while loss after tax attributable to shareholders stood at RM1.3 million. The performance reflected the impact of lower revenue and the absence of gain from land disposal of RM 4.2 million recorded in the previous year’s corresponding period. Excluding this one-off gain, profit before tax was lower by RM2.9 million compared to Q1 FY2025.

On a quarter-on-quarter basis, revenue normalised from RM322.2 million in Q4 FY2025 to RM250.8 million in Q1 FY2026, following the seasonally stronger year-end quarter which was supported by festive spending such as 11.11 and 12.12 campaigns. Profitability similarly moderated from a PBT of RM4.0 million in Q4 FY2025 to a loss before tax of RM1.5 million in Q1 FY2026, reflecting the typically softer post-year-end retail cycle, lower sales generated during the quarter, and the near-term earnings impact associated with the scaling of the PBE business model.

Notwithstanding the softer earnings performance, Senheng’s operating cash flow strengthened during the quarter. Net cash generated from operating activities increased to RM24.3 million in Q1 FY2026 from RM15.2 million in Q1 FY2025, representing an improvement of approximately 60.0%. Cash and bank balances also rose to RM102.5 million as at 31 March 2026 from RM88.9 million as at 31 December 2025, providing the Group with financial flexibility to continue executing its transformation initiatives.

Mr. Lim Kim Heng, Managing Director of Senheng New Retail Berhad, commented: “Q1 FY2026 reflected the continued cautiousness in consumer spending, particularly for discretionary and

higher-ticket consumer electronics. While the quarter was softer from an earnings perspective, we remain focused on the fundamentals within our control, including cost discipline, cash flow management and the progressive rollout of our Point-Based Economy model. The improvement in operating cash flow and our stronger cash position provide us with the flexibility to continue building the S-Coin ecosystem. Our strategy is not merely to drive short-term transactions, but to strengthen long-term customer lifetime value, encourage repeat engagement and reduce reliance on purely price-led competition over time. We believe the benefits of this approach will build more meaningfully over time as the PBE framework and S-Coin ecosystem continue to scale.

At the same time, we are pleased to officially launch Senheng Home Customisation on 22 May 2026 as part of our broader home living ecosystem expansion. As a future trend, home furnishing channels engage consumers sooner than traditional appliance channels, offering greater overall efficiency. This allows us to participate earlier in the customer journey and serve homeowners more holistically through a more integrated and value-driven proposition.”

Looking ahead, Senheng remains focused on executing its PBE strategy, with S-Coin positioned as a strategic currency within its customer engagement ecosystem. The Group’s initiatives include elevated S-Coin cashback mechanics, enhanced redemption cycles and the expansion of the S-Coin Rewards Centre, which offers more than 2,400 lifestyle SKUs to deepen customer participation across both physical and digital channels.

While the retail environment is expected to remain competitive and value-driven, and near-term performance may continue to be affected by softer sales momentum, higher S-Coin issuance and persistent cost pressures, the Group believes that the continued scaling of the PBE framework and S-Coin ecosystem will strengthen customer stickiness, improve repeat engagement and support higher sales conversion over the longer term. Senheng will continue to prioritise disciplined execution, operational resilience and customer-centric innovation as it navigates the evolving consumer electronics retail landscape.

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ABOUT SENHENG NEW RETAIL BERHAD

Senheng is Malaysia’s leading consumer electrical and electronics retailer. Founded in 1989, the Group has grown its retail network to over 100 physical stores across Peninsular and East Malaysia, and is supported by various online retail platforms.

The Group’s stores carry more than 180 renowned consumer E&E brands, featuring a comprehensive range of digital gadgets, audio visuals, home appliances and related products.

An early adopter of digitalisation and business transformation, Senheng continues to deliver excellent customer satisfaction via its seamless New Retail Model. The Group has a growing customer base, with over 4 million PlusOne loyalty members to date.

For more information, visit <https://senheng.com/>.

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