

13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
Accountants' Report

6. HISTORICAL FINANCIAL INFORMATION (continued)**6.3 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

The Group as lessee (continued)

Right-of-use assets (continued)

Net carrying amounts	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Leasehold land	2,852,029	2,817,333	9,031,831	8,912,870
Buildings	78,925,307	71,907,445	73,014,493	75,730,258
Motor vehicles	1,037,535	691,689	345,844	172,921
	<u>82,814,871</u>	<u>75,416,467</u>	<u>82,392,168</u>	<u>84,816,049</u>

Lease liabilities

	Buildings RM	Motor vehicles RM	Total RM
2018			
As at 1 January 2018	96,164,782	1,327,702	97,492,484
Addition	6,615,005	-	6,615,005
Lease payments	(29,952,068)	(298,488)	(30,250,556)
Interest expenses	3,907,122	31,687	3,938,809
Reassessments and modifications	13,802,530	-	13,802,530
As at 31 December 2018	<u>90,537,371</u>	<u>1,060,901</u>	<u>91,598,272</u>
2019			
As at 1 January 2019	90,537,371	1,060,901	91,598,272
Addition	4,288,423	-	4,288,423
Lease payments	(28,372,347)	(287,946)	(28,660,293)
Interest expenses	3,663,941	30,456	3,694,397
Reassessments and modifications	3,429,177	-	3,429,177
As at 31 December 2019	<u>73,546,565</u>	<u>803,411</u>	<u>74,349,976</u>
2020			
As at 1 January 2020	73,546,565	803,411	74,349,976
Addition	17,581,995	-	17,581,995
Lease payments	(26,243,916)	(333,293)	(26,577,209)
Interest expenses	2,968,549	30,456	2,999,005
Exchange differences	(432)	-	(432)
Rent concessions	(2,176,697)	-	(2,176,697)
Reassessments and modifications	8,635,725	-	8,635,725
As at 31 December 2020	<u>74,311,789</u>	<u>500,574</u>	<u>74,812,363</u>



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Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.3 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

The Group as lessee (continued)

Lease liabilities (continued)

2021	Buildings RM	Motor vehicles RM	Total RM
As at 1 January 2021	74,311,789	500,574	74,812,363
Addition	4,551,578	-	4,551,578
Lease payments	(14,680,913)	(547,826)	(15,228,739)
Interest expenses	1,432,393	47,252	1,479,645
Exchange differences	120	-	120
Rent concessions	(373,100)	-	(373,100)
Reassessments and modifications	10,599,270	-	10,599,270
As at 30 June 2021	<u>75,841,137</u>	<u>-</u>	<u>75,841,137</u>

Represented by:	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Current liabilities	24,757,038	23,391,784	25,667,184	24,722,190
Non-current liabilities	<u>66,841,234</u>	<u>50,958,192</u>	<u>49,145,179</u>	<u>51,118,947</u>
	<u>91,598,272</u>	<u>74,349,976</u>	<u>74,812,363</u>	<u>75,841,137</u>
Lease liabilities owing to:				
Financial institutions	1,060,901	803,411	500,574	-
Non-financial institutions	<u>90,537,371</u>	<u>73,546,565</u>	<u>74,311,789</u>	<u>75,841,137</u>
	<u>91,598,272</u>	<u>74,349,976</u>	<u>74,812,363</u>	<u>75,841,137</u>

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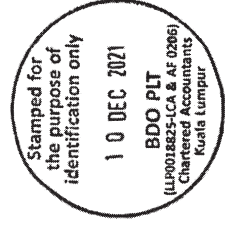
6. HISTORICAL FINANCIAL INFORMATION (continued)
6.3 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as lessee (continued)

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

	1.1.2018 to 31.12.2018 Audited RM	1.1.2019 to 31.12.2019 Audited RM	1.1.2020 to 31.12.2020 Audited RM	1.1.2021 to 30.6.2021 Audited RM	1.1.2020 to 30.6.2020 Unaudited RM
Finance costs:					
Interest expense on lease liabilities	3,938,809	3,694,397	2,999,005	1,479,645	1,577,581
Administrative expenses:					
Depreciation of right-of-use assets	27,484,839	26,161,714	26,630,605	14,482,488	13,020,073
Expenses relating to short-term lease	151,200	150,300	280,800	-	210,600
Expenses relating to leases of low-value assets	13,296	13,296	17,116	12,258	6,648
Variable lease payments:					
- based on sales	2,833,876	890,573	558,348	585,809	845,325
- arising from COVID-19 related rent concession	-	-	(2,176,697)	(373,100)	(1,436,369)
	<u>34,422,020</u>	<u>30,910,280</u>	<u>28,309,177</u>	<u>16,187,100</u>	<u>14,223,858</u>

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.



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.3 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)****The Group as lessee (continued)**

- (b) 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:

	Fixed payments RM	Variable payments RM	Total payments RM	Estimated annual impact on rent of a 1% increase in sales RM
31.12.2018				
Leases with lease payments based on sales	29,952,068	2,833,876	32,785,944	28,339
31.12.2019				
Leases with lease payments based on sales	28,372,347	890,573	29,262,920	8,906
31.12.2020				
Leases with lease payments based on sales	26,243,916	558,348	26,802,264	5,583
30.6.2021				
Leases with lease payments based on sales	14,680,913	585,809	15,266,722	5,858

- (c) At the end of the financial year, the Group had total cash outflow for leases of RM15,228,739 (31 December 2020: RM26,577,209; 30 June 2020: RM12,576,090; 31 December 2019: RM28,660,293; 31 December 2018: RM30,250,556) respectively.

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

	Weighted average incremental borrowing rate %	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
31.12.2018					
Lease liabilities	4.40% - 4.77%	24,757,038	58,761,471	8,079,763	91,598,272
31.12.2019					
Lease liabilities	4.52% - 4.77%	23,391,784	46,189,797	4,768,395	74,349,976
31.12.2020					
Lease liabilities	3.27% - 4.77%	25,667,184	45,838,639	3,306,540	74,812,363
30.6.2021					
Lease liabilities	3.27% - 4.77%	24,722,190	47,209,349	3,909,598	75,841,137



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.3 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)****The Group as lessee (continued)**

- (e) 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:

	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
31.12.2018				
Lease liabilities	28,360,433	64,349,346	8,431,855	101,141,634
31.12.2019				
Lease liabilities	26,224,310	50,384,004	5,012,837	81,621,151
31.12.2020				
Lease liabilities	28,050,394	48,767,397	3,442,947	80,260,738
30.6.2021				
Lease liabilities	27,037,541	50,214,611	4,009,248	81,261,400

- (f) 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.
- (g) The Group have certain leases of truck with lease term of 12 months or less and low value leases of office equipment of RM20,000 and below. The Group apply the "short-term lease" and "lease of low-value asset" exemptions for these leases.

The Group as lessor

The Group has entered into non-cancellable lease agreements on certain properties for terms of between one (1) to three (3) years and renewable at the end of the lease period subject to an increase clause.

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

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Less than one (1) year	573,444	695,040	1,131,344	690,954
One (1) to two (2) years	347,400	503,620	366,530	301,150
Two (2) to three (3) years	164,100	76,530	192,000	51,000
	<u>1,084,944</u>	<u>1,275,190</u>	<u>1,689,874</u>	<u>1,043,104</u>



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.4 INTANGIBLE ASSETS**

2020 At cost	Balance as at 1.1.2020 RM	Additions RM	Balance as at 31.12.2020 RM
Computer software	-	5,100	5,100
	Balance as at 1.1.2020 RM	Amortisation charged for the financial year RM	Balance as at 31.12.2020 RM
Accumulated amortisation			
Computer software	-	170	170
			Balance as at 1.1.2021/ 30.6.2021 RM
2021 At cost			
Computer software			5,100
	Balance as at 1.1.2021 RM	Amortisation charged for the financial period RM	Balance as at 30.6.2021 RM
Accumulated amortisation			
Computer software	170	510	680
Carrying amounts		31.12.2020 RM	30.6.2021 RM
Computer software		4,930	4,420

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Senheng New Retail Berhad (202101019079(1419379 - T))
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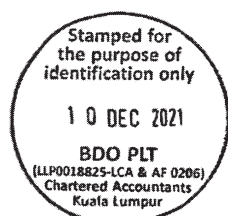
6. HISTORICAL FINANCIAL INFORMATION (continued)**6.5 OTHER INVESTMENTS**

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
<u>Equity securities:</u>				
Non-current				
Unquoted shares in Malaysia	3,000,000	3,000,000	3,000,000	3,000,000
Unquoted shares outside Malaysia	4,135,586	6,522,525	5,435,696	4,967,285
Unquoted trust fund outside Malaysia	7,831,566	8,984,063	6,669,281	5,709,012
	14,967,152	18,506,588	15,104,977	13,676,297
Current				
Quoted shares in Malaysia	1,033,575	469,200	22,500	100,000
Quoted shares outside Malaysia	667,440	516,829	485,552	2,484,647
Quoted unit trusts in Malaysia	20,605,003	9,603,376	12,460,239	12,697,194
	<u>22,306,018</u>	<u>10,589,405</u>	<u>12,968,291</u>	<u>15,281,841</u>
	<u>37,273,170</u>	<u>29,095,993</u>	<u>28,073,268</u>	<u>28,958,138</u>

- (a) Quoted shares and quoted unit trusts of the Group are categorised as Level 2 in the fair value hierarchy. Fair value of investments in quoted shares and quoted unit trusts are based on information provided by observable market data. There is no transfer between levels in the hierarchy during the financial year.
- (b) 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, is 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 flow method	Discount rate at 2.31% (31.12.2020: 3.00%; 31.12.2019: 4.34%; 31.12.2018: 3.43%)	The higher the discount rate, the lower the fair value



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.5 OTHER INVESTMENTS (continued)**

(c) The foreign currencies profile of the investments are as follows:

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
United States Dollar	4,135,586	3,482,225	2,616,324	2,999,457
Australian Dollar	667,440	516,829	159,794	166,027
Singapore Dollar	7,831,566	12,024,363	9,488,653	8,797,235
Chinese Yuan	-	-	325,758	143,730
Hong Kong Dollar	-	-	-	1,054,595

(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:

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Effects of 3% changes to RM against foreign Currencies				
Profit after tax				
- United States Dollar	124,068	104,467	59,652	68,388
- Australian Dollar	20,023	15,505	3,643	3,785
- Singapore Dollar	234,947	360,731	216,341	200,577
- Chinese Yuan	-	-	7,427	3,277
- Hong Kong Dollar	-	-	-	24,042

(e) Sensitivity analysis of market price at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Effects of 3% changes to Market price				
Profit after tax				
- Quoted shares in Malaysia	31,007	14,076	675	3,000
- Quoted shares outside Malaysia	20,023	15,505	14,567	74,539
- Quoted unit trusts in Malaysia	618,150	288,101	373,807	380,916

As the Group do 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.



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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.6 DEFERRED TAX ASSETS/(LIABILITIES)**

(a) The deferred tax assets/(liabilities) are made up of the following:

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
As at 1 January	22,632,982	21,869,995	24,583,280	26,062,098
Recognised in profit or loss	<u>(762,987)</u>	<u>2,713,285</u>	<u>1,478,818</u>	<u>640,349</u>
As at 31 December/ 30 June	<u>21,869,995</u>	<u>24,583,280</u>	<u>26,062,098</u>	<u>26,702,447</u>
Presented after appropriate offsetting:				
Deferred tax assets, net	21,869,995	24,583,280	26,063,925	26,704,780
Deferred tax liabilities, net	<u>-</u>	<u>-</u>	<u>(1,827)</u>	<u>(2,333)</u>
	<u>21,869,995</u>	<u>24,583,280</u>	<u>26,062,098</u>	<u>26,702,447</u>

(b) The component of deferred tax assets and deferred tax liabilities during the financial years prior to offsetting are as follows:

Deferred tax assets of the Group

	Leases RM	Provision RM	Other temporary differences RM	Total RM
As at 1 January 2018	1,668,888	1,523,924	19,440,170	22,632,982
Recognised in profit or loss	<u>33,552</u>	<u>(162,957)</u>	<u>-</u>	<u>(129,405)</u>
As at 31 December 2018 (before off-setting)	1,702,440	1,360,967	19,440,170	22,503,577
Off-setting	<u>-</u>	<u>-</u>	<u>(633,582)</u>	<u>(633,582)</u>
As at 31 December 2018 (after off-setting)	<u>1,702,440</u>	<u>1,360,967</u>	<u>18,806,588</u>	<u>21,869,995</u>
As at 1 January 2019	1,702,440	706,335	20,094,802	22,503,577
Recognised in profit or loss	<u>579,690</u>	<u>69,549</u>	<u>1,639,981</u>	<u>2,289,220</u>
As at 31 December 2019 (before off-setting)	2,282,130	775,884	21,734,783	24,792,797
Off-setting	<u>-</u>	<u>-</u>	<u>(209,517)</u>	<u>(209,517)</u>
As at 31 December 2019 (after off-setting)	<u>2,282,130</u>	<u>775,884</u>	<u>21,525,266</u>	<u>24,583,280</u>



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.6 DEFERRED TAX ASSETS/(LIABILITIES) (continued)**

- (b) The component of deferred tax assets and deferred tax liabilities during the financial years prior to offsetting are as follows: (continued)

Deferred tax assets of the Group (continued)

	Leases RM	Provision RM	Other temporary differences RM	Total RM
As at 1 January 2020	2,282,130	775,884	21,734,783	24,792,797
Recognised in profit or loss	501,629	20,354	2,141,420	2,663,403
As at 31 December 2020 (before off-setting)	2,783,759	796,238	23,876,203	27,456,200
Off-setting	-	-	(1,392,275)	(1,392,275)
As at 31 December 2020 (after off-setting)	2,783,759	796,238	22,483,928	26,063,925
As at 1 January 2021	2,783,759	796,238	23,876,203	27,456,200
Recognised in profit or loss	90,717	6,955	897,114	994,786
As at 30 June 2021 (before off-setting)	2,874,476	803,193	24,773,317	28,450,986
Off-setting	-	-	(1,746,206)	(1,746,206)
As at 30 June 2021 (after off-setting)	2,874,476	803,193	23,027,111	26,704,780

Deferred tax liabilities of the Group

	Property, plant and equipment RM
As at 1 January 2018	-
Recognised in profit or loss	633,582
As at 31 December 2018 (before off-setting)	633,582
Off-setting	(633,582)
As at 31 December 2018 (after off-setting)	-
As at 1 January 2019	633,582
Recognised in profit or loss	(424,065)
As at 31 December 2019 (before off-setting)	209,517
Off-setting	(209,517)
As at 31 December 2019 (after off-setting)	-



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Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.6 DEFERRED TAX ASSETS/(LIABILITIES) (continued)**

(b) The component of deferred tax assets and deferred tax liabilities during the financial years prior to offsetting are as follows: (continued)

Deferred tax liabilities of the Group (continued)

	Property, plant and equipment RM
As at 1 January 2020	209,517
Recognised in profit or loss	<u>1,180,931</u>
As at 31 December 2020 (before off-setting)	1,390,448
Off-setting	<u>(1,392,275)</u>
As at 31 December 2020 (after off-setting)	<u>(1,827)</u>
As at 1 January 2021	1,390,448
Recognised in profit or loss	<u>353,425</u>
As at 30 June 2021 (before off-setting)	1,743,873
Off-setting	<u>(1,746,206)</u>
As at 30 June 2021 (after off-setting)	<u>(2,333)</u>

6.7 TRADE AND OTHER RECEIVABLES

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Non-current				
Other receivables	-	-	12,038,695	10,884,420
Less: Impairment loss	-	-	<u>(12,657)</u>	<u>(5,893)</u>
Prepayments	<u>55,662,620</u>	<u>56,348,377</u>	<u>12,026,038</u> <u>57,505,079</u>	<u>10,878,527</u> <u>57,909,914</u>
Total other receivables (non-current)	<u>55,662,620</u>	<u>56,348,377</u>	<u>69,531,117</u>	<u>68,788,441</u>

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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.7 TRADE AND OTHER RECEIVABLES (continued)**

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Current				
Trade receivables	36,340,194	45,330,720	37,811,266	45,350,790
Less: Impairment loss	<u>(12,411,634)</u>	<u>(13,923,475)</u>	<u>(14,912,892)</u>	<u>(15,691,927)</u>
Total trade receivables	23,928,560	31,407,245	22,898,374	29,658,863
Other receivables				
Other receivables	4,669,205	3,812,284	7,480,317	13,238,256
Less: Impairment loss	<u>-</u>	<u>(254)</u>	<u>(5,590)</u>	<u>(5,660)</u>
Deposits	<u>4,669,205</u> <u>10,566,995</u>	<u>3,812,030</u> <u>10,393,004</u>	<u>7,474,727</u> <u>13,167,340</u>	<u>13,232,596</u> <u>13,288,178</u>
Total other receivables	<u>15,236,200</u>	<u>14,205,034</u>	<u>20,642,067</u>	<u>26,520,774</u>
Prepayments	<u>39,164,760</u> <u>29,589,876</u>	<u>45,612,279</u> <u>28,037,258</u>	<u>43,540,441</u> <u>30,741,472</u>	<u>56,179,637</u> <u>34,514,861</u>
Total trade and other receivables (current)	<u>68,754,636</u>	<u>73,649,537</u>	<u>74,281,913</u>	<u>90,694,498</u>
Total trade and other receivables (non-current and current)	<u>124,417,256</u>	<u>129,997,914</u>	<u>143,813,030</u>	<u>159,482,939</u>

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranges from 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.
- (b) Non-current other receivables of the Group are carried at amortised cost and the discount rates used are based on the effective interest rate of approximately 1.34% (31.12.2020: 1.71%).
- (c) Included in prepayments of the Group are insurance premium paid for products' warranties of RM90,520,971 (31.12.2020: RM88,506,146; 31.12.2019: RM82,976,536; 31.12.2018: RM80,130,206).
- (d) Lifetime expected loss provision for trade receivables at the end of the reporting period are as follows:

31.12.2018	Weighted- average expected loss rate %	Gross carrying amount RM	Impairment loss allowance RM
Customers' characteristics			
Low risk	0.05%	18,231,573	9,055
Fair risk	0.08%	3,724,642	2,825
Substandard	4.10%	2,069,020	84,795
Loss	100.00%	<u>12,314,959</u>	<u>12,314,959</u>
		<u>36,340,194</u>	<u>12,411,634</u>



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
Accountants' Report

6. HISTORICAL FINANCIAL INFORMATION (continued)**6.7 TRADE AND OTHER RECEIVABLES (continued)**

- (d) Lifetime expected loss provision for trade receivables at the end of the reporting period are as follows: (continued)

	Weighted- average expected loss rate %	Gross carrying amount RM	Impairment loss allowance RM
31.12.2019			
Customers' characteristics			
Low risk	0.05%	17,556,882	8,838
Fair risk	0.08%	867,305	656
Substandard	3.48%	13,460,658	468,106
Loss	100.00%	13,445,875	13,445,875
		<u>45,330,720</u>	<u>13,923,475</u>
31.12.2020			
Customers' characteristics			
Low risk	0.05%	13,634,459	6,951
Fair risk	0.08%	3,252,318	2,488
Substandard	7.84%	6,533,440	512,404
Loss	100.00%	14,391,049	14,391,049
		<u>37,811,266</u>	<u>14,912,892</u>
30.6.2021			
Customers' characteristics			
Low risk	0.05%	16,539,661	8,504
Fair risk	0.10%	3,450,044	2,663
Substandard	8.84%	10,618,889	938,564
Loss	100.00%	14,742,196	14,742,196
		<u>45,350,790</u>	<u>15,691,927</u>

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 ("ECL") 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.



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.7 TRADE AND OTHER RECEIVABLES (continued)**

(e) The reconciliation of movement in the impairment losses for trade receivables is as follows:

	12 months ECL allowance RM	Credit impaired RM	Total allowance RM
At 1 January 2018	29,224	11,001,805	11,031,029
Reversal of impairment losses	(29,224)	(46,951)	(76,175)
Charge for the financial year	96,675	1,360,105	1,456,780
At 31 December 2018	<u>96,675</u>	<u>12,314,959</u>	<u>12,411,634</u>
At 1 January 2019	96,675	12,314,959	12,411,634
Reversal of impairment losses	(96,675)	(947,330)	(1,044,005)
Charge for the financial year	477,600	2,078,246	2,555,846
At 31 December 2019	<u>477,600</u>	<u>13,445,875</u>	<u>13,923,475</u>
At 1 January 2020	477,600	13,445,875	13,923,475
Reversal of impairment losses	(153,507)	(264,937)	(418,444)
Charge for the financial year	197,750	1,210,111	1,407,861
At 31 December 2020	<u>521,843</u>	<u>14,391,049</u>	<u>14,912,892</u>
At 1 January 2021	521,843	14,391,049	14,912,892
Reversal of impairment losses	(236,612)	(206,799)	(443,411)
Charge for the financial year	664,500	557,946	1,222,446
At 30 June 2021	<u>949,731</u>	<u>14,742,196</u>	<u>15,691,927</u>

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year end.

(f) The reconciliation of movement in the impairment loss for other receivables is as follows:

	12 months ECL allowance RM	Credit impaired RM	Total allowance RM
At 1 January 2019	-	-	-
Charge for the financial year	254	-	254
At 31 December 2019	<u>254</u>	<u>-</u>	<u>254</u>
At 1 January 2020	254	-	254
Charge for the financial year	5,336	-	5,336
At 31 December 2020	<u>5,590</u>	<u>-</u>	<u>5,590</u>



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.7 TRADE AND OTHER RECEIVABLES (continued)**

- (f) The reconciliation of movement in the impairment loss for other receivables is as follows:
(continued)

	12 months ECL allowance RM	Credit impaired RM	Total allowance RM
At 1 January 2021	5,590	-	5,590
Charge for the financial year	70	-	70
At 30 June 2021	5,660	-	5,660

- (g) The Group 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.
- (h) Trade and other receivables are denominated in RM.

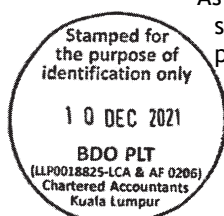
6.8 INVENTORIES

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
At cost				
Finished goods	145,136,334	153,819,499	191,918,645	204,001,764
At net realisable value				
Finished goods	13,523,767	17,894,894	19,461,160	29,824,257
	<u>158,660,101</u>	<u>171,714,393</u>	<u>211,379,805</u>	<u>233,826,021</u>

- (a) During the financial year, inventories of the Group recognised as cost of sales amounted to RM508,222,939 (31.12.2020: RM970,114,957; 31.12.2019: RM859,027,902; 31.12.2018: RM885,193,915).
- (b) A write down of inventories to net realisable value of RM6,045,263 (31.12.2020: RM6,379,841; 31.12.2019: RM5,656,386; 31.12.2018: RM13,523,767) was made by the Group during the financial year.
- (c) The Group reversed RM5,864,544 (31.12.2020: RM5,708,585; 31.12.2019: RM11,510,913; 31.12.2018: RM1,432,700) in respect of inventories written down in the previous financial years that was subsequently not required as the Group were able to sell those inventories above their carrying amounts.

6.9 CASH AND BANK BALANCES

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Cash and bank balances	16,086,491	49,640,509	64,867,148	46,328,094
Deposit with licensed banks	7,648,853	4,771,090	3,888,119	3,888,119
As reported in the combined statements of financial position	<u>23,735,344</u>	<u>54,411,599</u>	<u>68,755,267</u>	<u>50,216,213</u>



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.9 CASH AND BANK BALANCES (continued)**

(a) Deposits with licensed banks of the Group have an average maturity period of 324 days (31.12.2020: 229 days; 31.12.2019: 229 days; 31.12.2018: 183 days).

(b) The foreign currencies profile of the cash and bank balances are as follows:

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
United States Dollar	257,166	269,076	593,141	129,225
Singapore Dollar	1,821,780	14,825	1,254,794	-
Chinese Yuan	-	-	988	1,029
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(c) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Effects of 3% changes to RM against foreign currencies				
Profit after tax				
- United States Dollar	5,863	6,135	13,524	2,946
- Singapore Dollar	41,537	338	28,609	-
- Chinese Yuan	-	-	23	23
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(d) For the purpose of the combined statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Cash and bank balances	16,086,491	49,640,509	64,867,148	46,328,094
Deposits with licensed banks	<u>7,648,853</u>	<u>4,771,090</u>	<u>3,888,119</u>	<u>3,888,119</u>
As reported in the combined statements of financial position	23,735,344	54,411,599	68,755,267	50,216,213
Less:				
Fixed deposits with licensed bank with original maturity of more than three (3) months	<u>(5,648,853)</u>	<u>(3,771,090)</u>	<u>(3,888,119)</u>	<u>(3,888,119)</u>
Cash and cash equivalent included in the combined statements of cash flow	<u>18,086,491</u>	<u>50,640,509</u>	<u>64,867,148</u>	<u>46,328,094</u>



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.9 CASH AND BANK BALANCES (continued)**

- (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:

	31.12.2018	31.12.2019	31.12.2020	30.6.2021
Fixed rates	<u>3.55%</u>	<u>3.19%</u>	<u>1.85%</u>	<u>1.85%</u>

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 financial institutions because the probability of default by these financial institutions were negligible.

6.10 SHARE CAPITAL

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Number of ordinary shares issued and fully paid with no par value	<u>1,000,003</u>	<u>1,000,003</u>	<u>1,000,003</u>	<u>1,000,003</u>

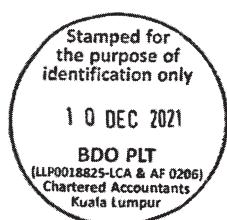
Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

6.11 RESERVES

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Foreign currency translation reserve	(132,276)	(368,117)	(661,301)	(290,548)
Retained earnings	<u>84,671,928</u>	<u>122,230,686</u>	<u>165,867,469</u>	<u>189,179,572</u>
	<u>84,539,652</u>	<u>121,862,569</u>	<u>165,206,168</u>	<u>188,889,024</u>

Exchange translation reserve

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.12 BORROWINGS**

	Note	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Current liabilities					
Bankers' acceptances		16,500,000	11,000,000	10,000,000	14,000,000
Term loans	6.13	-	3,017,766	4,455,062	5,323,261
		<u>16,500,000</u>	<u>14,017,766</u>	<u>14,455,062</u>	<u>19,323,261</u>
Non-current liabilities					
Term loans	6.13	-	31,026,256	40,737,355	42,533,097
Total borrowings					
Bankers' acceptances		16,500,000	11,000,000	10,000,000	14,000,000
Term loans	6.13	-	34,044,022	45,192,417	47,856,358
		<u>16,500,000</u>	<u>45,044,022</u>	<u>55,192,417</u>	<u>61,856,358</u>

- (a) All borrowings are denominated in RM.
- (b) The bankers' acceptances are secured by a joint and several guarantee by the Directors of the Group.
- (c) Fair value of the borrowings of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (d) The carrying amounts of the current portion of borrowings are reasonable approximation of fair value due to the insignificant impact of discounting.

The fair values of the term loans that carry floating interest rates approximate their carrying amounts as they are repriced to market interest rates on or near the reporting date.

- (e) At the end of reporting date, the interest rate profiles of the borrowings were:

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Fixed rates	16,500,000	11,000,000	10,000,000	14,000,000
Floating rates	-	34,044,022	45,192,417	47,856,358
	<u>16,500,000</u>	<u>45,044,022</u>	<u>55,192,417</u>	<u>61,856,358</u>

- (f) At the end of reporting date, the weighted average effective interest rates for the borrowings were as follows:

	31.12.2018	31.12.2019	31.12.2020	30.6.2021
Bankers' acceptances	3.96%	3.75%	2.41%	2.34%
Term loans	-	6.74%	6.20%	3.62%



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.12 BORROWINGS (continued)**

- (g) The following table sets out the carrying amounts, the weighted average effective interest rates 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:

	On demand or within one year RM	Two to five years RM	Over five years RM	Total RM
31.12.2018				
Financial liabilities				
Borrowings	16,500,000	-	-	16,500,000
31.12.2019				
Financial liabilities				
Borrowings	14,017,766	12,800,960	18,225,296	45,044,022
31.12.2020				
Financial liabilities				
Borrowings	14,455,062	18,961,412	21,775,943	55,192,417
30.6.2021				
Financial liabilities				
Borrowings	19,323,261	20,973,887	21,559,210	61,856,358

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

Group	On demand or within one year RM	Two to five years RM	Over five years RM	Total RM
31.12.2018				
Financial liabilities				
Borrowings	16,506,499	-	-	16,506,499
31.12.2019				
Financial liabilities				
Borrowings	14,997,285	15,774,217	19,595,460	50,366,962
31.12.2020				
Financial liabilities				
Borrowings	15,543,712	22,174,848	23,191,353	60,909,913
30.6.2021				
Financial liabilities				
Borrowings	20,566,201	24,336,794	24,956,018	69,859,013



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.12 BORROWINGS (continued)**

- (i) Sensitivity analysis of interest rate for the floating rate instruments at the end of each reporting period, assuming all other variables remain constant, is as follows:

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Effects of 50bp changes to profit after tax				
Floating rate instruments	-	129,367	171,731	181,854

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.

6.13 TERM LOANS

	Note	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Current liability					
<u>Secured</u>					
Term loans	6.12	-	3,017,766	4,455,062	5,323,261
Non-current liability					
<u>Secured</u>					
Term loans	6.12	-	31,026,256	40,737,355	42,533,097
Total borrowings					
Term loans	6.12	-	34,044,022	45,192,417	47,856,358

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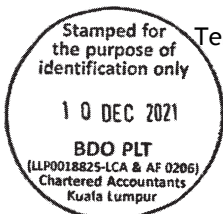


13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.13 TERM LOANS (continued)**

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Term loans				
Term loans I repayable by 120 equal monthly instalments commenced 2019	-	1,760,998	1,680,367	1,593,316
Term loans II repayable by 120 equal monthly instalments commenced 2019	-	3,613,581	3,478,641	3,284,429
Term loans III repayable by 120 equal monthly instalments commenced 2019	-	233,005	237,851	218,566
Term loans IV repayable by 120 equal monthly instalments commenced 2019	-	572,463	548,260	518,431
Term loans V repayable by 120 equal monthly instalments commenced 2019	-	4,784,821	4,570,182	4,328,384
Term loans VI repayable by 120 equal monthly instalments commenced 2019	-	5,728,710	5,518,230	5,221,973
Term loans VII repayable by 120 equal monthly instalments commenced 2019	-	1,404,339	1,354,230	1,281,177
Term loans VIII repayable by 120 equal monthly instalments commenced 2019	-	1,404,339	1,354,230	1,281,177
Term loans IX repayable by 120 equal monthly instalments commenced 2019	-	2,739,335	2,641,401	2,498,938
Term loans X repayable by 120 equal monthly instalments commenced 2019	-	3,607,498	3,374,047	3,189,043
Term loans XI repayable by 120 equal monthly instalments commenced 2019	-	331,498	310,484	293,480
Term loans XII repayable by 120 equal monthly instalments commenced 2019	-	2,636,833	3,804,376	3,599,374
Term loans XIII repayable by 120 equal monthly instalments commenced 2019	-	480,833	1,017,507	962,505
Term loans carried forward	-	29,298,253	29,889,806	28,270,793

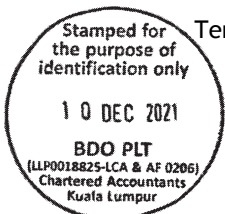


13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.13 TERM LOANS (continued)**

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Term loans (continued)				
Term loans brought forward	-	29,298,253	29,889,806	28,270,793
Term loans XIV repayable by 120 equal monthly instalments commenced 2019	-	480,916	1,008,254	953,750
Term loans XV repayable by 120 equal monthly instalments commenced 2019	-	481,000	999,011	945,011
Term loans XVI repayable by 180 equal monthly instalments commenced 2019	-	1,237,049	1,347,649	1,306,582
Term loans XVII repayable by 180 equal monthly instalments commenced 2019	-	1,237,049	1,347,649	1,306,532
Term loans XVIII repayable by 180 equal monthly instalments commenced 2019	-	1,309,755	1,432,406	1,388,735
Term loans XIX repayable by 120 equal monthly instalments commenced 2020	-	-	276,962	262,423
Term loans XX repayable by 120 equal monthly instalments commenced 2020	-	-	2,437,644	2,320,315
Term loans XXI repayable by 120 equal monthly instalments commenced 2020	-	-	1,750,254	1,666,646
Term loans XXII repayable by 120 equal monthly instalments commenced 2020	-	-	1,132,569	1,078,430
Term loans XXIII repayable by 120 equal monthly instalments commenced 2020	-	-	2,437,644	2,320,315
Term loans XXIV repayable by 120 equal monthly instalments commenced 2020	-	-	1,132,569	1,078,430
Term loans XXV repayable by 120 equal monthly instalments commenced 2021	-	-	-	4,417,370
Term loans carried forward	-	34,044,022	45,192,417	47,315,332



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.13 TERM LOANS (continued)**

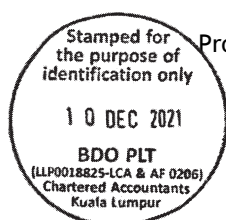
	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Term loans (continued)				
Term loans brought forward	-	34,044,022	45,192,417	47,315,332
Term loans XXVI repayable by 120 equal monthly instalments commenced 2021	-	-	-	80,544
Term loans XXVII repayable by 120 equal monthly instalments commenced 2021	-	-	-	117,015
Term loans XXVIII repayable by 120 equal monthly instalments commenced 2021	-	-	-	80,544
Term loans XXIX repayable by 120 equal monthly instalments commenced 2021	-	-	-	76,402
Term loans XXX repayable by 120 equal monthly instalments commenced 2021	-	-	-	110,119
Term loans XXXI repayable by 120 equal monthly instalments commenced 2021	-	-	-	76,402
	<u>-</u>	<u>34,044,022</u>	<u>45,192,417</u>	<u>47,856,358</u>

Term loans of the Group were secured by:

- (a) Legal charges over the Group's properties as disclosed in Note 6.2 to the combined financial statements; and
- (b) A joint and several guarantee by the Directors of the Group.

6.14 PROVISION FOR RESTORATION COSTS

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Non-current				
Provision for restoration costs	4,998,848	6,505,782	8,640,923	9,620,104
Current				
Provision for restoration costs	410,959	1,364,322	1,661,326	2,247,549
	<u>5,409,807</u>	<u>7,870,104</u>	<u>10,302,249</u>	<u>11,867,653</u>



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.14 PROVISION FOR RESTORATION COSTS (continued)**

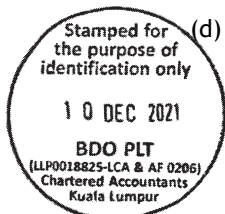
- (a) Provision for restoration costs comprises estimates of reinstatement costs for retail outlets upon termination of tenancy.
- (b) A reconciliation of the provision for restoration costs are as follows:

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
As at 1 January	6,527,807	5,409,807	7,870,104	10,302,249
Addition	194,014	231,286	240,883	209,979
Modifications due to changes in rate	(930,304)	2,467,560	2,062,568	1,561,679
Finance cost	259,040	350,899	325,406	185,622
Utilisation	(428,446)	(589,448)	(123,535)	(149,029)
Reversal	(212,181)	-	(73,177)	(242,847)
As at 31 December/ 30 June	<u>5,409,807</u>	<u>7,870,104</u>	<u>10,302,249</u>	<u>11,867,653</u>

6.15 TRADE AND OTHER PAYABLES

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Trade payables				
Third parties	51,564,588	83,816,521	80,514,383	94,486,222
Amount due to a related party	1,187,585	480,871	2,810,742	4,819,166
	52,752,173	84,297,392	83,325,125	99,305,388
Other payables				
Other payables	35,234,216	23,150,000	20,406,000	7,807,395
Deposits	692,620	1,658,057	1,827,587	2,006,722
Accruals	6,883,239	6,877,356	16,141,909	13,621,472
Amounts due to related parties	23,850	4,839,006	2,733	356,240
Amounts due to Directors	3,161,200	3,109,953	3,109,953	3,109,953
	45,995,125	39,634,372	41,488,182	26,901,782
	<u>98,747,298</u>	<u>123,931,764</u>	<u>124,813,307</u>	<u>126,207,170</u>

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 15 days to 90 days (31.12.2020: 15 days to 90 days; 31.12.2019: 15 days to 60 days, 31.12.2018: 15 to 60 days).
- (b) Amounts due to related parties represent advances and payment on behalf, which are unsecured and repayable on demand except for an amount of Nil (31.12.2020: Nil; 31.12.2019: RM3,000,000; 31.12.2018: Nil) which is subject to interest at a rate of Nil (31.12.2020: Nil; 31.12.2019: 3%; 31.12.2018: Nil) per annum.
- (c) Amounts due to Directors are unsecured, interest-free and repayable on demand.
- (d) Included in other payables is dividend payable of Nil (31.12.2020: RM12,000,000; 31.12.2019: RM12,000,000; 31.12.2018: RM26,586,066).



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.15 TRADE AND OTHER PAYABLES (continued)**

(e) The maturity profile of the trade and other payables of the Group at the reporting date based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.

(f) The foreign currencies profile of trade payables is as follows:

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Ringgit Malaysia	52,752,173	84,297,392	81,232,319	99,080,872
Chinese Yuan	-	-	2,092,806	224,516
	<u>52,752,173</u>	<u>84,297,392</u>	<u>83,325,125</u>	<u>99,305,388</u>

(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:

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Effects of 3% changes to RM against foreign currencies				
Profit after tax - Chinese Yuan	-	-	47,716	5,119

6.16 CONTRACT LIABILITIES

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Current				
- Deferred income	72,502,427	77,130,183	84,158,058	84,993,887
Non-current				
- Deferred income	<u>130,547,793</u>	<u>135,835,464</u>	<u>138,821,782</u>	<u>140,079,750</u>
	<u>203,050,220</u>	<u>212,965,647</u>	<u>222,979,840</u>	<u>225,073,637</u>

(a) Deferred income

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Current				
- Customer loyalty programme	8,264,280	9,265,003	8,034,775	6,335,128
- Warranty	59,646,642	62,550,858	65,122,143	68,147,110
- Membership fee	2,875,703	2,689,657	3,023,182	2,654,432
- Cash vouchers	<u>1,715,802</u>	<u>2,624,665</u>	<u>7,977,958</u>	<u>7,857,217</u>
	<u>72,502,427</u>	<u>77,130,183</u>	<u>84,158,058</u>	<u>84,993,887</u>
Non-current				
- Customer loyalty programme	9,265,042	10,053,140	7,899,045	6,653,330
- Warranty	<u>121,282,751</u>	<u>125,782,324</u>	<u>130,922,737</u>	<u>133,426,420</u>
	<u>130,547,793</u>	<u>135,835,464</u>	<u>138,821,782</u>	<u>140,079,750</u>



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.16 CONTRACT LIABILITIES (continued)**

(a) Deferred income (continued)

(i) Customer loyalty programme

Customer loyalty programme allows its members to accumulate customer loyalty points, namely Plus One Loyalty Points and EZ Credit Rebate, on the purchases of the products of the Group and the Company 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 (2020: one (1) month to three (3) years; 2019: one (1) month to three (3) years; 2018: 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 Company, 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 a twelve (12) months period of services, 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.

- (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:

	Within a year RM	More than one years RM	Total RM
31.12.2018			
Contract liabilities	72,502,427	130,547,793	203,050,220
31.12.2019			
Contract liabilities	77,130,183	135,835,464	212,965,647
31.12.2020			
Contract liabilities	84,158,058	138,821,782	222,979,840
30.6.2021			
Contract liabilities	84,993,887	140,079,750	225,073,637



13. ACCOUNTANTS' REPORT (CONT'D)

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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.16 CONTRACT LIABILITIES (continued)**

(c) A reconciliation of the deferred income is as follows:

	Customer loyalty programme RM	Warranty RM	Membership fee RM	Cash vouchers RM	Total RM
At 1 January 2018	17,650,756	177,120,112	2,396,681	-	197,167,549
Addition	23,860,331	73,175,185	2,875,702	1,715,802	101,627,020
Utilisation	(23,981,765)	-	-	-	(23,981,765)
Reversal	-	(69,365,904)	(2,396,680)	-	(71,762,584)
At 31 December 2018/ 1 January 2019	17,529,322	180,929,393	2,875,703	1,715,802	203,050,220
Addition	32,598,057	68,026,863	2,689,657	2,696,390	106,010,967
Utilisation	(30,809,236)	-	-	(1,715,802)	(32,525,038)
Reversal	-	(60,623,074)	(2,875,703)	(71,725)	(63,570,502)
At 31 December 2019/ 1 January 2020	19,318,143	188,333,182	2,689,657	2,624,665	212,965,647
Addition	22,406,888	71,627,279	3,023,182	7,977,958	105,035,307
Utilisation	(25,791,211)	-	-	(2,624,665)	(28,415,876)
Reversal	-	(63,915,581)	(2,689,657)	-	(66,605,238)
At 31 December 2019/ 1 January 2021	15,933,820	196,044,880	3,023,182	7,977,958	222,979,840
Addition	10,407,575	38,762,407	2,654,432	7,865,667	59,690,081
Utilisation	(13,353,937)	-	-	(7,977,958)	(21,330,895)
Reversal	-	(33,233,757)	(3,023,182)	(8,450)	(36,265,389)
At 30 June 2021	12,987,458	201,573,530	2,654,432	7,857,217	225,073,637

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13. ACCOUNTANTS' REPORT (CONT'D)

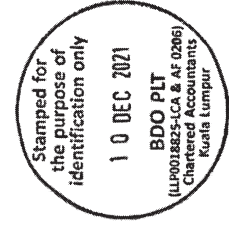
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6. HISTORICAL FINANCIAL INFORMATION (continued)

6.17 REVENUE

	1.1.2018 to 31.12.2018 Audited RM	1.1.2019 to 31.12.2019 Audited RM	1.1.2020 to 31.12.2020 Audited RM	1.1.2021 to 30.6.2021 Audited RM	1.1.2020 to 30.6.2020 Unaudited RM
<i>Revenue from contracts with customers</i>					
Sales of goods	1,100,538,147	1,081,362,751	1,228,163,392	637,653,980	523,536,141
Sales of services	71,762,584	63,498,777	66,605,238	36,256,939	33,995,574
	<u>1,172,300,731</u>	<u>1,144,861,528</u>	<u>1,294,768,630</u>	<u>673,910,919</u>	<u>557,531,715</u>
<i>Timing of revenue recognition</i>					
Transferred at a point in time	1,100,538,147	1,081,362,751	1,228,163,392	637,653,980	523,536,141
Transferred over time	71,762,584	63,498,777	66,605,238	36,256,939	33,995,574
	<u>1,172,300,731</u>	<u>1,144,861,528</u>	<u>1,294,768,630</u>	<u>673,910,919</u>	<u>557,531,715</u>

Disaggregation of revenue from contracts with customers has been presented in the operating segments as disclose in Note 6.1 to the combined financial statements, which has been presented based on nature of products and services from which the sale transactions originated.

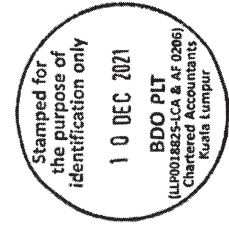


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13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)		Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:			
6.18 PROFIT BEFORE TAX		1.1.2018	1.1.2019	1.1.2020	1.1.2020
		to	to	to	to
		31.12.2018	31.12.2019	31.12.2020	30.6.2020
		Audited	Audited	Audited	Unaudited
		RM	RM	RM	RM
After charging:					
Auditors' remuneration					
- statutory audit		152,506	173,256	186,377	87,817
- non-statutory audit		-	260,000	137,000	84,499
Directors' remuneration		2,897,776	4,071,471	3,046,193	1,759,765
Fair value adjustments on other investments		1,989,849	-	234,883	-
Interest expenses on:					
- bankers' acceptances		255,742	473,700	346,764	124,707
- bank overdraft		252	81	-	57
- amount due to a related company		-	8,384	-	-
- term loans		29,642	487,453	1,681,007	731,344
- lease liabilities		3,938,809	3,694,397	2,999,005	1,479,645
- provision for restoration costs		259,040	350,899	325,406	185,622
- others		-	-	47,896	7,311
Property, plant and equipment written off		-	-	-	307,533
Realised loss on foreign exchange		55,866	1,824	149,993	181,896
Rental of premises		2,833,876	890,573	558,348	585,809
Share of profit paid as part of our incentive programme		19,616,881	17,977,309	22,379,081	14,602,915
Unrealised loss on foreign exchange		-	-	-	1,170,259
And crediting:					
Dividend income		327,932	317,057	330,263	116,253
Gain on disposal of property, plant and equipment		1,142,505	301,534	125,236	-
Fair value adjustments on other investments		-	2,817,706	-	611,935
Interest income on:					
- deposits with licensed banks		1,547,126	1,050,768	1,681,087	623,683
- amounts due from related parties		281,891	-	-	-
Income arising from rent concession		-	40,170	2,176,697	373,100
Realised gain on foreign exchange		-	-	-	-
Rental income		1,228,552	1,211,015	1,314,440	627,722
Unrealised gain on foreign exchange		726,025	1,014,854	1,056,359	-
		70			

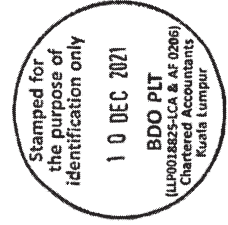


13. ACCOUNTANTS' REPORT (CONT'D)

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	1.1.2018 to 31.12.2018 Audited RM	1.1.2019 to 31.12.2019 Audited RM	1.1.2020 to 31.12.2020 Audited RM	1.1.2021 to 30.6.2021 Audited RM	1.1.2020 to 30.6.2020 Unaudited RM
6. HISTORICAL FINANCIAL INFORMATION (continued)					
6.19 INCOME TAX EXPENSE					
Current tax expense based on profit for the financial year/period	15,732,737	14,677,762	18,539,464	6,531,683	3,326,688
(Over)/Under provision in prior years	(2,575,706)	(36,967)	917,122	392,644	917,122
	13,157,031	14,640,795	19,456,586	6,924,327	4,243,810
Deferred tax (Note 6.6)					
Relating to origination and reversal of temporary differences	(1,367,490)	(2,585,232)	(1,065,006)	102,153	638,917
Under/(Over) provision in prior years	2,130,477	(128,053)	(413,812)	(742,502)	(413,812)
	762,987	(2,713,285)	(1,478,818)	(640,349)	225,105
	13,920,018	11,927,510	17,977,768	6,283,978	4,468,915

(a) Malaysian income tax is calculated at the statutory tax rate 24% (31.12.2020: 24%, 31.12.2019: 24 %; 31.12.2018: 24%) of the estimated taxable profits for the fiscal year.



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13. ACCOUNTANTS' REPORT (CONT'D)

*Senheng New Retail Berhad (202101019079(1419379 - T))
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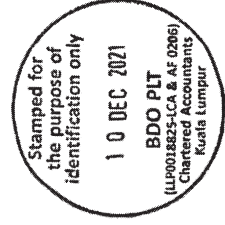
6. HISTORICAL FINANCIAL INFORMATION (continued)

6.19 INCOME TAX EXPENSE (continued)

(b) Numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group are as follows:

	1.1.2018 to 31.12.2018 Audited RM	1.1.2019 to 31.12.2019 Audited RM	1.1.2020 to 31.12.2020 Audited RM	1.1.2021 to 30.6.2021 Audited RM	1.1.2020 to 30.6.2020 Unaudited RM
Profit before tax	74,983,111	61,486,268	73,614,551	29,596,081	18,821,251
Tax at the Malaysian statutory tax rate of 24%	17,995,947	14,756,704	17,667,492	7,103,059	4,517,100
Tax effects in respect of:					
Reduction in statutory tax rate	(30,000)	(30,000)	(9,174)	(10,895)	-
Non-allowable expenses	1,010,675	3,573,914	4,466,346	2,773,128	1,496,270
Non-taxable income	(4,611,375)	(6,208,088)	(4,650,206)	(3,231,456)	(2,047,765)
	14,365,247	12,092,530	17,474,458	6,633,836	3,965,605
(Over)/Under provision in prior years					
- Current tax	(2,575,706)	(36,967)	917,122	392,644	917,122
- Deferred tax	2,130,477	(128,053)	(413,812)	(742,502)	(413,812)
	13,920,018	11,927,510	17,977,768	6,283,978	4,468,915

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13. ACCOUNTANTS' REPORT (CONT'D)

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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.19 INCOME TAX EXPENSE (continued)**

(c) Tax on each component of other comprehensive income is as follows:

	Before tax RM	Tax effect RM	After tax RM
Items that may be reclassified to profit or loss in subsequent periods			
31.12.2018			
Foreign currency translations	(37,820)	-	(37,820)
31.12.2019			
Foreign currency translations	(235,841)	-	(235,841)
31.12.2020			
Foreign currency translations	(293,184)	-	(293,184)
30.6.2021			
Foreign currency translations	370,753	-	370,753
30.6.2020			
Foreign currency translations	1,027,006	-	1,027,006

6.20 EARNINGS PER SHARE

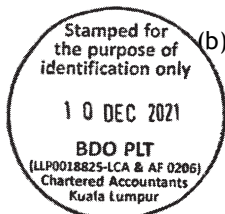
(a) Basic

Basic earnings per ordinary share for the financial years ended are calculated by dividing earnings for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial years.

	1.1.2018 to 31.12.2018 Audited	1.1.2019 to 31.12.2019 Audited	1.1.2020 to 31.12.2020 Audited	1.1.2021 to 30.6.2021 Audited	1.1.2020 to 30.6.2020 Unaudited
Profit for the financial year/period attributable to the owners of the Company (RM)	61,063,093	49,558,758	55,636,783	23,312,103	14,352,336
Weighted average number of ordinary shares in issue	1,000,003	1,000,003	1,000,003	1,000,003	1,000,003
Basic earnings per ordinary share (RM)	61.06	49.56	55.64	23.31	14.35

(b) Diluted

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



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)

6.21 DIVIDENDS

	1.1.2018 to 31.12.2018 Audited RM	1.1.2019 to 31.12.2019 Audited RM	1.1.2020 to 31.12.2020 Audited RM	1.1.2021 to 30.6.2021 Audited RM
In respect of the financial year ended 31 December 2019				
- First interim single tier dividend	-	4,500,000	-	-
- Second interim single tier dividend	-	3,000,000	-	-
- Third interim single tier dividend	-	4,500,000	-	-
In respect of the financial year ended 31 December 2020				
- First interim single tier dividend	-	-	4,500,000	-
- Second interim single tier dividend	-	-	3,000,000	-
- Third interim single tier dividend	-	-	4,500,000	-
	-	12,000,000	12,000,000	-

In respect of the financial year ended 31 December 2019

- First interim single tier dividend
- Second interim single tier dividend
- Third interim single tier dividend

In respect of the financial year ended 31 December 2020

- First interim single tier dividend
- Second interim single tier dividend
- Third interim single tier dividend

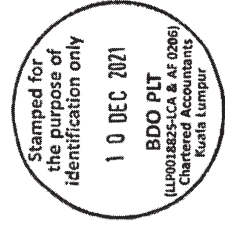
The Board of Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2018, 31 December 2019 and 31 December 2020.

6.22 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 Group has controlling related party relationship with its related parties and subsidiary.



13. ACCOUNTANTS' REPORT (CONT'D)

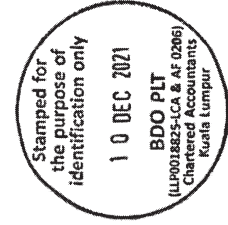
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6. HISTORICAL FINANCIAL INFORMATION (continued)
6.22 RELATED PARTY DISCLOSURES (continued)

(b) In addition to the related party information disclosed elsewhere in the combined financial statements, the Group had the following significant transactions with related parties during the financial year:

	1.1.2018 to 31.12.2018 Audited RM	1.1.2019 to 31.12.2019 Audited RM	1.1.2020 to 31.12.2020 Audited RM	1.1.2021 to 30.6.2021 Audited RM	1.1.2020 to 30.6.2020 Unaudited RM
Related parties:					
Administrative and marketing fees receivable	1,400,658	2,091,699	1,772,271	879,320	917,547
Administrative and marketing fees payable	(297,606)	(283,394)	(313,971)	(168,307)	(132,783)
Concession income receivable	216,828	186,528	60,948	4,499	36,764
Commission payable	-	-	-	(30,591)	-
Disposal of properties	500,000	-	-	-	-
Disposal of shares	1,290,516	-	-	-	-
Insurance premium collected on behalf of third-party insurance companies	(29,690,892)	(29,876,986)	(30,963,165)	(18,857,641)	(17,866,493)
Marketing expenses	(9,993,145)	-	-	(1,163,707)	-
Purchases of goods	(15,825,000)	(9,125,354)	(9,851,902)	(3,918,999)	(4,420,676)
Purchase of properties	-	-	-	-	-
Rental income	-	-	6,600	9,377	3,300
Rental payable	(4,257,812)	(3,193,007)	(2,464,951)	(547,116)	(1,277,134)
Sales of goods	450,142	3,514,443	-	15,954	641,363
Services rendered	(6,580,998)	(2,272,231)	(4,724,748)	(3,456,357)	(2,227,735)

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.



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6. HISTORICAL FINANCIAL INFORMATION (continued)

6.22 RELATED PARTY DISCLOSURES (continued)

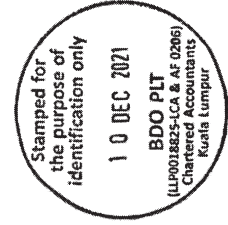
(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

	1.1.2018 to 31.12.2018 Audited RM	1.1.2019 to 31.12.2019 Audited RM	1.1.2020 to 31.12.2020 Audited RM	1.1.2021 to 30.6.2021 Audited RM	1.1.2020 to 30.6.2020 Unaudited RM
Short term employees benefits	2,712,310	3,858,499	2,641,838	1,657,703	1,434,856
Contributions to defined contribution plan	185,466	212,972	231,069	102,062	120,621
	2,897,776	4,071,471	2,872,907	1,759,765	1,555,477
	86,250	152,700	111,573	47,000	55,787
Benefits-in-kind	2,984,026	4,224,171	2,984,480	1,806,765	1,611,264

6.23 EMPLOYEE BENEFITS

	1.1.2018 to 31.12.2018 Audited RM	1.1.2019 to 31.12.2019 Audited RM	1.1.2020 to 31.12.2020 Audited RM	1.1.2021 to 30.6.2021 Audited RM	1.1.2020 to 30.6.2020 Unaudited RM
Short term employees benefits	53,272,000	59,419,141	61,890,925	31,423,484	29,186,396
Contributions to defined contribution plan	7,391,592	9,242,918	9,488,134	4,868,439	4,652,046
Other employee benefits	3,047,097	3,957,907	3,284,664	1,912,948	1,826,584
	63,710,689	72,619,966	74,663,723	38,204,871	35,665,026



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
Accountants' Report

6. HISTORICAL FINANCIAL INFORMATION (continued)**6.24 CAPITAL COMMITMENTS**

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Capital expenditure in respect of purchase of property, plant and equipment				
Approved but not contracted for	-	-	2,650,000	-
Contracted but not provided	15,310,000	7,739,470	5,326,250	3,240,750
	<u>15,310,000</u>	<u>7,739,470</u>	<u>7,976,250</u>	<u>3,240,750</u>

6.25 CAPITAL AND FINANCIAL RISK MANAGEMENT**(a) Capital management**

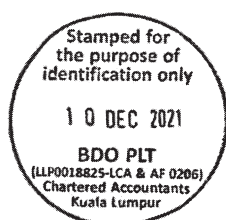
The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that 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 period/years ended 30 June 2021, 31 December 2020, 31 December 2019 and 31 December 2018.

The Group monitors capital using a net 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 parent.

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Borrowings (Note 6.12)	16,500,000	45,044,022	55,192,417	61,856,358
Lease liabilities*	1,060,901	803,411	500,574	-
Less: Cash and bank balances (Note 6.9)	<u>(23,735,344)</u>	<u>(54,411,599)</u>	<u>(68,755,267)</u>	<u>(50,216,213)</u>
	<u>(6,174,443)</u>	<u>(8,564,166)</u>	<u>(13,062,276)</u>	<u>11,640,145</u>
Equity attributable to the owners of the parent	<u>85,539,655</u>	<u>122,862,572</u>	<u>166,206,171</u>	<u>189,889,027</u>
Net gearing ratio	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>6.13%</u>

*Represent lease liabilities owing to financial institutions only.



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.25 CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)****(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 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 to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade and other receivables. 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 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 exposure to bad debts is not significant.

The risk concentration profile has been disclosed in Note 6.7 and Note 6.9 to the combined financial statements.

(ii) Liquidity risk

The Group actively manages 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 measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

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 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 Note 6.3, Note 6.12 and Note 6.15 to the combined financial statements.

(iii) Interest rate risk

The primary interest rate risk of the Group 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 are exposed to a risk of change in cash flows due to changes in interest rates. The Group borrows in the desired currencies at both fixed and floating rates of interest.

The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of their assets. This strategy allows the Group to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.25 CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 6.3, Note 6.7, Note 6.9, Note 6.12 and Note 6.15 to the combined 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 and the Company 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 and the Company endeavours to keep the net exposure at an acceptable level.

The foreign currency profile and sensitivity analysis have been disclosed in Note 6.5, Note 6.9 and Note 6.15 to the combined 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 and of the Company would fluctuate because of changes in market prices (other than interest or exchange rates).

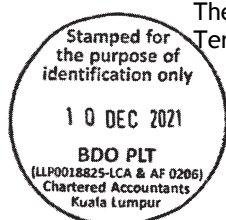
The Group is exposed to price risks arising from investments held in the Group and the Company. These instruments are classified as financial assets designated at fair value through profit or loss.

The interest rate profile and sensitivity analysis of price risk have been disclosed in Note 6.5 to the combined financial statements.

6.26 LIST OF COMBINED ENTITIES

Name of company	Effective interest in equity held				Principal activities
	2018	2019	2020	2021	
	%	%	%	%	
Senheng Electric (KL) Sdn. Bhd.	100	100	100	100	Retail of customer electrical and electronic products
Subsidiaries of Senheng Electric (KL) Sdn. Bhd.					
Senheng Captive Insurance Pte. Ltd.	100	100	100	100	Provision of insurance services
SC Alliance (M) Sdn. Bhd.	-	-	100	100	Distribution of household and IT gadget products

The country of incorporation and principal place of business of the above entities is in Federal Territory of Labuan, Malaysia and Kuala Lumpur.



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.27 FINANCIAL INSTRUMENTS**

(a) Classification of financial instruments

	31.12.2018 RM	31.12.2019 RM	31.12.2020 RM	30.6.2021 RM
Financial assets				
<i>Amortised costs</i>				
Trade and other receivables, net of prepayments	39,164,760	45,612,279	55,566,479	67,058,164
Cash and bank balances	23,735,344	54,411,599	68,755,267	50,216,213
<i>Fair value through profit or loss</i>				
Other investments	22,306,018	10,589,405	12,968,291	15,281,841
<i>Fair value through other comprehensive income</i>				
Other investments	<u>14,967,152</u>	<u>18,506,588</u>	<u>15,104,977</u>	<u>13,676,297</u>
	<u>100,173,274</u>	<u>129,119,871</u>	<u>152,395,014</u>	<u>146,232,515</u>
Financial liabilities				
<i>Amortised costs</i>				
Lease liabilities	91,598,272	74,349,976	74,812,363	75,841,137
Trade and other payables	98,747,298	123,931,764	124,813,307	126,207,170
Borrowings	<u>16,500,000</u>	<u>45,044,022</u>	<u>55,192,417</u>	<u>61,856,358</u>
	<u>206,845,570</u>	<u>243,325,762</u>	<u>254,188,087</u>	<u>263,904,665</u>

6.28 ADOPTION OF MFRS AND AMENDMENTS TO MFRS**6.28.1 New MFRS adopted during the financial year**

The Group 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
Amendment to MFRS 9, MFRS 139, MFRS 17, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendments to MFRS 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021 (Early adopted)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group except for the adoption of Amendment to MFRS 16 as described in the following section.



13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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6. HISTORICAL FINANCIAL INFORMATION (continued)**6.28 ADOPTION OF MFRS AND AMENDMENTS TO MFRS (continued)****6.28.1 New MFRS adopted during the financial year (continued)****Amendment to MFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021**

MFRS 16 has been amended to:

- (a) Provide lessees with an exemption from the requirement to determine whether a COVID-19-related rent concession is a lease modification; and
- (b) Require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications.

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

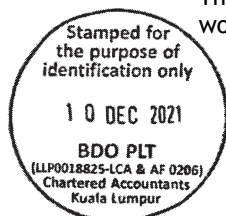
- (i) Changes in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) Any reduction in the lease payments affects only payments originally due on or before 30 June 2022; and
- (iii) There is no substantive change to other terms and conditions of the lease.

The Group has early adopted Amendment to MFRS 16 and elected to apply the practical expedient to all rent concession relating to leases with similar characteristics and in similar circumstances. Consequently, the Group did not recognise changes in these lease payments as lease modifications and instead, recognise these as variable lease payments in profit or loss. The effects of early adoption are disclosed in Note 6.3(a) to the combined financial statements

6.28.2 New MFRS that have been issued, but only effective for annual periods beginning on or after 1 January 2022

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements - Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
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 is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.



13. ACCOUNTANTS' REPORT (CONT'D)

*Senheng New Retail Berhad (202101019079(1419379 - T))
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7. SIGNIFICANT EVENT DURING THE REPORTING PERIOD AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**a) The Coronavirus disease 2019 "COVID-19" pandemic**

The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into various phases of the MCO.

The COVID-19 pandemic has affected the business operations of the Group due to temporary halt on the retail outlets' operations during MCO period. Nevertheless, the Group has resumed the operations since the implementation of Conditional MCO with relatively encouraging sales performance.

Based on the assessment of the Group, there is no significant impact arising from the COVID-19 pandemic in respect of the judgements and assumptions used in the preparation of the financial statements for the financial period ended 30 June 2021.

As at the date of authorisation of the combined financial statements, the COVID-19 pandemic situation is still evolving and unpredictable. The Group are actively monitoring and managing the operations of the Group to minimise any impact arising from the COVID-19 pandemic.

The recent immunisation programme by the Government has given hope in ending the pandemic and putting businesses back in order. In view of the ongoing immunisation programme that is expected to put this crisis to an end, the Group do not foresee any material negative impact of the current situation on the profitability and cash flow position of the Group in the next 12 months.

b) Acquisition of Senheng Electric (KL) Sdn. Bhd. ("Senheng KL") and subdivision of shares

On 28 June 2021, the Company entered into a conditional share sale agreement with the shareholders of Senheng KL, namely Lim Kim Heng, Lim Kim Chieng and Lim Kim Yew to acquire the entire issued share capital of Senheng KL of RM1,000,000 comprising 1,000,000 ordinary shares for a total consideration of RM166,206,168. The acquisition of Senheng KL was wholly satisfied via the issuance of 166,206,168 new ordinary shares of the Company at an issue price of RM1.00 per share to be issued to SQ Digital Sdn. Bhd., Lim Kim Heng, Lim Kim Chieng and Lim Kim Yew.

The total purchase consideration of RM166,206,168 was arrived at on a "willing-buyer willing-seller" basis and represents the audited net assets of Senheng KL as at 31 December 2020.

Upon completion of the acquisition of Senheng KL on 25 November 2021, the total number of ordinary shares in the Company increased from 3 to 166,206,171 shares and Senheng KL became a wholly-owned subsidiary of the Company.

The Company had further carried out a subdivision of 166,206,171 existing shares into 1,250,000,000 shares on 26 November 2021.



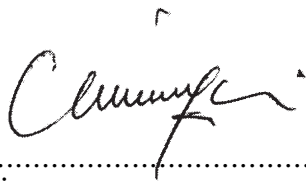
13. ACCOUNTANTS' REPORT (CONT'D)

Senheng New Retail Berhad (202101019079(1419379 - T))
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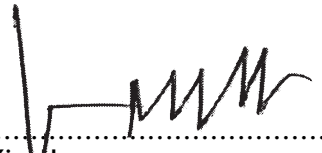
STATEMENT BY DIRECTORS

We, Lim Kim Chieng and Lim Kim Heng, two of the Directors of Senheng New Retail Berhad (the "Company"), state that, in the opinion of the Directors, the combined financial information set out on pages 1 to 82 are drawn up so as to give a true and fair view of the financial position of the Group as at 31 December 2018, 31 December 2019, 31 December 2020 and 30 June 2021 and of the financial performance and cash flows of the Group for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 and for the financial period ended 30 June 2021 in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") and Chapter 10 Part II Division 1: Equity of the Prospectus Guidelines ("Prospectus Guidelines") issued by the Securities Commission Malaysia ("SC").

Signed on behalf of the Board of Directors in accordance with their resolution dated 10 December 2021.



.....
Lim Kim Chieng
Director



.....
Lim Kim Heng
Director



14. STATUTORY AND OTHER GENERAL INFORMATION

14.1 SHARE CAPITAL

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 6 months after the date of issue of this Prospectus.
- (ii) As at the LPD, our Company has only 1 class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in this Prospectus, no shares, stocks or debentures of our Company has been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, within the 2 years immediately preceding the date of this Prospectus.
- (iv) None of the share capital of our Group is under option, or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.
- (v) Save for the Issue Shares reserved for subscription by the Eligible Persons as disclosed in Section 4.3.1(b) of this Prospectus and subject to our Listing as disclosed in Section 4 of this Prospectus, there is currently no other scheme involving our directors and employees in the share capital of our Group.
- (vi) As at the date of this Prospectus, our Group does not have any outstanding warrants, options, convertible securities or uncalled capital.
- (vii) Save as disclosed in this Prospectus, and save as provided for under our Constitution and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

14.2 EXTRACTS OF OUR CONSTITUTION

The following are extracted from our Constitution and is qualified in its entirety by reference to of our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions shall bear the same meanings used in this Prospectus unless they are otherwise defined or the context otherwise requires.

Words	Meaning
“Alternate Director”	means any person who has been appointed and for the time being holds office as an alternate director of the Company in accordance with the provisions of our Constitution.
“Clause”	means a Clause contained in the Constitution.
“Deposited Security”	means Securities standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense.
“Depositor”	means a holder of a Securities Account.
“Listed”	means admitted to the Official List, and “listing” shall be construed accordingly.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

Words	Meaning
“Member”	means any person for the time being registered as the holder of shares in the share capital of the Company in the Register of Members (except the Bursa Depository in its capacity as bare trustee) or any Depositor whose name appears on the Record of Depositors and who has a credit balance of shares in the Company in his or her Securities Account who shall be treated as if he/she were a Member pursuant to Section 35 of SICDA.
“Register of Members”	means the register of Members to be kept pursuant to the Act.
“Registrar”	means the Registrar of Companies designated under Section 20A(1) of the Companies Commission of Malaysia Act 2001.
“Securities”	means the securities as defined in Section 2 of the CMSA or any modification, amendment or re-enactment thereof for the time being in force and “ Security ” shall be construed accordingly.
“Securities Account”	means an account established by the Bursa Depository for a Depositor for the recording of deposits of Securities and for dealing in such Securities by the Depositor.

14.2.1 Transfer of securities**Clause 35 – Form of transfer**

“Subject to the provisions of the Act, our Constitution, the SICDA and the Rules of Depository with respect to transfer of Deposited Security, all transfers of Securities which are shares:

- (i) to Bursa Depository or its nominee company; or
- (ii) prior to the listing and quotation of such shares on the Bursa Securities,

may be effected by transfer in writing in the usual common form conforming with the Act and/or approved by Bursa Securities, or such form as may from time to time, be prescribed under the Act or approved by Bursa Securities.”

Clause 36 – No restriction on transfer of fully paid up listed Securities

“Subject to our Constitution, the Rules of Depository and except as may be required by law, there shall be no restriction on the transfer of fully paid-up listed Securities in the Company.”

Clause 37 – Transfer of listed Securities by book entry

“The transfers of any Deposited Securities or class of Deposited Securities in the Company shall be by way of book entry by Bursa Depository in accordance with the Rules of Depository and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Subsection 148(2) of the Act and any exemptions that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.”

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

Clause 38 – Refusal to register

“Bursa Depository may refuse to register any transfer of Deposited Securities if it does not comply with SICDA or the Rules of Depository.”

Clause 39 – Instrument of transfer

“Subject to SICDA and the Rules of Depository, the instrument of transfer of a Security lodged with the Company for registration must be signed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members.”

Clauses 40 and 41.1 – Restriction of transfer

“Subject to the SICDA and the Rules of Depository, no Security shall in any circumstances be transferred to any infant, child, bankrupt or person of unsound mind.”

“With the exception of transfer in favour of Bursa Depository and subject to the provisions of SICDA and the Rules of Depository, the Directors may subject to our Constitution decline to register the transfer of any Securities (not being a fully paid Securities) and may also decline to register the transfer of any Securities on which the Company has a lien or if the registration of the transfer would result in a contravention of or failure to observe the provisions of a law in Malaysia.”

Clause 42 – Suspension of registration of transfers

“Registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine but so that no part of the Register of Members shall be closed for more than 30 days in the aggregate in any year. 14 Market Days’ (or such other minimum period as may be prescribed by Bursa Securities) notice of suspension shall be given to Bursa Securities and the Registrar stating the purpose or purposes for the suspension. In relation to the suspension, the Company shall give notice, in accordance with SICDA and the Rules of Depository, to enable Bursa Depository to issue the relevant Record of Depositors.”

Clause 45 – Recognition of renunciation of allotment

“Nothing in our Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.”

Clause 46 – Limitation of liability

“Subject to the Act, SICDA and the Rules of Depository, neither the Company or the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of Securities apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to, the Company or the Directors or other officers be legally inoperative or insufficient to pass the property in the Securities proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that, the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee of the particulars of the Securities transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his legal personal representatives and assignees shall be entitled to be recognised as the holder of such Securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.”

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)**14.2.2 Remuneration of Directors****Clause 117.1 – Fees and benefits of Directors**

“Fees and benefits payable to the Directors shall be subject to annual approval of Members at a general meeting provided always that:-

- (a) fees payable to non-executive Directors shall be by way of a fixed sum, and not by way of a commission on or percentage of profits or turnover; and
- (b) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.”

Clauses 117.2, 117.3 and 117.4 – Payment of expenses

“The Directors may also be reimbursed for all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board or any committee of Directors or general meetings of the Company or otherwise howsoever in connection with the business of the Company in the course of performing their duties as Directors.”

“In case the Company be wound up for any reason or purpose whatsoever, a Director shall not be entitled to any compensation in respect of the period which elapses between the date of the said winding up and the date at which, if the Company has not been wound up, he would have retired under the provision of our Constitution.”

“An Alternate Director shall not be entitled to receive any fees, compensation or benefits other than out of the fees and benefits of the Director who appointed him.”

Clause 121 – Fees and benefits of managing directors

“A managing director shall, subject to the Act and the terms of any agreement entered into in any particular case, receive such fees and benefits, whether by way of salary, commission, or participation in profits, or partly in one way and partly another, as the Board may determine, subject to and in accordance with the Act.”

Clause 127.3 – Right to payment for professional services

“Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as an auditor of the Company.”

Clause 128 – Pensions and donations

“Subject to the Act generally and Section 230 of the Act specifically, the Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant, donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of any company which is a subsidiary of the Company or of the predecessors in business of the Company or of any such subsidiary company, or the wives, widows, families or dependents of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds, trusts or individuals calculated to be for the benefit of any such persons as aforesaid (including grants of scholarships and

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

bursaries) or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions, donations or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.”

Clause 159 – Remuneration of executive officer

“The remuneration of the Directors appointed to an executive position under the provisions of our Constitution shall subject to the terms of any agreement entered into in any particular case, be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement. The remuneration of the Directors appointed to an executive position shall be determined by the Board and can either be in addition to or in lieu of his/their fee as a Director.”

14.2.3 Voting and borrowing powers of our Directors**Clause 125 – Directors’ borrowing powers**

“The Directors may exercise all the powers of the Company to borrow money or secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including uncalled capital or by means of mortgages, bonds and dispositions in security or bonds of cash-credit, with or without power of sale, as the Directors shall think fit. If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.”

Clause 126 – Keeping of registers

“The Directors shall duly comply with the provisions of the Act, and particularly the provisions as to registration and keeping copies of mortgages and charges, keeping of the Register of Members, keeping a register of Directors and entering all necessary particulars therein, and sending a copy thereof or a notification of any changes therein to the Registrar, and sending to the Registrar, an annual return, together with the certificates and the particulars required by the Act, notices as to increase of capital, returns of allotments and contracts relating thereto, copies of resolutions and agreements, and other particulars connected with the above.”

Clause 127 – Disclosure of interest in contracts, proposed contracts etc

“A Director who has an interest in a contract or proposed contract with the Company under Section 221 of the Act and/or the Listing Requirements:

- (i) if required under Section 221 of the Act and/or the Listing Requirements, shall declare the nature of his interest in accordance with the said provisions; and
- (ii) subject to Section 222 of the Act and/or the Listing Requirements:
 - (a) shall not vote or participate in any discussion regarding the said contract or proposed contract (and if he has done so, his vote shall not be counted); and

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (b) shall be counted only to make the quorum present at the meeting of the Board.”

Clauses 143 and 144 – Quorum

“The quorum necessary for the transaction of the business of the Directors shall be 2.”

“No business may be transacted at a meeting of the Board if a quorum is not present.”

Clause 148 – Voting

“Subject to the provisions of our Constitution, questions arising at any meeting of the Directors shall be decided and a resolution of the Board shall be passed, if approved by a majority of votes. In the case of equality of votes and subject to Clause 127 above, the chairman shall have a casting vote. However, where 2 Directors validly constitute a quorum, the chairman of a meeting at which only such a quorum is present, or at which only 2 Directors are competent to vote on the question at issue shall not have a casting vote, whereupon, in the case of equality of votes, the status quo shall be maintained in respect of such matter or thing contained in the resolution as it stood immediately before the resolution was placed before the Board. The other business not affected by such resolution shall continue as usual.”

14.2.4 Changes in capital and variation of class rights**Clause 6 – Class of shares**

“The share capital of the Company is its issued share capital. The shares in the Company may be divided into several classes, and there may be attached to any of them respectively any preferential, deferred and/or other special rights, privileges, conditions and/or restrictions as to dividends, capital, voting and/or otherwise.”

Clauses 7.1 and 7.2 – Authority of Directors to allot shares

“Subject to the provisions of the Act and our Constitution, the Directors may issue shares to such persons and at such time, consideration and on such other terms and conditions, as the Directors may determine provided however that no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of Members in general meeting. The exercise of the aforesaid rights shall be without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares.”

“Subject to the provisions of our Constitution, the Directors shall not exercise any power to:

- (i) allot shares in the Company;
- (ii) grant rights to subscribe for shares in the Company;
- (iii) convert any Securities into shares in the Company; or
- (iv) allot shares under an agreement or option or offer,

unless the prior approval of the Members by way of ordinary resolution has been obtained.”

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)**Clause 72 – Alteration of capital by special resolution**

“The Company may by special resolution:

- (i) consolidate and divide all or any of its share capital, such that the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (ii) convert all or any of its paid-up shares into stock and reconvert that stock into fully-paid shares; and
- (iii) subdivide its shares or any of its shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

The Company may by special resolution reduce its share capital in any manner authorised by the Act.”

Clause 73 – Alteration in accordance with conditions and terms

“Anything done in pursuance of the last preceding Clause of our Constitution shall be done in the manner provided and subject to any conditions imposed by the Act so far as they shall be applicable, and so far as they are not applicable, in accordance with the terms of the resolution authorising the same, and so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient.”

Clause 74 – Increase of share capital

“The Company in a general meeting may by ordinary resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any), or to be subject to such conditions or restrictions (if any), in regard to distribution including dividends, return of capital, voting or otherwise, as the general meeting resolving upon such increase directs.”

Clause 75.1 – Issue of new shares to existing Members

“Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities proposed to be issued shall, before they are issued be offered to such persons as are at the date of the offer entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by written notice specifying the number of shares or convertible Securities offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or convertible Securities offered, the Directors may dispose of those shares or convertible Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or convertible Securities which (by reason of the ratio which the new shares or convertible Securities bear to shares or Securities held by the persons entitled to an offer of new shares or convertible Securities) cannot, in the opinion of the Directors, be conveniently offered under our Constitution.”

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)**Clause 75.2 – New capital to be considered as part of the current share capital of the Company**

“Except so far as otherwise provided by or pursuant to the conditions of issue, any new share capital shall be considered as part of the current share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the current share capital.”

Clause 76 – Modification of rights

“Notwithstanding Clause 77, the repayment of preference share capital other than redeemable preference share capital, or any other alteration of preference shares and our shareholders' rights, shall only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of 3/4 of the preference share capital concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.”

Clause 77 – Variation of shareholders' rights

“If the share capital is divided into different classes of shares, the rights attached to any class unless otherwise provided by the terms of issue of that class may, whether or not the Company is being wound up, be varied by a written consent representing not less than 75% of the total voting rights of the Members in that class, or by a Special Resolution passed by Members in that class sanctioning the variation.”

Clause 83 – No variation of rights by issuance of new shares

“The special rights conferred upon the holders of any shares or class of shares issued with preferred or other special rights shall not, unless otherwise expressly provided by the terms of issue of such shares, as regards to participation in the profits or assets of the Company in some or in all respects be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.”

14.2.5 Limitation on the right to hold securities and/or exercise voting rights

Save as disclosed in Section 14.3 below, there is no limitation on the right to own our Shares including any limitation on the right of a non-residents or foreign shareholders to hold or exercise their voting rights on our Shares imposed by Malaysian law or by our Constitution.

14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)**14.4 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION**

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable. Further, the Government does not levy withholding tax on dividends payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

14.5 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts that are not in the ordinary course of our Group's business within the Period under Review and up to the date of this Prospectus:-

- (i) a sale and purchase agreement dated 25 September 2018 entered into between Eco Business Park 1 Development Sdn Bhd (as vendor) and Senheng KL (as purchaser) for the purchase of all that piece of land held under H.S.(D) 560793, PTD No. 186337, Mukim Tebrau, District of Johor Bahru, State of Johor measuring approximately 2.5 acres for a purchase consideration of RM7,622,600. This transaction was completed on 7 December 2018;
- (ii) a sale and purchase agreement dated 27 December 2018 entered into between Eight Development (M) Sdn Bhd (as vendor) and Senheng KL (as purchaser) for the purchase of a double-storey detached factory held under PN 10194, Lot No. 5369, Mukim 01, District of Seberang Perai Tengah, State of Penang measuring approximately 3,041 sqm for a purchase consideration of RM5,800,000. This transaction was completed on 22 January 2020;
- (iii) sale and purchase agreements dated 27 December 2018 entered into between Eight Development (M) Sdn Bhd (as vendor) and Senheng KL (as purchaser) for the purchase of the following properties:-
 - (a) a unit of 4-storey shophouse held under PM 636, Lot No. 29856, Mukim Empang, District of Hulu Langat, State of Selangor measuring approximately 178 sqm for a purchase consideration of RM2,645,000 and this transaction was completed on 19 August 2019;
 - (b) 2 units of 4-storey shophouses held under PM 254, Lot No. 29854 and Pajakan Mukim 255, Lot No. 29855, both in Mukim Empang, District of Hulu Langat, State of Selangor measuring approximately 178 sqm each for a purchase consideration of RM5,290,000 and this transaction was completed on 19 August 2019;
 - (c) first floor of the 4-storey shophouse held under PM253/M1/2/2, Lot No. 29853, Mukim Ampang, District of Hulu Langat, State of Selangor measuring approximately 154 sqm for a purchase consideration of RM480,000 and this transaction was completed on 31 December 2019;
 - (d) second floor of the 4-storey shophouse held under PM253/M1/3/3, Lot No. 29853, Mukim Ampang, District of Hulu Langat, State of Selangor measuring approximately 149 sqm for a purchase consideration of RM415,000 and this transaction was completed on 19 August 2019;
 - (e) third floor of the 4-storey shophouse held under PM253/M1/4/4, Lot No. 29853, Mukim Ampang, District of Hulu Langat, State of Selangor measuring approximately 163 sqm for a purchase consideration of RM345,000 and this transaction was completed on 28 June 2019; and

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (f) first floor of the 4-storey shophouse held under PM252/M1/2/2, Lot No. 29852, Mukim Ampang, District of Hulu Langat, State of Selangor measuring approximately 247 sqm for a purchase consideration of RM850,000 and this transaction was completed on 28 June 2019.
- (iv) a sale and purchase agreement dated 28 December 2018 entered into between True Special Sdn Bhd (as vendor) and Senheng KL (as purchaser) for the purchase of a double storey office building cum warehouse together with a guard house and pump house held under title deed country lease no. 015586222 situated in the District of Kota Kinabalu, State of Sabah measuring approximately 0.817 hectares for a purchase consideration of RM8,300,000. This transaction was completed on 16 May 2019;
- (v) sale and purchase agreements dated 24 June 2019 entered into between BCB Berhad (as vendor) and Senheng KL (as purchaser) for the purchase of the following properties:-
- (a) a 3-storey shop office with dual frontage to be erected thereon held under H.S.(D) 74179, PTB 5001, Mukim Bandar Penggaram, District of Batu Pahat, State of Johor measuring approximately 153 sqm for a purchase consideration of RM2,459,000;
- (b) a 3-storey shop office with dual frontage to be erected thereon held under H.S.(D) 74180, PTB 5002, Mukim Bandar Penggaram, District of Batu Pahat, State of Johor measuring approximately 153 sqm for a purchase consideration of RM2,459,000; and
- (c) a 3-storey shop office with dual frontage to be erected thereon held under H.S.(D) 74181, PTB 5003, Mukim Bandar Penggaram, District of Batu Pahat, State of Johor measuring approximately 153 sqm for a purchase consideration of RM2,704,900.

The above transactions were completed on 29 July 2020;

- (vi) sale and purchase agreements dated 9 July 2019 entered into between Majlis Agama Islam Selangor (as vendor) and Senheng KL (as purchaser) for the purchase of the following properties:-
- (a) a 3½-storey shop office held under Pajakan Negeri 115443, Lot 268 Seksyen 7, Bandar Kajang, District of Ulu Langat, State of Selangor measuring approximately 146 sqm for a purchase consideration of RM2,025,000;
- (b) a 3½-storey shop office held under Pajakan Negeri 115444, Lot 267 Seksyen 7, Bandar Kajang, District of Ulu Langat, State of Selangor measuring approximately 146 sqm for a purchase consideration of RM2,025,000; and
- (c) a 3½-storey shop office held under Pajakan Negeri 115445, Lot 270 Seksyen 7, Bandar Kajang, District of Ulu Langat, State of Selangor measuring approximately 285 sqm for a purchase consideration of RM3,950,000.

The above transactions were completed on 9 August 2019;

- (vii) sale and purchase agreements dated 31 July 2019 entered into between Chan Ka Heng, Wong Geok Ban, Wong Nee Kong and Wong Swee Tong (as vendors) and Senheng KL (as purchaser) for the purchase of the following properties:
- (a) a 3-storey shop office held under Geran 34747, Lot 13437, Mukim Pulai, District of Johor Bahru, State of Johor measuring approximately 284 sqm for a purchase consideration of RM3,550,000; and

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (b) a 3-storey shop office held under Geran 34748, Lot 13438, Mukim Pulai, District of Johor Bahru, State of Johor measuring approximately 143 sqm for a purchase consideration of RM1,750,000.

The above transactions were completed on 31 October 2019;

- (viii) sale and purchase agreements dated 31 July 2019 entered into between Ju-Ichi Enterprise Sdn Bhd (as vendor) and Senheng KL (as purchaser) for the purchase of the following properties:

- (a) a 3-storey shop office held under H.S.(D) 83295, PTB 13005, Mukim Kluang, District of Kluang, State of Johor measuring approximately 138 sqm for a purchase consideration of RM1,598,201;
- (b) a 3-storey shop office held under H.S.(D) 83296, PTB 13006, Mukim Kluang, District of Kluang, State of Johor measuring approximately 136 sqm for a purchase consideration of RM1,582,014; and
- (c) a 3-storey shop office held under H.S.(D) 83297, PTB 13007, Mukim Kluang, District of Kluang, State of Johor measuring approximately 135 sqm for a purchase consideration of RM1,566,906.

The above transactions were completed on 29 November 2019;

- (ix) sale and purchase agreements dated 1 October 2019 entered into between Putrajaya Development Sdn Bhd (as vendor), Senheng KL (as purchaser) and Putrajaya Holdings Sdn Bhd (as proprietor) for the purchase of the following properties:

- (a) a 4-storey shop office held under Geran 1224, Lot No. 305, Presint 15, Bandar Putrajaya, District of Putrajaya, State of Wilayah Persekutuan Putrajaya measuring approximately 219 sqm for a purchase consideration of RM3,611,786; and
- (b) a 4-storey shop office held under Geran 1225, Lot No. 306, Presint 15, Bandar Putrajaya, District of Putrajaya, State of Wilayah Persekutuan Putrajaya measuring approximately 219 sqm for a purchase consideration of RM3,609,663.

The above transactions were completed on 21 January 2020;

- (x) sale and purchase agreements dated 9 October 2019 entered into between Ng Yam Huat Fishery Sdn Bhd (as vendor) and Senheng KL (as purchaser) for the purchase of the following properties:

- (a) a 3-storey shop office known as Plot No. 1 measuring approximately 203 sqm for a purchase consideration of RM2,550,000;
- (b) a 3-storey shop office known as Plot No. 2 measuring approximately 129 sqm for a purchase consideration of RM1,650,000; and
- (c) a 3-storey shop office known as Plot No. 3 measuring approximately 129 sqm for a purchase consideration of RM1,650,000.

all held under master title H.S.(D) 62824, Lot 10062 Seksyen 3, Bandar Bukit Mertajam, District of Seberang Perai Tengah, State of Penang. The above transactions were completed on 11 February 2020;

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (xi) an agreement to build and let dated 11 November 2019 entered into between SDM Assets III Sdn Bhd ("**SDM Assets III**") (as landlord) and Senheng KL (as tenant) for the construction of a single storey warehouse facility with office space on part of the lands held under H.S.(D) 158613, PT 77275 and H.S.(D) 158614, PT 77276, Mukim Kapar, District of Klang, State of Selangor measuring approximately 200,035 sq ft. Upon completion of the construction, SDM Assets III shall let to Senheng KL the completed warehouse facility to be used as our CDC. The parties have on 16 November 2020 entered into a tenancy agreement for the CDC as required under the agreement to build and let, at a monthly rental of RM320,056 for a term of 3 years, commencing from 16 December 2020 and expiring on 15 December 2023 with an option to renew for 2 further terms of 3 years each upon the expiry of the current term;
- (xii) a sale and purchase agreement dated 18 September 2020 entered into between Komachi Industrial (M) Sdn Bhd (as vendor) and Senheng KL (as purchaser) for the purchase of all that parcel of land together with a 2-storey office building cum warehouse together with pump house currently under renovation held under Lot 1379, Section 66, Kuching Town Land District measuring approximately 5,496 sqm for a purchase consideration of RM6,300,000. This transaction was completed on 12 February 2021;
- (xiii) sale and purchase agreements dated 23 December 2020 and 24 December 2020 respectively entered into between Danau Lumayan Sdn Bhd (as vendor), Senheng KL (as purchaser) and Datuk Bandar Kuala Lumpur (as proprietor) for the purchase of the following properties:
- (a) a shoptlot located at the ground floor known as Parcel No. G-05 measuring approximately 136 sqm for a purchase consideration of RM804,100;
 - (b) a shoptlot located at the ground floor known as Parcel No. G-06 measuring approximately 197 sqm for a purchase consideration of RM1,168,200;
 - (c) a shoptlot located at the ground floor known as Parcel No. G-07 measuring approximately 136 sqm for a purchase consideration of RM804,100;
 - (d) a shoptlot located at the first floor known as Parcel No. 1-06 measuring approximately 157 sqm for a purchase consideration of RM762,750;
 - (e) a shoptlot located at the first floor known as Parcel No. 1-07 measuring approximately 227 sqm for a purchase consideration of RM1,099,350; and
 - (f) a shoptlot located at the first floor known as Parcel No. 1-08 measuring approximately 157 sqm for a purchase consideration of RM762,750.
- all held under master title Pajakan Negeri 48474, Lot 58405, Mukim Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur. The above transactions are pending completion as at the LPD;
- (xiv) a conditional share sale agreement dated 28 June 2021 entered into between KH Lim, KC Lim and KY Lim (as vendors) and Senheng (as purchaser) for the acquisition of 1,000,000 shares in Senheng KL for a total consideration of RM166,206,168 to be satisfied via the issuance of 166,206,168 new Shares at an issue price of RM1.00 per Share. This transaction was completed on 25 November 2021; and
- (xv) the Underwriting Agreement.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)**14.6 MATERIAL LITIGATION**

As at the LPD, our Group is not involved in any material litigation or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business or financial position of the Group, and our Directors confirm to the best of their knowledge that there is no legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of the Group.

14.7 CONSENTS

The written consents of our Principal Adviser, Managing Underwriter, Joint Underwriters, Joint Bookrunners, Solicitors to our Company, Solicitors to the Managing Underwriter, Joint Underwriters and Joint Bookrunners, Company Secretaries, Issuing House and Share Registrar as set out in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants for the inclusion of its name, Accountants' Report and Reporting Accountants' report on the compilation of the Pro Forma Statements of Financial Position, and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Smith Zander for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office at BO3-B-13-1, Level 13, Menara 3A, KL Eco City, No. 3, Jalan Bangsar, 59200 Kuala Lumpur during office hours for a period of 6 months from the date of this Prospectus:-

- (i) our Constitution;
- (ii) our material contracts as referred to in Section 14.5 above;
- (iii) the IMR Report as set out in Section 8 of this Prospectus;
- (iv) the Reporting Accountants' Report on the Compilation of the Pro Forma Statements of Financial Position as set out in Section 12.8 of this Prospectus;
- (v) Accountants' Report as set out in Section 13 of this Prospectus;
- (vi) the letters of consent referred to in Section 14.7 above;
- (vii) the audited financial statements of Senheng KL and Senheng Captive for the FYEs 2018, 2019 and 2020 as well as for the FPE 2021; and
- (viii) the audited financial statements of SC Alliance from 5 August 2020 (date of incorporation) to 31 December 2020 and for the FPE 2021.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 29 DECEMBER 2021

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 10 JANUARY 2022

In the event there is any change to the dates and/or times stated above, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATION

15.2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application method
Applications by Eligible Persons	Pink Application Form only
Applications by the Malaysian Public	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-Individuals	White Application Form only

15.2.2 Institutional Offering

Malaysian institutional and selected investors being allocated our IPO Shares under the Institutional Offering (other than Bumiputera investors approved by the MITI) will be contacted directly by the respective Joint Bookrunners and will follow the instructions as communicated by the respective Joint Bookrunners.

Bumiputera investors approved by the MITI who have been allocated our IPO Shares will be contacted directly by the MITI and should follow the instructions as communicated through the MITI.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Malaysian institutional and selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

15.3 ELIGIBILITY**15.3.1 General**

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

15.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:-

- (i) you must be one of the following:-
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) you must submit Applications by using only one of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

15.3.3 Application by Eligible Persons

The Eligible Persons (including any entities, wherever established) will be provided with Pink Application Forms, letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO Shares. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM1.07 for each IPO Share.

Payment must be made out in favour of “**TIIH SHARE ISSUE ACCOUNT NO. 711**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:-

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

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

- (ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 10 January 2022 or such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board, reserves the right to:-

- (i) reject Applications which:-
 - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER / UNDER-SUBSCRIPTION

In the event of over-subscription for the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at <https://tiih.online> within one business day after the balloting event.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Pursuant to the Listing Requirements, we are required to have a minimum of 25.0% of our Company's share capital to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation as set out in Section 4.3.4 of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Managing Underwriter and Joint Underwriters based on the terms of the Underwriting Agreement.

15.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

15.9.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**15.9.2 For applications by way of Electronic Share Application and Internet Share Application**

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your application:-

- (i) Our IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

15.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. +603 - 2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at <https://tiih.online>, 1 Market Day after the balloting date.

You may also check the status of your Application at the above website, 5 Market Days after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT

1. Material properties owned by our Group

As at the LPD, the material properties owned by our Group are as follows:-

No.	Registered owner / Title / Postal address / Tenure	Description / Existing use	Express condition of land use / Restriction-in-interest / Category of land use	Encumbrances	Date of issuance of CFO/CCC	Approximate land area / Approximate built-up area	NBV as at 30 June 2021 (RM'000)
1.	<p>Registered owner:- Senheng KL</p> <p>Title:- (a) PM 636, Lot 29856, PM 255, Lot 29855, PM 254, Lot 29854, Mukim Empang, District of Hulu Langat, State of Selangor (b) PM 253/M1/2/2, PM253/M1/3/3, PM253/M1/4/4, Lot 29853, Mukim Ampang, District of Hulu Langat, State of Selangor (c) PM 252/M1/2/2 and PM252/M1/4/4, Lot 29852, Mukim Ampang, District of Hulu Langat, State of Selangor</p> <p>Postal address:- (a) 40-G, 40-1, 40-2 and 40-3, Jalan Pandan 3/2, Pandan Jaya, 55100 Kuala Lumpur (b) 42-G, 42-1, 42-2, 42-3, Jalan Pandan 3/2, Pandan Jaya, 55100 Kuala Lumpur (c) 44-G, 44-1, 44-2 and 44-3, Jalan Pandan 3/2, Pandan Jaya, 55100, Kuala Lumpur</p>	<p>Description:- "Grand Senheng" store:- Lots 40-G, 40-1, 42-G, 42-1, 44-G, 44-1:- 3 intermediate units of 4-storey shop-offices where we own the ground and first floor of each shop-offices as part of our "Grand Senheng" store⁽¹⁾</p> <p>Head office:- Lots 40-2, 40-3, 42-2, 42-3, 44-2, 44-3:- 3 intermediate units of 4-storey shop-offices where we own the second and third floor of each shop-offices as part of our head office</p>	<p>Express condition of land use / Restriction-in-interest / Category of land use Shop houses / business Restriction-in-interest:- This land shall not be sold, leased, charged or transferred without written consent of the state authority Category of land use:- Building</p>	<p>(a) Private caveat lodged by Public Bank Berhad vide presentation number 5618/2010 (b) Charge in favour of Public Bank Berhad vide presentation number 4793/2019 (c) Charge in favour of Public Bank Berhad vide presentation number 5176/2019 (d) Charge in favour of Hong Leong Islamic Bank Berhad vide presentation number 5493/2019 (e) Charge in favour of Public Bank Berhad vide presentation number 988/2020 (f) Charge in favour of Public Bank Berhad vide presentation number 2757/2019 (g) Charge in favour of Public Bank Berhad vide presentation number 2759/2019</p>	18.11.2021	<p>Land area:- 16,146 sq ft Built-up area:- 16,146 sq ft</p>	9,887

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No.	Registered owner / Title / Postal address / Tenure	Description / Existing use	Express condition of land use / Restriction-in-interest / Category of land use	Encumbrances	Date of issuance of CFO/CCC	Approximate land area / Approximate built-up area	NBV as at 30 June 2021
	(d) 46-1, 46-2, and 46-3, Jalan Pandan 3/2, Pandan Jaya, 55100, Kuala Lumpur ("Lot 46") (e) 48-1 and 48-3, Jalan Pandan 3/2, Pandan Jaya, 55100, Kuala Lumpur ("Lot 48")	<u>Lot 46:-</u> A 4-storey shop-office where we own the first, second and third floor as part of our head office <u>Lot 48:-</u> A 4-storey shop office where we own the first and third floor as part of our head office					
	Tenure:- Leasehold expiring on 05.05.2087						
		Existing use:- Used as head office with a Grand "Senheng" store ⁽¹⁾					
2.	Registered owner:- Senheng KL Title:- PN 25217, Lot 6974 and PN 25218, Lot 6973, Mukim Batu Berendam, District of Melaka Tengah, State of Melaka Postal address:- No. 105 and No. 107, Jalan PM 2, Taman Perindustrian Merdeka, Batu Berendam, 75350 Melaka Tenure:- Leasehold expiring on 22.07.2096	Description:- 2 intermediate units of 1 ½ storey terrace workshops Existing use:- Used as a regional hub	Express condition of land use:- Business building Restriction-in-interest:- Nil Category of land use:- Building		09.12.1997	Land area:- 5,769 sq ft Built-up area:- 3,840 sq ft	406

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No.	Registered owner / Title / Postal address / Tenure	Description / Existing use	Express condition of land use / Restriction-in-interest / Category of land use	Encumbrances	Date of issuance of CFO/CCC	Approximate land area / Approximate built-up area	NBV as at 30 June 2021
3.	<p>Registered owner:- Senheng KL</p> <p>Title:- PM 5763, Lot 61032 and PM 5950, Lot 61033, Mukim Kuala Kuantan, District of Kuantan, State of Pahang</p> <p>Postal address:- No. 32 and No. 34, Jalan IM 3/3, Mahkota Industrial Park, Bandar Baru Indera Mahkota, 25200 Kuantan, Pahang</p> <p>Tenure:- Leasehold expiring on 27.01.2063</p>	<p>Description:- 2 intermediate units of 2-storey light industrial buildings</p> <p>Existing use:- Used as a regional hub</p>	<p>Express condition of land use:- Industrial site</p> <p>Restriction-in-interest:- This land shall not be transferred, leased and charged without the written consent of the state authority</p> <p>Category of land use:- Industrial</p>	Nil	-(2)	<p>Land area:- 3,595 sq ft</p> <p>Built-up area:- 3,595 sq ft</p>	377

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No.	Registered owner / Title / Postal address / Tenure	Description / Existing use	Express condition of land use / Restriction-in-interest / Category of land use	Encumbrances	Date of issuance of CFO/CCC	Approximate land area / Approximate built-up area	NBV as at 30 June 2021 (RM'000)
4.	<p>Registered owner:- Senheng KL</p> <p>Title:- PN 10194, Lot 5369, Mukim 01, District of Seberang Perai Tengah, State of Penang</p> <p>Postal address:- 2770, Lorong Jelawat 2, Seberang Jaya, 13700 Perai, Penang</p> <p>Tenure:- Leasehold expiring on 18.08.2073</p>	<p>Description:- A detached factory comprising of a single-storey warehouse with 2-storey office building</p> <p>Existing use:- Used as a regional hub</p>	<p>Express condition of land use:- (a) The proprietor shall within 2 years from the date of alienation or within such further terms as may be approved by the state authority erect a factory building or buildings on the land hereby leased in accordance with the plan approved by the local authority and shall maintain the building or buildings so erected to the satisfaction of the Collector of Land Revenue, Bukit Mertajam ("Collector")</p> <p>(b) The proprietor shall treat and dispose of, or cause to be treated or disposed of trade effluents in a manner to the satisfaction of the Collector</p> <p>(c) The proprietor shall pay and discharge all taxes, rates, assessments and charges whatsoever which may be payable for the time being in respect of the land hereby alienated or any part thereof, whether levied by the District Council Central, Province Wellesley or any other authority</p> <p>(d) The proprietor shall ensure that 25% of the employees engaged in the business for which the land is hereby alienated shall be Malays and the rest Federal Citizens</p>	<p>Charge in favour of Hong Leong Islamic Bank Berhad vide presentation no. 0799SC2020001425</p>	21.01.1997	<p>Land area:- 32,733 sq ft</p> <p>Built-up area:- 13,500 sq ft</p>	5,500
<p>Restriction-in-interest: The alienated land shall not be transferred, charged, leased, sub-leased or otherwise in any manner dealt with or disposed of without the written sanction of the state authority</p> <p>Category of land use: Industrial</p>							

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No.	Registered owner / Title / Postal address / Tenure	Description / Existing use	Express condition of land use / Restriction-in-interest / Category of land use	Encumbrances	Date of issuance of CFO/CCC	Approximate land area / Approximate built-up area	NBV as at 30 June 2021 (RM'000)
5.	<p>Registered owner:- Senheng KL</p> <p>Title:- PN 195429, Lot 323077 and PN 195430, Lot 323078, Mukim Hulu Kinta, District of Kinta, State of Perak</p> <p>Postal address:- 79 and 81, Persiaran Klebang 1, Kawasan Perusahaan IGB, 31200 Ipoh, Perak</p>	<p>Description:- 2 intermediate units of 1 ½ storey semi-detached warehouse</p> <p>Existing use:- Used as a regional hub⁽³⁾</p>	<p>Express condition of land use:- Light industry</p> <p>Restriction-in-interest:- This land can be transferred or leased with the written consent of the state authority.</p> <p>Category of land use:- Industrial</p>	Nil	01.10.2020	<p>Land area:- 17,222 sq ft</p> <p>Built-up area:- 14,210 sq ft</p>	677

Tenure:-
Leasehold expiring on 20.09.2098

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No.	Registered owner / Title / Postal address / Tenure	Description / Existing use	Express condition of land use / Restriction-in-interest / Category of land use	Encumbrances	Date of issuance of CFO/CCC	Approximate land area / Approximate built-up area	NBV as at 30 June 2021
6.	<p>Registered owner:- Senheng KL</p> <p>Title:- Country Lease No. 015586222, District of Kota Kinabalu, State of Sabah</p> <p>Postal address:- Lot 2, KKIP Exported Oriented Industrial Zone Phase 2, Kota Kinabalu Industrial Park, Jalan Sepangar, 88450 Kota Kinabalu, Sabah</p> <p>Tenure:- Leasehold on 31.12.2096</p>	<p>Description:- A detached factory building comprising of single-storey warehouse and 2-storey office building with 1 guard house and 1 pump house</p> <p>Existing use:- Used as a regional hub⁽⁴⁾</p>	<p>Special terms:- (a) The said land is demised therein expressly and only for the purpose of erecting thereon for use as such industrial and commercial</p> <p>(b) Transfer, charge or sublease of this title is prohibited before fulfilment of the covenant therein and without the written permission of the Director of Lands and Surveys who will charge additional premium and enhanced rent while granting such permission</p> <p>(c) Subdivision of this title is prohibited without the written permission from the Director of Lands and Surveys who shall impose additional premium and enhanced rent and any other conditions thereof while granting such permission</p>	<p>Charge in favour of Public Bank Berhad vide memo no. MC1908010082</p>	24.01.2017	<p>Land area:- 87,941 sq ft</p> <p>Built-up area:- 26,000 sq ft</p>	8,176
<p>Category of land use:- Nil</p>							

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No.	Registered owner / Title / Postal address / Tenure	Description / Existing use	Express condition of land use / Restriction-in-interest / Category of land use	Encumbrances	Date of issuance of CFO/CCC	Approximate land area / Approximate built-up area	NBV as at 30 June 2021 (RM'000)
7.	<p>Registered owner:- Senheng KL</p> <p>Title:- H.S.(D) 83295, PTB 13005, H.S.(D) 83296, PTB 13006, and H.S.(D) 83297, PTB 13007, Bandar Kluang, District of Kluang, State of Johor</p> <p>Postal address:- No. 17, 19 and 21, Jalan Ciku, Kawasan Pembangunan Haji Manan, 86000 Kluang, Johor</p> <p>Tenure:- Leasehold expiring on 07.10.2113</p>	<p>Description:- 3 intermediate units of 3-storey shop-offices</p> <p>Existing use:- Used as a "Grand Senheng" store</p>	<p>Express condition of land use:- (a) This land shall be used for 3-storey shop office for the business and office purposes and shall be built in accordance with the plan which is approved by the relevant local authority</p> <p>(b) Any impurities and pollution that is caused by the activities carried out has to be channelled / disposed off at places determined by the local authority</p> <p>(c) All terms and conditions set and enforced from time to time by the relevant authority shall be complied with</p> <p>Restriction-in-interest:- The land contained in this title shall not be sold or transferred in any way to non-citizens / foreign companies without the consent of the state authority</p> <p>Category of land use:- Building</p>	<p>(a) Charge in favour of Hong Leong Islamic Bank Berhad vide presentation no. 4559/2020</p> <p>(b) Charge in favour of Hong Leong Islamic Bank Berhad vide presentation no. 4567/2020</p> <p>(c) Charge in favour of Hong Leong Islamic Bank Berhad vide presentation no. 4575/2020</p>	25.11.2019	<p>Land area:- 4,399 sq ft</p> <p>Built-up area:- 4,399 sq ft</p>	4,693

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No.	Registered owner / Title / Postal address / Tenure	Description / Existing use	Express condition of land use / Restriction-in-interest / Category of land use	Encumbrances	Date of issuance of CFO/CCC	Approximate land area / Approximate built-up area	NBV as at 30 June 2021 (RM'000)
8.	<p>Registered owner:- Senheng KL</p> <p>Title:- H.S.(D) 240768, P.T. 143, Seksyen 23, Bandar Shah Alam, District of Petaling, State of Selangor</p> <p>Postal address:- 105, Jalan Pelabur B 23/B, Seksyen 23, 40300 Shah Alam, Selangor</p> <p>Tenure:- Leasehold expiring on 02.10.2106</p>	<p>Description:- A corner unit of 3-storey shop-office</p> <p>Existing use:- Used as a "Grand Senheng" store</p>	<p>Express condition of land use:- Business building</p> <p>Restriction-in-interest:- This land can be transferred, leased or mortgaged after obtaining permission from the state authority</p> <p>Category of land use:- Building</p>	Nil	31.10.2006	<p>Land area:- 4,392 sq ft</p> <p>Built-up area:- 4,392 sq ft</p>	(RM'000) 1,574
9.	<p>Registered owner:- Senheng KL</p> <p>Title:- Geran 10234, Lot 163 and Geran 10235, Lot 164, Seksyen 20, Bandar Kuantan, District of Kuantan, State of Pahang</p> <p>Postal address:- B106 and B108, Jalan Tun Ismail, Sri Dagangan Kuantan, 25000 Kuantan, Pahang</p> <p>Tenure:- Freehold</p>	<p>Description:- 2 intermediate units of 3-storey shop-offices</p> <p>Existing use:- Used as a "Grand Senheng" store</p>	<p>Express condition of land use:- This land shall be used solely for business building only</p> <p>Restriction-in-interest:- Nil</p> <p>Category of land use:- Building</p>	Nil	-(2)	<p>Land area:- 2,820 sq ft</p> <p>Built-up area:- 2,820 sq ft</p>	1,156

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No.	Registered owner / Title / Postal address / Tenure	Description / Existing use	Express condition of land use / Restriction-in-interest / Category of land use	Encumbrances	Date of issuance of CFO/CCC	Approximate land area / Approximate built-up area	NBV as at 30 June 2021 (RM'000)
10.	<p>Registered owner:- Senheng KL⁽⁵⁾</p> <p>Title:- Master title Geran 176698, Lot 10062 Seksyen 3, Bandar Bukit Mertajam, District of Seberang Perai Tengah, State of Penang</p> <p>Postal address:- No. 2, 2A and 6, Persiaran Permatang Rawa, Bukit Mertajam Wellesley, 14000 Bukit Mertajam, Penang</p> <p>Tenure:- Freehold</p>	<p>Description:- 3 intermediate units of 3-storey shop-offices</p> <p>Existing use:- Used as a "Grand Senheng" store</p>	<p>Express condition of land use:- This land is used for business purposes only</p> <p>Restriction-in-interest:- Nil</p> <p>Category of land use:- Building</p>	Nil	08.11.2017	<p>Land area:- 4,971 sq ft</p> <p>Built-up area:- 4,971 sq ft</p>	(6,127)
11.	<p>Registered owner:- Senheng KL</p> <p>Title:- PN150626, Lot 206154 and PN150627, Lot 206155, Mukim Hulu Kinta, District of Kinta, State of Perak</p> <p>Postal address:- 40 and 42 Lebuhr Medan Ipoh, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak</p> <p>Tenure:- Leasehold expiring on 14.06.2092</p>	<p>Description:- 2 intermediate units of 2-storey shop-offices</p> <p>Existing use:- Used as a "Grand Senheng" store</p>	<p>Express condition of land use:- Business – shop building</p> <p>Restriction-in-interest:- This land shall not be transferred without the written consent of the <i>Menteri Besar Perak</i>. However, this restriction shall not be applicable after 7 years from the date the property is first transferred</p> <p>Category of land use:- Building</p>	Nil	10.09.2020	<p>Land area:- 3,294 sq ft</p> <p>Built-up area:- 3,294 sq ft</p>	637

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No.	Registered owner / Title / Postal address / Tenure	Description / Existing use	Express condition of land use / Restriction-in-interest / Category of land use	Encumbrances	Date of issuance of CFO/CCC	Approximate land area / Approximate built-up area	NBV as at 30 June 2021 (RM'000)
12.	<p>Registered owner:- Senheng KL</p> <p>Title:- PN 115443, Lot No. 268, PN 115444 Lot No. 267, and PN 115445 Lot No. 270, Seksyen 7, Bandar Kajang, District of Ulu Langat, State of Selangor</p> <p>Postal address:- No. 62, 63 and 64, Jalan Raja Harun, Bandar Kajang Seksyen 7, Kajang, 43000 Kajang, Selangor</p> <p>Tenure:- Leasehold expiring on 26.06.2089</p>	<p>Description:- 3 intermediate storey shop-offices (of which one of the units is a corner lot)</p> <p>Existing use:- Used as a "Grand Senheng" store</p>	<p>Express condition of land use:- Business building</p> <p>Restriction-in-interest:- Nil</p> <p>Category of land use:- Building</p>	<p>(a) Charge in favour of Public Bank Berhad presentation no. 87273/2019</p> <p>(b) Charge in favour of Public Bank Berhad presentation no. 87284/2019</p> <p>(c) Charge in favour of Public Bank Berhad presentation no. 87280/2019</p>	<p>12.03.1993</p>	<p>Land area:- 6,211 sq ft</p> <p>Built-up area:- 6,211 sq ft</p>	<p>7,957</p>

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No.	Registered owner / Title / Postal address / Tenure	Description / Existing use	Express condition of land use / Restriction-in-interest / Category of land use	Encumbrances	Date of issuance of CFO/CCC	Approximate land area / Approximate built-up area	NBV as at 30 June 2021 (RM'000)
13.	<p>Registered owner:- Senheng KL</p> <p>Title:- Lot 1379, Section 66, the Kuching Town Land District</p> <p>Postal address:- Lot 1379, Section 66, Jalan Buruh, Bintawa Industrial Estate, 93450 Kuching, Sarawak</p> <p>Tenure:- Leasehold expiring on 10.02.2052</p>	<p>Description:- A detached factory building comprising of single-storey warehouse and 2-storey office building together with 1 pump house currently under renovation</p> <p>Existing use:- To be used as a new warehouse located in Sarawak⁽⁶⁾</p>	<p>Restrictions and Special Conditions:-</p> <p>(a) The land is to be used for industrial purposes</p> <p>(b) The development or re-development of the land shall be in accordance with the plans sections and elevations approved by the Superintendent of Lands and Surveys, Kuching Division</p> <p>(c) The erection of a building or buildings on this land shall be in accordance with detailed drawings and specifications approved by the Council of the City of Kuching South and shall be completed within 2 years from the date of registration of the lease</p> <p>(d) No residential accommodation other than accommodation for a watchman with a maximum floor area of 37.2 sqm may be permitted on this land</p> <p>(e) No transfer affecting the land may be effected without the consent in writing of the Director of Lands and Surveys; and</p> <p>(f) No sublease affecting the land may be effected without the consent in writing of the Director of Lands and Surveys during the initial period of 5 years from the date of registration of the lease</p>	<p>Charge in favour of RHB Bank Berhad vide L.10399/2021 (which includes caveat)</p>	<p>13.01.1995</p>	<p>Land area:- 59,158 sq ft</p> <p>Built-up area:- 35,011 sq ft</p>	<p>6,148</p>

Category of land use:-

Mixed zone land / town land

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No.	Registered owner / Title / Postal address / Tenure	Description / Existing use	Express condition of land use / Restriction-in-interest / Category of land use	Encumbrances	Date of issuance of CFO/CCC	Approximate land area / Approximate built-up area	NBV as at 30 June 2021 (RM'000)
14.	<p>Registered owner:- Senheng KL</p> <p>Title:- Geran 592138, Lot 11054, Geran 592139, Lot 11055, Geran 592140, Lot 11056 and Geran 592141, Lot 11057, Mukim Bandar Penggaram, District of Batu Pahat, State of Johor</p> <p>Postal address:- 23, 23A, 23B, 24, 24A, 24B, 25, 25A, 25B, 26, 26A, 26B, Jalan Lingkar Bentara 1, Pusat Komersial Bentara 83000 Batu Pahat, Johor</p>	<p>Description:- 4 intermediate units of 3 storey shop- offices (of which 2 of the units is a corner lot)</p> <p>Existing use:- Used as a "Grand Senheng" store</p>	<p>Annotation: Land declared to be a special development area vide gazette notification no. Sarawak L.N. 47 of 25 August 1994 in accordance with Section 13E(1) of the Sarawak Land Code 1958</p> <p>Express condition of land use:- (a) This land shall be used for 3-storey shop office for the business and office purposes and shall be built in accordance with the plan which is approved by the relevant local authority (b) Any impurities and pollution that is caused by the activities carried out has to be channelled / disposed off at places determined by the local authority (c) All terms and conditions set and enforced from time to time by the relevant authority shall be complied with</p> <p>Restriction-in-interest:- The land contained in this title shall not be sold or transferred in any way to non-citizens / foreign companies without the consent of the state authority</p> <p>Category of land use:- Building</p>	<p>(a) Charge in favour of Public Bank Berhad vide presentation no. 98411/2019 (b) Charge in favour of Public Bank Berhad vide presentation no. 98387/2019 (c) Charge in favour of Public Bank Berhad vide presentation no. 98389/2019</p>	<p>19.07.2020</p>	<p>Land area:- 6,588 sq ft Built-up area:- 13,196 sq ft</p>	<p>7,700</p>

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Notes:-

- (1) There is also a rented unit of Lot 38-1B (as defined below) which forms part of the "Grand Senheng" store located below the head office in Pandan Jaya, Cheras, Kuala Lumpur.
- (2) Kuantan Municipal Council issued a letter dated July 2020 confirming and verifying that the CFO/CCC has been issued in respect of these properties.
- (3) This regional hub in Ipoh, Perak has extensions and awnings installed without the necessary approvals from the local authorities. The application for the extension approvals have been submitted to the local authorities on 28 April 2021. However, the said application was rejected by the relevant local authorities and we have re-submitted the application on 6 October 2021 and 8 December 2021 respectively and it is pending approval from the relevant local authorities.
- (4) This regional hub in Kota Kinabalu, Sabah has roof extensions and awnings installed without the necessary approvals from the local authorities. Our Group is in the midst of making an application to the local authorities for the unapproved extensions as at the LPD.
- (5) As at the LPD, the said properties are still held under the master title in which the registered owner is Tetap Perspektif Sdn Bhd. Senheng KL is the beneficial owner of the said properties and it is pending the issuance of the individual / strata titles to be registered under Senheng KL's name by the relevant authority.
- (6) The relocation to this new warehouse is expected to be completed by 1st quarter of 2022 once the renovations of the new warehouse have been completed and the necessary regulatory approvals have been obtained. Our Group has submitted the renovation application to Majlis Bandaraya Kuching Selatan ("MBKS") on 16 July 2021 and it is pending approval from MBKS.

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2. Material properties rented by our Group

As at the LPD, the material properties rented by our Group are as follows:-

No.	Tenant / Landlord	Postal address	Description / Existing use	Period of tenancy or lease	Date of issuance of CFO / CCC	Approximate land area / Approximate built-up area	Rental per annum (RM)
1.	Tenant:- Senheng KL Landlord:- Lim Kit Woon	No. 38-1B Jalan Pandan 3/2, Pandan Jaya, 55100 Kuala Lumpur ("Lot 38-1B")	Description:- A 4-storey shop office where we rent the first floor as part of our "Grand Senheng" store Existing use:- Used as part of our "Grand Senheng" store located below the head office	01.06.2021 to 31.05.2024	18.11.2021	Land area:- 1,916 sq ft Built-up area:- 879 sq ft	10,800.00
2.	Tenant:- Senheng KL Landlord:- SDM Assets III Sdn Bhd	No. 11, Jalan Astana 5/KU2, Bandar Bukit Raja, 41050 Klang, Selangor	Description:- A single-storey warehouse facility with 3-storey office building, 1 unit of electrical sub-station, 2 units of guard house and 1 unit of garbage house Existing use:- Used as the CDC and office	16.12.2020 to 15.12.2023	21.10.2020	Land area:- 286,503 sq ft Built-up area:- 200,035 sq ft	3,840,672.00
3.	Tenant:- Senheng KL Landlord:- Eight Development (M) Sdn Bhd	No. 10, Jalan Ekopemiagaan 1/5, Taman Ekopemiagaan, 81000 Johor Bahru, Johor	Description:- A light semi-detached factory comprising of single-storey warehouse and 2-storey office building together with 1 garbage house and 1 guard house Existing use:- Used as a regional hub	01.11.2019 to 30.10.2022	07.03.2016	Land area:- 23,681 sq ft Built-up area:- 13,023 sq ft	203,000.04

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

No.	Tenant / Landlord	Postal address	Description / Existing use	Period of tenancy or lease	Date of issuance of CFO / CCC	Approximate land area / Approximate built-up area	Rental per annum (RM)
4.	Tenant:- Senheng KL Landlord:- Halaman Unggul Sdn Bhd	Lot 678, Jalan Kampong Telok, Mukim Telok, Daerah Panji, Kota Bharu, Kelantan	Description:- A 2-storey detached building consisting of warehouse and office Existing use:- Used as a regional hub	30.06.2019 to 29.06.2022	24.09.2014	Land area:- 11,840 sq ft Built-up area:- 5,979.5 sq ft	76,320.00
5.	Tenant: Senheng KL Landlord: Eight Development (M) Sdn Bhd	No. 131-133, Lot 3606-3610, Ground Floor, Block 217, Kuching North Land District, Sublot 6-8, Batu 4 1/2 Jalan Batu Kawa, 93250 Kuching, Sarawak ⁽¹⁾	Description: A 2-storey semi-detached light industrial building Existing use: Used as a regional hub	01.02.2021 to 31.01.2024	17.07.2014	Land area: 19,687 sq ft Built-up area: 6,478 sq ft	204,000.00
6.	Tenant: Senheng KL Landlord: Tan Kek Foo	No. 36 (Ground Floor), Jalan IM 3/3, Mahkota Industrial Park, 25200 Kuantan, Pahang	Description: An intermediate unit of 2-storey light industrial building Existing use: Used as a regional hub	01.02.2020 to 31.01.2022	-(2)	Land area: 1,798 sq ft Built-up area: 1,720 sq ft	18,000.00

Notes:-

(1) This rented regional hub in Kuching, Sarawak does not have a valid fire certificate. In addition, this regional hub has extensions without the necessary approval from the local authorities. Our Group intends to move to a new warehouse owned by our Group once the renovations of the new warehouse have been completed and the new warehouse has obtained the necessary regulatory approvals, expected by the 1st quarter of 2022.

(2) Kuantan Municipal Council issued a letter dated July 2020 confirming and verifying that the CFO/CCC has been issued in respect of this property.

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The table below provides an overview of the number of stores as at the LPD rented by our Group according to location:-

Location	Number of physical stores			Approximate total rented area / Approximate rented area per property (sq ft)	Tenure
	“Senheng” stores	“senQ” digital station	“Grand Senheng Elite” stores		
Peninsular Malaysia					
▪ Northern ⁽¹⁾	11	4	6 ⁽⁵⁾	171,288 / 3,455 to 14,649	10 months to 4 years
▪ Central ⁽²⁾	14	8	13 ⁽⁶⁾	323,580 / 879 to 17,553	1 to 3 years
▪ Southern ⁽³⁾	3	6	8 ⁽⁷⁾	149,946 / 2,620 to 12,862	1 to 3 years
▪ East Coast ⁽⁴⁾	5	3	4 ⁽⁸⁾	100,168 / 3,425 to 17,017	2 to 3 years and 3 months
East Malaysia	3	9	4	163,271 / 4,413 to 15,853	15 months to 6 years
Total	36	30	35		

Notes:-

- (1) Northern region comprises Perlis, Kedah, Penang and Perak.
- (2) Central region comprises Selangor, Kuala Lumpur, Putrajaya and Negeri Sembilan.
- (3) Southern region comprises Melaka and Johor.
- (4) East Coast region comprises Pahang, Kelantan and Terengganu.
- (5) A “Grand Senheng” store located in Perak occupies multiple properties, including those rented and owned by our Group.
- (6) Two “Grand Senheng” stores located in Selangor and Kuala Lumpur occupy multiple properties, including those rented and owned by our Group.
- (7) A “Grand Senheng” store located in Johor occupies multiple properties, including those rented and owned by our Group.
- (8) A “Grand Senheng” store located in Pahang occupies multiple properties, including those rented and owned by our Group.

ANNEXURE A - MATERIAL PROPERTY, PLANT AND EQUIPMENT (CONT'D)**3. Compliance with CFO/CCC**

As at the LPD, 3 out of 105 of our owned and rented stores have not been issued with the required CFO/CCC or do not have documentary evidence of CFO/CCC having been issued. We will continue to work with the landlords to verify the status of CFO/CCC or to assist the landlords, to the extent possible, to obtain a copy of the CFO/CCC from the relevant authorities.

The affected stores are not expected to have a material adverse impact on our Group's operations and financial condition as they represent approximately 2.86% of our Group's 105 stores. Of these 3 stores, 2 were operational during FYE 2020 while 1 is a new "Grand Senheng Elite" store which opened in 2021. The 2 stores operational in 2020 contributed approximately 1.15% of our Group's combined revenue for the FYE 2020. Furthermore, the simultaneous enforcement on all the affected stores resulting in forced closures of all the affected stores at once is remote and the risk is diversified since the locations of the affected stores are dispersed throughout Malaysia.

Save as disclosed above and in Section 5.1.11 of this Prospectus, none of the material properties that we own or rent are in breach of any of the land use conditions or current applicable laws, rules and building regulations.

4. Material vehicles and equipment owned by our Group



Our Group owns the following material vehicles and equipment:-

Vehicles and equipment	Function	No. of units	NBV as at 30 June 2021
			(RM'000)
Lorries and trucks	Transportation of products from our CDC to our regional hubs, stores and customers	44	2,830
Forklifts and reach trucks	Lifting and moving goods in our warehouses	20	577
	Total:	64	3,407







ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS

Save as disclosed below, as at the LPD, we do not have any brand names, trademarks, patents, license agreements and other intellectual property rights:-



Malaysia

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
1.		Senheng KL / 96006527	MyIPO	Class 9 / Television, video, video camera, tape recorder, radio, projector, computer, calculator, fax machine, vacuum cleaner, video compact disc player, digital versatile disc player, mini high fidelity, walkman, equalizer, cassette deck, amplifier, speaker, telephone, copy machine and digital recording receiver; all included in class 9	Registered / 17.06.2013 – 17.06.2023
2.		Senheng KL / 07023716	MyIPO	Class 35 / Business management; business administration; advertising; office functions; retailing; retail outlets; the bringing together for the benefit of others, a variety of goods, enabling customers to conveniently view and purchase those goods in retail stores; distribution of samples; forecasting; marketing research; marketing studies; all included in class 35	Registered / 30.10.2017 – 30.11.2027



ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
3.		Senheng KL / 01015412	MyIPO	Class 35 / Business management; business administration; advertising; office functions; retail outlets; retail shops; retail stores; services of selling goods and enabling customers to conveniently view and purchase those goods advertising by radio and television commercials; all included in class 35.	Registered / 05.12.2011 – 30.11.2021 ⁽¹⁾
4.		Senheng KL / 05001766	MyIPO	Class 36 / Collection of bills; payment counter collection; recruitment of credit card; insurance agent; collection of credit card payments; bill collection on behalf of services providers; all included in class 36.	Registered / 04.03.2015 – 04.02.2025
5.		Senheng KL / 04017047	MyIPO	Class 35 / The bringing together for the benefit of others, of a variety of goods in a retail store for household electrical items, cameras, musical instruments, exercise machine, health care related equipment such as body massage equipment, massage chair, foot massage, water filtering systems; all included in class 35.	Registered / 13.10.2014 – 03.11.2024
6.		Senheng KL / 04017048	MyIPO	Class 36 / Collection of bills; payment counter collection; recruitment of credit card; insurance agent; collection of credit card payments; bill collection on behalf of services providers; all included in class 36.	Registered / 13.10.2014 – 03.11.2024
7.		Senheng KL / 05001764	MyIPO	Class 35 / The bringing together for the benefit of others, of a variety of goods in a retail store for household electrical items, cameras, musical instruments, exercise machines, health care related equipment such as body massage equipment, massage chair, foot massage, water filtering systems; all included in class 35.	Registered / 05.02.2015 – 04.02.2025
8.		Senheng KL / 05001765	MyIPO	Class 36 / Collection of bills; payment counter collection; recruitment of credit card; insurance agent; collection of credit card payments; bill collection on behalf of services providers; all included in class 36.	Registered / 05.02.2015 – 04.02.2025




ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
9.		Senheng KL / 06023560	MyIPO	Class 35 / The bringing together of a variety of goods and services for the benefit of others in a retail store outlet to enable customers to view and purchase these goods and services; business management and administration, advertising, sales, demonstration of goods; all included in class 35.	Registered / 13.07.2016 – 22.12.2026
10.		Senheng KL / 2015010923	MyIPO	Class 35 / Business administration; advertising; advertising services for the promotion of e-commerce; advertising and marketing services; promotional advertising services; digital advertising services; planning services for advertising; distribution of advertising brochures; publication of advertising matter; direct advertising services; online advertisements; providing online commercial directory information services; providing a searchable online advertising guide featuring the goods and services of other on-line vendors on the internet; advertising by transmission of on-line publicity for third parties through electronic communications networks; commercial trading and consumer information services; arranging subscriptions to telecommunication services for others; on-line data processing services; on-line auctioneering; electronic commerce services, namely, providing information about products via telecommunication networks for advertising and sales purposes; provision of on-line business and commercial information; provision of an on-line marketplace for buyers and sellers of goods and services; publicity and sales promotion relating to goods and services, offered and ordered by telecommunication or the electronic way; administration of consumer loyalty programs; commercial trading and consumer information services; loyalty scheme services; loyalty card services; loyalty, incentive and bonus program services; administration of a discount program for enabling participants to obtain discounts on goods and services through use of a discount membership card; all included in class 35.	Registered / 27.10.2015 – 27.10.2025


ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
11.		Senheng KL / 2015010924	MyIPO	Class 36 / Electronic payment services; electronic cash transactions; electronic credit card transactions; electronic debit transactions; financial information provided by electronic means; processing of electronic credit card transactions; processing electronic payments made through prepaid cards; bank card, credit card, debit card and electronic payment card services; issuing electronic payment cards in connection with bonus and reward schemes; processing payments for the purchase of goods and services via an electronic communications network; issuing tokens of value as a reward for customer loyalty; issuing electronic payment cards in connection with bonus and reward schemes; loyalty, incentive and bonus program services; administration of consumer loyalty programs; issuing of tokens of value in relation to incentive schemes; issue and redemption of tokens of value; issue of tokens, coupons and vouchers of value; providing rebates at participating establishments of others through use of a membership card; all included in class 36.	Registered / 27.10.2015 – 27.10.2025
12.		Senheng KL / 2015010925	MyIPO	Class 16 / Printed matter; advertising publications; promotional publications; printed publications; periodical publications; publication paper; printed periodical publications; advertising pamphlets advertising posters; printed advertising boards of paper; catalogues; greeting cards; pamphlets; newsletters; stationery; writing instruments; announcement cards; planners (printed matter); diaries (printed matter); instructional manuals; postcards; handbooks (manuals); prospectuses; magazines (periodicals); envelopes; packaging materials; notebooks; writing pads; calendars; graphic prints and representations; all included in class 16.	Registered / 27.10.2015 – 27.10.2025

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
13.		Senheng KL / 2015010926	MyIPO	Class 38 / Telecommunications; telecommunication services; telecommunication network services; internet based telecommunication services; mobile telecommunication network services; provision of telecommunication facilities; leasing of telecommunication apparatus; rental of telecommunication lines; fibre optic telecommunication services; providing information about telecommunications; rental of telecommunication lines; digital network telecommunication services; communications via multinational telecommunication networks; providing access to telecommunication networks; operation of a telecommunication network; telecommunication services between computer networks; providing telecommunication connections to databases; consultancy in the field of telecommunications; providing telecommunication connections to the internet; communication of data by means of telecommunications; data transmission services over telecommunication networks; all included in class 38.	Registered / 27.10.2015 – 27.10.2025
14.		Senheng KL / 2018069747	MyIPO	Class 35 / Business management; business administration; advertising; office functions; retailing; retail outlets; the bringing together for the benefit of others, a variety of goods, enabling customers to conveniently view and purchase those goods in retail stores; distribution of samples; forecasting; marketing research; marketing studies; all included in class 35.	Registered / 25.09.2018 – 25.09.2028
15.		Senheng KL / TM2019010451	MyIPO	Class 9 / Instant messaging software; internet messaging software; downloadable software; downloadable instant messaging software; application software; communications software; mobile application software; e-commerce software; graphical user interface software; all included in class 9.	Registered / 25.03.2019 – 25.03.2029

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
16.	 QuickChat	Senheng KL / TM2019010454	MyIPO	Class 38 / Instant messaging services; communication services; interactive communication services; internet communication; mobile communication services; electronic communication services; all included in class 38.	Registered / 25.03.2019 – 25.03.2029
17.	Different..... Truly different	Senheng KL / TM2021003915	MyIPO	Class 9 / Computers; computer hardware; computer software; application software; e-commerce software; instant messaging software; internet messaging software; downloadable computer software; software for facilitating secure credit card transactions; software and applications for mobile devices; computer application software for mobile phones; computer software platforms; data processing software and systems; mobile data communications apparatus; teaching apparatus and instruments; encoded loyalty cards; discount cards, encoded; discount cards, magnetic; encoded reward cards; magnetic data carriers, recording discs; compact discs, digital versatile discs and other digital recording media; data processing equipment; apparatus for storing and transmitting data; data encryption apparatus; downloadable electronic publications; security tokens (encryption devices); local area networks; apparatus for electronic payment processing; encoded prepaid payment cards; terminals for electronically processing credit card payments; data compilations; magazines downloaded via the internet.	Application filed, published ⁽²⁾

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
18.	Feel It! Test It!	Senheng KL / TM2021003913	MyIPO	Class 9 / Computers; computer hardware; computer software; application software; e-commerce software; instant messaging software; internet messaging software; downloadable computer software; software for facilitating secure credit card transactions; software and applications for mobile devices; computer application software for mobile phones; computer software platforms; data processing software and systems; mobile data communications apparatus; teaching apparatus and instruments; encoded loyalty cards; discount cards, encoded; discount cards, magnetic; encoded reward cards; magnetic data carriers, recording discs; compact discs, digital versatile discs and other digital recording media; data processing equipment; apparatus for storing and transmitting data; data encryption apparatus; downloadable electronic publications; security tokens (encryption devices); local area networks; apparatus for electronic payment processing; encoded prepaid payment cards; terminals for electronically processing credit card payments; data compilations; magazines downloaded via the internet.	Application filed, published ⁽²⁾
19.	PLUSONE	Senheng KL / TM2021003914	MyIPO	Class 9 / Computers; computer hardware; computer software; application software; e-commerce software; instant messaging software; internet messaging software; downloadable computer software; software for facilitating secure credit card transactions; software and applications for mobile devices; computer application software for mobile phones; computer software platforms; data processing software and systems; mobile data communications apparatus; teaching apparatus and instruments; encoded loyalty cards; discount cards, encoded; discount cards, magnetic; encoded reward cards; magnetic data carriers, recording discs; compact discs, digital versatile discs and other digital recording media; data processing equipment; apparatus for storing and transmitting data; data encryption apparatus; downloadable electronic publications; security tokens (encryption devices); local area networks; apparatus for electronic payment processing; encoded prepaid payment cards;	Provisional refusal (objected) ⁽³⁾

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
20.	senQ	Senheng KL / TM2021003911	MyIPO	<p>terminals for electronically processing credit card payments; data compilations; magazines downloaded via the internet.</p> <p>Class 9 / Computers; computer hardware; computer software; application software; e-commerce software; instant messaging software; internet messaging software; downloadable computer software; software for facilitating secure credit card transactions; software and applications for mobile devices; computer application software for mobile phones; computer software platforms; data processing software and systems; mobile data communications apparatus; teaching apparatus and instruments; encoded loyalty cards; discount cards, encoded; discount cards, magnetic; encoded reward cards; magnetic data carriers, recording discs; compact discs, digital versatile discs and other digital recording media; data processing equipment; apparatus for storing and transmitting data; data encryption apparatus; downloadable electronic publications; security tokens (encryption devices); local area networks; apparatus for electronic payment processing; encoded prepaid payment cards; terminals for electronically processing credit card payments; data compilations; magazines downloaded via the internet.</p>	Application filed, published ⁽²⁾
21.	DELIGHTO	Senheng KL / TM2021010216	MyIPO	<p>Class 8 / Forks; harpoons; fillet knife; hunting hand tools; truncheon; police batons; nail clipper; survival knife; universal pocket knife; climbing knife; diving knife; scissors; universal cutting pliers; axes; hand tools; hand-operated; blade sharpening instruments; blades (hand tools); sharpening stones; kitchen knife; army knife and sabres.</p>	Application filed, under formality validation ⁽⁴⁾


ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
22.	DELIGHTO	Senheng KL / TM2021032406	MyIPO	<ul style="list-style-type: none"> ▪ Class 21 / Small portable household utensils and containers (not of precious metal nor coated therewith) kitchen or domestic utensil, non-electrical kettles, non-electrical pressure-cookers, non-electrical coffee-pots, milk-pots, sauce-pans, frying-pans, stew-pans, oven-dishes, baking dishes, frying-appliances, moulds, shallow frying-pans, sorbet-freezers, spit-roasters, croque-monsieur making appliances, waffle-irons, yoghurt-making appliances, centrifugal salad-dryers; brushes (other than paint-brushes), electric and non-electric tooth-brushes, instruments, apparatus and material for cleaning purposes, brooms, crumb-collectors, non-electrical vacuum-cleaners and their parts, glasswares, porcelain and earthenware, china and pottery. ▪ Class 16 / Printed matter; advertising publications; promotional publications; printed publications; periodical publications; publication paper; printed periodical publications; advertising pamphlets advertising posters; printed advertising boards of paper; catalogues; greeting cards; pamphlets; newsletters; stationery; writing instruments; announcement cards; planners (printed matter); diaries (printed matter); instructional manuals; postcards; handbooks (manuals); prospectuses; magazines (periodicals); envelopes; packaging materials; notebooks; writing pads; calendars; graphic prints and representations. ▪ Class 35 / The bringing together, for the benefit of others, of a variety of goods, namely audio and video digital products, digital cameras and photographic accessories, communication products, information technology hardware and software, computer hardware and software, computer accessories and peripherals, telecommunication products, electronic and information technology games (hardware and software) and peripherals, local area network-gaming, books and magazines, furnishings, 	Application filed, under formality validation ⁽⁵⁾

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				<p>floorings, linens, soft furnishings and their accessories, electrical consumer goods including kitchen and laundry appliances, lighting apparatus, small electronic goods for the home, personal care items, garden items, sewing machines, exercise equipment, bicycles, tools and home-wares, enabling customers to conveniently view and purchase those goods in a department store, from a general merchandise catalogue by mail order, through a television shopping channel by means of telecommunications, or from a general merchandise global telecommunication network website or by means of telecommunications; sales promotion for others relation to telecommunication services, Internet service provider (ISP) services, broad band services, telephone line services and global telecommunicating network services through a television shopping channel by means of telecommunications, or from a general global telecommunication network website or by means of telecommunications; advice and assistance in the selection of goods; preparation and presentation of advertising matter; sales promotion services, publicity services; business and management advice; business consultancy, information and research services; compilation and provision of trade, business, price and statistical information and data bases; preparation and compilation of reports; advertising services, business administration, marketing and marketing planning; advisory and consultancy services relating to marketing, marketing assessment services; business planning and development, services relating to stock control; setting up, organisation, administration, operation and supervision of customer loyalty, sales, incentives and promotional activity schemes and advice, consultancy and information services relating to such services; business management, including assistance and advising for the establishment and management of retail stores.</p>	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
23.		Senheng KL / TM2021032407	MyIPO	<ul style="list-style-type: none"> ▪ Class 8 / Forks; harpoons; fillet knife; hunting hand tools; truncheon; police batons; nail clipper; survival knife; universal pocket knife; climbing knife; diving knife; scissors; universal cutting pliers; axes; hand tools, hand-operated; blade sharpening instruments; blades (hand tools); sharpening stones; kitchen knife; army knife; sabres. ▪ Class 16 / Printed matter; advertising publications; promotional publications; printed publications; periodical publications; publication paper; printed periodical publications; advertising pamphlets advertising posters; printed advertising boards of paper; catalogues; greeting cards; pamphlets; newsletters; stationery; writing instruments; announcement cards; planners (printed matter); diaries (printed matter); instructional manuals; postcards; handbooks (manuals); prospectuses; magazines (periodicals); envelopes; packaging materials; notebooks; writing pads; calendars; graphic prints and representations. ▪ Class 21 / Small portable household utensils and containers (not of precious metal nor coated therewith) kitchen or domestic utensil, non-electrical kettles, non-electrical pressure-cookers, non-electrical coffee-pots, milk-pots, sauce-pans, frying-pans, stew-pans, oven-dishes, baking dishes, frying-appliances, moulds, shallow frying-pans, sorbet-freezers, spit-roasters, croque-monsieur making-appliances, waffle-irons, yoghurt-making appliances, centrifugal salad-dryers; brushes (other than paint-brushes), electric and non-electric tooth-brushes; instruments, apparatus and material for cleaning purposes, brooms, crumb-collectors, non-electrical vacuum-cleaners and their parts, glasswares, porcelain and earthenware, china and pottery. 	Application filed, under formality validation ⁽⁶⁾

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				<ul style="list-style-type: none"> ▪ Class 35 / The bringing together, for the benefit of others, of a variety of goods, namely audio and video digital products, digital cameras and photographic accessories, communication products, information technology hardware and software, computer hardware and software, computer accessories and peripherals, telecommunication products, electronic and information technology games (hardware and software) and peripherals, local area network-gaming, books and magazines, furnishings, floorings, linens, soft furnishings and their accessories, electrical consumer goods including kitchen and laundry appliances, lighting apparatus, small electronic goods for the home, personal care items, garden items, sewing machines, exercise equipment, bicycles, tools and home-wares, enabling customers to conveniently view and purchase those goods in a department store, from a general merchandise catalogue by mail order, through a television shopping channel by means of telecommunication, or from a general merchandise global telecommunication network website or by means of telecommunication; sales promotion for others relation to telecommunication services, Internet service provider (ISP) services, broad band services, telephone line services and global telecommunicating network services through a television shopping channel by means of telecommunications, or from a general global telecommunication network website or by means of telecommunications; advice and assistance in the selection of goods; preparation and presentation of advertising matter; sales promotion services, publicity services; business and management advice; business consultancy, information and research services; compilation and provision of trade, business, price and statistical information and data bases; preparation and compilation of reports; advertising services, business administration, marketing and marketing planning; advisory and consultancy services relating to marketing, marketing assessment services; business planning and development, services relating to stock control; 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
24.	DIFFERENT...TRULY DIFFERENT!	Senheng KL / TM2021032408	MyIPO	<p>setting up, organisation, administration, operation and supervision of customer loyalty, sales, incentives and promotional activity schemes and advice, consultancy and information services relating to such services; business management, including assistance and advising for the establishment and management of retail stores.</p> <p>Class 16 / Printed matter; advertising publications; promotional publications; printed publications; periodical publications; publication paper; printed periodical publications; advertising pamphlets advertising posters; printed advertising boards of paper; catalogues; greeting cards; pamphlets; newsletters; stationery; writing instruments; announcement cards; planners (printed matter); diaries (printed matter); instructional manuals; postcards; handbooks (manuals); prospectuses; magazines (periodicals); envelopes; packaging materials; notebooks; writing pads; calendars; graphic prints and representations.</p>	Application filed, under formality validation ⁽⁶⁾
25.	Feel It! Test It!	Senheng KL / TM2021032409	MyIPO	<p>Class 16 / Printed matter; advertising publications; promotional publications; printed publications; periodical publications; publication paper; printed periodical publications; advertising pamphlets advertising posters; printed advertising boards of paper; catalogues; greeting cards; pamphlets; newsletters; stationery; writing instruments; announcement cards; planners (printed matter); diaries (printed matter); instructional manuals; postcards; handbooks (manuals); prospectuses; magazines (periodicals); envelopes; packaging materials; notebooks; writing pads; calendars; graphic prints and representations.</p>	Application filed, under formality validation ⁽⁶⁾

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
26.	PlusOne	Senheng KL / TM2021032410	MyIPO	<ul style="list-style-type: none"> ▪ Class 16 / Printed matter; advertising publications; promotional publications; printed publications; periodical publications; publication paper; printed periodical publications; advertising pamphlets advertising posters; printed advertising boards of paper; catalogues; greeting cards; pamphlets; newsletters; stationery; writing instruments; announcement cards; planners (printed matter); diaries (printed matter); instructional manuals; postcards; handbooks (manuals); prospectuses; magazines (periodicals); envelopes; packaging materials; notebooks; writing pads; calendars; graphic prints and representations. ▪ Class 18 / Leather and imitations of leather; animal skins and hides; luggage and carrying bags; umbrellas and parasols; walking sticks; whips, harness and saddlery; collars, leashes and clothing for animals; bags; tote bags; pouches; leather cases; cases of imitation leather; carrying cases; document cases; all-purpose carrying bags; jewellery bags (empty); make-up bags; shopping bags; souvenir bags; toiletry bags; wristlets (bags); travel bags; credit card holders; luggage label holders; wallets; trunks and suitcases; handbags; shoulder bags; clutch bags (evening handbags); backpacks; purses (bags); sports bags; garment bags; beach bags; leather straps; attache cases and briefcases of leather; briefcases of leather or imitation leather; wheeled suitcases and bags; leather bags for packaging; bags or small bags (envelopes, pouches) of leather for packaging; key cases of leather; card holders (leather goods); ticket holders of leather; cases of leather for business cards; leather boxes and trunks; boxes of leather or imitation leather; traveling trunks; vanity cases, not fitted; vanity cases (empty) and cosmetic bags (sold empty); travel sets (leather goods). 	Application filed, under formality validation ⁽⁶⁾

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				<ul style="list-style-type: none"> ▪ Class 25 / Clothing, footwear, headgear; t-shirts; shirts; polo shirts; pants; caps (headwear); socks; belts (clothing); bandanas (neckerchiefs); swimsuits; bath robes; bibs, not of paper; underwear; jackets; windproof jackets; pullover; jeans; shorts; singlets; aprons (clothing); gloves (clothing); hats; sweaters; cardigans; jerseys (clothing); motorists' clothing; neckties; ponchos; sandals; scarves; shawls; shoes; slippers; socks; tee-shirts; trousers; underwear; uniforms; waterproof clothing; cyclists' clothing; coats. 	
				<ul style="list-style-type: none"> ▪ Class 35 / The bringing together, for the benefit of others, of a variety of goods, namely audio and video digital products, digital cameras and photographic accessories, communication products, information technology hardware and software, computer hardware and software, computer accessories and peripherals, telecommunication products, electronic and information technology games (hardware and software) and peripherals, local area network-gaming, books and magazines, furnishings, floorings, linens, soft furnishings and their accessories, electrical consumer goods including kitchen and laundry appliances, lighting apparatus, small electronic goods for the home, personal care items, garden items, sewing machines, exercise equipment, bicycles, tools and home-wares, enabling customers to conveniently view and purchase those goods in a department store, from a general merchandise catalogue by mail order, through a television shopping channel by means of telecommunication, or from a general merchandise global telecommunication network website or by means of telecommunication; sales promotion for others relation to telecommunication services, Internet service provider (ISP) services, broad band services, telephone line services and global telecommunicating network services through a television shopping channel by means of telecommunications, or from a 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				<p>general global telecommunication network website or by means of telecommunications; advice and assistance in the selection of goods; preparation and presentation of advertising matter; sales promotion services, publicity services; business and management advice; business consultancy, information and research services; compilation and provision of trade, business, price and statistical information and data bases; preparation and compilation of reports; advertising services, business administration, marketing and marketing planning; advisory and consultancy services relating to marketing, marketing assessment services; business planning and development, services relating to stock control; setting up, organisation, administration, operation and supervision of customer loyalty, sales, incentives and promotional activity schemes and advice, consultancy and information services relating to such services; business management, including assistance and advising for the establishment and management of retail stores.</p>	
				<ul style="list-style-type: none"> ▪ Class 36 / Insurance; financial affairs; monetary affairs; provision of instalment loans; financial services, namely, the provision of renovation and furnishing instalment packages; hire purchase financing services; project financing; business finance procurement services; financing and loan services; instalment credit financing; instalment loan financing; provision of lease-purchase finance facilities; lease-purchase financing; credit (financing); sales credit financing; financial services for the provision of credit; arranging finance for construction projects; arranging of insurance; provision of information, advisory and consultancy services relating to all the aforesaid services. 	

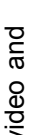
ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				<ul style="list-style-type: none"> ▪ Class 38 / Telecommunications services, namely electronic transmission of data, messages, graphics, images and information; peer-to-peer photo sharing services, namely, electronic transmission of digital photo files among internet users; providing access to computer, electronic and online databases; providing online forums for communication on topics of general interest; providing online communications links which transfer web site users to other local and global web pages; providing online chat rooms and electronic bulletin boards; broadcasting services over computer or other communication networks namely, uploading, posting, displaying, tagging, and electronically transmitting data, information, messages, graphics, and images; Tele) communication services, satellite broadcast services, digital television broadcast; television broadcast. 	
				<ul style="list-style-type: none"> ▪ Class 39 / Transport; packaging and storage of goods; travel arrangement; air transport; aircraft rental; ambulance transport; armored-car transport; arranging of cruises; arranging of tours; barge transport; boat rental; boat storage; boat transport; booking of seats for travel; bottling services; bus transport; car parking; car rental; car transport; carting; chauffeur services; courier services (messages or merchandise); delivery of goods by mail order; delivery of newspapers; distribution of energy; electricity distribution; escorting of travellers; ferry-boat transport; flower delivery; franking of mail; freight brokerage (forwarding (am.)); freight forwarding; freight (shipping of goods); freighting; frozen-food locker rental; garage rental; guarded transport of valuables; hauling; horse rental; ice-breaking; launching of satellites for others; lighterage services; marine transport; message delivery; newspaper delivery; operating canal locks; packaging of goods; parcel delivery; parking place rental; passenger transport; piloting; pleasure boat transport; portage; providing travel information services through a global computer network; providing navigation 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				and information services, namely, information regarding traffic and traffic congestion; railway transport; refloating of ships; refrigerator rental; removal services; rental of diving bells; rental of diving suits; rental of freezers; rental of motor racing cars; rental of storage containers; rental of vehicle roof racks; rental of warehouses; rental of wheelchairs; rescue operations (transport); river transport; salvage of ships; salvaging; shipbrokerage; sightseeing (tourism); stevedoring; storage; storage information; storage of goods; streetcar transport; taxi transport; towing; traffic information; tram transport; transport; transport and storage of trash; transport and storage of waste; transport brokerage; transport by pipeline; transport of travellers; transport reservation; transportation information; transportation logistics; transporting furniture; travel reservation; travel agency services, namely making reservations and bookings for transportation; underwater salvage; unloading cargo; vehicle breakdown assistance (towing); vehicle rental; warehousing; water distribution; water supplying; wrapping of goods; airport services; brokerage for rental, selling, purchasing or chartering of vessels; cargo unloading; correspondence delivery services; gas supplying (distribution); heat supplying (distribution); management of parking places; parking services; providing road and traffic information; providing toll roads; providing vessel mooring facilities; rental of aircraft; rental of bicycles; rental of freezers for household purposes; rental of freezing machines and apparatus; rental of loading-unloading machines and apparatus; rental of mechanical parking systems; rental of packaging or wrapping machines and apparatus; rental of refrigerator-freezers for household purposes; rental of vessels; rental of warehouse space; ship piloting; temporary safekeeping of personal belongings; temporary storage of deliveries; tour conducting; tour conducting or escorting; travel agencies or liaison services; vehicle-driving services; warehousing services; water supplying (distribution).	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
27.		Senheng KL / TM2021032412	MyIPO	<ul style="list-style-type: none"> ▪ Class 41 / Entertainment services, namely, providing video and audio content and cable and network programming in the field of television programs; dance shows, music shows and video award shows; comedy shows, game shows and sports events before live audiences which are broadcast live or taped for later broadcast; live concerts; tv news shows; providing information in the field of television programs; dance shows, music shows and video award shows; comedy shows, game shows and sports events before live audiences which are broadcast live or taped for later broadcast; live concerts and tv news shows via a global computer network. 	Application filed, under formality validation ⁽⁶⁾
				<ul style="list-style-type: none"> ▪ Class 9 / Computers; computer hardware; computer software; application software; e-commerce software; instant messaging software; internet messaging software; downloadable computer software; software for facilitating secure credit card transactions; software and applications for mobile devices; computer application software for mobile phones; computer software platforms; data processing software and systems; mobile data communications apparatus; teaching apparatus and instruments; encoded loyalty cards; discount cards, encoded; discount cards, magnetic; encoded reward cards; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; data processing equipment; apparatus for storing and transmitting data; data encryption apparatus; downloadable electronic publications; security tokens (encryption devices); local area networks; apparatus for electronic payment processing; encoded prepaid payment cards; terminals for electronically processing credit card payments; data compilations; magazines downloaded via the internet; instant messaging software; internet messaging software; downloadable software; downloadable instant messaging software; application software; e-communications software; mobile application software; e-commerce software; graphical user interface software. 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				<ul style="list-style-type: none"> ▪ Class 16 / Printed matter; advertising publications; promotional publications; printed publications; periodical publications; publication paper; printed periodical publications; advertising pamphlets advertising posters; printed advertising boards of paper; catalogues; greeting cards; pamphlets; newsletters; stationery; writing instruments; announcement cards; planners (printed matter); diaries (printed matter); instructional manuals; postcards; handbooks (manuals); prospectuses; magazines (periodicals); envelopes; packaging materials; notebooks; writing pads; calendars; graphic prints and representations. ▪ Class 35 / The bringing together, for the benefit of others, of a variety of goods, namely audio and video digital products, digital cameras and photographic accessories, communication products, information technology hardware and software, computer hardware and software, computer accessories and peripherals, telecommunication products, electronic and information technology games (hardware and software) and peripherals, local area network-gaming, books and magazines, furnishings, floorings, linens, soft furnishings and their accessories, electrical consumer goods including kitchen and laundry appliances, lighting apparatus, small electronic goods for the home, personal care items, garden items, sewing machines, exercise equipment, bicycles, tools and home-wares, enabling customers to conveniently view and purchase those goods in a department store, from a general merchandise catalogue by mail order, through a television shopping channel by means of telecommunication, or from a general merchandise global telecommunication network website or by means of telecommunication; sales promotion for others relation to telecommunication services, Internet service provider (ISP) services, broad band services, telephone line services and global telecommunicating network services through a television 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				shopping channel by means of telecommunications, or from a general global telecommunication network website or by means of telecommunications; advice and assistance in the selection of goods; preparation and presentation of advertising matter; sales promotion services, publicity services; business and management advice; business consultancy, information and research services; compilation and provision of trade, business, price and statistical information and data bases; preparation and compilation of reports; advertising services, business administration, marketing and marketing planning; advisory and consultancy services relating to marketing, marketing assessment services; business planning and development, services relating to stock control; setting up, organisation, administration, operation and supervision of customer loyalty, sales, incentives and promotional activity schemes and advice, consultancy and information services relating to such services; business management, including assistance and advising for the establishment and management of retail stores.	
28.	SENHENG	Senheng KL / TM2021032414	MyIPO	<ul style="list-style-type: none"> ▪ Class 9 / Computers; computer hardware; computer software; application software; e-commerce software; instant messaging software; internet messaging software; downloadable computer software; software for facilitating secure credit card transactions; software and applications for mobile devices; computer application software for mobile phones; computer software platforms; data processing software and systems; mobile data communications apparatus; teaching apparatus and instruments; encoded loyalty cards; discount cards; encoded; discount cards, magnetic; encoded reward cards; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; data processing equipment; apparatus for storing and transmitting data; data encryption apparatus; downloadable electronic publications; security tokens (encryption devices); local area networks; apparatus for electronic payment processing; 	Application filed, under formality validation ⁽⁵⁾

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				<p>encoded prepaid payment cards; terminals for electronically processing credit card payments; data compilations; magazines downloaded via the internet; instant messaging software; internet messaging software; downloadable software; downloadable instant messaging software; application software; e-communications software; mobile application software; e-commerce software; graphical user interface software.</p>	
				<ul style="list-style-type: none"> ▪ Class 16 / Printed matter; advertising publications; promotional publications; printed publications; periodical publications; publication paper; printed periodical publications; advertising pamphlets advertising posters; printed advertising boards of paper; catalogues; greeting cards; pamphlets; newsletters; stationery; writing instruments; announcement cards; planners (printed matter); diaries (printed matter); instructional manuals; postcards; handbooks (manuals); prospectuses; magazines (periodicals); envelopes; packaging materials; notebooks; writing pads; calendars; graphic prints and representations. 	
				<ul style="list-style-type: none"> ▪ Class 18 / Leather and imitations of leather; animal skins and hides; luggage and carrying bags; umbrellas and parasols; walking sticks; whips, harness and saddlery; collars, leashes and clothing for animals; bags; tote bags; pouches; leather cases; cases of imitation leather; carrying cases; document cases; all-purpose carrying bags; jewellery bags (empty); make-up bags; shopping bags; souvenir bags; toiletry bags; wristlets (bags); travel bags; credit card holders; luggage label holders; wallets; trunks and suitcases; handbags; shoulder bags; clutch bags (evening handbags); backpacks; purses (bags); sports bags; garment bags; beach bags; leather straps; attache cases and briefcases of leather; briefcases of leather or imitation leather; wheeled suitcases and bags; leather bags for packaging; bags or small bags (envelopes, pouches) of leather for packaging; key 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				cases of leather; card holders (leather goods); ticket holders of leather; cases of leather for business cards; leather boxes and trunks; boxes of leather or imitation leather; traveling trunks; vanity cases, not fitted; vanity cases (empty) and cosmetic bags (sold empty); travel sets (leather goods).	
				<ul style="list-style-type: none"> ▪ Class 25 / Clothing, footwear, headgear; t-shirts; shirts; polo shirts; pants; caps (headwear); socks; belts (clothing); bandanas (neckerchiefs); swimsuits; bath robes; bibs, not of paper; underwear; jackets; windproof jackets; pullover; jeans; shorts; singlets; aprons (clothing); gloves (clothing); hats; sweaters; cardigans; jerseys (clothing); motorists' clothing; neckties; ponchos; sandals; scarves; shawls; shoes; slippers; socks; tee-shirts; trousers; underwear; uniforms; waterproof clothing; cyclists' clothing; coats. 	
				<ul style="list-style-type: none"> ▪ Class 38 / Telecommunications services, namely electronic transmission of data, messages, graphics, images and information; peer-to-peer photo sharing services, namely, electronic transmission of digital photo files among internet users; providing access to computer, electronic and online databases; providing online forums for communication on topics of general interest; providing online communications links which transfer web site users to other local and global web pages; providing online chat rooms and electronic bulletin boards; broadcasting services over computer or other communication networks namely, uploading, posting, displaying, tagging, and electronically transmitting data, information, messages, graphics, and images; Tele) communication services, satellite broadcast services, digital television broadcast; television broadcast. 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				<ul style="list-style-type: none"> ▪ Class 39 / Transport; packaging and storage of goods; travel arrangement; air transport; aircraft rental; ambulance transport; armored-car transport; arranging of cruises; arranging of tours; barge transport; boat rental; boat storage; boat transport; booking of seats for travel; bottling services; bus transport; car parking; car rental; car transport; carting; chauffeur services; courier services (messages or merchandise); delivery of goods by mail order; delivery of newspapers; distribution of energy; electricity distribution; escorting of travellers; ferry-boat transport; flower delivery; franking of mail; freight brokerage (forwarding (am.)); freight forwarding; freight (shipping of goods); freighting; frozen-food locker rental; garage rental; guarded transport of valuables; hauling; horse rental; ice-breaking; launching of satellites for others; lighterage services; marine transport; message delivery; newspaper delivery; operating canal locks; packaging of goods; parcel delivery; parking place rental; passenger transport; piloting; pleasure boat transport; portage; providing travel information services through a global computer network; providing navigation and information services, namely, information regarding traffic and traffic congestion; railway transport; refloating of ships; refrigerator rental; removal services; rental of diving bells; rental of diving suits; rental of freezers; rental of motor racing cars; rental of storage containers; rental of vehicle roof racks; rental of warehouses; rental of wheelchairs; rescue operations (transport); river transport; salvage of ships; salvaging; shipbrokerage; sightseeing (tourism); stevedoring; storage; storage information; storage of goods; streetcar transport; taxi transport; towing; traffic information; tram transport; transport; transport and storage of trash; transport and storage of waste; transport brokerage; transport by pipeline; transport of travellers; transport reservation; transportation information; transportation logistics; transporting furniture; travel reservation; travel agency services, namely making reservations and bookings for transportation; underwater salvage; unloading cargo; vehicle breakdown assistance (towing); 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				vehicle rental; warehousing; water distribution; water supplying; wrapping of goods; airport services; brokerage for rental, selling, purchasing or chartering of vessels; cargo unloading; correspondence delivery services; gas supplying (distribution); heat supplying (distribution); management of parking places; parking services; providing road and traffic information; providing toll roads; providing vessel mooring facilities; rental of aircraft; rental of bicycles; rental of freezers for household purposes; rental of freezing machines and apparatus; rental of loading-unloading machines and apparatus; rental of mechanical parking systems; rental of packaging or wrapping machines and apparatus; rental of refrigerator-freezers for household purposes; rental of vessels; rental of warehouse space; ship piloting; temporary safekeeping of personal belongings; temporary storage of deliveries; tour conducting; tour conducting or escorting; travel agencies or liaison services; vehicle-driving services; warehousing services; water supplying (distribution).	
				<ul style="list-style-type: none"> ▪ Class 41 / Entertainment services, namely, providing video and audio content and cable and network programming in the field of television programs; dance shows, music shows and video award shows; comedy shows, game shows and sports events before live audiences which are broadcast live or taped for later broadcast; live concerts; tv news shows; providing information in the field of television programs; dance shows, music shows and video award shows; comedy shows, game shows and sports events before live audiences which are broadcast live or taped for later broadcast; live concerts and tv news shows via a global computer network. 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
29.	senQ	Senheng KL / TM2021032416	MyIPO	<ul style="list-style-type: none"> ▪ Class 45 / Social introduction and networking and dating services; Providing access to computer databases and online searchable databases in the fields of social networking, social introduction and dating; Providing information in the field of personal development, self-improvement, self-fulfillment, charitable, philanthropic, volunteer, public and community services, and humanitarian activities; Providing concierge services for others, namely, booking reservations, facilitating purchases, arranging deliveries, making requested personal arrangements, providing recommendations on products and services, providing customer-specific information to meet individual needs, and provision of electronic reminders and notifications; Online social networking services; Providing information in the form of databases featuring information in the fields of social networking and social introduction; User verification services; Identification verification services; Business identification verification services. 	Application filed, under formality validation ⁽⁶⁾
				<ul style="list-style-type: none"> ▪ Class 16 / Printed matter; advertising publications; promotional publications; printed publications; periodical publications; publication paper; printed periodical publications; advertising pamphlets advertising posters; printed advertising boards of paper; catalogues; greeting cards; pamphlets; newsletters; stationery; writing instruments; announcement cards; planners (printed matter); diaries (printed matter); instructional manuals; postcards; handbooks (manuals); prospectuses; magazines (periodicals); envelopes; packaging materials; notebooks; writing pads; calendars; graphic prints and representations. 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				<ul style="list-style-type: none"> ▪ Class 18 / Leather and imitations of leather; animal skins and hides; luggage and carrying bags; umbrellas and parasols; walking sticks; whips, harness and saddlery; collars, leashes and clothing for animals; bags; tote bags; pouches; leather cases; cases of imitation leather; carrying cases; document cases; all-purpose carrying bags; jewellery bags (empty); make-up bags; shopping bags; souvenir bags; toiletry bags; wristlets (bags); travel bags; credit card holders; luggage label holders; wallets; trunks and suitcases; handbags; shoulder bags; clutch bags (evening handbags); backpacks; purses (bags); sports bags; garment bags; beach bags; leather straps; attache cases and briefcases of leather; briefcases of leather or imitation leather; wheeled suitcases and bags; leather bags for packaging; bags or small bags (envelopes, pouches) of leather for packaging; key cases of leather; card holders (leather goods); ticket holders of leather; cases of leather for business cards; leather boxes and trunks; boxes of leather or imitation leather; traveling trunks; vanity cases, not fitted; vanity cases (empty) and cosmetic bags (sold empty); travel sets (leather goods). ▪ Class 25 / Clothing, footwear, headgear; t-shirts; shirts; polo shirts; pants; caps (headwear); socks; belts (clothing); bandanas (neckerchiefs); swimsuits; bath robes; bibs, not of paper; underwear; jackets; windproof jackets; pullover; jeans; shorts; singlets; aprons (clothing); gloves (clothing); hats; sweaters; cardigans; jerseys (clothing); motorists' clothing; neckties; ponchos; sandals; scarves; shawls; shoes; slippers; socks; tee-shirts; trousers; underwear; uniforms; waterproof clothing; cyclists' clothing; coats. 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				<ul style="list-style-type: none"> ▪ Class 35 / The bringing together, for the benefit of others, of a variety of goods, namely audio and video digital products, digital cameras and photographic accessories, communication products, information technology hardware and software, computer hardware and software, computer accessories and peripherals, telecommunication products, electronic and information technology games (hardware and software) and peripherals, local area network-gaming, books and magazines, furnishings, floorings, linens, soft furnishings and their accessories, electrical consumer goods including kitchen and laundry appliances, lighting apparatus, small electronic goods for the home, personal care items, garden items, sewing machines, exercise equipment, bicycles, tools and home-wares, enabling customers to conveniently view and purchase those goods in a department store, from a general merchandise catalogue by mail order, through a television shopping channel by means of telecommunications, or from a general merchandise global telecommunication network website or by means of telecommunication services; sales promotion for others relation to telecommunication services, Internet service provider (ISP) services, broad band services, telephone line services and global telecommunicating network services through a television shopping channel by means of telecommunications, or from a general global telecommunication network website or by means of telecommunications; advice and assistance in the selection of goods; preparation and presentation of advertising matter; sales promotion services, publicity services; business and management advice; business consultancy, information and research services; compilation and provision of trade, business, price and statistical information and data bases; preparation and compilation of reports; advertising services, business administration, marketing and marketing planning; advisory and consultancy services relating to marketing, marketing assessment services; business planning and development, services relating to stock control; 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				<p>setting up, organisation, administration, operation and supervision of customer loyalty, sales, incentives and promotional activity schemes and advice, consultancy and information services relating to such services; business management, including assistance and advising for the establishment and management of retail stores.</p>	
				<ul style="list-style-type: none"> ▪ Class 36 / Insurance; financial affairs; monetary affairs; provision of instalment loans; financial services, namely, the provision of renovation and furnishing instalment packages; hire purchase financing services; project financing; business finance procurement services; financing and loan services; instalment credit financing; instalment loan financing; provision of lease-purchase finance facilities; lease-purchase financing; credit (financing); sales credit financing; financial services for the provision of credit; arranging finance for construction projects; arranging of insurance; provision of information, advisory and consultancy services relating to all the aforesaid services. 	
				<ul style="list-style-type: none"> ▪ Class 38 / Telecommunications services, namely electronic transmission of data, messages, graphics, images and information; peer-to-peer photo sharing services, namely, electronic transmission of digital photo files among internet users; providing access to computer, electronic and online databases; providing online forums for communication on topics of general interest; providing online communications links which transfer web site users to other local and global web pages; providing online chat rooms and electronic bulletin boards; broadcasting services over computer or other communication networks namely, uploading, posting, displaying, tagging, and electronically transmitting data, information, messages, graphics, and images; Tele) communication services, satellite broadcast services, digital television broadcast; television broadcast. 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				<ul style="list-style-type: none"> ▪ Class 39 / Transport; packaging and storage of goods; travel arrangement; air transport; aircraft rental; ambulance transport; armored-car transport; arranging of cruises; arranging of tours; barge transport; boat rental; boat storage; boat transport; booking of seats for travel; bottling services; bus transport; car parking; car rental; car transport; carting; chauffeur services; courier services (messages or merchandise); delivery of goods by mail order; delivery of newspapers; distribution of energy; electricity distribution; escorting of travellers; ferry-boat transport; flower delivery; franking of mail; freight brokerage (forwarding (am.)); freight forwarding; freight (shipping of goods); freighting; frozen-food locker rental; garage rental; guarded transport of valuables; hauling; horse rental; ice-breaking; launching of satellites for others; lightering services; marine transport; message delivery; newspaper delivery; operating canal locks; packaging of goods; parcel delivery; parking place rental; passenger transport; piloting; pleasure boat transport; portage; providing travel information services through a global computer network; providing navigation and information services, namely, information regarding traffic and traffic congestion; railway transport; refloating of ships; refrigerator rental; removal services; rental of diving bells; rental of diving suits; rental of freezers; rental of motor racing cars; rental of storage containers; rental of vehicle roof racks; rental of warehouses; rental of wheelchairs; rescue operations (transport); river transport; salvage of ships; salvaging; shipbrokerage; sightseeing (tourism); stevedoring; storage; storage information; storage of goods; streetcar transport; taxi transport; towing; traffic information; tram transport; transport; transport and storage of trash; transport and storage of waste; transport brokerage; transport by pipeline; transport of travellers; transport reservation; transportation information; transportation logistics; transporting furniture; travel reservation; travel agency services, namely making reservations and bookings for transportation; underwater salvage; unloading cargo; vehicle 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)



No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
				breakdown assistance (towing);vehicle rental; warehousing; water distribution; water supplying; wrapping of goods; airport services; brokerage for rental, selling, purchasing or chartering of vessels; cargo unloading; correspondence delivery services; gas supplying (distribution);heat supplying (distribution);management of parking places; parking services; providing road and traffic information; providing toll roads; providing vessel mooring facilities; rental of aircraft; rental of bicycles; rental of freezers for household purposes; rental of freezing machines and apparatus; rental of loading-unloading machines and apparatus; rental of mechanical parking systems; rental of packaging or wrapping machines and apparatus; rental of refrigerator-freezers for household purposes; rental of vessels; rental of warehouse space; ship piloting; temporary safekeeping of personal belongings; temporary storage of deliveries; tour conducting; tour conducting or escorting; travel agencies or liaison services; vehicle-driving services; warehousing services; water supplying (distribution).	
				<ul style="list-style-type: none"> ▪ Class 41 / Entertainment services, namely, providing video and audio content and cable and network programming in the field of television programs; dance shows, music shows and video award shows; comedy shows, game shows and sports events before live audiences which are broadcast live or taped for later broadcast; live concerts; tv news shows; providing information in the field of television programs; dance shows, music shows and video award shows; comedy shows, game shows and sports events before live audiences which are broadcast live or taped for later broadcast; live concerts and tv news shows via a global computer network. 	

ANNEXURE B – BRAND NAMES, TRADEMARKS, PATENTS, LICENSE AGREEMENTS AND OTHER INTELLECTUAL PROPERTY RIGHTS (CONT'D)

Notes:-

- (1) The said renewal application has been submitted on 8 June 2021 and it is currently pending renewal.
- (2) The said registration application has been received by MyIPO on 11 February 2021 and was subsequently published in the Intellectual Property Official Journal pursuant to Section 31(1) of the Trademarks Act 2019. Pursuant to Regulation 23(1) of the Trademarks Regulations 2019, a notice of opposition to the application may be filed with the registrar within 2 months from the date of publication of the acceptance of such application for the registration of trademark. Pursuant to Section 36(1) of the Trademarks Act 2019, the registrar shall register the trademark in the name of the proprietor if such application has not been opposed and the period for opposition has expired.
- (3) On 3 December 2021, Senheng KL has received provisional refusal (objected) by MyIPO in respect of the said registration application on the ground that the said trademark is similar with other trademarks of similar goods or services pursuant to Section 24(2)(b) of the Trademarks Act 2019. Senheng KL is in the midst of arranging for appeal against the said refusal.
- (4) The said registration application has been received by MyIPO on 8 April 2021.
- (5) The said registration application has been received by MyIPO on 18 November 2021.

Vietnam

No.	Trademark	Name of applicant / Registration no.	Issuing authority	Class / Description	Status / Validity period
1.		Senheng KL / 87724	Intellectual Property Office of Vietnam	Class 35 / Products introduction service to customers (excluding shipping) goods at retail stores such as: household electrical appliances, video cameras, musical instruments, exercise machines, care equipment health (eg body massagers, massage chairs, foot massagers, water purification systems).	Registered / 31.07.2017 – 31.08.2026 ⁽¹⁾
2.		Senheng KL / 130615	Intellectual Property Office of Vietnam	Class 35 / Products presentation services to customers (excluding transportation) of goods in retail stores such as household electrical appliances, video cameras, musical instruments, exercise machines, health care equipment strong examples include body massage device, massage chair, foot massage device, water purification system.	Registered / 24.08.2018 – 16.04.2028 ⁽¹⁾

Note:-

- (1) As at the LPD, we do not have any plans to expand into the Vietnamese market and we do not intend to renew these trademarks when they expire.

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS

The following is an overview of the material laws and regulations that are relevant to the business operations of our Group in Malaysia.

(A) LAWS AND REGULATIONS RELATING TO THE RETAIL BUSINESS

(1) Local Government Act 1976 (“LGA 1976”), Trades Licensing Ordinance (Sabah Cap 144) (“Trades Licensing Ordinance”) and Businesses, Professions and Trades Licensing Ordinance (“BPTLO”)

We are required to obtain and maintain business and trade licences in respect of our retail outlets. Under the LGA 1976 and the by-laws of the respective local authorities in Peninsular Malaysia, a business licence granted by the local authority is generally valid for a period not exceeding three years and is subject to renewal. Every person to whom a licence has been granted shall exhibit his licence at all times in some prominent place on the licensed premises and shall produce such licence if required to do so by any officer of the local authority authorised to demand the same. Any person who fails to exhibit or to produce such licence shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM500 or to imprisonment for a term not exceeding 6 months or to both.

In Sabah, under the Trades Licensing Ordinance, a trading licence shall authorise the holder to carry on the business described in the licence. If any person contravenes the said provisions, he shall be liable for each offence to a fine of four times the amount of the licence fee and to a further fine of RM10 for each day or part of a day subsequent to a conviction during which the contravention continues. Every trading licence shall be exhibited in a conspicuous place of the premises and any person who fails to exhibit the licence shall on conviction be liable to a fine of RM500.

In Sarawak, under the BPTLO, any person who carries on any business in Sarawak without a trading licence shall be liable to a fine of RM1,000. The trading licence shall be exhibited in a conspicuous place of the premises, and any person who fails to exhibit the licence shall be liable to a fine of RM200. Further, pursuant to the Local Authorities (Advertisements) By-Laws 2012 (“**LABL 2012**”), no person shall erect or exhibit or cause to be erected or exhibited within the areas under the jurisdiction of any local authority any advertisement, without a licence. Any person who contravenes any of the provisions of the LABL 2012 is subject to a fine not exceeding RM5,000 and imprisonment not exceeding 6 months, and in the case of a continuing offence, a further fine not exceeding RM200 for each day during which the offence continues.

(2) Competition Act 2010 (“Competition Act”)

Our Group is required in the course of carrying out our business operations to ensure that we comply with the Competition Act and in particular, not to engage in any conduct which prevents the process of competition.

The Competition Act was enacted for the purposes of promoting economic development by promoting and protecting the process of competition, thereby protecting the interests of consumers. The process of competition encourages efficiency, innovation and entrepreneurship, which promotes competitive prices, improvement in the quality of products and services and wider choices for consumers. In order to achieve these benefits, the Competition Act prohibits anti-competitive conduct.

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)

The prohibited practices stated in the Competition Act are as follows:-

- (a) Pursuant to Section 4(1) of the Competition Act, a horizontal or vertical agreement between enterprises is prohibited insofar as the agreement has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services; and
- (b) Pursuant to Section 10(1) of the Competition Act, an enterprise is prohibited from engaging, whether independently or collectively, in any conduct which amounts to an abuse of a dominant position in any market for goods or services. An abuse of dominant position may include amongst others:
 - (i) directly or indirectly imposing unfair purchase or selling price or other unfair trading condition on any supplier or customer;
 - (ii) limiting or controlling (1) production (2) market outlets or market access (3) technical or technological development or (4) investment, to the prejudice of consumers;
 - (iii) applying different conditions to equivalent transactions with other trading parties to an extent that may (1) discourage new market entry or expansion or investment by an existing competitor (2) force from the market or otherwise seriously damage an existing competitor which is no less efficient than the enterprise in a dominant position or (3) harm competition in any market in which the dominant enterprise is participating or in any upstream or downstream market; or
 - (iv) buying up a scarce supply or intermediate goods or resources required by a competitor, in circumstances where the enterprise in a dominant position does not have a reasonable commercial justification for buying up the intermediate goods or resources to meet its own needs.

Pursuant to Section 61(a) of the Competition Act, if a body corporate commits an offence under the Competition Act for which no penalty is expressly provided, it shall on conviction be liable to a fine not exceeding RM5,000,000, and for a second or subsequent offence, to a fine not exceeding RM10,000,000.

(3) Sale of Goods Act 1957 (“SOGA”)

The SOGA governs the sale of goods in Peninsular Malaysia while Section 5(2) of the Civil Law Act 1956 governs the sale of goods in Sabah and Sarawak.

Such legislation set out the terms and conditions relating to the sale of goods, which includes amongst others the condition and warranty, sale by description, implied conditions as to quality etc.

Accordingly, we use our best efforts to ensure that we comply with such legislation.

(4) Consumer Protection Act 1999 (“CPA 1999”) and Consumer Protection (Electronic Trade Transactions) Regulations 2012 (“CPR 2012”)

The CPA 1999 provides for the protection of consumers, the establishment of the national consumer advisory council and the tribunal for consumer claims, and connected matters.

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)

The CPA 1999 stipulates amongst others the following:

- (a) no person shall engage in conduct that (i) in relation to goods, is misleading or deceptive, or is likely to mislead or deceive, the public as to the nature, manufacturing process, characteristics, suitability for a purpose, availability or quantity, of the goods; or (ii) in relation to services, is misleading or deceptive, or is likely to mislead or deceive, the public as to the nature, characteristics, suitability for a purpose, availability or quantity, of the services;
- (b) no person shall advertise for supply at a specified price goods or services which that person (i) does not intend to offer for supply; or (ii) does not have reasonable grounds for believing can be supplied, at that price for a period that is, and in quantities that are, reasonable having regard to the nature of the market in which the person carries on business and the nature of the advertisement; and
- (c) no person shall supply, or offer to or advertise for supply, any goods or services which do not comply with the safety standards. Further, under the CPA 1999, the goods supplied to a consumer shall be a goods of acceptable quality, fit for any particular purpose, comply with description, and so on.

Any body corporate who commits an offence shall be liable to a fine not exceeding RM100,000, and for a second or subsequent offence, to a fine not exceeding RM200,000. In the case of a continuing offence, the offender shall, in addition to the penalties mentioned above, be liable to a fine not exceeding RM1,000 for each day or part of a day during which the offence continues after conviction.

Our Group is required in the course of carrying out our business operations to ensure that we comply with the CPA 1999 and in particular, to ensure that the goods and services made available by us are not made available on the basis of any false or misleading representations to our customers.

Further, pursuant to the CPR 2012, any person who operates a business for the purpose of supply of goods or services through a website or in an online marketplace shall disclose on its website the following details:

- (a) the name of the company who operates the online business;
- (b) registration number of the business or company, if applicable;
- (c) the email address and telephone number, or address of the person who operates the online business;
- (d) a description of the main characteristics of the goods and services;
- (e) the full price of the goods or services (including transportation costs, taxes and any other costs);
- (f) the method of payment;
- (g) the terms and conditions; and
- (h) the estimated time of delivery of the goods or services to the buyer.

Our Group is required to ensure that we comply with the CPR 2012 in the course of carrying out our online business operations.

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**(5) Trade Descriptions Act 2011 (“TDA 2011”)**

The TDA 2011 was enacted for the purpose of promoting good trade practices by prohibiting false trade descriptions and false or misleading statements, conduct and practices in relation to the supply of goods and services and to provide for connected and incidental matters.

Pursuant to Section 5 of the TDA 2011, any person who:-

- (a) applies a false trade description to any goods;
- (b) supplies or offers to supply any goods to which a false trade description is applied; or
- (c) exposes for supply or has in his possession, custody or control for supply any goods to which a false trade description is applied,

commits an offence and shall, on conviction, be liable, if such person is a body corporate, to a fine not exceeding RM250,000, and for a second or subsequent offence, to a fine not exceeding RM500,000.

Our Group is required in the course of carrying out our business operations to ensure that we practice good trade practices and to ensure in particular that trade descriptions of the goods and services supplied by us are not misleading to our customers.

(6) Personal Data Protection Act 2010 (“PDPA 2010”)

The PDPA 2010 regulates the processing of personal data in commercial transactions and provides for connected and incidental matters. The PDPA 2010 applies to (a) any person who processes and (b) any person who has control over or authorizes the processing of any personal data in respect of commercial transactions (“**Data User**”).

The processing of personal data by a Data User must be in compliance with various personal data protection principles, namely (a) the General Principle; (b) the Notice and Choice Principle; (c) the Disclosure Principle; (d) the Security Principle; (e) the Retention Principle; (f) the Data Integrity Principle; and (g) the Access Principle (collectively, “**the Personal Data Protection Principles**”). A Data User who contravenes the Personal Data Protection Principles commits an offence and shall, on conviction, be liable to a fine not exceeding RM300,000 or to imprisonment for a term not exceeding 2 years or to both.

Our Group has adopted the data protection policies which is in line with the PDPA 2010.

(B) LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY**(1) Electricity Supply Act 1990 (“EA 1990”) and Electricity Regulations 1994 (“ER 1994”)**

Pursuant to the Guideline for Approval of Electrical Equipment issued under the EA 1990 (“**Guideline for Approval of Electrical Equipment**”), certain regulated electrical equipment is required to be tested and certified, including plugs, socket outlets, portable luminaire lamps, kettles including heating elements if supplied separately, kitchen machines, toasters/ovens, rice cookers, refrigerators, water heaters including heating elements if supplied separately, washing machines, fans, hand operated hair dryers/hair care/skin care devices, irons, shavers, vacuum cleaners, hi-fidelity sets, video and visual display units, audio and video player units, massagers, air conditioners, adapters/chargers and wires/cables/cords (“**Regulated Electrical Equipment**”).

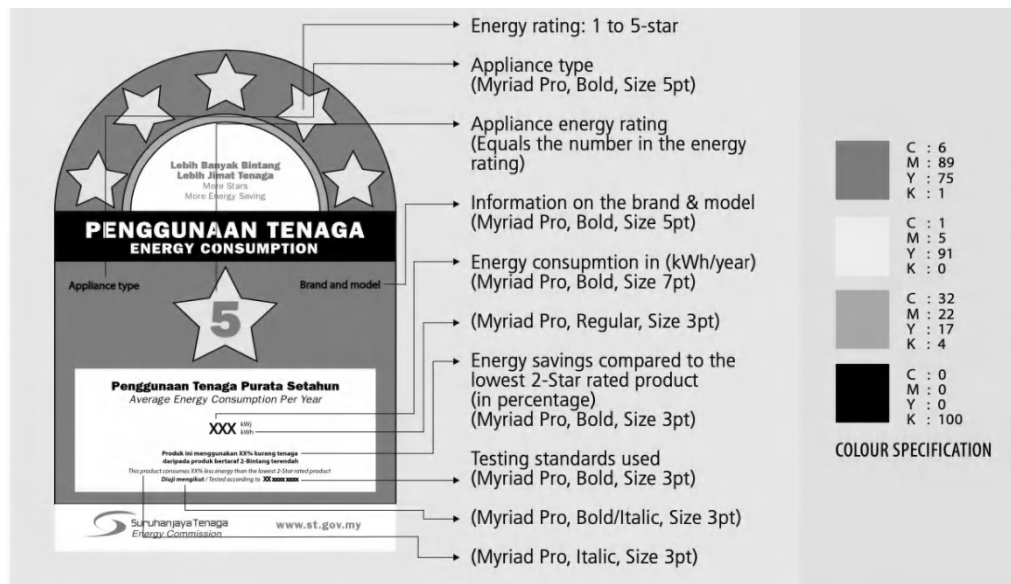
ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)

Under Regulation 97 of the ER 1994, no person shall manufacture, import, display, sell or advertise (a) any domestic equipment (b) any low voltage equipment which is usually sold directly to the general public or (c) any low voltage equipment which does not require special skills in its operation, unless the equipment is approved by Energy Commission Malaysia (“EC”). For the purpose of certifying any equipment under Regulation 97, a local conformity assessment body shall be accredited by the EC to carry out the certification, such as SIRIM QAS International Sdn Bhd. In the event the equipment is approved by the EC, a certificate of approval will be issued and the EC may require the equipment to be marked or labelled in the manner determine by the EC. Examples of such labels are as follows:



(Source: Guideline for Approval of Electrical Equipment, sixth edition (2018), published by the EC)

In addition, pursuant to the Guideline for Approval of Electrical Equipment, there are several types of equipment - i.e. the refrigerators, air-conditioners, televisions, washing machines that are required to meet the minimum energy performance standards and efficiency ratings. Upon complying with all the requirements, the equipment shall be affixed with an efficiency rating label in the form and manner determine by the EC. An example of an efficiency rating label is as follows:



(Source: Guideline for Approval of Electrical Equipment, sixth edition (2018), published by the EC)

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)

Pursuant to Section 122 of the ER 1994, a person who contravenes or fails to comply with any of the provisions of ER 1994 shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding one year or both.

Accordingly, we use our best efforts to ensure that the Regulated Electrical Equipment that we obtain from our suppliers comply with the abovementioned regulations and guidelines.

- (2) **Consumer Protection (Safety Standards for Primary Batteries) Regulations 2013 (“CPR 2013”), the Consumer Protection (Certificate of Conformance and Conformity Mark of Safety Standards) Regulations 2010 (“CPR 2010”) and Guideline on Secondary Battery Safety Standard Compliance 2018 (“Guidelines on Secondary Battery”)**

The CPR 2013 and CPR 2010 were issued pursuant to the Consumer Protection Act 1999 where non-rechargeable batteries (“**Primary Batteries**”) shall adhere to the prescribed safety standards. Local manufacturers or importers or suppliers (including retailers) shall ensure that Primary Batteries have been tested by an accredited laboratory and are compliant with the applicable safety standards and shall affix onto the Primary Batteries the conformity mark in accordance with the abovementioned regulations. Examples of the labels are as follows:



(Source: Second Schedule of the CPR 2010)

Apart from the above, the Ministry of Domestic Trade and Consumer Affairs had issued the Guidelines on Secondary Battery where all types of cell and secondary batteries containing alkaline electrolyte or non-acid electrolyte (including the cells in power banks, electronic cigarettes, mobile phones, cameras, laptops, portable lamps, remote control games, hover boards, fly boards, drones and any other goods that require rechargeable batteries (“**Secondary Batteries**”) are recommended to comply with the prescribed safety requirements. Secondary Batteries must be affixed with a safety label sticker for certified Secondary Batteries. Samples of the safety labels are as follows:



(Source: Guidelines on Secondary Battery)

Accordingly, we use our best efforts to ensure that the Primary Batteries and Secondary Batteries that we obtain from our suppliers comply with the abovementioned regulations.

- (3) **Gas Supply Act 1993 (“GSA 1993”), Gas Supply Regulations 1997 (“GSR 1997”) and Guide on Issuance of Certificate of Approvals and Labelling of Domestic Gas Cooking Appliances (“Guide on Domestic Gas Cooking Appliances”)**

Pursuant to the Guide on Domestic Gas Cooking Appliances issued pursuant to the GSR 1997, some regulated cooking appliances are required to be tested and certified (“**Regulated Gas Cooking Appliances**”).

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)

Under Regulation 117 of the GSR 1997, no gas fitting, gas appliance or gas equipment shall be assembled, manufactured, imported, sold or used unless it has been tested and certified and approved by the EC or its agent or a person accredited by the EC. A certificate of approval will be issued and the EC may require the gas fitting, gas appliance or gas equipment to be marked or labelled in the manner determined by the EC. Examples of the labels are as follows:



(Source: Guide on Domestic Gas Cooking Appliances, published by the EC)

Any person who commits an offence under the GSA 1993 or any regulation made thereunder and if no penalty is expressly provided shall, on conviction, be liable to a fine not exceeding RM200,000 and, in the case of a continuing offence, to a fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction. Further, pursuant to the GSR 1997, any person who contravenes the regulations promulgated under the GSR 1997 shall be guilty of an offence.

Accordingly, we use our best efforts to ensure that the Regulated Gas Cooking Appliances that we obtain from suppliers comply with the abovementioned regulations and guidelines.

(4) Communications and Multimedia Act 1998 (“CMA 1998”) and Communications and Multimedia (Technical Standards) Regulations 2000 (“CMR 2000”)

In exercise of the powers conferred by Sections 16 and 158 of the CMA 1998, the CMR 2000 has been put in force where no person shall use, offer for sale, sell or have in his possession with a view to sell any communications equipment which is not certified by the relevant authorities. The Malaysian Communications and Multimedia Commission or a registered certifying agency may certify the communications equipment and affix certification marks or labels as prescribed under the CMR 2000. Failure to do so may give rise to a penalty under the CMR 2000 of a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 6 months, or to both.

Accordingly, we use our best efforts to ensure that the communications equipment that we obtain from our suppliers comply with the abovementioned regulations and guidelines.

(C) LAWS AND REGULATIONS RELATING TO FRANCHISES

Franchise Act 1998 (“FA 1998”)

The FA 1998 applies throughout Malaysia to the sale and operation of any franchise in Malaysia. It also provides for the registration of, and regulates, franchises, and other incidental matters.

Pursuant to Section 6 of the FA 1998, a franchisor shall register his franchise with the registrar of franchises before he can operate a franchise business or make an offer to sell the franchise to any person. Any franchisor, being a body corporate, who fails to comply with such section, unless exempted, commits an offence and shall on conviction, be liable to a fine not exceeding RM250,000, and for a second or subsequent offence, to a fine not exceeding RM500,000.

The franchisor and franchisee shall enter into a franchise agreement and the requirements of a franchise agreement shall be in accordance with Section 18 of the FA 1998 and the franchise term shall not be less than 5 years.

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)

Pursuant to Section 31 of the FA 1998, no franchisor or franchisee shall terminate a franchise agreement before the expiration date except for good cause as provided in the FA 1998, which includes amongst others the failure of a franchisor or a franchisee to comply with any terms of the franchise agreement or any other relevant agreement entered into between the franchisor and franchisee, or if the franchisor or franchisee becomes bankrupt or insolvent.

Further, pursuant to Section 39(1) of the FA 1998, a body corporate who commits an offence under the FA 1998 for which no penalty is expressly provided shall, on conviction, be liable to a fine of not less than RM10,000 and not more than RM50,000, and for a second or subsequent offence, to a fine of not less than RM20,000 and not more than RM100,000.

Our Group has entered into several franchise agreements with franchisees and we will ensure that we comply with the FA 1998.

(D) LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY**Trademarks Act 2019 (“TMA 2019”)**

The TMA 2019 provides for the registration of trademarks in relation to goods and services and to implement the relevant treaties and for other connected matters. A trademark means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings. A sign may constitute a trademark even though it is used in relation to a service ancillary to the trade or business of an undertaking and whether or not the service is provided for monies.

A registered trademark shall be a property right obtained by the registration of trademark under the TMA 2019 and a registered proprietor of the trademark has the rights and remedies provided under the TMA 2019. The registration of a trademark shall be for a period of 10 years and may be renewed for a further period of 10 years in accordance with the TMA 2019.

Our Group holds multiple registered trademarks which have been registered under the Trade Marks Act 1976 (“**TMA 1976**”). Please refer to Annexure B of this Prospectus for a list of our registered trademarks. Notwithstanding that the TMA 1976 has been repealed, any existing marks registered under the TMA 1976 shall be a registered trademark for the purpose of the TMA 2019.

(E) LAWS AND REGULATIONS RELATING TO LAND**(1) Street, Drainage and Building Act 1974 (“SDBA”) and Uniform Building By-Laws 1984 (“UBBL”) and Building Ordinance 1994 (“Sarawak Building Ordinance”)****SDBA and UBBL**

The SDBA provides uniformity of law and policy to make laws with regard to local government matters relating to street, drainage and buildings in Peninsular Malaysia. It provides for the requirement to have a CFO or CCC to ensure that the building is safe and fit for occupation.

In exercise of the powers conferred by Section 133 of the SDBA, the UBBL has been put into force. Under the UBBL, upon satisfaction of the following requirements, the local authority shall issue a CFO to the qualified person (i.e. the architect, registered building draughtsman or engineer) (“**Qualified Persons**”) or the Qualified Person shall forward a copy of the CCC to the local authority and the Architect’s Board Malaysia (Lembaga Arkitek Malaysia) (as the case may be):

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)

- (a) The Qualified Persons have certified that they have supervised the erection of the building during the course of the work;
- (b) The building has been constructed in accordance with the UBBL and any conditions imposed by the local authority have been satisfied;
- (c) The Qualified Persons accept full responsibility for those portions which they are respectively concerned with; and
- (d) All essential services have been provided

(collectively, the “**Requirements**”).

Any person who occupies or permits to be occupied any building or any part thereof without a CFO / CCC shall be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

Further, pursuant to the SDBA, any building shall be erected with prior written permission of the local authority. Any person who makes any alteration to any building otherwise than is provided for under the SDBA or any by-laws made thereunder or without prior written permission of the local authority shall be liable on conviction to a fine not exceeding RM25,000 and a magistrate’s court shall on the application of the local authority, issue a mandatory order to alter the building in any way or to demolish it.

Sabah

In Sabah, the requirements for the issuance of the occupation certificate is governed by the respective by-laws issued by the respective local authorities in Sabah such as the Lahad Datu District Council (Building) By-Laws 1982 (“**Respective By-Laws**”).

No person shall occupy or permit to be occupied any building or any part thereof unless an occupation certificate has been issued and any person who contravenes the provisions of the Respective By-Laws shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM500.

No person shall re-erect, add to or alter any building already being upon such land except in accordance with such directions and subject to such approval and control. Any person who contravenes the provisions of the Respective By-Laws shall on conviction be liable to a fine not exceeding RM500 and in the case of a continuing offence shall be liable to a fine not exceeding RM10 for every day during which such offence is continued.

Sarawak Building Ordinance

An occupation permit will be issued upon the Requirements being fulfilled.

No person shall occupy or permit to be occupied any building or any part thereof unless an occupation permit has been issued and any failure to comply will subject to a fine of not exceeding RM10,000 and in the case of a continuing offence to a further fine of not exceeding RM300 per day during which the offence is continued after notice to cease occupying the building has been issued.

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)

Further, pursuant to the Sarawak Building Ordinance, any person who makes any alteration to any building otherwise than is provided under the Sarawak Land Ordinance or without the prior permission of the local authority shall be liable to a fine of RM1,000 and the court shall on the application of the local authority issue a mandatory order requiring such person to alter the building in any way or to demolish it.

Save for the non-compliances disclosed in Annexure A of this Prospectus, all our owned and tenanted material properties have been issued with a CFO / CCC.

(2) National Land Code (“NLC”), Land Ordinance (Sabah Cap. 68) (“Sabah Land Ordinance”) and Land Code (Cap. 81 1958 Ed.) (“Sarawak Land Code”)

The primary land law legislation in Malaysia is the NLC, which applies to land located in Peninsular Malaysia and the Federal Territory of Labuan, and the Sabah Land Ordinance and the Sarawak Land Code, which apply to land located in Sabah and Sarawak respectively.

NLC

Under the NLC, there are three categories of land use, being “building”, “industry” and “agriculture”. The category of land use, if any, is endorsed on the documents of title issued by the state authority. Each category of land use is also subject to implied conditions as more particularly described in the NLC and express conditions imposed by the state authority.

Upon any breach arising of any condition to which any alienated land is for the time being subjected to, (i) the land shall become liable to forfeiture to the state authority and (ii) except in a case where a fine is imposed, or where action for the purpose of causing the breach to be remedied is first required to be taken, the land administrator shall proceed with the enforcement of the forfeiture.

Sabah Land Ordinance

Sabah State land is classified into “Town Lands” and “Country Lands”. Town Lands and Country Lands may be alienated on a leasehold tenure basis for a term not exceeding 99 years (subject to any special exception that may be made). Once the land has been alienated, it is subject to special conditions set out in the title (if any) to the land and to the implied conditions of title as more particularly described in the Sabah Land Ordinance.

In the absence of an express condition to the contrary in the document of title, there shall be implied in every document of title the condition that in case of a breach or default in the observance of any of the conditions of title, whether expressed or implied by the Sabah Land Ordinance, or any previous Land Ordinance, the Government may re-enter upon the land and resume the whole or any portion of the land.

Sarawak Land Code

Land in Sarawak may be alienated in perpetuity or for such term as may be fixed under the rules made under the Sarawak Land Code. The Director of Lands and Surveys in Sarawak may, by notification in the gazette, classify any area of land to be, amongst others, a special development area, town or suburban land, mixed zone land or native area land.

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)

Once alienated, land in Sarawak is subject to any special conditions set out in the title to the land (if any) and in the Sarawak Land Code (if applicable) and, in the absence of any express provision to the contrary in the land title, is further subject to the implied conditions as more particularly described in the Sarawak Land Code.

(3) Fire Services Act 1988 (“FSA 1988”) and Fire Services (Designated Premises) Order 1998 (“FSO 1998”)

Pursuant to Sections 28(1) and 28(2) of the FSA 1988, every designated premises shall require a fire certificate and a fire certificate shall be renewable annually.

Further, under the FSO 1998, the Director-General of Fire Services has determined that premises of which the use, size and location are specified in the schedule of the FSO 1998, shall be designated premises for the purpose of issuance of a fire certificate under the FSA. Such designated premises include offices, shops and factories with the following description:

Offices – 30 metres and above in height or 10,000 square metres and over (total floor area)

Shops – 3,000 square metres and over (total floor area)

Factories

- (a) Single storey – 2,000 square metres and over (total floor area) where the automatic sprinkler systems are installed;
- (b) 2 storeys and above – 2,000 square metres and over (total floor area) where the automatic sprinkler systems are installed; and
- (c) Special structures - hazardous processes.

Under the FSA 1988, where there is no fire certificate in force in respect of any designated premises, the owner of the premises shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or both. The penalty is applicable to the directors and officers of the Group. The owner or occupier of the premises may also be prohibited or restricted to use of such premises.

Save for the non-compliances disclosed in Section 7.19 of this Prospectus, our owned and tenanted material properties in Peninsular Malaysia, Sabah and Sarawak are in compliance with the FSA 1988.

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**(F) LAWS AND REGULATIONS IN RELATION TO EMPLOYMENT AND SOCIAL WELFARE****(1) Employment Act 1955 (“EA 1955”), Labour Ordinance (Sabah Cap. 67) (“LO Sabah”) and Labour Ordinance Sarawak (“LO Sarawak”)**

The EA 1955 governs the laws of employment in Peninsular Malaysia and the Federal Territory of Labuan while the LO Sabah and LO Sarawak govern the laws of employment in Sabah and Sarawak respectively.

Such legislation set out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under such legislation. Under the EA 1955, an ‘employee’ is defined as any person, irrespective of his occupation, who has entered into a contract of service with an employer under which such person’s wages do not exceed RM2,000 a month, whereas under the LO Sabah and LO Sarawak, such person’s wages shall not exceed RM2,500 a month.

Malaysia has also implemented a minimum wage policy that has raised the basic wages of all employees (except for domestic servants) to RM1,200 per month under the Minimum Wages Order 2020.

Our Group will continue to ensure that we comply with such legislation.

(2) Employees Provident Fund Act 1991 (“EPF Act”)

The EPF Act which applies throughout Malaysia governs the mandatory scheme of savings for employees’ retirement and the management of savings for retirement purposes and for incidental matters.

The EPF Act applies to our Group. Pursuant to Section 43(1) of the EPF Act, every employee and every employer of a person who is an employee within the meaning of the EPF Act shall be liable to pay monthly contributions on the amount of wages at the rate respectively set out in the third schedule of the EPF Act.

Pursuant to Section 43(2) of the EPF Act, any employer who fails, within such period as may be prescribed by the minister, to pay any contributions for which he is liable under the EPF Act to pay in respect of or on behalf of any employee in respect of any month, shall be guilty of an offence and shall, on conviction, be liable to imprisonment for a term not exceeding three years or to a fine not exceeding RM10,000 or both.

Our Group must ensure that contributions payable under the EPF Act in respect of our employees are paid in a timely manner.

(3) Employees’ Social Security Act 1969 (“SOCSO Act”)

The SOCSO Act, which applies throughout Malaysia, provides social security in certain contingencies and makes provision for certain other matters in relation to it and applies throughout Malaysia to all industries having one or more employees.

The SOCSO Act applies to our Group. Pursuant to Section 5(1) of the SOCSO Act, all employees, irrespective of the amount of wages, shall be insured in the manner provided by the SOCSO Act.

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)

Pursuant to Section 6 of the SOCSO Act, the contribution payable under the SOCSO Act in respect of an employee shall comprise contribution payable by the employer (being the employer's contribution) and contribution payable by the employee (being the employee's contribution) and shall be paid to the social security organisation. The contributions fall into 2 categories, namely:-

- (a) the contributions payable by or on behalf of the employees insured against the contingencies of invalidity and employment injury; and
- (b) the contributions payable by or on behalf of employees insured only against the contingency of employment injury.

The various categories of contributions shall be paid in accordance with the rates specified in the third schedule of the SOCSO Act.

According to Section 94 of the SOCSO Act, if any person amongst others fails to pay any contribution or any part thereof which is payable by him under the SOCSO Act or fails to pay within the time prescribed by regulations any interest payable or is guilty of any contravention of or non-compliance with any of the requirements of the SOCSO Act or the rules or the regulations in respect of which no special penalty is provided, he shall be punishable with imprisonment for a term which may extend to 2 years, or with fine not exceeding RM10,000, or both.

Our Group must ensure that contributions payable under the SOCSO Act are paid to our employees in a timely manner.

(4) Employment Insurance System Act 2017 ("EIS Act")

The EIS Act, which applies throughout Malaysia, provides certain benefits and a re-employment placement programme for insured persons in the event of loss of employment and for matters connected therewith.

The EIS Act applies to our Group. Pursuant to Section 14 of the EIS Act, every employer shall register his industry to which the EIS Act applies with the social security organisation within such period and in such manner as prescribed. Any person who contravenes this requirement commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding two years or to both.

Pursuant to Section 18 of the EIS Act, contributions payable under the EIS Act in respect of an employee shall comprise a contribution payable by the employer and a contribution payable by the employee, according to the rates as specified in the second schedule of the EIS Act.

Pursuant to Section 88 of the EIS Act, if an employer which is a body corporate commits an offence under the EIS Act, any person who at the time of the commission of the offence was a director, manager, secretary or other similar officer of the body corporate may be charged severally or jointly in the same proceedings with the body corporate.

Our Group must ensure that contributions payable under the EIS Act are paid to our employees in a timely manner.

ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)

(5) Occupational Safety and Health Act 1994 (“OSHA”)

The OSHA provides provisions for securing the safety, health and welfare of persons at work, for protecting others against risk to safety or health in connection with the activities of persons at work and for matters connected therewith and applies throughout Malaysia to the industries specified in the OSHA. The OSHA applies to our Group as we are in the retail trade industry.

Employers and every self-employed person must as far as is practicable, ensure the safety, health and welfare at work of all their employees by (including but without limitation):-

- (a) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;
- (b) the making of arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (c) the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of its employees;
- (d) so far as is practicable, as regards any place of work under the control of the employer or self-employed person, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks; and
- (e) the provision and maintenance of a working environment for its employees that is, so far as is practicable, safe, without risks to health, and adequate as regards facilities for their welfare at work.

Failure to comply with any of the above provisions constitutes an offence and the employer is liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years or to both.