

SHOPPER360 LIMITED

(Incorporated in the Republic of Singapore on 27 December 2016)
(Company Registration Number: 201634929Z)

**UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 NOVEMBER 2021**

*This announcement has been prepared by shopper360 Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone: (65) 6636 4201.

SHOPPER360 LIMITED AND ITS SUBSIDIARIES
(Company Registration Number: 201634929Z)

(A) Condensed interim consolidated statement of comprehensive income

	Note	Group		Increase/ (Decrease) %
		6 months ended 30.11.2021 (Unaudited) RM	6 months ended 30.11.2020 (Unaudited) RM	
Revenue	4	69,425,091	75,936,058	(9)
Cost of sales		(52,868,977)	(56,755,896)	(7)
Gross profit		16,556,114	19,180,162	(14)
Other income	6	365,593	211,214	73
Expenses				
Administrative expenses		(13,294,750)	(14,353,088)	(7)
Other operating expenses		(1,695)	(819)	NM
Reversal of impairment on trade receivables and contract assets (net)		250,000	-	NM
Finance costs	7	(61,669)	(55,951)	10
Share of results of associated companies		(22,237)	3,098	NM
Profit before tax	8	3,791,356	4,984,616	(24)
Tax expense	9	(1,296,056)	(1,567,466)	(17)
Profit for the period		2,495,300	3,417,150	(27)
Other comprehensive (loss)/income:				
<i>Item that is or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation		(88,164)	29,441	NM
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation		(89,786)	20,539	NM
Other comprehensive (loss)/income for the period, net of tax		(177,950)	49,980	NM
Total comprehensive income for the period		2,317,350	3,467,130	(33)
Profit attributable to:				
Equity holders of the Company		1,874,601	2,964,818	(37)
Non-controlling interest		620,699	452,332	37
Profit for the period		2,495,300	3,417,150	(27)
Total comprehensive income attributable to:				
Equity holders of the Company		1,786,437	2,994,259	(40)
Non-controlling interest		530,913	472,871	12
		2,317,350	3,467,130	(33)
Earnings per share (sen per share):				
Basic and diluted	18	1.72	2.67	(35)

NM: Not meaningful

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(B) Condensed interim statements of financial position

	Note	Group		Company	
		As at 30 November 2021 (Unaudited) RM	As at 31 May 2021 (Audited) RM	As at 30 November 2021 (Unaudited) RM	As at 31 May 2021 (Audited) RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	1,659,921	1,576,373	-	-
Right-of-use assets	11	1,887,625	2,713,049	-	-
Intangible assets	12	2,319,740	2,323,353	-	-
Investment in subsidiaries		-	-	37,013,629	37,013,629
Investment in associated companies	13	2,897,584	919,821	-	-
Financial assets at fair value through profit or loss	14	1,380,000	1,380,000	-	-
Financial assets at fair value through other comprehensive income	15	2,001,100	2,001,100	-	-
Deferred tax assets		14,015	14,889	-	-
Total non-current assets		12,159,985	10,928,585	37,013,629	37,013,629
Current assets					
Inventories		685,083	296,814	-	-
Financial assets, at fair value through profit or loss	14	136,276	2,125,335	-	-
Trade and other receivables		31,040,374	32,011,084	8,419,101	12,423,406
Contract assets		6,538,902	6,496,897	-	-
Cash and cash equivalents		27,100,015	27,591,564	1,047,329	538,515
Tax recoverable		169,013	1,052,757	-	-
Total current assets		65,669,663	69,574,451	9,466,430	12,961,921
Total assets		77,829,648	80,503,036	46,480,059	49,975,550
EQUITY AND LIABILITIES					
Equity					
Share capital	16	51,850,444	51,850,444	51,850,444	51,850,444
Treasury shares	17	(1,769,029)	(1,769,029)	(1,769,029)	(1,769,029)
Capital reserve		(1,354,855)	(1,354,855)	-	-
Merger reserve		(17,453,646)	(17,453,646)	-	-
Currency translation reserve		(366,463)	(278,299)	-	-
Retained earnings/(Accumulated losses)		24,958,538	26,108,982	(3,794,995)	(379,193)
Equity attributable to equity holders of the Company, total		55,864,989	57,103,597	46,286,420	49,702,222
Non-controlling interests		1,828,557	1,297,644	-	-
Total equity		57,693,546	58,401,241	46,286,420	49,702,222
Non-current liabilities					
Lease liabilities		562,458	1,026,011	-	-
Deferred tax liabilities		27,111	27,111	-	-
Total non-current liabilities		589,569	1,053,122	-	-
Current liabilities					
Trade and other payables		13,762,298	14,265,862	193,639	273,328
Contract liabilities		2,940,439	3,591,226	-	-
Lease liabilities		1,220,923	1,636,294	-	-
Tax payable		1,622,873	1,555,291	-	-
Total current liabilities		19,546,535	21,048,673	193,639	273,328
Total liabilities		20,136,102	22,101,795	193,639	273,328
Total equity and liabilities		77,829,648	80,503,036	46,480,059	49,975,550
Net asset value per ordinary share	19	51.34	52.48	42.54	45.68

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(C) Condensed interim statements of changes in equity

Group	Share capital RM	Capital reserve RM	Merger reserve RM	Currency translation shares RM	Treasury shares RM	Retained earnings RM	Equity attributable to equity holders of the Company RM	Non-controlling interests RM	Total equity RM
At 1 June 2021 (audited)	51,850,444	(1,354,855)	(17,453,646)	(278,299)	(1,769,029)	26,108,982	57,103,597	1,297,644	58,401,241
Profit for the period	-	-	-	-	-	1,874,601	1,874,601	620,699	2,495,300
Other Comprehensive income									
<i>Currency translation differences arising from consolidation</i>	-	-	-	(88,164)	-	-	(88,164)	(89,786)	(177,950)
Other comprehensive income for the financial period, net of tax	-	-	-	(88,164)	-	-	(88,164)	(89,786)	(177,950)
Total comprehensive income for the period	-	-	-	(88,164)	-	1,874,601	1,786,437	530,913	2,317,350
<i>Transactions with owners recognised directly in equity</i>									
Dividends paid	-	-	-	-	-	(3,025,045)	(3,025,045)	-	(3,025,045)
At 30 November 2021 (unaudited)	51,850,444	(1,354,855)	(17,453,646)	(366,463)	(1,769,029)	24,958,538	55,864,989	1,828,557	57,693,546

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(C) Condensed interim statements of changes in equity (cont'd)

Group	Share capital RM	Capital reserve RM	Merger reserve RM	Currency translation shares RM	Treasury shares RM	Retained earnings RM	Equity attributable to equity holders of the Company RM	Non-controlling interests RM	Total equity RM
At 1 June 2020 (audited)	51,850,444	(1,354,855)	(17,453,646)	111,269	(910,382)	20,293,156	52,535,986	822,925	53,358,911
Profit for the period	-	-	-	-	-	2,964,818	2,964,818	452,332	3,417,150
Other Comprehensive income									
<i>Currency translation differences arising from consolidation</i>	-	-	-	29,441	-	-	29,441	20,539	49,980
Other comprehensive income for the financial period, net of tax	-	-	-	29,441	-	-	29,441	20,539	49,980
Total comprehensive income for the period	-	-	-	29,441	-	2,964,818	2,994,259	472,871	3,467,130
<i>Transactions with owners recognised directly in equity</i>									
Share purchased	-	-	-	-	(828,635)	-	(828,635)	-	(828,635)
At 30 November 2020 (unaudited)	51,850,444	(1,354,855)	(17,453,646)	140,710	(1,739,017)	23,257,974	54,701,610	1,295,796	55,997,406

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(C) Condensed interim statements of changes in equity (cont'd)

Company	Share capital (RM)	Treasury shares (RM)	Accumulated losses (RM)	Total equity (RM)
At 1 June 2020 (audited)	51,850,444	(910,382)	(3,840,118)	47,099,944
Profit and total comprehensive income for the financial period	-	-	31,228	31,228
Share purchased	-	(828,635)	-	(828,635)
At 30 November 2020 (unaudited)	51,850,444	(1,739,017)	(3,808,890)	46,302,537
Company	Share capital (RM)	Treasury shares (RM)	Accumulated losses (RM)	Total equity (RM)
At 1 June 2021 (audited)	51,850,444	(1,769,029)	(379,193)	49,702,222
Profit and total comprehensive income for the financial period	-	-	(390,757)	(390,757)
Dividends paid	-	-	(3,025,045)	(3,025,045)
At 30 November 2021 (unaudited)	51,850,444	(1,769,029)	(3,794,995)	46,286,420

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(D) Condensed interim consolidated statement of cash flows

	Group	
	6 months ended 30 November 2021 (Unaudited) RM	6 months ended 30 November 2020 (Unaudited) RM
Cash flows from operating activities		
Profit before tax	3,791,356	4,984,616
Adjustments for:-		
Amortisation for club membership	3,614	3,701
Reversal of impairment on trade receivables and contract assets (net)	(250,000)	-
Depreciation of property, plant and equipment	565,388	901,324
Depreciation of right-of-use assets	822,314	634,943
Interest income	(98,659)	(77,179)
Interest expenses	61,669	55,951
Gain on disposal of property, plant and equipment	-	(80,329)
Gain on disposal of intangible asset	-	(23,558)
Gain on termination of leases	(5,837)	-
Property, plant and equipment written off	1,695	818
Share of results of associated companies	22,237	(3,098)
Unrealised foreign exchange (gain)/loss	(1,000)	8,431
Operating cash flow before working capital changes	<u>4,912,777</u>	<u>6,405,620</u>
Inventories	(388,269)	(400)
Trade and other receivables and contract assets	1,178,705	1,352,411
Trade and other payables and contract liabilities	(946,516)	3,056,239
Currency translation adjustments	(172,998)	50,446
Cash flows generated from operations	<u>4,583,699</u>	<u>10,864,316</u>
Income tax (paid)/refund	(343,856)	226,952
Net cash from operating activities	<u>4,239,843</u>	<u>11,091,268</u>
Cash flow from investing activities		
Purchases of property, plant and equipment	(654,498)	(262,595)
Interest received	98,659	77,179
Proceeds from disposal of property, plant and equipment	-	103,332
Proceeds from disposal of intangible asset	-	94,000
Redemption/(Placement) of financial assets at fair value through profit or loss	1,989,059	(2,035,475)
Investment in associated company	(2,000,000)	-
Net cash used in investing activities	<u>(566,780)</u>	<u>(2,023,559)</u>
Cash flow from financing activities		
Repayment of lease liabilities	(871,063)	(642,354)
Dividends paid to owners of the Company	(3,025,045)	-
Purchase of treasury shares	-	(828,635)
Repayment to non-controlling interest	(207,835)	(85,714)
Advance from immediate and ultimate holding company	-	20,480
Interest paid	(61,669)	(55,951)
Net cash used in financing activities	<u>(4,165,612)</u>	<u>(1,592,174)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(492,549)</u>	<u>7,475,535</u>
Cash and cash equivalents at beginning of the period	27,591,564	22,054,397
Effects of exchange rate changes on cash and cash equivalents	1,000	(8,431)
Cash and cash equivalents at end of the period	<u>27,100,015</u>	<u>29,521,501</u>

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(E) Notes to the condensed interim consolidated financial statements

1. Corporate information

shopper360 Limited (the “**Company**”) (Co. Reg. No. 201634929Z) was incorporated in Singapore. The registered office and principal place of business of the Company is at 138 Robinson Road, #26-03 Oxley Tower, Singapore 068906.

The Company’s immediate and ultimate holding company is Rekaweb.Com Sdn. Bhd., a company incorporated in Malaysia which is substantially owned by Chew Sue Ann and her family members whose interest in the Company is held through their shareholdings in the immediate and ultimate holding company.

These unaudited condensed interim consolidated financial statements as at and for the six months ended 30 November 2021 (“**1H FY2022**”) comprise the Company and its subsidiaries (together referred to as the “**Group**”).

The principal activity of the Company is that of an investment holding company. The principal activities of the Group are:

- (i) Advertising and Marketing; and
- (ii) Sales Execution and Distribution

2. Basis of preparation

The unaudited condensed interim financial statements for 1H FY2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The unaudited condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 May 2021 (“**FY2021**”).

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The unaudited condensed interim financial statements are presented in Ringgit Malaysia (“**RM**”) which is the Company’s functional currency.

2.1 New and revised standards adopted by the Group

In the current financial year, the Group has adopted all the new and revised SFRS(I) and Interpretations of SFRS(I) (“**SFRS(I) INT**”) that are relevant to its operations and effective for the current financial year. In addition, the Group has also early adopted the Amendment to FRS 116 COVID-19-Related Rent Concessions beyond 30 June 2021. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

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2. Basis of preparation

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 May 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and Revenue Information

During the financial period, the reportable segments have changed to the business segments which are described below (Reportable segments of FY2021: (i) in-store advertising and digital marketing, (ii) field force management, (iii) sampling activities and events management and (iv) investment holding).

Management has reviewed the segmentation considering the nature of services, go-to-market model and cross-collaboration of our various services, economic characteristics and internal operational management. The Group is organised into the following main business segments:

(i) Advertising and Marketing ("**A&M**")

Advertising and Marketing provides our customers with services to raise brand awareness, visibility and engagement to advertise and market their products and brands to consumers. These services include digital and non-digital in-store advertising mediums in retail chains and in-store promoter services such as sampling and events management for product launches, roadshows, seminars and annual dinners. This segment also provides marketing programs, marketing intelligence and analysis, contest management and gamification.

(ii) Sales Execution and Distribution ("**SE&D**")

Sales Execution and Distribution segment provides merchandiser, sales force and supervisory, and talent management services in retail and grocery outlets covering supermarkets, hypermarkets convenience stores and also shopping malls. In addition, this segment also includes the distribution of products into various retail channels with focus on general trade, supermarkets, hypermarkets and convenience stores.

(iii) Investment holding and Others segment ("**Others**")

Investment holding and Others segment provides management and corporate services to its subsidiaries and others. It also derives dividend from its subsidiaries.

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4. Segment and Revenue Information

The Group's Managing Director ("**MD**") monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit or loss before tax, as included in the internal management reports that are reviewed by the Group's MD. Segment profit or loss is used to assess performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Income taxes are managed on a group basis and are not allocated to operating segments.

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4. Segment and Revenue Information (cont'd)

a. Reportable segments

The following is an analysis of the Group's revenue and results by reportable segment:

	Advertising and Marketing RM	Sales Execution and Distribution RM	Others RM	Elimination RM	Total RM
6 months ended 30.11.2021 (unaudited)					
Group					
Segment revenue					
Sales to external customers	21,504,004	47,921,087	–	–	69,425,091
Intersegment sales	263,849	7,954	3,431,224	(3,703,027)	–
Total revenue	<u>21,767,853</u>	<u>47,929,041</u>	<u>3,431,224</u>	<u>(3,703,027)</u>	<u>69,425,091</u>
Tax expense	762,720	533,336	–	–	1,296,056
Segment profit/(loss)	2,256,239	1,050,840	(811,779)	–	<u>2,495,300</u>
Depreciation and amortisation	571,957	501,414	317,945	–	1,391,316
Property, plant and equipment written off	1,318	–	377	–	1,695
Reversal of impairment losses on trade receivables and contract assets (net)	–	(250,000)	–	–	(250,000)
Interest income	(118,083)	(63,296)	(35,912)	118,632	(98,659)
Interest expenses	75,170	65,650	39,481	(118,632)	61,669
Gain on termination of leases	(927)	(4,910)	–	–	(5,837)
Share of results of associated companies	–	–	22,237	–	22,237
Assets and liabilities					
Total segment assets	39,918,219	36,996,327	95,598,141	(94,683,039)	<u>77,829,648</u>
Segment assets include:					
Additions to non-current assets	72,466	611,556	29,107	–	713,129
Investment in associated companies	–	–	2,897,584	–	2,897,584
Total segment liabilities	(17,888,035)	(12,709,668)	(8,149,957)	18,611,558	<u>(20,136,102)</u>

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4. Segment and Revenue Information (cont'd)

a. Reportable segments

	Advertising and Marketing RM	Sales Execution and Distribution RM	Others RM	Elimination RM	Total RM
6 months ended 30.11.2020 (unaudited)					
Group					
Segment revenue					
Sales to external customers	23,848,908	52,087,150	–	–	75,936,058
Intersegment sales	407,375	3,253	5,396,440	(5,807,069)	–
Total revenue	<u>24,256,283</u>	<u>52,090,403</u>	<u>5,396,440</u>	<u>(5,807,069)</u>	<u>75,936,058</u>
Tax expense	891,350	692,662	(16,546)	–	<u>1,567,466</u>
Segment profit/(loss)	1,242,060	2,462,070	(286,980)	–	<u>3,417,150</u>
Depreciation and amortisation	840,508	431,884	267,576	–	1,539,968
Property, plant and equipment written off	818	–	–	–	818
Interest income	(105,699)	(20,657)	(33,145)	82,322	(77,179)
Interest expenses	86,805	44,646	6,823	(82,322)	55,951
Gain on disposal of property, plant and equipment	(80,329)	–	–	–	(80,329)
Gain on disposal of intangible asset	(23,558)	–	–	–	(23,558)
Share of results of associated company	–	–	(3,098)	–	(3,098)
Assets and liabilities					
Total segment assets	42,211,673	36,326,028	96,354,991	(96,634,526)	<u>78,258,166</u>
Segment assets include:					
Additions to non-current assets	99,961	58,646	103,988	–	262,595
Investment in associated company	–	–	962,452	–	<u>962,452</u>
Total segment liabilities	(22,204,328)	(12,179,615)	(8,749,010)	20,872,193	<u>(22,260,760)</u>

b. Geographical segments

The Group operates mainly in Malaysia with revenue generated from customers in Malaysia. Only marginal 8.9% of the Group's revenue was generated from outside Malaysia. Therefore, an analysis of assets and profits of the Group by geographical distribution has not been included.

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4. Segment and Revenue Information (cont'd)

	Group	
	6 months ended 30.11.2021 (Unaudited) RM	6 months ended 30.11.2020 (Unaudited) RM
Advertising and Marketing	21,504,004	23,848,908
Sales Execution and Distribution	47,921,087	52,087,150
	69,425,091	75,936,058
<i>Timing of revenue recognition</i>		
At a point in time	4,274,715	2,504,789
Over time	65,150,376	73,431,269
	69,425,091	75,936,058

5. Financial assets and financial liabilities

Fair value measurement

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts and fair values of financial assets and financial liabilities of the Group as at 30 November 2021 and 31 May 2021, including their levels in the fair value hierarchy are as follows:

	Carrying amount			Total RM
	Amortised cost RM	Fair value through profit or loss RM	Fair value through other comprehensive income RM	
Group				
30.11.2021 (unaudited)				
Financial assets				
Unquoted equity investments	–	1,380,000	2,001,100	3,381,100
Investment in short-term fund	–	136,276	–	136,276
Trade and other receivables	29,614,855	–	–	29,614,855
Cash and cash equivalents	27,100,015	–	–	27,100,015
	56,714,870	1,516,276	2,001,100	60,232,246
Financial liabilities				
Trade and other payables	11,404,403	–	–	11,404,403
Lease liabilities	1,783,381	–	–	1,783,381
	13,187,784	–	–	13,187,784
31.05.2021 (audited)				
Financial assets				
Unquoted equity investments	–	1,380,000	2,001,100	3,381,100
Investment in short-term fund	–	2,125,335	–	2,125,335
Trade and other receivables	30,046,742	–	–	30,046,742
Cash and cash equivalents	27,591,564	–	–	27,591,564
	57,638,306	3,505,335	2,001,100	63,144,741
Financial liabilities				
Trade and other payables	13,589,450	–	–	13,589,450
Lease liabilities	2,662,305	–	–	2,662,305
	16,251,755	–	–	16,251,755

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5. Financial assets and financial liabilities (cont'd)

	Amortised cost RM	Fair value through profit or loss RM	Carrying amount Fair value through other comprehensive income RM	Total RM
Company				
Financial assets				
30.11.2021 (unaudited)				
Trade and other receivables	8,394,975	–	–	8,394,975
Cash and cash equivalents	1,047,329	–	–	1,047,329
	9,442,304	–	–	9,442,304
Financial liabilities				
Trade and other payables	193,639	–	–	193,639
31.05.2021 (audited)				
Financial assets				
Trade and other receivables	12,386,654	–	–	12,386,654
Cash and cash equivalents	538,515	–	–	538,515
	12,925,169	–	–	12,925,169
Financial liabilities				
Trade and other payables	273,328	–	–	273,328

Unquoted equity investments

The fair values of the unquoted equity investments are determined based on recent transacted prices of the investee companies' equities as well as consideration of internal and external changes in the business and market environment that the investees operate in. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

Short-term fund investments

The fair values of financial instruments traded in active markets (such as investments in short-term fund) are based on quoted prices at the end of the reporting period. These instruments are included in Level 1.

6. Other income

	Group	
	6 months ended 30.11.2021 (Unaudited) RM	6 months ended 30.11.2020 (Unaudited) RM
Gain on foreign exchange	83,251	–
Gain on disposal of property, plant and equipment	–	80,329
Gain on disposal of intangible assets	–	23,558
Gain on termination of leases	5,837	–
Interest income	98,659	77,179
Rental income	10,800	–
Government grant	71,904	–
Miscellaneous income	95,142	30,148
	365,593	211,214

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7. Finance costs

	Group	
	6 months ended 30.11.2021 (Unaudited) RM	6 months ended 30.11.2020 (Unaudited) RM
Interest expense		
- Lease liabilities	61,669	55,951
	<hr/>	<hr/>

8. Profit before taxation

8.1 Significant items

	Group		
	6 months ended 30.11.2021 (Unaudited) RM	6 months ended 30.11.2020 (Unaudited) RM	Increase/ (Decrease) %
<u>Income/(expenses)</u>			
Interest income	98,659	77,179	28
Gain on disposal of intangible asset	-	23,558	(100)
Gain/(Loss) on realised foreign exchange	82,251	(81,841)	NM
Unrealised foreign exchange gain/(loss)	1,000	(8,431)	NM
Amortisation for club membership	(3,614)	(3,701)	(2)
Depreciation of property, plant and equipment	(565,388)	(901,324)	(37)
Depreciation of right-of-use assets	(822,314)	(634,943)	30
Rental expense			
- third parties ⁽¹⁾	(120,356)	(201,276)	(40)
- vehicle and equipment	(33,147)	(46,606)	(29)
Staff costs	(48,955,333)	(54,010,338)	(9)
Property, plant and equipment written off	(1,695)	(818)	107

Notes:

(1) The decrease in rental expense was mainly due to the reduction of office building premises being rent in 1H FY2022.

8.2 Related party transactions

	Group	
	6 months ended 30.11.2021 (Unaudited) RM	6 months ended 30.11.2020 (Unaudited) RM
Expenses		
With immediate and ultimate holding company:		
Payment of lease liabilities and interest expense	246,536	307,200
Dividends paid	1,202,061	-
	<hr/>	<hr/>

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9. Income tax expenses

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group	
	6 months ended 30.11.2021 (Unaudited) RM	6 months ended 30.11.2020 (Unaudited) RM
Current tax expenses		
- Current year	1,296,056	1,567,466

10. Property, plant and equipment

During 1H FY2022, the Group acquired assets amounting to RM 0.7 million (six months ended 30 November 2020 ("1H FY2021"): RM 0.3 million) and disposed of assets amounting to RM Nil (1H FY2021: RM 23 thousand). No impairment is charged for six months ended 30 November 2021 and 30 November 2020 respectively.

11. Right-of-use assets

Group as lessee

Nature of the Group's leasing activities

The Group's leasing activities comprise the following:

- (i) The Group leases various office spaces and stores, warehouses and motor vehicles from immediate and ultimate holding company and non-related parties. The leases have an average tenure of between one to five years;
- (ii) In addition, the Group leases certain office spaces and vehicles with contractual terms up to one year. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

During the six months ended 30 November 2021, the Group recognised addition of right-of-use assets for office spaces amounting to RM 59 thousand (30 November 2020: RM 27 thousand).

12. Intangible assets

During the six months ended 30 November 2021, the Group does not have additions to intangible assets (30 November 2020: no additions to intangible assets).

The Group's intangible assets mainly comprise goodwill on consolidation with carrying amount of RM 2.0 million (30 November 2020: RM 2.0 million).

13. Investment in associated companies

During the six months ended 30 November 2021, the Group recognised investment in associated company, namely Troopers Innovation Sdn. Bhd., of RM 2.0 million (30 November 2020: RM nil), which is 21.5% owned by the Company.

The associated companies are measured using the equity method.

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14. Financial assets at fair value through profit or loss

	Group	
	As at 30.11.2021 (Unaudited) RM	As at 31.05.2021 (audited) RM
Non-current		
(a) Unquoted equity investment	1,380,000	1,380,000
Current		
(b) Investments in short-term fund	136,276	2,125,335

(a) Unquoted equity investment represents the Group's interest in a company in Malaysia, PB Grocery Group Sdn. Bhd., which is engaged in online groceries related activities. The Group acquired this investment in April 2021.

(b) Investments in short-term fund are short-term fixed income funds issued by a licensed financial institution in Malaysia.

15. Financial assets at fair value through other comprehensive income ("FVOCI")

	Group	
	As at 30.11.2021 (Unaudited) RM	As at 31.05.2021 (Unaudited) RM
Equity investments designated at FVOCI		
Unquoted equity investments	2,001,100	2,001,100

Unquoted equity investments represent interests in companies in Malaysia, namely Lapasar Sdn. Bhd. (formerly known as Tenderin Sdn. Bhd.) and Mango Fintech Sdn. Bhd., which are engaged in the business-to-business e-commerce/e-procurement and trading related activities. These investments in equity shares made by the Group in May 2021 are not held for trading.

16. Share capital

	Group and Company			
	As at 30.11.2021 (unaudited) No. of shares	As at 30.11.2021 (unaudited) RM	As at 31.05.2021 (audited) No. of shares	As at 31.05.2021 (audited) RM
Issued and paid up:				
At the beginning of the period/year	108,803,600	51,850,444	111,682,300	51,850,444
Less: Treasury shares purchased	-	-	(2,878,700)	-
At the end of the period/year	108,803,600	51,850,444	108,803,600	51,850,444

The Company did not have any outstanding options, convertibles and subsidiary holdings as at 30 November 2021, 31 May 2021, and 30 November 2020.

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17. Treasury shares

	Group and Company			
	As at 30.11.2021 (unaudited) No. of shares	As at 30.11.2021 (unaudited) RM	As at 31.05.2021 (audited) No. of shares	As at 31.05.2021 (audited) RM
Issued and paid up:				
At the beginning of the period/year	5,596,400	1,769,029	2,717,700	910,382
Less: Treasury shares purchased	-	-	2,878,700	858,647
At the end of the period/year	5,596,400	1,769,029	5,596,400	1,769,029
Percentage of the aggregate number of treasury shares held against the total number of shares outstanding (excluding treasury shares and subsidiary holdings)	5.14%	-	5.14%	-

The Company did not have any subsidiary holdings during and as at the end of 30 November 2021 and 31 May 2021.

There was no sales, transfers, cancellation and/or use of treasury share during and as at the end of 30 November 2021 and 31 May 2021.

18. Earnings per ordinary share

	6 months ended 30.11.2021 (Unaudited)	6 months ended 30.11.2020 (Unaudited)
Profit attributable to equity holders of the Company (RM)	1,874,601	2,964,818
Weighted average number of ordinary shares	108,803,600	111,115,630
Basic and diluted earnings per share (RM sen)	1.72	2.67

19. Net asset value per share

	Group		Company	
	As at 30.11.2021 (unaudited)	As at 31.5.2021 (audited)	As at 3.11.2021 (unaudited)	As at 31.05.2021 (audited)
Net asset value attributable to equity holders of the Company (RM)	55,864,989	57,103,597	46,286,420	49,702,222
Number of shares in issue (excluding treasury shares)	108,803,600	108,803,600	108,803,600	108,803,600
Net asset value per share (RM sen)	51.34	52.48	42.54	45.68

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20. Dividends paid

	Group	
	6 months ended 30.11.2021 (Unaudited) RM	6 months ended 30.11.2020 (Unaudited) RM
Ordinary dividends paid:		
Final single tier tax exempted dividend of SGD0.009 per share, on the 108,803,600 ordinary shares, was declared on 28 September 2021 and paid on 22 October 2021 in respect of the financial year ended 31 May 2021	3,025,045	-

21. Borrowings

The accompanying notes to the statement of financial position:

	Group	
	As at 30.11.2021 (Unaudited) RM	As at 31.5.2021 (Audited) RM
<i>Aggregate amount of borrowings and debt securities:</i>		
Repayable on demand or within 1 year		
- Secured	321,972	312,628
- Unsecured	-	-
Repayable within 2 to 5 years		
- Secured	424,160	587,482
- Unsecured	-	-
	<u>746,132</u>	<u>900,110</u>

The Group's borrowings are in relation to motor vehicles acquired under finance lease agreements, and the liabilities are recorded as lease liabilities due to the adoption of SFRS(I) 16 Lease.

Details of any collateral

The Group's borrowings are secured against certain property, plant and equipment with net carrying value of approximately RM898,017.

22. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

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(F) Other information required pursuant to Appendix 7C of the Catalyst Rules

1. Review

The condensed consolidated statement of financial position of shopper360 Limited and its subsidiaries as at 30 November 2021 and the related condensed statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

1.1 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest audited financial statements of the Company and the Group for the financial year ended 31 May 2021 was not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

- 2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

(A) REVIEW OF THE GROUP'S PERFORMANCE

Revenue

Revenue for 1H FY2022 decreased by 9% or RM 6.5 million, from RM 75.9 million in 1H FY2021 to RM69.4 million in 1H FY2022. The decrease was mainly attributable to the impact of the Full Movement Control Order ("**FMCO**") that was implemented nationwide in Malaysia from 1 June 2021 and was relaxed for Klang Valley (Selangor, Kuala Lumpur and Putrajaya) in September 2021 and other parts of the country at differing timelines based on the severity of the Covid-19 cases. Although the FMCO had impact across all services in the Group, the main impact was under the Sales Execution and Distribution segment (with 8% decline in 1H FY2022) because some of the retail and grocery outlets that our team members were covering were not able to operate. This significantly affected our team members' incentives, and consequently, resulted in lower revenue for the Group. In addition, the Advertising and Marketing segment (with 10% decline in 1H FY2022) was impacted as sampling and event management activities were significantly reduced especially during the FMCO in the first three months of 1H FY2022.

Cost of sales

Cost of sales decreased by 7% or RM 3.9 million, from RM 56.8 million in 1H FY2021 to RM 52.9 million in 1H FY2022. The decrease was largely in line with the 9% decrease in revenue.

Gross Profit and Gross Profit Margin

Gross profit decreased by approximately RM 2.6 million or 14%, from RM 19.2 million in 1H FY2021 to RM 16.6 million in 1H FY2022. Gross profit margin declined from 25.3% in 1H FY2021 to 23.8% in 1H FY2022, mainly due to decreased revenue from Advertising and Marketing projects that derived higher margin.

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Other Income

Other income increased by approximately RM 0.2 million or 73%, from RM 0.2 million in 1H FY2021 to RM 0.4 million in 1H FY 2022. The increase was mainly due to foreign exchange gain 1H FY2022 (1H FY2021: Nil foreign exchange gains) recognised from Shopperplus Myanmar Co., Ltd. The foreign exchange gain was a result of strengthening of United States Dollar (transaction currency of the subsidiary) against the functional currency of Myanmar Kyat.

Administrative Expenses

Administrative expenses decreased by approximately RM 1.0 million or 7%, from RM 14.3 million in 1H FY2021 to RM 13.3 million in 1H FY2022. The decrease was mainly attributable to the Group implementing tighter costs control measures, considering the difficult environment caused by the Covid-19 pandemic during the period.

Reversal of Impairment on Trade Receivables and Contract Assets (Net)

Reversal of impairment on trade receivables and contract assets (net) of RM 0.2 million relate to impairment of trade receivable no longer required in line with the recovery of debt from customer.

Finance Costs

Finance costs remained relatively stable in both 1H FY2021 and 1H FY2022, with a slight increase of RM 6 thousand, from RM 56 thousand in 1H FY2021 to RM 62 thousand in 1H FY2022.

Share of Results of Associated Companies

Share of results of associated companies relate to profit and loss incurred by Instanture Holdings Sdn Bhd and its subsidiary, Boostorder Sdn Bhd, which is 11% owned by the Company, and Troopers Innovation Sdn Bhd (acquired during 1H FY2022), which is 21.5% owned by the Company. Instanture Holdings Sdn Bhd recorded a loss in 1H FY2022 (as compared to a profit in 1H FY2021), while Troopers Innovation Sdn Bhd recorded a profit in 1H FY2022.

Profit Before Tax

As a result of the above, profit before tax decreased by RM 1.2 million or 24%, from RM 5.0 million in 1H FY2021 to RM 3.8 million in 1H FY2022.

Tax Expense

Tax expense decreased by approximately RM 0.3 million or 17%, from RM 1.6 million in 1H FY 2021 to RM 1.3 million in 1H FY2022, mainly due to the decrease in taxable profit.

(B) REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current Assets

The Group's non-current assets increased by RM 1.2 million or 10%, from RM 10.9 million as at 31 May 2021 to RM 12.1 million as at 30 November 2021. This was mainly due to an increase in investment in associated companies of RM 1.9 million, and property, plant and equipment of RM 0.1 million, partially offset by a decrease in right-of-use assets of RM 0.8 million.

Property, plant and equipment increased by RM 0.1 million as at 30 November 2021 (as compared to 31 May 2021), mainly due to purchase of equipment of RM 0.7 million, partially offset by depreciation charge of RM 0.6 million in 1H FY2022. The decrease in depreciation of property, plant and equipment was approximately RM 0.3 million or 37%, from RM 0.9 million in 1H FY2021 to RM 0.6 million in 1H FY2022. The decrease was mainly due to no replacement of office equipment which were fully depreciated in 1H FY2022.

Right-of-use assets decreased by RM 0.8 million as at 30 November 2021 (as compared to 31 May 2021), mainly due to depreciation charge of RM 0.8 million, partially offset by addition of right-

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of-use asset of RM 59 thousand. The increase in depreciation of right-of-use assets was approximately RM 0.2 million or 30%, from RM0.6 million in 1H FY2021 to RM 0.8 million in 1H FY2022. The increase in depreciation of right-of-use assets relate to the recognition of additional leased office buildings, warehouses and motor vehicles.

Investment in associated companies increased by RM 1.9 million as at 30 November 2021 (as compared to 31 May 2021), mainly due to investment in an associated company, namely Troopers Innovation Sdn Bhd of RM 2.0 million, partially offset by the share of net losses of RM 22 thousand.

Current Assets

The Group's current assets decreased by RM 3.9 million or 6%, from RM 69.6 million as at 31 May 2021 to RM 65.7 million as at 30 November 2021. This was mainly due to decrease in financial assets at fair value through profit or loss ("FVPL") of RM 2.0 million, trade and other receivables of RM 1.0 million, tax recoverable of RM 0.9 million, and cash and cash equivalents of RM 0.5 million, partially offset by increase in inventories of RM 0.4 million.

Financial assets at FVPL decreased by RM 2.0 million as at 30 November 2021 (as compared to 31 May 2021), mainly due to redemption of cash in short term deposits to support operating and investing activities.

Trade and other receivables decreased by RM 1.0 million as at 30 November 2021 (as compared to 31 May 2021), mainly due to decrease in revenue and increase in collection from trade debtors in 1H FY2022.

Contract assets remained relatively stable as at 30 November 2021 and 31 May 2021, with a slight increase of RM 42 thousand.

Cash and cash equivalents decreased by RM 0.5 million as at 30 November 2021 (as compared to 31 May 2021). Please refer to the section on review of the Group's cash flow statement for explanations on the decrease in cash and cash equivalents of the Group.

Inventories increased by RM 0.4 million as at 30 November 2021 (as compared to 31 May 2021), mainly due to higher volume of trading goods, consisting of fast-moving consumer products.

Tax recoverable decreased by RM 0.9 million as at 30 November 2021 (as compared to 31 May 2021), mainly due to refund of tax from the Inland Revenue of Malaysia.

Equity

The Group's equity decreased by RM 0.7 million or 1%, from RM 58.4 million as at 31 May 2021 to RM 57.7 million as at 30 November 2021, mainly due to a decrease in retained earnings of RM 1.2 million, partially offset by increase in non-controlling interests of RM 0.5 million.

Non-current Liabilities

The Group's non-current liabilities decreased by RM 0.4 million, from RM 1.0 million as at 31 May 2021 to RM 0.6 million as at 30 November 2021, due to the payment of lease liabilities (which mainly relates to rental of office, warehouse and motor vehicle).

Current Liabilities

The Group's current liabilities decreased by RM 1.5 million or 8%, from RM 21.0 million as at 31 May 2021 to RM 19.5 million as at 30 November 2021, mainly due to decrease in trade and other payables of RM 0.5 million, contract liabilities of RM 0.6 million, and lease liabilities of RM 0.4 million.

Trade and other payables decreased by RM 0.5 million as at 30 November 2021, mainly due to lower advance payment of project cost from customers in 1H FY2022.

Contract liabilities decreased by RM 0.6 million as at 30 November 2021, mainly due to reduction of pre-billing from clients.

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Lease liabilities decreased by RM 0.4 million as at 30 November 2021, mainly due to the payment of lease liabilities (which mainly relates to rental of office, warehouse and motor vehicle).

Working Capital

The Group reported a positive working capital of RM 46.1 million as at 30 November 2021, as compared to RM 48.5 million as at 31 May 2021.

(C) REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Net cash generated from operating activities in 1H FY2022 was RM 4.2 million, due to operating cash flow before changes in working capital of RM 4.9 million, changes in working capital of RM 0.4 million, and income tax paid of RM 0.3 million. Changes in working capital were mainly due to (i) increase in inventories of RM 0.4 million; (ii) decrease in trade and other receivables and contract assets of RM 1.2 million; and (iii) decrease in trade and other payables and contract liabilities of RM 0.9 million.

Net cash used in investing activities amounted to RM 0.6 million in 1H FY2022, mainly relates to (i) purchase of property, plant and equipment of RM 0.6 million and (ii) purchase of investment in associated company of RM 2.0 million, partially offset by (iii) redemption of financial assets at fair value through profit or loss of RM 2.0 million.

Net cash used in financing activities of RM 4.2 million mainly relates to repayment of lease liabilities of RM 1.0 million, repayment to non-controlling interest of RM 0.2 million and dividends paid to shareholders of RM 3.0 million.

As a result of the above, net cash and cash equivalents decreased by RM 0.5 million in 1H FY2022.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group is expected to experience in 2022 as a year of recuperation and reversing the degrowth experienced in 2021, where the Malaysia government implemented a series of lockdown in Malaysia in June 2021 to September 2021.

For the Advertising and Marketing segment, advertising spending for the Asia-Pacific region in 2022 is expected to grow by 12%, hitting US\$1.5 billion.¹ With the reopening of the economy and continued efforts to roll out booster injections for COVID-19 vaccinations, footfall into stores and malls are on an upward trend. The Group has observed that brands are investing again on in-store media, especially with the Group's recent addition of an exclusive partnership with the Aeon Group in Malaysia. Malaysia is expecting to roll out 5G in 2022², and while it is just the beginning, there will be more opportunities to work on brand digital campaigns that have richer and more immersive experience that requires seamless data connectivity. Finally, the advertising world which relies heavily on third party data to track its segmented audience is gearing up for a "cookie-less" world, where third-party cookies from search engines which allow advertisers to follow internet users across the web allowing them unique insights into how audiences behave, are to be removed in the coming years. With privacy concerns and Google's deadline to remove cookies from their search engines by 2023, brands are racing to collect their own first party data to connect with their audience. The Group is expected to benefit from this trend, as it engages clients (being, the brands) to execute digital games, contests and on-ground activation.³

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For Sales Execution and Distribution segment, we continue to see our customers increasing demand for manpower to drive their own recovery and seize opportunities in retail. The Malaysian Union Trade Congress (MTUC) is urging the Malaysia government to raise minimum wage of blue collar workers from RM1,300 to RM1,500 per month. This move is expected to positively impact our ability to retain talent and improve our earnings on professional fees.⁴

As mobility is reinstated and confidence increase with declining COVID-19⁵ cases in Malaysia, activities are beginning to resume for outdoor activation, whether in malls, offices, schools, colleges, in-store and public spaces. For instance, the Group's investee company, Potboy, has recently reignited the excitement back into in-store with shoppers camping overnight to enter their store during the 11.11 and 11.12 promotions to shop at 50% off all items. Their speed of growth from 5 to 50 stores in 6 months has proven that an omnichannel experience is possible for an online grocery to go offline or physical.⁶

In Myanmar, the conversion rate between US currency and Myanmar Kyat currency has stabilized since October 2021⁷, and this has allowed consumer goods prices to also stabilize. Even though 2021 is ending with the military junta still in power, and clashes between militants and government forces continue to fester, Yangon remains relatively calm and is 'business as usual'. As Myanmar starts accepting the Chinese Renminbi currency as an official settlement currency in 2022 for trades with China, it is expected that there will be a surge of support from China and China-led projects in Myanmar⁸. With this trend, the Group expects to potentially work with more Chinese Brands in Myanmar.

In Singapore, the economy grew by 7.2% in 2021, rebounding from the 5.4% contraction in 2020.⁹ As the Singapore government views COVID-19 as endemic and having rolled out policies that balance cautiousness with learning to live with the virus, consumer behaviour is slowly returning to normal. Brands are therefore reinvesting what was cut in 2020 and 2021, and the Group expects to see an increase in client confidence, ploughing advertising dollars into in-store.¹⁰

Source:

¹<https://www.marketing-interactive.com/apac-ad-spend-2022-which-mediums-are-expected-grow>

²<https://www.marketing-interactive.com/malaysia-s-push-into-5g-heralding-a-new-era-for-creativity-in-advertising>

³<https://www.raconteur.net/digital/cookie-less-advertising/>

⁴<https://www.nst.com.my/news/nation/2021/12/752857/mtuc-raise-minimum-wage-rm1500-cola-rm300>

⁵<https://covidnow.moh.gov.my/>

⁶<https://vulcanpost.com/772614/potboy-groceries-delivery-malaysia/>

⁷<https://www.reuters.com/world/asia-pacific/myanmar-central-bank-sees-currency-stabilising-new-measures-2021-10-07/>

⁸<https://www.reuters.com/markets/currencies/myanmar-says-accept-renminbi-settlements-stresses-china-ties-2021-12-22/>

⁹<https://www.mti.gov.sg/Newsroom/Press-Releases/2022/01/Singapore-GDP-Grew-by-5.9-Per-Cent-in-the-Fourth-Quarter-of-2021-and-by-7.2-Per-Cent-in-2021>

¹⁰<https://www.marketing-interactive.com/apac-ad-spend-2022-which-mediums-are-expected-grow>

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5. Dividend

(a) Any dividend recommended/declared for the current financial period reported on?

No dividend has been declared or recommended for 1H FY2022.

(b) Any dividend recommended/declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6. If no dividend has been declared/recommendeded, a statement to the effect and reason(s) for the decision.

No dividend has been declared/recommendeded for the financial period ended 30 November 2021, as the Board deems it appropriate to retain the cash for the Group's capital expenditure and for the Group's future growth.

7. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group does not have a general mandate for interested person transactions.

8. Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual Section B: Rules of Catalist

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention, which may render the unaudited consolidated financial results of the Group for the half year ended 30 November 2021 to be false or misleading in any material aspects.

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

10. Disclosure pursuant to Rule 706A

Following are the changes to the companies within the Group that occurred during 1HFY2022, pursuant to Rule 706(A) of the Catalist Rules:

Acquisition of shares in an associate

On 27 August 2021, shopper360 Sdn. Bhd. (a wholly-owned subsidiary of the Company) acquired 30,956 ordinary shares in Troopers Innovation Sdn. Bhd. ("**Troopers**"), representing 21.5% of the share capital of Troopers, at a consideration of RM2,000,000 ("**Consideration**"). Following the aforementioned acquisition, Troopers became an associated company of the Group.

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The Consideration has been paid in cash in September 2021. The Consideration, fully funded with internal resources, was arrived at after taking into account factors such as Trooper's growth prospects and potential, as well as synergy with the Group. The unaudited net asset value of Troopers was approximately RM 0.82 million as at 31 May 2021 (being the latest available management account in August 2021) and approximately RM 2.30 million as at 30 November 2021. The proportionate unaudited net asset value for 30,956 ordinary shares in Troopers held by the Group was RM 0.18 million as at 31 May 2021, and RM 0.50 million as at 30 November 2021.

BY ORDER OF THE BOARD

Chew Sue Ann
Executive Chairman and Group Managing Director
14 January 2022