

THE SHOPPER MARKETING EXPERTS

shopper360



behaviour

INSIGHTS

segmentation

communication

experiential

analytics

integration

targeting

personalisation

O2O

DATA

DRIVING INNOVATION

ANNUAL REPORT 2017

SHOPPER360 LIMITED

Our Vision

To be the Shopper Marketing Experts in Asia.

Our Mission

To be a leader in the field of shopper marketing. Providing 360 solution such as integrated digital and offline marketing - omnichannel, in-store advertising, e-commerce, data and insight, merchandising, field force activation (sampling), on-ground activation and retail technology products and services.

To attract the best talent that fit our culture of forward thinking, forward doing, collaboration whilst cultivating an environment that promotes passion, develops expertise and celebrates success.

To collaborate and be strategic with our business partners, retailers and customers (brand owners) in providing solutions to grow their businesses via sales and marketing efforts on the shopper marketing front.

To create memorable shopper experiences in the digital and physical retail world.

In summary, shopper360 aims to promote and advance our brand, promise of helping companies (whether retailer or brand) 'sell smarter'.

This annual report 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"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this annual report.

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

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.



Contents

02	About Us
03	Corporate Information
04	Corporate Structure
10	Our Uniqueness and Business Strengths
12	Business Strategies and Future Plans
14	Chairman's Statement
16	Calendar of Events
20	Media Highlights 2017
22	Our New Home
26	Financial Review and Highlights
30	Board of Directors
33	Leadership Team
35	Corporate Social Responsibility
37	Corporate Governance Report
54	Financial Contents



shopper360 Limited (the “**Company**”, and together with its subsidiaries, “**shopper360**” or the “**Group**”) is a well-established shopper marketing services provider in the retail and consumer goods industries in Malaysia with 30 years of experience in the in-store advertising industry.

The Group offers a comprehensive range of marketing and advertising services that integrate along the entire shopper journey, through in-store experience to loyalty, retention and repeat purchase.

The Group’s history can be traced back to 1986 when Pos Ad Sdn. Bhd. (“**Pos Ad**”) was founded by the late Mr Raymond

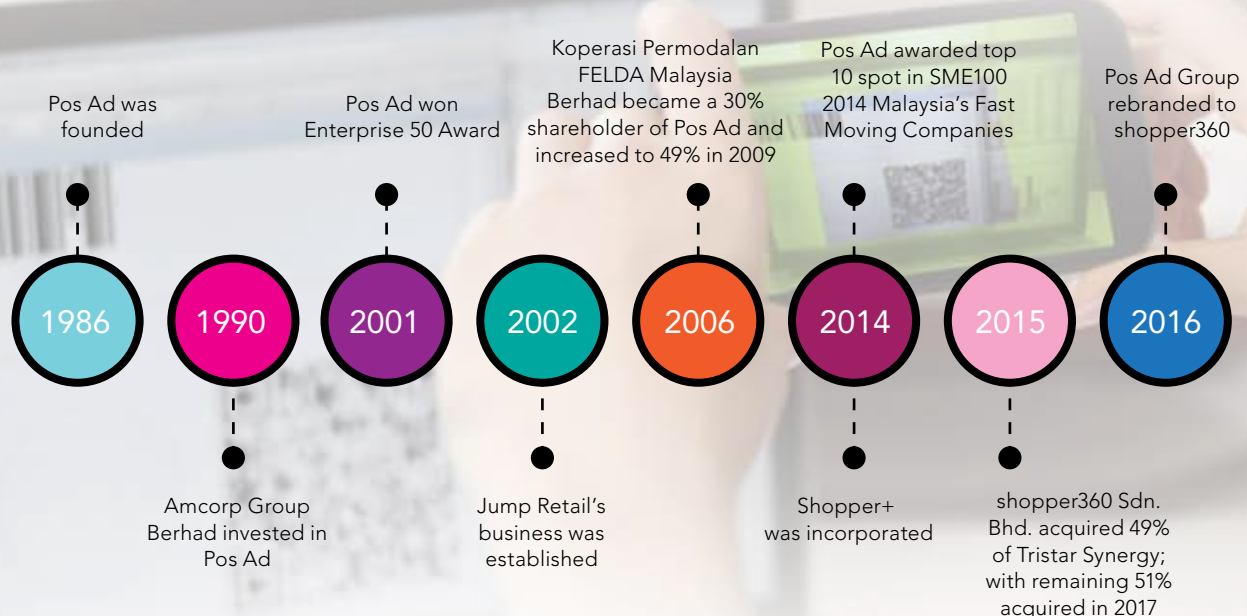


Chew. Sound Ads, an in-house supermarket audio advertising programme, was the first medium in Pos Ad’s arsenal. It proved to be a very successful medium of reaching shoppers. As the business continued to expand, Pos Ad needed a larger space and to accommodate this, Pos Ad moved into new offices at Phileo Damansara 2, Petaling Jaya, in 1999. In 2002, Jump Retail Sdn. Bhd. (“**Jump Retail**”) was established to address the merchandising needs of the market with Nestle Malaysia as its first business partner and client. With the world moving into the digital age, Pos Ad added ShopperPlus Sdn. Bhd. (formerly known as Shopwave Sdn. Bhd.) (“**Shopper+**”), a company concentrating on digital marketing, to its group of companies in 2014. Pos Ad acquired a 49% stake in Tristar Synergy Sdn. Bhd. (“**Tristar Synergy**”) in 2015 to expand its business,

bringing a wealth of experience and expertise on promoter services, shopper activation, and market intelligence. In 2016, Pos Ad, together with Jump Retail, Shopper+ and Tristar Synergy, collectively, the “**Pos Ad Group**” revitalized the brand to become shopper360, along with a corresponding ambition to be Malaysia’s shopper marketing expert.

Today, shopper360 connects its customers with its retail partners with a view of reaching out to more shoppers and increasing the visibility of its customers’ products, thereby optimising sales for its customers. The Group has access to in-store advertising to over 1,900 retail outlets, namely hypermarkets, supermarkets, pharmacies and convenience chain stores across 183 towns in Malaysia.

Shopper360’s business comprises three main segments: in-store advertising and digital marketing, field force management, as well as sampling activities and events management. Its current client base of local and multi-national customers includes Nestle, Colgate-Palmolive, F&N Beverage, Fonterra, Samsung, U Mobile and Huawei. The Group has a strong network of retail partners comprising hypermarkets and supermarkets such as Giant, Cold Storage, Econsave, The Store, Billion, MYDIN, Aeon, and convenience chain store such as 99 Speedmart, as well as pharmacy chains.



**BOARD OF DIRECTORS**

Chew Sue Ann
(Executive Chairman and Group Managing Director)
Ravichandran K Moorthy
(Non-Independent and Non-Executive Director)
Zaffary Bin Ab Rashid
(Non-Independent and Non-Executive Director)
Hew Koon Chan
(Lead Independent Director)
Margaret Au-Yong @ Moh Chuan
(Independent Director)
Wong Chin Chin
(Independent Director)

AUDIT COMMITTEE

Hew Koon Chan *(Chairman)*
Ravichandran K Moorthy
Wong Chin Chin

NOMINATIONS COMMITTEE

Wong Chin Chin *(Chairman)*
Hew Koon Chan
Zaffary Bin Ab Rashid

REMUNERATION COMMITTEE

Margaret Au-Yong @ Moh Chuan *(Chairman)*
Hew Koon Chan
Ravichandran K Moorthy

COMPANY SECRETARY

Chua Kern

COMPANY REGISTRATION NUMBER

201634929Z

REGISTERED OFFICE

55 Market Street
#08-01
Singapore 048941
Tel: +65 6236 9350
Fax: +65 6532 9937

PRINCIPAL PLACE OF BUSINESS

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Phileo Damansara 2
15 Jalan 16/11
46350 Petaling Jaya
Selangor Darul Eshan
Malaysia
Tell: +603 7955 1100
Fax: +603 7954 1818
Website: <http://www.shopper360.com.my/>

SHARE REGISTRAR

B.A.C.S Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

AUDITORS

Baker Tilly TFW LLP
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

Partner-in-charge: Joshua Ong Kian Guan
(a member of the Institute of Singapore Chartered Accountants)
Date of appointment: 13 March 2017

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited, Singapore Branch
21 Collyer Quay
HSBC Building Level 1
Singapore 049320

SPONSOR

ZICO Capital Pte. Ltd.
8 Robinson Road
#09-00 ASO Building
Singapore 048544





POS MEDIA AD

THE LEADING RETAIL MEDIA PROVIDER

More than 30 years of
Shopper Solutions

“ *Malaysia's Pioneer in
In-Store Media Advertising* ”

- Founding company of shopper360
- Since 1986 (30 years proven track record)
- Since then, we have added other services to engage the shopper at every touch point
- Access to more than 1500 leading hypermarkets, supermarkets, pharmacies and convenience stores nationwide





SPECIALIST IN RETAIL FIELD FORCE MANAGEMENT

FIELD FORCE OPERATIONS MANAGEMENT

- Merchandising itinerary and route scheduling
- In-class training and field coaching
- KPI (Key Performance Indicator) management and reporting
- Incentives and reward system to drive performance
- POSM (Point-Of-Sale Materials) storage and allocation

AD-HOC TASK FORCE

Additional ad-hoc resources to support seasonal requirements or customized objective-driven projects such as

- Seasonal blitz
- Festive display setups
- Re-plan-o-gram
- Audits

PAYROLL & RECRUITMENT MANAGEMENT

- Management of monthly disbursements, incentives, and bonuses
- Administration and documentation handling
- Supply of field operational personnel and talent
- Suitable remuneration according to industry

FIELD FORCE AUTOMATION SYSTEM & BUSINESS INTELLIGENCE

They say that Information is King. We take this to the next level by providing near real-time information and ground reports to drive retail operations and facilitate strategic planning.





TRISTAR
SYNERGY

THE LEADING PROMOTER ACTIVATION & EVENTS PROVIDER

- Sampling management
 - Market intelligence and analysis
 - Shopper engagement via creative design and sampling concepts
 - Out of Store Events e.g.: Sports Day, and events at colleges, and mamak/food courts
-





shopper+

POISED FOR THE DIGITAL ECONOMY

Shopwave (an app developed by Shopper+) engages shoppers with rewards in the form of "wave points" when shoppers purchase certain products or scan barcodes of certain products, thereby increasing brand awareness for our brand owners.

O2O (Online to offline and vice versa)

- Insight
- Consultancy
- Creative
- Content
- Media
- Social Media
- Marketing Implementation

TECH & DATA

- Automated field force reporting (PRISM, CLOVER)
- Mobile development
- White Label
- Virtual Reality and Augmented Reality
- Shopwave mobile app (Loyalty Platform)



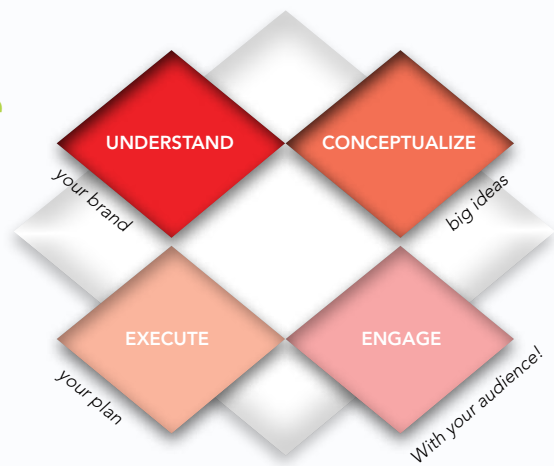


Gazelle
ACTIVATION

SPECIALIST IN SHOPPER ACTIVATION

At the heart of Gazelle, we are *fully committed to delivering creative and practical solutions* that will meet all your business goals

We make it our objective to *elevate your brand name*, to **DRIVE** engagement via effective brand activation





OUR UNIQUENESS & BUSINESS STRENGTHS

Shopper360 operates in highly competitive industries, with competition from local and global companies. However, the Group believes that the barriers to entry in our industries include the need for a large pool of skilled personnel, operational efficiencies, track record, long standing business relationships, reputation and credibility.

For our in-store advertising and digital marketing services, and sampling activities and events management services, we compete for customers primarily on the basis of network size of our retail partners and coverage, location, price, quality and the range of advertising mediums or shopper engagement services that we offer. We also compete against different advertising mediums for overall advertising spending by our customers. These mediums include, but are not limited to, newspapers, television, direct mail, magazines, radio, Internet-based services, mobile devices / applications, broadband wireless, public / outdoor fixtures, billboard and public transport advertising. For our field force management business, we compete for customers primarily based on the size, quality of field force personnel, price and operational expertise. For all our businesses, we also compete based on value-added services such as creative ideas, holistic solutions, market intelligence, employing technology and identifying key areas that add value in increasing sales for our customers' businesses.

We are able to compete effectively due to the following competitive strengths:



(1) A "ONE-STOP" SHOPPER MARKETING SERVICES GROUP

We are able to provide a full suite of advertising, marketing and shopper engagement services. We complement customers' needs to reach out to shoppers at every touch point through our different business segments, namely in-store advertising and digital marketing, field force management, sampling activities and events management. We have the advantage of sharing of expertise, business information and knowledge across our business segments in order to help our customers achieve their objectives. We constantly innovate and develop new advertising mediums or shopper engagement methods in order to keep up with changes in trends and technologies. We believe that our ability to effectively manage our customers' advertising, marketing and branding requirements will enable us to retain existing customers and attract prospective ones. With our strong operations team, established network of customers and retail partners as well as synergies amongst our different business segments, we believe that we are well positioned to meet the demands of our customers and the industry.



(2) STRONG ESTABLISHED TRACK RECORD AND REPUTATION SINCE THE 1980'S

We are a pioneer in in-store advertising in Malaysia since 1986 and have expanded into a "one stop" shopper marketing services group offering a full suite of shopper marketing services that are insightful and effective in addressing the needs of our customers and retail partners. We believe that our wealth of experience, professionalism, responsiveness and focus towards delivering consistent quality have been the key to building our customers' loyalty. Over the last 30 years, we have won the Enterprise 50 award twice and top 10 in the SME100 2014 Malaysia's Fast Moving Companies. Enterprise 50 is an annual award programme organised by the SME Corporation Malaysia and Deloitte Malaysia, to celebrate and highlight the achievements of enterprising small and medium companies that are well positioned for the future.

OUR UNIQUENESS & BUSINESS STRENGTHS



(3) STRONG RELATIONSHIPS WITH OUR CUSTOMERS

We have over the years established strong relationships with our major customers. Our strong client-centric approach to doing business has allowed us to focus on building the trust and confidence of our customers. This has been evidenced by our high retention rate of our customers, such as Nestle Malaysia, which has been a customer of Jump Retail since 2002. Other long-term customers include brand leaders of various categories in the market, such as Dutch Lady Milk Industries Berhad (Dutch Lady milk), Samsung, Southern Lion (Shokubutsu, Fresh and White, and Systema), Cotra Enterprises (Vitagen, Marigold, and HL Milk) and Fonterra (Anlene and Annum).



(4) STRONG AND ESTABLISHED NETWORK OF RETAIL PARTNERS IN MALAYSIA

We have established a strong network of retail partners in Malaysia. We help our customers reach out to approximately 7 out of 10 shoppers in Malaysia. We have a strong network of retail partners comprising hypermarkets and supermarkets such as Giant, Cold Storage, Econsave, The Store, Billion, MYDIN, and Aeon, convenience chain stores such as 99 Speedmart, as well as chain pharmacies. We have worked with Giant and 99 Speedmart for more than 5 years. We believe that our wide network of retail partners provides assurance to our customers that our Group is able to maximise their reach to shoppers and increase brand awareness for our customers.



(5) EXPERIENCED MANAGEMENT TEAM

Our management team comprises qualified and dedicated individuals with extensive experience and track records in in-store advertising, field force management, sampling activities and events management. The core members of our management team are Chew Sue Ann (Executive Chairman and Group Managing Director), Samuel Chan (Executive Officer and CEO of Pos Ad, Shopper+ and Gazelle), Janice Cheah (Executive Officer and CEO of Jump Retail), Angelina Ooi (Executive Officer and CEO of Tristar Synergy), Lee Jun Ling (General Manager of Business Development and Operations) and Chow Siew Bee (Financial Controller). We believe that the management team has been, and will continue to be, instrumental in formulating our business strategies and spearheading the growth of our business operations.



(6) POISED FOR THE DIGITAL ECONOMY

Digital and mobile marketing has become increasingly important in the shopper's path to purchase. Deployment of marketing through digital channels like mobile and personal computers have become imperative to complement every touchpoint of the shopper with brands and retail partners such as hypermarkets, supermarkets, pharmacies and convenience chain stores, before, during and after their purchases. We have an experienced technology team and digital marketing team to provide solutions on shopper engagement.





BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the growth are driven by innovation and creating relevant solutions to our customers whilst being adaptable to the evolving shopper landscape. Our strategies can be described in four main thrusts:

(A) EXPANSION OF OUR SERVICE OFFERINGS

For our in-store advertising business, we intend to expand our service offerings to customers by introducing new innovative mediums, with particular focus on digital mediums, to be undertaken by our in-store advertising and digital media team at Pos Ad. We also plan to provide design and content development services, in addition to production and installation services. Our in-house team has won several new businesses in creative and content production and will continue to do so.

For our sampling activities and events management business, we intend to expand our operations through various channels such as engaging with food trucks and pop-up stores by the end of 2018. We will assist our customers by securing locations and offering sales personnel and promoters for such new channels.

Shopwave was rebranded as ShopperPlus, to better communicate our scope of services which will involve retail technology, insights, digital content, creative and marketing services.



(B) EXPANSION OF OUR NETWORK OF CUSTOMERS AND RETAIL PARTNERS

We believe that our proven track record in offering our customers in-store advertising, digital marketing, in-store activation and field force management services as well as our Group's extensive industrial experiences have equipped us well to enable us to secure new customers as well as increasing our non-FMCG clientele base.

In addition, Pos Ad intends to expand its network of retail partners and not be restricted to only hypermarkets, supermarkets, pharmacies and convenience chain stores. Jump Retail and Tristar Synergy will also hunt for more customers in different FMCG segments such as personal care and beauty by the end of 2018.



BUSINESS STRATEGIES AND FUTURE PLANS



(C) EXPANSION INTO NEW GEOGRAPHICAL LOCATIONS

We intend to capitalise on our know-how, relationships and positive brand image, as well as our extensive industry experience and expertise to expand our operations locally and into new geographical locations. We have won some digital marketing business in Myanmar and Singapore and we plan to continue to hunt for more through the good works we have completed thus far.



(D) EXPLORING ACQUISITIONS, STRATEGIC ALLIANCES AND/OR JOINT VENTURES

We will also expand our business to new markets and new customers, through a mixture of possible corporate actions, such as acquisitions, joint ventures and/ or strategic partnerships.



BUSINESS OUTLOOK

The response from our customers towards our new offerings through Gazelle Activation Sdn. Bhd. (formerly known as Jump Licensing (M) Sdn. Bhd.) ("**Gazelle Activation**") has been encouraging. We believe that customers will continue to place importance in face-to-face engagement or experiential activities whether at supermarkets, hypermarkets or malls. We have seen an increase in interest for our capabilities in executing a full 360 campaigns, deploying instore communications to digital video and social media campaigns.

As the consumer landscape in Malaysia is still considered 'soft', brand owners of FMCG will still be inclined towards adopting shopper-focused activities in-store, to drive sales of their products. This will present an opportunity to the Group to assist these FMCG to conduct more in-store marketing and promotional activities.*

The Group will continue to focus on expanding its portfolio of clients and scope of services, besides improving work flow processes, manpower utilisation and information technology applications to increase productivity and efficiency.

Suitable opportunities are being explored to expand the business through acquisitions, joint ventures or strategic alliances with partners who can strengthen our market position regionally and value-add to our existing businesses.

* It was stated in the 2016 annual report of Nestle (Malaysia) Berhad ("**Nestle Malaysia**", a key customer of the Group) that Nestle Malaysia had reported a record high turnover for financial year ended 31 December 2016 despite a soft F&B market in Malaysia – growth driven by product innovations, strong marketing and trade promotions.



Chew Sue Ann
Chairman

Dear Shareholders,

I am pleased to present to you the Annual Report of the Company for the financial year ended 31 May 2017 ("FY2017").

Shopper360 has achieved several milestones in the past 2 years as we celebrate our 30 years anniversary. Firstly, we completed our 100% acquisition of Tristar Synergy, launched a book detailing the story of our beloved founder, Mr Raymond Chew, refurbished our office which is headquartered in Petaling Jaya, Malaysia, and listed on the Catalyst Board of the Singapore Exchange Securities Trading Limited.

These are huge milestones for us as we move towards becoming a formidable regional agency in the shopper marketing space. We will expand our expertise to ASEAN, starting first with Myanmar and Singapore, and we hope to reap the fruit of our labour for having laid a strong foundation for the business over the last 30 years. We hope that together with our retail partners and our fast-moving consumer goods (FMCG) customers, our business will continue to flourish.

As we embark into our new financial year, we are embracing the theme of "Leveling Up", challenging ourselves to move into new areas of growth, personally and also for the Group. We are in the "people" business and will continue to invest in our people as they are just about the best asset any business

can have. Over the years, as we expand our business and as a listed company now, we have been known to take care of our employees as we have been seen to treat each one like a family member. We recently relaunched our core values and ramped it up across the businesses in order to drive a culture that all of us can be proud of and in unison. The values are "be expert", "forward thinking, forward doing", "collaboration", and "enjoy and respect".

Be Expert

We have not stopped short in our efforts to be thought leaders in our industry. Whether by attending overseas expo, hosting shopper marketing talks or constantly upskilling our staff through various training programs. For FY2017, shopper360 has achieved an average training hour of 8.3 hours per staff.

This year, we sent a team to Dusseldorf, Germany to attend Euroshop, a retail expo which is held once every three years and is one of the largest retail expos in the world. Through this expo, we were exposed to retail innovations and store concepts that are vibrant and engaging, and have responded well by merging technology to their brick and mortar business. The reality is that physical stores today are still relevant so long as they are able to give shoppers what



e-commerce is not able to do – connecting emotionally with shoppers through an amazing 'experience'. We are convinced that retail stores who know how to use technology and experience to their advantage is very much here to stay and can co-exist with a digital and e-commerce world.

Forward Thinking, Forward Doing

This year has seen us moving up the value chain with some of our retail partnerships by providing them strategy on how to reposition their stores and deepening our scope of work with our existing clients. Internally, we have also introduced more digitized ways of working particularly in human resource processes.

Collaboration

We initiated functional roles by getting our staff to different types of roles, sometimes not within their field of expertise. We found that there was a richer working environment within the Company due to cross department sharing as well as partnering together for certain projects. This allowed for a more unified workforce and a better result because of the cross fertilization of ideas from different departments. In essence, we benefitted from a more unified and engaged workforce.

Enjoy and Respect

"All work and no play makes Jack a dull boy," this has always been our motto from the very beginning. From durian parties, pool tournaments to costume parties, we never fail to inject a bit of fun to build better working relationships with one another. A group that plays together will also work well together. Respecting each person's uniqueness allows for a diverse workforce and that means we will be able to feed off each other's different talent and strengths.

With this, I would like to thank my entire team - all 250 permanent staff, 1,300 merchandisers on the field, 1,000 promoters at any given time in the year, our shareholders, business partners and customers - thank you for making shopper360 a great company to work for. I look forward to building this business to greater heights together with you.

God bless all of you,

CHEW SUE ANN

Executive Chairman and Group Managing Director





CALENDAR OF EVENTS



AUGUST 2016

- Jump Retail participates in a team building trip to Phuket, Thailand.
- Executive Chairman and Group Managing Director, Chew Sue Ann, participates as a judge for the Effie Awards. The Effie Awards is a marketing communications award given yearly by Effie Worldwide to honor the most effective marketing communications ideas.
- Pos Ad participates in a team building trip to Bangkok, Thailand.



SEPTEMBER 2016

- Shopper360 Sdn. Bhd. ("shopper360 Malaysia") participates as a platinum sponsor for Malaysia's Chief Marketing Officer's (CMO) Conference which were attended by more than 500 marketing professionals. Shopper+ also set up an awareness booth at the CMO conference.



OCTOBER 2016

- Shopper360 Malaysia hosts its third Shopper Marketing Series instalment – Shopper Marketing Series 3. The event was attended by more than 1,000 participants and topics of talk at the event included “Changes in Retail and Shopper Behaviour” by Tim Asquith, Engage Consulting, and “Insights into Malaysian Shopper Marketing Behaviour” by Sophie Cox, Firestar Research.
- Shopper360 Malaysia celebrates its 30th anniversary with retail partners, customers and staff at Nexus Convention Centre, Kuala Lumpur, Malaysia.
- Jump Retail hosts its annual central region merchandiser night with more than 800 participants.



NOVEMBER 2016

- Shopper360 Malaysia attends the Giant Anniversary Dinner which was planned and organised by shopper360 Malaysia on behalf of Giant.
- Shopper360 Malaysia participates in the ‘Bowling for Bucks’ charity event, raising money for Dignity for Children foundation.
- Shopper360 Malaysia participates in our customer, Ginvera’s Bio Essence Star Run.



CALENDAR OF EVENTS



DECEMBER 2016

- Shopper+ attends a 2-day strategy and brainstorm session at Shorea Resort, Seremban.
- Incorporated the Company under the name of shopper360 Pte. Ltd. in the Republic of Singapore as a private limited company, in preparation for listing on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") (the "Listing").



FEBRUARY 2017

- Chinese New Year celebration at shopper360 Malaysia headquarter.
- Shopper+ ran a nationwide promotion during Valentine's day to increase the usage of its app, Shopwave.



MARCH 2017

- Shopper360 Malaysia visits Euroshop, the biggest retail expo in the world at Dusseldorf, Germany. The expo featured the latest retail innovations and technological trends.



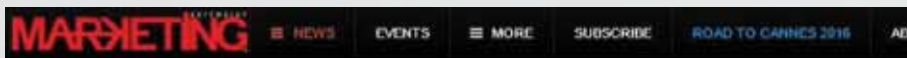
APRIL 2017

- Shopper360 Malaysia visits C-Star Solutions and Trends in Retail in Shanghai, China.



JUNE 2017

- Completed a restructuring exercise to rationalise the structure of the Company and its subsidiaries in preparation for the Listing
- shopper360 Limited lists on the Catalist of the SGX-ST.



Daily Fresh News
Breaking News 2014
Breaking News 2013
Breaking News 2012
Breaking News 2011
Breaking News 2010
Breaking News Archives

RELATED ARTICLES

Malaysia's top retailer calls for a media pitch



The account was formerly held by Mindshare

EARLY FRESH NEWS

Building on Her Father's Legacy

ON 23 JUNE 2016



(marketingmagazine.com.my) - A larger-than-life figure, Raymond ran a very successful business distinguished by many personal touches. In many ways he was the last of a breed of men who took care of everything, finding time for clients, who later became friends at whilst being there for his family.

His traits, both personal and professional rubbed off on his daughter **Chew Sue Ann** who has since taken

Malaysian Shopper360 lists on Singapore stock exchange

27 July 2017 Daily Fresh News

Like 8 Tweet G+ in Share



Three decades on and local shopper marketing experts Shopper360 finds themselves on the Catalyst board of the Singapore stock exchange.



04/10/2016 Mon 12:12 in Malaysia by Razwana Manjur

Shopper360 sheds light on shopper marketing scene in Malaysia [GALLERY]



Earlier this year, Pos Ad Group rebranded as it grew in size, number of clients and its capabilities. The group is now rebranded to Shopper360.



shopper360 raises \$11 mil through IPO placement, to commence trading on Friday

By Khirine Dha

SINGAPORE (June 29): shopper360 on Wednesday completed its placement of 38 million shares, comprising 18 million new shares and 20 million vendor shares, for 28 cents per share to raise gross proceeds of approximately \$11 million.

ZICO Capital is the sponsor and issue manager for the initial public offering (IPO), with UOB Key-Han as the placement agent.

In a press statement on Thursday, the shopper marketing services provider in Malaysia's retail and consumer goods industries notes that the placement "attracted strong interest from institutional investors and the investing community".

After deducting related expenses, the estimated net proceeds of \$3.4 million will be used to fund business expansion through increasing service offerings, customers and retail partners, expanding into new geographical locations, and forming strategic alliances, acquisitions and joint ventures, aside from general working capital purposes. Based on the post-placement share capital of 114.4 million shares, the group's market capitalisation stands at about \$33.2 million.

While the company does not have a fixed dividend policy, it intends to distribute annual dividends of no less than 20% of its net profit attributable to equity holders of the company, over FY17 and FY18.

"We are encouraged by the enthusiastic response from investors for our IPO. This is a clear sign of confidence in shopper360's investment story. The capital raised from the IPO will go towards our next growth phase which is geared towards the expansion of a group both locally and overseas," says Chew Sue Ann, executive chairman and group managing director of shopper360.

"As a listed company, we are now in a better position to fortify our market position and stay ahead of the competition. The increasing importance for shopper engagement experience, bolstered by a proliferation of brick-and-mortar retail stores, bode well for us, as the synergistic nature of our business segments enables us to provide integrated solutions to our customers at every touch point - from pre-store, in-store to post-store, she adds.

"We also have a strong pipeline to introduce new innovative mediums to our existing suite of services, and are well-placed to capture opportunities in the digital economy."

shopper360 is expected to start trading on the Catalyst board of the SGX at 9am on

ADVERTISING OPPORTUNITIES NOW AVAILABLE!



12/05/2016 Thu 10:57 in Malaysia by Vivienne Tay

Shopper360 nurtures young talent



Retail marketing firm Shopper360 raising money for Southeast Asian expansion

(BY DAVID RAY)

A 100-hour course will be available through the firm's new platform, which is set to be launched in the next few months. The course is designed to help retailers understand the digital marketing landscape and how to use it to their advantage. The course is available for a fee of \$1,000 per person. The course is available for a fee of \$1,000 per person.



Shopper360's proprietary mobile application, Shopper360, enables shoppers to enjoy rewards and loyalty programs instantly, among other participating services and products.



26/07/2017 Wed 18:31 in Malaysia by Janice Tan

shopper360 gets listed on SGX, plans to expand service offerings



MARKETING

NEWS FEATURES EVENTS JOBS

MARKETING MEDIA DIGITAL SOCIAL MOBILE PEOPLE AGENCIES



MARKETING

NEWS FEATURES EVENTS JOBS

MARKETING MEDIA DIGITAL SOCIAL MOBILE PEOPLE AGENCIES

Specialised workshops to improve your skills

Specialised workshops to improve your skills

Specialised workshops to improve your skills

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Specialised workshops to improve your skills

Specialised workshops to improve your skills

Specialised workshops to improve your skills

MARKETING

NEWS FEATURES EVENTS JOBS

MARKETING MEDIA DIGITAL SOCIAL MOBILE PEOPLE AGENCIES

Specialised workshops to improve your skills

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Shopping for the right insights

on 18 NOVEMBER 2016



Sue Ann Chew, GMD of shopper360

(marketingmagazine.com.my) - By: Malati Siah
In celebration of the 30th anniversary of the industry, shopper360 (formerly known as Pos Ad) is celebrating its 30th anniversary in the industry.

Increase your knowledge in Shopper Marketing

on 11 OCTOBER 2016



(Marketingmagazine.com.my) - In celebrating Pos Ad Media's 30th milestone in the industry, shopper360 (formerly known as Pos Ad) will be conducting an exhibition and talks on Shopper Marketing this Thursday (October 13th) from 10am to 4pm at Conexio, Bangsar South.

No stranger to the retail industry, the event will feature the company's journey in the past 30 years, having started with one product to where it is today, a leader in the retail media space with a network of over 1500 retailers and over 50 mediums available.

Apart from gaining knowledge on the company through an interactive exhibition, talks at the event will feature thought leaders in the sector and an insight into the latest retail trends and shopper behavior. Below is the session shared:

advertising + marketing

NEWS FEATURES EVENTS JOBS P

MARKETING MEDIA DIGITAL SOCIAL MOBILE PEOPLE AGENCIES

Specialised workshops to improve your skills

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OUR NEW HOME

RECEPTION



RETAIL LAB





PANTRY



COLLABORATION AREAS



GYM





OUR NEW HOME



CHILL OUT
AREAS



OPEN
OFFICE





MEETING AND TRAINING ROOMS





FINANCIAL REVIEW AND HIGHLIGHTS

(A) Key Data of Operating Results

	FY2014 RM'000	FY2015 RM'000	FY2016 RM'000	FY2017 RM'000
Revenue	68,399	89,600	113,520	132,452
Profit before taxation from continuing operations	7,166	9,204	17,285	12,591
Profit after taxation from continuing operations	4,789	6,206	13,690	8,371
Net profit attributable to equity holders of the Company	5,311	6,736	13,306	5,147
Normalization adjustment ⁽¹⁾	-	-	(4,724)	5,218
Net profit attributable to equity holders of the Company (After Normalization)	5,311	6,736	8,582	10,365

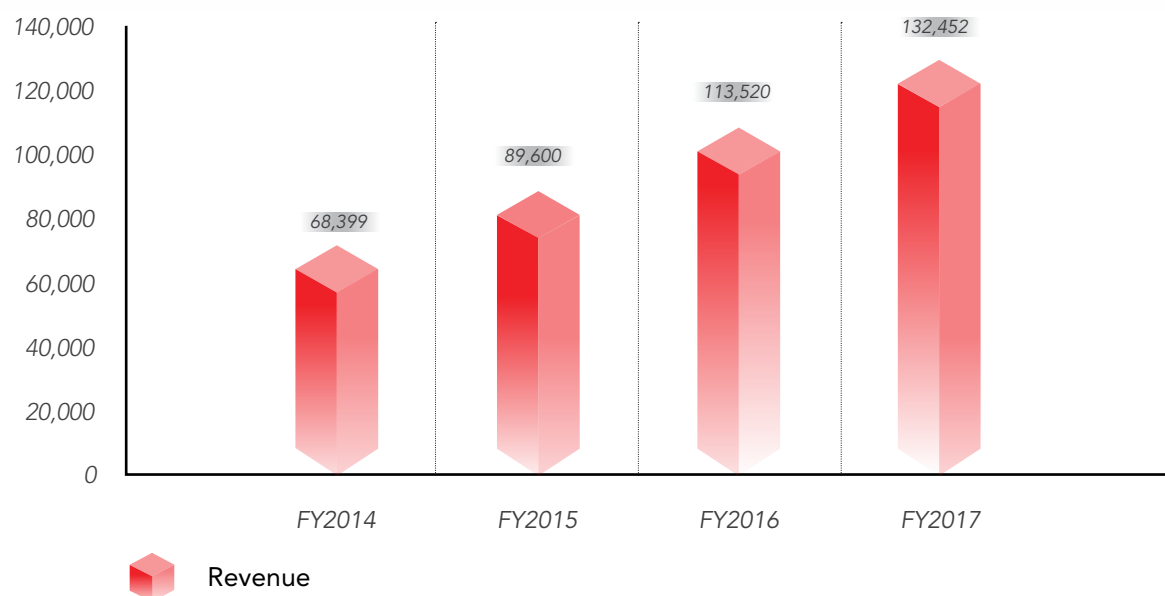
(B) Financial Indicators

Return on equity	16%	19%	35%	18%
Return on equity (After Normalization)	16%	19%	23%	37%
Earnings per share ⁽²⁾ (RM cents)	4.64	5.89	11.63	4.50
Earnings per share ⁽¹⁾⁽²⁾ (RM cents) (After Normalization)	4.64	5.89	7.50	9.06

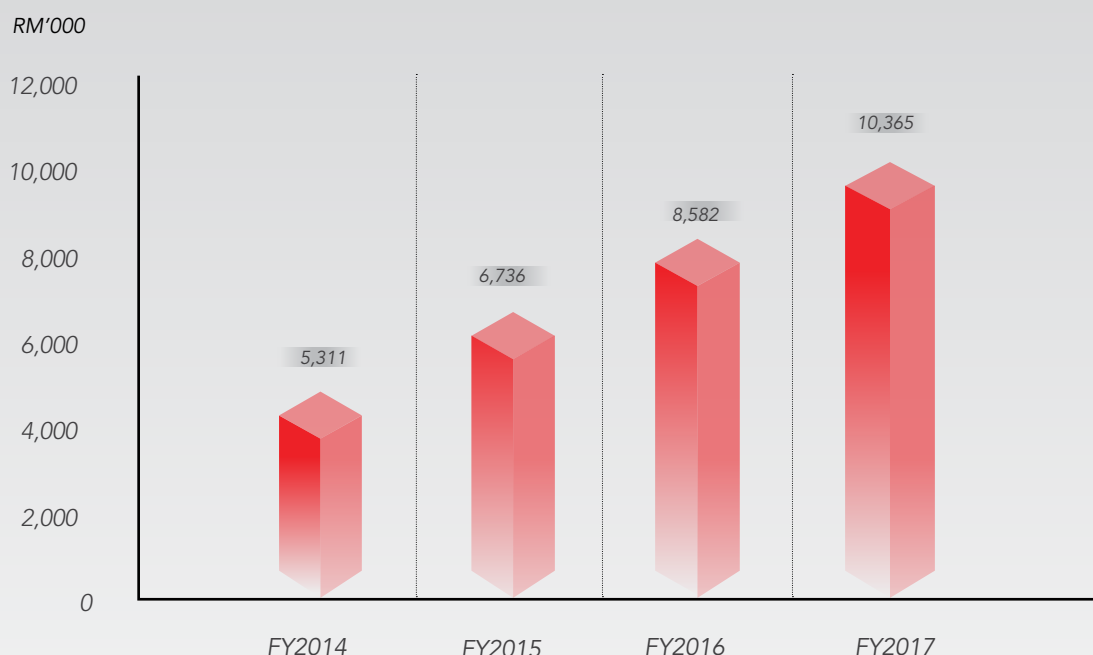
Notes

- (1) Normalization refers to adjustments of one-time gains/charges, comprising (i) one-off gain on disposal of properties of RM4.7 million in FY2016; and (ii) one-off expenses incurred in respect of the IPO, comprising listing expenses of RM 3.9 million and fees paid to a professional adviser of RM1.3 million, in FY2017.
- (2) For comparative purpose, the earnings per share for the respective financial years had been computed based on net profit attributable to equity holders of the Company and the Company's post-initial public offering ("IPO") issued and paid-up share capital of 114,400,000 shares.

RM'000



FINANCIAL REVIEW AND HIGHLIGHTS



Net profit attributable to equity holders of the Company (After Normalization)

REVIEW OF THE GROUP'S PERFORMANCE

Revenue

Revenue increased by 17% or RM 19.0 million, from RM 113.5 million in FY2016 to RM 132.5 million in FY2017, due mainly to revenue contributions from all business segments.

Cost of sales

Cost of sales increased by 15% or RM 11.6 million, from RM 78.8 million in FY2016 to RM 90.4 million in FY2017. The increase was mainly attributable to the increase in staff cost of RM 10.1 million and transportation cost of RM 0.9 million. The increase in cost of sales was in line with the increase in revenue.

Gross Profit

Gross profit increased by approximately RM 7.3 million or 21%, from RM 34.8 million in FY2016 to RM 42.1 million in FY2017, with gross profit margin improving slightly from 31% in FY2016 to 32% in FY2017.

Other Income

Other income decreased by RM 4.5 million or 85%, from RM 5.3 million in FY2016 to RM 0.8 million in FY2017. Other income in FY2017 relates largely to a gain on disposal of available-for-sale financial assets of RM 0.46 million and interest income from deposits of RM 0.20 million. Other income in FY2016 relates largely to a one-time gain on disposal of properties of RM 4.7 million and dividends income from available-for-sale financial assets of RM 0.3 million.

Research and development

Research and development decreased by approximately RM 0.6 million or 64%, from RM 1.0 million in FY2016 to RM 0.4 million in FY2017. Higher research and development costs were incurred in FY2016 as the Group developed its proprietary software, whereas in FY2017, the Group focused on the maintenance and improvement of the proprietary software.



FINANCIAL REVIEW AND HIGHLIGHTS

Administrative Expenses

Administrative expense increased by approximately RM 8.2 million or 38%, from RM 21.6 million in FY2016 to RM 29.9 million in FY2017. The increase was mainly due to (i) listing expenses of RM 3.9 million and fees paid to a professional advisor of RM 1.3 million, both incurred in connection with the IPO; (ii) an increase in rental expenses of RM 0.6 million as Pos Ad had incurred rental expenses in FY2017 subsequent to its disposal of properties in FY2016, and (iii) an increase in staff costs of approximately RM 1.4 million due to an increase in headcount for our Sampling Activities and Events Management segment in FY2017.

Finance Cost

Finance costs decreased marginally by RM 0.02 million or 67%, from RM 0.03 million in FY2016 to RM 0.01 million in FY2017.

Other Operating Expense

Other operating expenses decreased marginally by approximately RM 0.03 million or 43%, from RM 0.07 million in FY2016 to RM 0.04 million in FY2017.

Profit before tax

As a result of the above, profit before tax decreased by approximately RM 4.7 million or 27%, from RM 17.3 million in FY2016 to RM 12.6 million in FY2017.

Loss from discontinued operation, net of tax

Loss from discontinued operation, net of tax, amounted to RM 1.4 million in FY2017 as compared to a profit, net of tax, of approximately RM 0.4 million in FY2016. Loss from discontinued operation relates mainly to the loss on disposal of the subsidiary, Paragon Premiums Sdn. Bhd. amounted to RM 1.2 million in FY2017.

Profit for the year

On a normalized basis, if excluding gains recorded and losses incurred in FY2016 and FY2017 which were not in the Group's ordinary course of business, comprising (i) the one-off gain on disposal of properties of RM 4.7 million in FY2016; (ii) the one-off expenses incurred in respect of the IPO (comprising both listing expenses of RM 3.9 million and fees paid to a professional adviser of RM1.3 million) in FY2017, the Group's normalized profit after tax of RM 13.6 million in FY2017, would have been 51% above that of RM9.0 million in FY2016.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by RM 1.0 million or 11%, from RM 9.3 million as at 31 May 2016 to RM 8.3 million as at 31 May 2017, mainly due to the disposal of available-for sale financial assets of RM 1.0 million and a decrease of trade and other receivables of RM 0.3 million, and partially offset by an increase in property, plant and equipment of RM 0.3 million. The available-for-sale financial assets relate to the Group's holdings of equity securities quoted on the Bursa Malaysia and the London Stock Exchange. Trade and other receivables decreased from RM 0.5 million as at 31 May 2016 to RM 0.2 million as at 31 May 2017, mainly due to repayment of staff loans of RM 0.2 million.

Current assets

The Group's current assets decreased by RM 5.9 million or 11%, from RM 55.2 million as at 31 May 2016 to RM 49.3 million as at 31 May 2017. This was mainly due to the decrease in cash and cash equivalents and financial assets at fair value through profit or loss, and partially offset by increase in trade and other receivables as in line with increase from operating activities.

The decrease in cash and cash equivalents of RM 12.9 million and financial assets at fair value through profit or loss of RM 1.2 million was primarily due to dividends paid to equity holders of the Company and non-controlling interests of RM 17.3 million.

The Group recorded a positive net working capital of RM 20.1 million as at 31 May 2017.

Equity

The Group's equity decreased by RM 9.5 million or 25%, from RM 37.8 million as at 31 May 2016 to RM 28.3 million as at 31 May 2017, mainly due to the Restructuring Exercise. Merger reserve relates to the completion of the acquisition of Pos Ad by the Group. Capital reserve relates to acquisition of the remaining 51% shareholding interests in Tristar Synergy. The decrease was also due to dividends declared to equity owners and non-controlling interest of the Group of RM 17.9 million.

FINANCIAL REVIEW AND HIGHLIGHTS



Current liabilities

The Group's current liabilities increased by RM 2.9 million or 11%, from RM 26.3 million as at 31 May 2016 to RM 29.2 million as at 31 May 2017, mainly due to the increase in trade and other payables of RM 3.1 million, which is in line with the increase in cost of sales.

Non-current liabilities

The Group's non-current liabilities decreased by RM 0.2 million or 51%, from RM 0.4 million as at 31 May 2016 to RM 0.2 million as at 31 May 2017 due to decrease in deferred tax liabilities and finance lease liabilities (in relation to motor vehicles).

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Net cash generated from operating activities in FY2017 was RM 4.4 million, due to operating cash flow before changes in working capital of RM 14.6 million and changes in working capital of RM 5.1 million. Changes in working capital were due to (i) decrease in inventories of RM 0.3 million; (ii) decrease in trade and other receivables of RM 9.7 million; and (iii) increase in trade and other payables of RM 4.9 million.

Net cash used in investing activities amounted to RM 0.3 million in FY2017, which mainly relates to (i) purchase of property, plant and equipment of RM 2.2 million; (ii) proceeds from disposal of available-for-sale financial assets of RM 1.4 million; (iii) redemption of financial assets at fair value through profit or loss of RM 1.2 million; and (iv) payment of the contingent consideration for the acquisition of 49% of Tristar Synergy of RM 1.0 million.

Net cash used in financing activities of RM 17.0 million mainly relates to dividend payments of RM 17.3 million, partially offset by proceeds received from the issuance of new shares of RM 0.4 million.

As a result of the above, net cash and cash equivalents decreased by RM 12.9 million in FY2017.



CHEW SUE ANN

Executive Chairman and Group Managing Director

Chew Sue Ann is our Executive Chairman and Group Managing Director and was appointed on 27 December 2016. She is the daughter of the founder of the Group, the late Mr. Raymond Chew. She is responsible for overseeing the overall business development and general management of the Group, and formulating the Group's strategic directions and expansion plans. Her involvement in the Group started with her appointment as a member of the board of directors of Pos Ad in 2004. She has also worked in Demo Power Sdn Bhd (which was then a subsidiary of Pos Ad) ("Demo Power"). During her time at Demo Power, she held various roles, starting as a field operations executive where she learnt to execute in-store sampling campaigns in international key accounts and high traffic retail outlets through on-field training and supervision. She was also a client services manager at Demo Power, where she shared key industry insights as well as marketing and brand-building strategies with her customers. She became the executive chairman of Pos Ad in December 2011.

In May 2009, Ms Chew was appointed to the board of directors of IACT College, a college in Malaysia that specialises in offering tertiary education in creative communication. She managed and developed business initiatives, helped increase market penetration through new channels of product distribution (such as online educational portals), developed marketing communications plans, as well as reduced tasks duplication and redundancies through business and strategy reviews to ensure alignment across all departments. She was appointed as the executive chairman of IACT College in December 2011 and subsequently relinquished her executive role on 30 November 2016.

Ms Chew's past experience outside our Group includes her tenure with Temporal Brand Consulting Sdn Bhd from July 2004 to November 2005, where she worked as a brand analyst and gained experience in conducting brand audits, leading branding workshops and producing research for various industries, including the fast-moving consumer goods industry. Between April 2011 and November 2011, she was a category assistant manager at Kraft Foods Singapore Pte Ltd (now known as Mondelez Singapore Pte Ltd), responsible for marketing, sales and promotional planning at retail channels for the chocolate and biscuit category.

Ms Chew graduated cum laude from BIOLA University with a Bachelor of Science in Business Administration in 2003.

RAVICHANDRAN K MOORTHY

Non-Independent Non-Executive Director

Ravichandran K Moorthy is our Non-Independent Non-Executive Director and was appointed on 19 May 2017. Mr Moorthy has over 20 years of experience in consumer goods marketing through his employment with The Gillette Company (now merged and subsumed under the Procter & Gamble Group) ("Gillette") in various countries including Malaysia, Indonesia, Singapore and Taiwan. He commenced his career in Gillette Malaysia, holding a finance position and was promoted as the financial controller of Gillette Indonesia in 1980. Mr Moorthy held various managerial positions throughout the years before being appointed as the managing director of Gillette Malaysia in April 1994. He left Gillette in March 1998 and held the position of managing consultant in Right Management Consultants (Malaysia) Sdn Bhd from May 1998 to September 2007. He also established his own consulting partnership, Raviji Consulting, a firm that provides human resource and management consulting services. The firm was first established in July 1998 and Mr Moorthy has held the position of managing partner since then. Mr Moorthy has over 40 years of experience in talent appreciation, career management and business development. He is presently an independent contractor specialising in chief executive officer ("CEO") development with Vistage Malaysia, an international organisation of CEOs and business owners that meet monthly for peer-to-peer reviews of their respective companies' management efficiency. Mr Moorthy is a certified Birkman Method® consultant. He obtained a Masters in Business Administration from the Irish International University, Oxbridge College, London, in 2006.

**HEW KOON CHAN***Lead Independent Director*

Hew Koon Chan is our Lead Independent Non-Executive Director and was appointed on 19 May 2017. Mr Hew began working as a process engineer in 1986 for Texas Instruments Singapore Pte Ltd, a company that specialises in the manufacturing and sale of memory integrated circuits. In 1988, he was employed as an investment analyst and rose through the ranks to become an investment director at Seavi Venture Services Pte Ltd, a venture capital firm established in the South East Asian region, and is affiliated with Advent International, a global private equity firm headquartered in Boston, USA.

Mr Hew established Integer Capital Pte Ltd in 2004 and carried out the role of managing director, providing business consultancy services on corporate mergers and acquisitions. Mr Hew presently sits on the boards of various companies listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), namely Roxy-Pacific Holdings Ltd and Nordic Group Ltd, which are listed on the Main Board of SGX-ST, and Far East Group Limited and DeClout Limited which are listed on SGX-ST Catalist.

Mr Hew graduated from the National University of Singapore in 1986 with a Bachelor of Engineering (Mechanical). In 1987, he graduated from the Singapore Institute of Management with a Graduate Diploma in Financial Management and obtained his Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants (UK) the following year.

**ZAFFARY BIN AB RASHID***Non-Independent Non-Executive Director*

Zaffary Bin Ab Rashid is our Non-Independent Non-Executive Director and was appointed on 19 May 2017. He is currently the senior general manager of investments and business at Koperasi Permodalan FELDA Malaysia Berhad ("KPF"). Mr Rashid has 18 years of experience in KPF, an investment co-operative which is entrusted with the responsibility of promoting and consolidating the Federal Land Development Authority of Malaysia's (FELDA) settlers and staff savings. He joined KPF in 1999 as an executive and his responsibilities include identification and evaluation of money market and fixed income investments, and assisting in monitoring investment activities in equity market, venture capital and private equity. He rose through the ranks to become senior general manager of investments and business in 2011. He currently oversees the investment projects of KPF, identifies new business opportunities, leads the structuring and management of transactions, as well as negotiates and finalises business deals.

He is currently a non-executive director of Pos Ad, which is part of Shopper360. He is also a non-executive director of Gold Coin (M) Group Sdn. Bhd., Felda Vegetable Oil Product Sdn Bhd, KPF Palm Oil Mill Sdn Bhd and alternate director of Plastic Centre Sdn Bhd, all incorporated in Malaysia. He graduated from the Southern New Hampshire University, USA (formally known as the New Hampshire College) in 1997 with a Bachelor of Science majoring in Economics and Finance.



MARGARET AU-YONG @ MOH CHUAN

Independent Director

Margaret Au-Yong @ Moh Chuan is our Independent Non-Executive Director and was appointed on 19 May 2017. Ms Au-Yong has over 30 years of experience in the media and marketing industry. She started her career at Sin Chew Jit Poh in 1975 as an advertising space sales person. In 1983, she left Sin Chew Jit Poh to join Union45 Sdn Bhd, a local advertising agency in Malaysia, as a media planner where she analysed media research data and prepared presentations for customers. From 1991 to 1998, she was with Saatchi & Saatchi, a renowned global communications and advertising agency network, as a media director where she participated and supported heavily in the development of creativity and production, and developed media related policies and procedures.

Ms Au-Yong left Saatchi & Saatchi in 1998 and was appointed as the managing director of CIA Medianetwork Malaysia Sdn Bhd, the Malaysia arm of CIA Group, a company specialising in media planning, buying and marketing. Following the acquisition of CIA's parent company in 2003 by WPP plc (formerly known as Wire and Plastic Products, a British multinational advertising and public relations company), MEC Global ("MEC") was formed following the merger of The Media Edge and CIA. Ms Au-Yong was then employed under MEC as the chief executive officer for 3 years where she spearheaded creative media solutions, organised and coordinated special projects beyond media scope.

In 2006, she was offered the position (which she still holds today) as the head of media, marketing and facilities for Tune Group Sdn Bhd, a Malaysia conglomerate providing various services including aviation, insurance, telecommunications and hospitality industries. Her main responsibilities include the integration of all marketing activities amongst the Tune group of companies. She also represents Tune group of companies in the Malaysia Retail Chain Association.

Ms Au-Yong is a council member of the Malaysia National Publisher Association (MNPA) since 1990 and a council member of the Malaysian Media Specialist Association since 1998. Between 2010 and 2012, she was the audit chairman and vice president of the Audit Bureau of Circulation ("ABC"), an independent and voluntary organisation consisting of publishers, advertisers and advertising agencies that pioneered the development of audit procedures to certify the circulation figures of publications which are members of ABC. She is currently serving her 2 years term, which commenced in 2016, as the president of the Malaysia Advertisers Association, the representative body of the interests of advertisers in all areas of commercial communications in Malaysia.

Ms Au-Yong graduated from the University of Malaya in May 1972 with a Bachelor of Arts (Hons).

WONG CHIN CHIN

Independent Director

Wong Chin Chin is our Independent Non-Executive Director and was appointed on 19 May 2017. She has more than 25 years of experience in legal practice and is currently a partner at Messrs. Adnan Sundra & Low, a law firm in Malaysia. Her practice includes advising financial institutions, insurance companies, manufacturers, wholesalers, retailers and speciality traders, travel and leisure operators and renewable energies companies on their mergers and acquisitions. Ms Wong also has experience advising on privatisation of companies via selective capital reduction, take-over, acquisition of assets and transfer of listing status, as well as restructuring of debt via schemes of arrangements, and has acted for both issuers and underwriters in initial public offerings, and in the rights issue of shares and/or warrants. She previously practised law in other law firms in Malaysia, Chooi & Co and Iza Ng Yeoh & Kit, prior to joining Adnan Sundra & Low in April 1995.

Ms Wong obtained a Bachelor of Laws (Honours) from the University of Sydney, Australia in 1990 and was admitted as a barrister of the Supreme Court of New South Wales, Australia in the same year. She has been an Advocate & Solicitor of the High Court of Malaya since 1991.

**SAMUEL CHAN MUN PAN**

CEO of Pos Ad,
Shopper+ and Gazelle

Samuel joined our Group as the chief executive officer ("CEO") of Pos Ad in October 2014 and was also appointed as CEO of Shopper+ in November 2015. He then launched Gazelle Activation in August 2017. Samuel is responsible for the management of Pos Ad, Shopper+ and Gazelle. His duties include monitoring sales and financial performance, business development, operations, talent management, as well as client and merchant business relationship management.

Samuel started his career as an operations manager at Teledirect Sdn Bhd in 1998. During the period from January 2000 to June 2014, he was employed by various companies related to WPP plc (formerly known as Wire and Plastic Products, a British multinational advertising and public relations company), such as OgilvyOne Worldwide Sdn Bhd, Grey Direct Interactive Sdn Bhd, G2 Direct Interactive Sdn Bhd ("G2 Direct Interactive") and Geometry Global Sdn Bhd ("Geometry Global"). He joined G2 Direct Interactive as an accounts executive, and progressed and assumed the position of general manager of G2 Direct Interactive in December 2008. In September 2013, he was promoted as the managing director of Geometry Global and he led the shopper marketing agency until June 2014, when he left to join Pos Ad. During his years with the WPP plc's related companies, he had built their capabilities in digital marketing services, customer relationship management and integrated marketing services, from which he gained vast experience in client servicing, business development, advertising, and client relationship management. In November 2015, Samuel assisted our Group in establishing the mobile application "Shopwave" under our subsidiary, Shopper+. He has also developed new business offerings in the form of digital marketing service for our Group. From 2007 to 2009, he was an executive committee member of the Direct Marketing Association of Malaysia.

Samuel graduated with a Diploma in June 1997 (Canadian Pre-University Programme) from Taylor's College, Malaysia (now Taylor's University).

**JANICE CHEAH
BOON CHIN**

CEO of Jump Retail

Janice is the CEO of Jump Retail and has headed the business since January 2011. As the CEO of Jump Retail, Janice is responsible for taking the lead in the strategy, management, operations, administration and business development of Jump Retail. Janice has over 23 years of experience in sales, marketing, operations, advertising, account (retail) management and business development. She started her career as an advertisement executive at Rediffusion Cable Network Sdn Bhd in 1992 and subsequently joined Thomas Cook Group Limited in 1993, moving up the ranks as marketing manager. She joined F&N Coca-Cola (Malaysia) in 1997 and headed the customer channel department whilst driving its channel strategies and plans.

One of the highlights in her career is having achieved a Black Belt certification during her tenure in Philips Lighting from 2000 to 2003 before she became channel development manager for modern retail in ASEAN. She continued to grow into various roles ranging from sales, marketing, operations and channel management in Carlsberg Marketing Sdn Bhd, Colgate-Palmolive Marketing Sdn Bhd, Maxis Communications Berhad and The Western Union Company between October 2003 and January 2011. She left the Western Union Company in January 2011 to join Jump Retail.

She is a certified trainer for Professional Selling Skills and Professional Sales Negotiation (Achieve Global). She has also completed the John C. Maxwell certification program in 2015 and is currently a certified John C. Maxwell trainer. She graduated from the University Science of Malaysia in April 1992 with a second class (upper) Bachelor degree in Communications (Hons).



**ANGELINA OOI
GAIK CHENG**
CEO of Tristar

Angelina has been the CEO of Tristar Synergy since September 2007. As the CEO of Tristar Synergy, her responsibilities include general management and administration, business development, client servicing, and overseeing the implementation of marketing services (such as in-store sampling and roadshows) of Tristar Synergy and market analysis. Angelina has accumulated 25 years of experience in sales, marketing and business development. She started her career as a sales and marketing executive of ACA Pacific Technology (M) Sdn Bhd, a company specialising in the distribution of technology products and solutions in Malaysia, in March 1991. Her core responsibilities and achievements include the expansion and development of the dealer network in North Malaysia and management of all sales and administration related issues for the Penang branch.

In April 1996, Angelina began her engagement with the then EPSON Trading (M) Sdn Bhd ("EPSON") where her career path evolved from being a senior marketing executive to heading the marketing and customer service division. Throughout her career with EPSON, she gained vast experience in executing brand strategies, product management, channel expansion to improve distribution network and overseeing implementation of all products and corporate related marketing activities. She left EPSON in August 2007 and incorporated Tristar Synergy, and subsequently sold a minority interest in Tristar Synergy to shopper360 Malaysia in August 2015. Tristar Synergy was subsequently acquired by shopper360 Malaysia pursuant to a restructuring exercise in connection with the Company's listing on the Catalist. She is currently a non-executive director of Tristar Marketing Sdn Bhd and Global Color Services Sdn Bhd.

Angelina graduated with a diploma in business administration from The Association of Business Executives in 1992.



CHOW SIEW BEE
Financial Controller

Chow Siew Bee, the Financial Controller of our Group, has been with our Group for more than 14 years. She is responsible for overseeing the financial and accounting functions of our Group, including financial reporting, internal controls and taxation. She joined Pos Ad in July 2002 and was its finance director from June 2009 to September 2014. Subsequently, she was appointed as the general manager of human resource, administration and finance in Pos Ad in October 2014. She took on the appointment of general manager of human resource, administration and finance in shopper360 Malaysia in June 2016. Since January 2017, Siew Bee has been promoted to the role of Financial Controller of our Group. Prior to her employment with Pos Ad, she was with H.K. Phuah & Co., a mid-tier audit firm in Malaysia from July 1995 to February 2002.

She holds the London Chamber of Commerce and Industry ("LCCI") certification for book-keeping and accounts as well as the LCCI Diplomas certification for accounting, business statistics and cost accounting as well as for advanced business calculations and management accounting. She is a member of the Association of Chartered Certified Accountants and a member of the Malaysia Institute of Accountants.



LEE JUN LING
General Manager of
Business Development and
Operations

Jun Ling joined our Group as General Manager of Business Development and Operations in May 2017. Jun Ling is responsible for the business development and operations of our Group. She is an accomplished executive with experience in operations, finance, business expansion, vendor relations, human resources and cross functional partnerships. She is a persuasive and agile leader with a proven track record in achieving results by developing strategic business alliances, identifying new business opportunities and developing business processes.

From September 2013 to November 2015, Jun Ling was the chief financial officer and head of business delivery unit of Geometry Global Sdn. Bhd. ("Geometry Global"). She was responsible for implementing cost control measures and operational procedures for Geometry Global in Malaysia. Working as a commercial partner to the chief executive officer of Geometry Global, they successfully launched the combined offerings of OgilvyAction and G2 Direct Interactive as Geometry Global in 2014. She steered greater efficiency to Geometry Global through implementation of improvements in its operational procedures, re-negotiation of existing supplies contract and restructuring of legacy businesses.

Prior to her stint in Geometry Global, Jun Ling was the commercial controller for Grey Worldwide Sdn Bhd and its group of companies in Malaysia ("Grey Group") from February 2005 to August 2013. She successfully consolidated the Grey Group's print management spend and introduced G-Works to the Grey Group that saw the Grey Group partnering with its preferred vendor to manage client color separation and digital retouching works, bringing at least 25% savings on cost to client while improving the Grey Group's bottom-line by another 5%. She was also instrumental in piloting British American Tobacco fees model for G2 network.

Jun Ling graduated with a Bachelor of Commerce from University of Melbourne and is a fellow of CPA Australia.

CORPORATE SOCIAL RESPONSIBILITY



The late founder of our Group, Raymond Chew, had always been an educator at heart, and we look to honour and continue his legacy in making education a key focus in our corporate social responsibility efforts.

DOING OUR PART FOR THE COMMUNITY

Our focus has been on enabling underprivileged children to break the cycle of poverty via education, and through Dignity for Children Foundation ("Dignity"), we have been able to support this cause. Dignity has benefitted more than 1000 underprivileged children in Malaysia through their Early Childhood Education Programme, Primary Education Programme and Secondary Education Programme (collectively, the "Dignity Education Programmes").

The Dignity Education Programmes are based on the national curriculum as prescribed by the Ministry Of Education, Malaysia, and incorporate Montessori principles and philosophies in their teaching methodology. Their students enjoy a range of classes from English, Math, Science and Bahasa Malaysia, to Geography, Moral, Living Skills, History, Sport, Arts and more. The Dignity Education Programmes have been successful in increasing the academic completion rate of the children under their programmes.

For the financial year ended 31 May ("FY") 2017, we donated RM19,100 to Dignity, through participation in the following programs:

BOWLING FOR BUCKS 2016

A bowling tournament organised by Dignity that aims to raise funds for Dignity. Our employees had also participated in this event. We sponsored RM6,100 in cash donation and another RM2,900 worth of prize support to further enliven the event. Our staff had also collected goodwill donations from their social circle, donated to Dignity through this event.





CORPORATE SOCIAL RESPONSIBILITY

STANDARD CHARTERED KUALA LUMPUR MARATHON 2016 CORPORATE CHALLENGE

We raised RM13,000 for Dignity through this event and 13 employees participated in the marathon.

In addition to the abovementioned activities, we had also diverted some of the proceeds from the book sales of "Everybody loves Ray" to Dignity. We plan to continue developing a long-term strategy on supporting Dignity in a more sustained manner.



ENGINEERING A "COMMUNITY OF EXPERTS"

We invested significantly in developing people through trainings and development activities. As part of our commitment in upskilling and development of our team, shopper360 Malaysia has allocated 2% of its total salary costs for training and development activities. For FY2016/17, shopper360 Malaysia had achieved an average training hour of 8.3 hours per staff.

INTERNSHIPS

To develop future experts, shopper360 Malaysia offers a platform to put theory to practice for university and college students by offering internships to them.

CHILD EDUCATION INCENTIVE AWARD FOR SHOPPER360 MALAYSIA'S EMPLOYEES

Shopper360 Malaysia also looks to encourage academic excellence in the children of shopper360 Malaysia's employees by giving away Child Education Incentive Award. For FY2017, shopper360 Malaysia had awarded 8 children for their academic achievements.

CORPORATE GOVERNANCE REPORT



The board of directors (the “**Board**” or “**Directors**”) of shopper360 Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to the highest standard of corporate governance and has always recognised the importance of good governance to enhance corporate performance, accountability, shareholders’ value and protection of stakeholders’ interests, as well as financial performance of the Group.

This report sets out the Group’s corporate governance structures and practices currently in place with specific references made to the principles and guidelines of the Code of Corporate Governance 2012 (the “**Code**”).

Since the listing of the Company on the Catalist board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Catalist**”) on 30 June 2017 (“**Listing**”), the Group has complied substantially with the principles and guidelines of the Code. Where there are deviations from the Code, appropriate explanations have been provided.

(A) BOARD MATTERS

Board’s Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board oversees the overall business strategies and corporate affairs of the Group. The principle functions of the Board are as follows:

- establishing, reviewing and approving the annual budget, corporate policies, strategies and objectives for the Group;
- providing leadership and guidance on corporate strategy, business directions, risk management policy and implementation of corporate objectives, as well as taking into consideration sustainability issues;
- ensuring the effectiveness of the management team of the Group (“**Management**”);
- conducting periodic reviews of the Group’s financial performance, internal controls and reporting compliance;
- approving nominations to the Board and appointment of key executives; and
- oversee the Group’s compliance with all relevant and applicable laws, regulations, policies, directives and guidelines and assuming responsibility for the corporate governance of the Group.

The Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

To assist the Board in the execution of its responsibilities, the Board has delegated specific responsibilities to three (3) committees, namely the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”) (collectively the “**Board Committees**”). Further information and details on each of the Board Committees are set out below. While the Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board. The Board Committees operate within clearly defined terms of reference or scope and they play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the Board Committees are reviewed on a regular basis to ensure their continued relevance and effectiveness.

Formal Board meetings will be held at least two (2) times a year to approve the half-year and full year results announcements and to oversee the business affairs of the Group. Board meetings are planned in advance on a yearly basis. This enables the Board to meet on a regular basis without interfering with the Company’s operations. The Board may request for further clarification and information from Management on all matters within its purview. Ad-hoc meetings will be convened as and when circumstances require. The Company’s Constitution provides for meetings of the Board to be conducted by way of telephone conference or other methods of simultaneous communications by electronic means. The Board and Board Committees may also make decisions through circulating resolutions.



CORPORATE GOVERNANCE REPORT

As the Company was listed on the Catalist on 30 June 2017, no Board or Board Committee meetings were held within the financial year ended 31 May 2017 ("**FY2017**"). Subsequent to FY2017, the Board, AC, NC and RC each held its first meeting in July 2017 to review the full year financial results announcement for FY2017 and to adopt the terms of reference of the respective Board Committees, amongst others. Prior thereto, the Directors also conducted various verification and due diligence meetings with the Company's professional advisers involved in the Company's Listing, for the purpose of verifying the information contained in the Company's Offer Document dated 21 June 2017 in respect of the Listing ("**Offer Document**").

The table below sets out the attendance of each Director at the aforesaid first meeting of the Board and Board Committees in July 2017:

	Board		AC		NC		RC	
	No. of meeting		No. of meeting		No. of meeting		No. of meeting	
Name of Directors	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ms Chew Sue Ann	1	1	1	1*	1	1*	1	1*
Mr Ravichandran K Moorthy	1	1	1	1	1	1*	1	1
Mr Zaffary Bin Ab Rashid	1	1	1	1*	1	1	1	1*
Mr Hew Koon Chan	1	1	1	1	1	1	1	1
Ms Margaret Au-Yong @ Moh Chuan	1	1	1	1*	1	1*	1	1
Ms Wong Chin Chin	1	1	1	1	1	1	1	1*

* By invitation

The Board had adopted a set of internal guidelines setting forth matters that require the Board's approval. Matters which are specifically reserved for the Board for its decision and approval, include, amongst others, matters that involve a conflict of interest of a controlling shareholder or a Director or persons connected to such shareholder or Director, material acquisitions, disposal of assets, operating budgets and capital expenditure, corporate or financial restructuring, share issuances, declaration of dividends and other returns to shareholders.

The Directors are also updated regularly on changes to the SGX-ST Listing Manual Section B : Rules of Catalist ("**Catalist Rules**"), risk management, corporate governance, insider trading and key changes in the relevant regulatory requirements, financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or members of the Board Committees.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are regularly circulated to the Board by the Company Secretary. The latter also regularly informs the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Annually, the external auditors update the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

Newly-appointed Directors will receive appropriate training in areas such as accounting, legal and industry-specific training, if required. Appropriate briefings and orientations will be arranged for newly appointed Directors to acquaint them with background information on the Group's history, mission and values, its business operations, strategic directions, corporate governance practices, as well as their duties and responsibilities as a Director. They will also be given opportunities to visit the Group's operational facilities and meet the Management so as to gain a better understanding of the Group's business. A formal letter of appointment will also be sent to any newly appointed Director explaining his/her duties and obligations upon his/her appointment.

The Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of the Directors' duties and responsibilities. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company will also provide opportunities for ongoing education and training on Board processes and best practices, as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Catalist Rules that affect the Company and/or the Directors in the discharge of their duties. In preparation of the Listing, Directors and key management of the Company attended a course which covered areas including roles and responsibilities of directors, guidelines and principles of the Code, as well as the Catalist Rules.

CORPORATE GOVERNANCE REPORT



The Management will also regularly update the Directors on the business activities of the Company and the Group during Board meetings.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises six (6) members, three (3) of whom are Independent Directors (including the Chairman of the various Board Committees). As at the date of this report, the composition of the Board and Board Committees are as follows:

Name of Directors	Designation of Board Members	Board Committee Membership		
		Audit Committee	Nominating Committee	Remuneration Committee
Ms Chew Sue Ann	Executive Chairman and Group Managing Director ("MD")	–	–	–
Mr Ravichandran K Moorthy	Non-Independent and Non-Executive Director	Member	–	Member
Mr Zaffary Bin Ab Rashid	Non-Independent and Non-Executive Director	–	Member	–
Mr Hew Koon Chan	Lead Independent Director	Chairman	Member	Member
Ms Margaret Au-Yong @ Moh Chuan	Independent Director	–	–	Chairman
Ms Wong Chin Chin	Independent Director	Member	Chairman	–

The NC considers an "independent" Director as one who has no relationship with the Company or its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his/her independent business judgment in carrying out the functions as an independent director with a view to the best interests of the Company. The criterion of independence is based on the definition set out in the Code.

The independence of a director will be reviewed at the time of his/her appointment. Each Independent Director will also be required to complete a Confirmation of Independence annually to confirm his/her independence based on the guidelines set out in the Code. The Independent Directors do not have any relationships including immediate family relationships between the Directors, the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be perceived to interfere, with the exercise of their independent business judgement in the best interest of the Company. The NC is satisfied that the Independent Directors are independent and are able to exercise objective judgment on corporate affairs independently from the Management, and that there is presently a strong and independent element on the Board. The Board currently comprises three (3) Independent Directors, accordingly, the Board has satisfied the requirement for independent directors to make up at least half of the Board where the chairman of the board and the chief executive officer (or equivalent) is the same person (Guideline 2.2 of the Code). As such, together with the two (2) Non-Executive and Non-Independent Directors, the Board is able to provide the Management with a diverse and objective perspective on the issues at hand and there is no individual or small group of individuals who dominates the Board's decision making.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The NC is of the view that the current Board size of six (6) members is appropriate taking into account the nature and scope of the Group's operations.



CORPORATE GOVERNANCE REPORT

The NC is also of the view that the Board and the Board Committees have an appropriate balance and diversity of expertise and business experience and collectively possess the necessary core competence to lead and govern the Group effectively. Each Director has been appointed on the strength of his calibre, experience and stature. Each Director is expected to bring valuable range of experience and expertise to contribute to the development of the Group's strategy and the performance of its business.

None of the Independent Directors has been appointed as director to the Company's principal subsidiaries. The Board and the Management are of the view that the current board structure of the principal subsidiaries of the Company is well-organised and constituted. The Board will from time to time make the appropriate corporate decisions to consider the appointment of the Independent Director to the Company's principal subsidiaries. The Board also confirms that none of the Directors has served on the Board beyond nine (9) years from the date of his/her first appointment.

The Independent Directors and the Non-Executive Directors communicate without the presence of the Management as and when the need arises.

A description of the background of each Director, including directorships he/she presently hold and those held over the preceding three (3) years in other listed companies and other principal commitments, is presented on pages 30 to 32 of this Annual Report.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Ms Chew Sue Ann currently assumes the roles of both the Chairman and MD of the Company. The Group believes that a single leadership structure will facilitate the decision-making process in relation to business opportunities and operational matters. The Board is of the opinion that it is not necessary to separate the two (2) roles after taking into consideration the size and capabilities of the Board, and the size and operations of the Group.

The Chairman and MD is the most senior executive in the Company and bears executive responsibility for the Company's business, as well as the responsibility for the workings of the Board. The Chairman and MD ensures that Board meetings are held when necessary and sets the Board meeting agenda in consultation with the Directors. The Chairman and MD reviews Board papers before they are presented to the Board and ensures that Board members are provided with complete, adequate and timely information. As a general rule, Board papers are sent to Directors in advance in order for Directors to be adequately prepared for the meeting. The Chairman and MD also ensures that the management staff who have prepared the papers, or who can provide additional insight into the matters to be discussed, are invited to present the papers at the relevant time during the Board meetings. The Chairman and MD promotes active engagement and an open dialogue amongst the Directors as well as between the Board and the Management. She also encourages constructive relations within the Board and between the Board and the Management. At annual general meetings ("AGMs") and other shareholders' meetings, the Chairman and MD ensures constructive dialogue between shareholders of the Company ("Shareholders"), the Board and the Management. The Chairman and MD takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, the Management, the Company's sponsor ZICO Capital Pte. Ltd. ("Sponsor") and the Company Secretary.

As the Chairman and the MD is the same person, and in accordance with Guideline 3.3 of the Code, the Board has appointed Mr Hew Koon Chan as the Lead Independent Director. Mr Hew Koon Chan is available to Shareholders where they have concerns and in circumstances where contact through the normal channel to the Chairman and MD, or the Financial Controller has failed to resolve their concerns or for which such contact is inappropriate.

The Independent Directors will meet amongst themselves at least once annually without the presence of the other Directors, where necessary, and the Lead Independent Director will provide feedback to the Chairman after such meetings. As the Company was listed on 30 June 2017, the Independent Directors did not have such meetings in FY2017 but had informal discussions to discuss matters and provide relevant feedback.



Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises the following members:

Ms Wong Chin Chin	(NC Chairman and Independent Director)
Mr Hew Koon Chan	(Lead Independent Director)
Mr Zaffary Bin Ab Rashid	(Non-Independent Non-Executive Director)

The NC comprises three (3) directors, the majority of whom (including the NC Chairman) are Independent Directors.

The terms of reference sets out clearly the principal responsibilities of the NC which include, amongst others:

- recommending to the Board relevant matters relating to (i) the review of board succession plans for the Directors; (ii) the review of training and professional development programs for the Directors; and (iii) the appointment and re-appointment of the Directors;
- determining on an annual basis the independence of directors;
- assessing the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board;
- reviewing regularly the Board structure, size and composition having regard to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender and knowledge of the Company and the core competencies of the directors as a group; and
- recommending Directors who are retiring by rotation to be put forward for re-election.

In its search, nomination and selection process for new Directors, the NC will identify the key attributes that an incoming Director should have, based on a matrix of the attributes of the existing Board members and the requirements of the Group. After endorsement by the Board of the key attributes, the NC will tap into the resources of the Directors' personal contacts and recommendations of potential candidates, and goes through a short-listing process. If candidates identified through this process are not suitable, executive recruitment agencies will be appointed to assist the NC in the search process. Interviews will be set up with potential candidates for NC members to assess them before a decision is reached.

In its deliberations on the re-election and re-appointment of existing Directors, the NC takes into consideration the relevant Director's competency, commitment, contribution and performance (including, if applicable, his/her contribution and performance as a Director). The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board Committees as well as the quality of input and contributions. The Chairman of the Board will give feedback to the NC on the appointment of new Directors or retirement or resignation of existing Directors, following the outcome of an annual performance evaluation of individual Directors, and the NC will take into consideration his/her views in this regard. Other important issues considered in NC's deliberations on the re-election and re-appointment of existing Directors include composition of and succession plans for the Board.

The Company's Constitution provides that one-third of the Board, or the number nearest to one-third, is to retire by rotation at every AGM. In addition, the Company's Constitution also provides that new Directors appointed during the year, either to fill a vacancy or as an addition to the Board, are required to submit themselves for re-election at the next AGM of the Company. The NC has recommended and the Board has agreed that at the forthcoming AGM, the Chairman and MD, Ms Chew Sue Ann, will be retiring via rotation pursuant to Regulations 112 and 113 of the Company's Constitution, whereas Mr Ravichandran K Moorthy, Mr Zaffary Bin Ab Rashid, Mr Hew Koon Chan, Ms Margaret Au-Yong @ Moh Chuan and Ms Wong Chin Chin will be retiring pursuant to Regulation 116 of the Company's Constitution. All six Directors have offered themselves for re-election. Each member of the NC is required to abstain from voting, approving or making a recommendation on any resolutions of the NC in which he/she has a conflict of interest in the subject matter under consideration.



CORPORATE GOVERNANCE REPORT

The NC will determine annually whether each Director with multiple board representations and principal commitments outside of the Group is able to and has been adequately carrying out his/her duties as a Director. The NC will also take into account the attendance of the Directors at Board or Board Committee meetings, results of the assessment of the effectiveness of the Board as a whole, the Board Committees, and the respective Directors' actual conduct on the Board and the Board Committees, in making its determination. To ensure the effectiveness of the Board as a whole and that the Directors are able to give sufficient time and attention to the affairs of the Company and adequately carried out their duties as directors of the Company, the NC has considered and decided that the Directors will hold no more than six (6) listed directorships at any point in time.

There is no alternate director being appointed to the Board as at the date of this Annual Report.

Other than the key information regarding the Directors set out below, information pertaining to the Directors' interests in shares, options and other convertible securities are set out in the "Directors' Statement" section of this Annual Report, and information in relation to the background and principal commitments of the Directors are set out under the "Board of Directors" section of this Annual Report.

Name of Director	Board appointment	Date of first appointment	Date of last re-election	Directorship or Chairmanship both present and held over the preceding three (3) years in other listed companies
Ms Chew Sue Ann	Executive	27 December 2016	- (To be re-elected at the forthcoming AGM)	<u>Present Directorship or Chairmanship</u> None <u>Past Directorship or Chairmanship</u> None
Mr Ravichandran K Moorthy	Non-Executive and Non-Independent	19 May 2017	- (To be re-elected at the forthcoming AGM)	<u>Present Directorship or Chairmanship</u> None <u>Past Directorship or Chairmanship</u> None
Mr Zaffary Bin Ab Rashid	Non-Executive and Non-Independent	19 May 2017	- (To be re-elected at the forthcoming AGM)	<u>Present Directorship or Chairmanship</u> None <u>Past Directorship or Chairmanship</u> None
Mr Hew Koon Chan	Non-Executive and Independent	19 May 2017	- (To be re-elected at the forthcoming AGM)	<u>Present Directorship or Chairmanship</u> 1. Roxy-Pacific Holdings Ltd 2. Nordic Group Ltd 3. Far East Group Ltd 4. Declout Limited <u>Past Directorship or Chairmanship</u> None

CORPORATE GOVERNANCE REPORT



Name of Director	Board appointment	Date of first appointment	Date of last re-election	Directorship or Chairmanship both present and held over the preceding three (3) years in other listed companies
Ms Margaret Au-Yong @ Moh Chuan	Non-Executive and Independent	19 May 2017	- (To be re-elected at the forthcoming AGM)	<u>Present Directorship or Chairmanship</u> None <u>Past Directorship or Chairmanship</u> None
Ms Wong Chin Chin	Non-Executive and Independent	19 May 2017	- (To be re-elected at the forthcoming AGM)	<u>Present Directorship or Chairmanship</u> Denko Industrial Corporation Berhad <u>Past Directorship or Chairmanship</u> None

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.

The NC will implement a self-assessment process that requires each Director to assess the performance and effectiveness of the Board as a whole and the Board Committees and for assessing the contribution by the Chairman and each individual Director to the effectiveness of the Board, for each financial year. The self-assessment process will take into consideration, amongst others, board structure, corporate strategy and planning, risk management and internal control, performance measurement and compensation, succession planning, financial reporting, conduct of meetings and communication with Shareholders.

Although the Board's performance evaluation will not include a benchmark index of its industry peers, the Board assesses its effectiveness holistically through the completion of a questionnaire by each individual Director which includes questions covering the above-mentioned areas of assessment.

As the Company was recently listed on 30 June 2017, it is currently in the process of developing the aforesaid board assessment questionnaire in time for the assessment to be performed in respect of the financial year ending 31 May 2018 ("FY2018"). The questionnaire, when ready, will be completed individually by each Director. The NC will collate and review the responses and results of the questionnaire and discuss collectively with other Board members to address or recommend any areas for improvement and follow-up actions.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Company recognises the significance of ensuring that there is complete, adequate and timely flow of information to the Directors from time to time to enable them to make informed decisions and to discharge their duties and responsibilities. To ensure that the Directors have sufficient time to prepare for the relevant meetings, all Board and Board Committee papers are distributed to the Directors prior to such meetings. Updates on the Group's financial performance, position and prospects, amongst others, are also distributed to the Directors prior to the Board and Board Committee meetings, as well as on an on-going basis, as practicable. Additional material or information requested by the Directors, if any, is also promptly furnished. The Directors have separate and independent access to the Company Secretary, the external auditors, the internal auditors and to other senior management and executive officers of the Group at all times, in carrying out their functions and discharging their responsibilities. Queries by individual Directors on circulated reports are directed to the Management who will respond accordingly. Where relevant, Directors' queries and the Management's responses will be circulated to all Board members for their information.



CORPORATE GOVERNANCE REPORT

As part of good corporate governance, decision-making on key matters are reserved for resolution at Board meetings, in order to facilitate discussion. In addition, the Board will receive half-yearly and full year management accounts and regular operational updates from the Management. Any material variance between the projections and actual financial results are also disclosed and explained to the Board.

The Company Secretary or his representative will attend all meetings of the Board and Board Committees where necessary, and is responsible primarily for the proper maintenance of the records of the Board and Board Committee meetings, and records of discussions on key deliberations and decisions taken. Under the direction of the Chairman, the Company Secretary's responsibilities also include ensuring good information flows within the Board and its Board Committees and between Management and Non-Executive Directors.

Pursuant to the Constitution of the Company, the appointment and removal of the Company Secretary requires the approval of the Board.

In the discharge and furtherance of their duties, the Board may seek independent professional advice from external professionals and such costs are to be borne by the Company.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises the following members:

Ms Margaret Au-Yong @ Moh Chuan (RC Chairman and Independent Director)

Mr Ravichandran K Moorthy (Non-Independent Non-Executive Director)

Mr Hew Koon Chan (Lead Independent Director)

The RC comprises three (3) directors, the majority of whom (including the Chairman) are Independent Directors.

The terms of reference sets out clearly the principal responsibilities of the RC which include, amongst others:

- reviewing and recommending to the Board for endorsements, a comprehensive remuneration policy framework and guidelines for remuneration of the Directors and executive officers;
- reviewing and recommending to the Board for endorsement of the specific remuneration packages for each of the Directors and executive officers;
- reviewing and approving the design of all share option plans, performance share plans and/or other equity based plans;
- reviewing the remuneration of employees related to the Directors and/or substantial shareholders of the Company to ensure that their remuneration packages are in line with the Company's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities; and
- in the case of service contracts, reviewing the Company's obligations arising in the event of termination of the executive Directors' or executive officers' contracts of service, to ensure that such service contracts contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance.



No Director is involved in deciding his/her own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

The RC does not currently engage any professional advisers in relation to the remuneration of the Directors. However, the RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The RC will take into account the industry norms, the Group's performance, as well as the contribution and performance of each Director when determining remuneration packages.

The remuneration for executive Directors and certain key management personnel comprise a fixed and variable component. The variable component is performance-related and is linked to the Group's performance, as well as the performance of each individual executive Director and key management personnel.

The Company has adopted a performance share plan known as the "shopper360 Performance Share Plan" ("PSP") in conjunction with the Company's Listing. Executive and non-executive Directors and key management personnel are eligible to participate in the PSP in accordance with the rules for the PSP.

The Independent Directors receive Directors' fees appropriate to the level of their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors are not over-compensated to the extent that their independence may be compromised. The Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. Save for the PSP, there are no other share-based compensation schemes in place for Independent Directors.

There were no termination or retirement benefits and post-employment benefits that are granted to the Directors and key management personnel in FY2017. The Company does not intend to use contractual provisions to allow the Company to reclaim incentive components of remuneration from executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself of remedies against the executive Directors in the event of such breach of fiduciary duties.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Our Chairman and MD, Ms Chew Sue Ann, has a service agreement with the Company for an initial period of three (3) years with effect from 1 June 2017. For further information on the remuneration of our Chairman and MD, please refer to the section entitled "Service Agreement" in the Company's Offer Document.

Taking into account the confidentiality and sensitivity, as well as the competitive pressures in the talent market, the Board has decided to disclose the remuneration of the Directors and key management personnel, in bands with a breakdown of the components in percentage set out in the tables below.



CORPORATE GOVERNANCE REPORT

The remuneration paid to or accrued to each individual Director for FY2017 is as follows:

Name	Salary ⁽¹⁾	Variable Bonus	Directors' Fee	Share Options	Benefits -In-Kind	Total
	%	%	%	%	%	%
Between S\$100,000 and S\$250,000						
Ms Chew Sue Ann	96%	0%	0%	0%	4%	100%
S\$20,000 and below						
Mr Ravichandran K Moorthy	0%	0%	100%	0%	0%	100%
Mr Zaffary Bin Ab Rashid	0%	0%	100%	0%	0%	100%
Mr Hew Koon Chan	0%	0%	100%	0%	0%	100%
Ms Margaret Au-Yong @ Moh Chuan	0%	0%	100%	0%	0%	100%
Ms Wong Chin Chin	0%	0%	100%	0%	0%	100%

Note 1: Amount inclusive of contribution to the employer provident fund

For FY2017, the remuneration paid to or accrued for the top five (5) key management personnel (who are not Directors or the MD) is as follows:

Name of Key Management Personnel	Salary ⁽¹⁾	Bonus	Share Options	Benefits -In-Kind	Total
	%	%	%	%	%
Below S\$250,000					
Ms Angelina Ooi	92%	3%	0%	5%	100%
Ms Chow Siew Bee	93%	6%	0%	1%	100%
Mr Samuel Chan	95%	5%	0%	0%	100%
Ms Janice Cheah	99%	0%	0%	1%	100%
Ms Lee Jun Ling	98%	0%	0%	2%	100%

Note 1: Amount inclusive of contribution to the employer provident fund

The Company has not disclosed the details of the remuneration of its top five (5) key management personnel as the Board believes that full detailed disclosure of the remuneration of each key management personnel as recommended by the Code would be prejudicial to the Group's interest and hamper its ability to retain and nurture the Group's talent pool.

For FY2017, the aggregate total remuneration paid/payable to the aforesaid top five (5) key management personnel amounted to approximately S\$608,000 (equivalent to approximately RM1,885,000, based on an exchange rate of RM3.10 to S\$1.00).

Immediate Family Member of Directors or Substantial Shareholders

There are no employees who are immediate family members of a Director or the MD, and whose remuneration exceeds S\$50,000 in FY2017.

As at the date of this Annual Report, no awards have been granted under the PSP.



(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

In presenting the half-year and full year financial statements to Shareholders, the Board aims to provide Shareholders with a detailed and balanced analysis and explanation of the Group's financial position and performance. Financial results are reviewed by the AC before it is recommended for adoption by the Board. The financial results announcement is reviewed carefully by the Board and the AC before being released on the SGXNet. If required, the Group's external auditors' view will be sought.

The Management will provide all members of the Board with management accounts of the Group's performance, with explanatory details on its operations at least on a half-yearly basis. The Board papers are circulated to the Directors prior to any Board meeting to facilitate effective discussion and decision-making.

The Management also maintains regular contact and communication with the Board by various means including the preparation and circulation to all Board members of half-yearly and full year financial statements of the Group. This allows the Board to monitor the Group's performance and position as well as the Management's achievements of the goals and objectives determined and set by the Board.

The Board provides effective oversight of the Management's performance and control, compliance with legislative and regulatory requirements including continuing disclosure requirements under the Catalyst Rules. For instance, in line with the Catalyst Rules, the Board provides a negative assurance statement to the Shareholders in its half-yearly financial results announcement, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial results false or misleading in any material aspect. All the Directors and key management personnel of the Group have also signed a letter of undertaking pursuant to Rule 720(1) of the Catalyst Rules.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board notes that the Group's system of internal controls is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. Nonetheless, the Board acknowledges that it is responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems including financial, operational, compliance and information technology controls. The internal controls in place are aimed at addressing the financial, operational, compliance and information technology risks and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss, that there are maintenance of proper accounting records, that financial information is reliable and that assets are safeguarded.

The Board, with the assistance of independent internal auditors and external auditors, has reviewed the adequacy and effectiveness of the Group's risk management and system of internal controls addressing key financial, operational, compliance and information technology risks.

The external auditors have, in the course of their audit, considered internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

To further enhance the risk management procedures in place, the Group is working with its internal auditors, RSM Corporate Consulting (Malaysia) Sdn Bhd, to establish a structured Enterprise Risk Management ("ERM") framework which will provide documented guidance on the process for identifying and assessing risks, adequacy of counter measures and the manner in which risks matters are reported to the Board and the AC.



CORPORATE GOVERNANCE REPORT

For FY2017, the Board has received assurance from the Chairman and MD, and the Financial Controller that:

- (a) the financial records have been properly maintained and the financial statements reflect a true and fair view of the Company's operations and finances; and
- (b) the Group's risk management and internal control systems are effective.

Based on the existing internal controls in place and the aforesaid, as well as the work carried out by the internal auditors and the review undertaken by the external auditors for purposes of the Company's Listing, the Board with the concurrence of the AC, is of the opinion that, for FY2017, the internal controls of the Group which are in place to address risks relating to financial, operational, compliance, information technology controls and risk management systems are adequate and effective.

Audit Committee

Principle 12: The Board should establish an audit committee with written terms of reference which clearly set out its authority and duties.

The AC comprises the following members:

Mr Hew Koon Chan (AC Chairman and Lead Independent Director)

Ms Wong Chin Chin (Independent Director)

Mr Ravichandran K Moorthy (Non-Independent Non-Executive Director)

The majority of the AC, including the Chairman of the AC, comprises Independent Directors of the Company. All of the members including the Chairman of the AC are non-executive directors. The Board considers Mr Hew Koon Chan to have extensive and practical accounting and financial management knowledge and experience, well-qualified to chair the AC. The other members of the AC bring with them invaluable experience in legal, finance and business management. The Board is of the view that the members of the AC are appropriately qualified in that they have sufficient accounting or related financial management expertise and experience to discharge the duties and responsibilities of the AC.

To keep abreast of the changes in accounting standards and issues which have a direct impact on the financial statements of the Group, the AC members are encouraged to participate in relevant training courses, seminars and workshops from time to time. The AC members are also kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors.

The AC assists the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting, management of financial and control risks, and monitoring of the internal control systems.

The AC has terms of reference endorsed by the Board, setting out its duties and responsibilities. The AC is authorised by the Board to investigate any matter within its terms of reference. It is given full access to and has the co-operation of the Management, as well as the external auditors and internal auditors. The AC also has full discretion to invite any Director or executive officer to attend its meetings, and has adequate resources to enable it to discharge its functions properly.

The primary functions and responsibilities of the AC as set out in the terms of reference include, amongst others, the following:

- assisting the Board in the discharge of its statutory responsibilities on financial and accounting matters;
- reviewing significant financial reporting issues and judgments to ensure the integrity of the financial statements and any formal announcements relating to financial performance;
- reviewing the periodic financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards, as well as compliance with the Catalyst Rules and any other statutory/regulatory requirements;

CORPORATE GOVERNANCE REPORT



- reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors;
- reviewing the external auditors' audit plan and audit report, and the external auditors' evaluation of the system of internal accounting controls, including financial, operational, compliance and information technology controls;
- reviewing and discussing with auditors any suspected fraud or irregularity or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- reviewing the key financial risk areas, the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board;
- reviewing the adequacy and effectiveness of the Group's risk management and internal controls systems, including financial, operational, compliance controls, information technology controls and risk management sections and discuss issues and concerns, if any, arising from the internal auditors;
- reviewing and approving transactions falling within the scope of Chapter 10 of the Catalist Rules (if any);
- reviewing the scope and results of the internal audit procedures, and at least annually, the adequacy and effectiveness of the Group's internal audit function;
- approving the hiring, removal, evaluation and compensation of the accounting/auditing firm or corporation to which the internal audit function is outsourced;
- appraising and reporting to the Board on the audits undertaken by the external auditors and internal auditors;
- making recommendations to the Board on the proposals to Shareholders on the appointment, reappointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors; and
- undertaking generally such other functions and duties as may be required by law or the Catalist Rules, and by amendments made thereto from time to time.

The AC has reviewed and is satisfied with the level of co-operation rendered by the Management to the external auditors, the adequacy of scope and quality of their audits, and the independence and objectivity of the external auditors.

The AC will meet with the external auditors and internal auditors without the presence of the Management, as and when necessary, to review the adequacy of audit arrangement, with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the external auditors and internal auditors. In July 2017, the AC met once with the external auditors, and once with the internal auditors, without the presence of the Management.

Annually, the AC will also conduct a review of the independence and objectivity of the external auditors through discussions with the external auditors, as well as reviewing the non-audit fees paid to them. The AC received an audit report from the external auditors setting out the non-audit services provided and the fees charged for FY2017. A breakdown of the audit and non-audit fees paid to the Company's auditors is disclosed on page 83 of this Annual Report. The aggregate amount of fees paid or payable by the Group to the external auditors for FY2017 amounted to S\$88,323 for audit services and S\$6,219 for non-audit services. The AC is satisfied that the nature and extent of such non-audit services would not prejudice the independence and objectivity of the external auditors.

The AC is satisfied that the external auditors of the Company, Baker Tilly TFW LLP, an auditing firm registered with the ACRA, are independent and that they had also provided a confirmation of their independence to the AC. The AC had assessed the external auditors of the Company based on factors such as performance, adequacy of resources and experience of their audit engagement partners and audit team assigned to the Group's audit as well as the size and complexity of the Group. Accordingly, the AC is satisfied that Rules 712 and 715 of the Catalist Rules have been complied with and has recommended to the Board, the nomination of Baker Tilly TFW LLP for re-appointment at the forthcoming AGM of the Company.

No former partner or director of the Company's existing auditing firm has acted as a member of the AC.



CORPORATE GOVERNANCE REPORT

In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and its judgement of items that might affect the integrity of the financial statements. The following significant matter impacting the financial statements was discussed with the Management and the external auditors, and was reviewed by the AC:

Matter considered	How the AC reviewed this matter and what decisions were made
Revenue Recognition - RM132.45 million	The AC considered the audit procedures performed by the external auditors to address this key audit matter, including the external auditors' assessment of the appropriateness of the Group's accounting policies over revenue recognition and its testing of the Group's controls and/or performing substantive audit procedures relating to the recognition and recording of revenues. The AC also discussed with and obtained assurances from the Management in relation to, amongst others, the consistent application of revenue recognition processes as well as the operation of key financial controls such as cash and revenue reconciliations and application of appropriate controls relating to revenue cut-off. Based on the above procedures, the AC was satisfied that this key audit matter has been properly dealt with for purposes of the Board's approval of the financial statements for FY2017. Revenue recognition is an area of focus for the external auditors. The external auditors have included this item as a key audit matter in its audit report for FY2017. Please refer to page 58 of this Annual Report.

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. As such, the Group undertakes to investigate complaints of suspected fraud in an objective manner and has put in place arrangements by which staff of the Group or third parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The Company has implemented whistle-blowing procedures pursuant to which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Whistle-blowing concerns shall be reported in person or in writing via electronic mail to the Chairman of the AC directly. The Group will treat all information received confidentially and protect the identity and the interest of all whistle-blowers. The objective of the whistle-blowing policy is to ensure independent investigation of matters raised and to allow appropriate actions to be taken. The results from the investigation will be reported directly to the Chairman of the AC.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has outsourced its internal audit function to RSM Corporate Consulting (Malaysia) Sdn Bhd ("RSM"), a company within RSM Malaysia (a member firm of the RSM International network of auditing firms). In FY2017 and in connection with the Company's Listing, an internal audit review was carried out by RSM. RSM performs its work in accordance with the RSM Internal Audit Methodology which is consistent with the Standards for the Professional Practice of Internal Auditing established by The Institute of Internal Auditors.

The Board recognises the importance of sound internal financial controls, operational and compliance controls, and risk management policies to good corporate governance. The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The internal auditors report directly to the Chairman of the AC on audit matters and to the Chairman and MD on administrative matters, and has full access to the documents, records, properties and personnel (including the AC) of the Group. The internal auditors assist the Board in monitoring the risk exposure and internal controls of the Group and the audit plan is submitted to the AC for approval prior to commencement of the internal audit.

The AC has reviewed the internal auditors' audit plans, its evaluation of the Group's system of internal controls, audit findings and Management's responses to those findings, and the effectiveness of material internal controls (including financial, operational and compliance controls and overall risk management of the Group).



The AC is satisfied that the internal audit function is staffed with suitably qualified and experienced professionals with the relevant experience. The AC reviews the adequacy and effectiveness of the internal audit function of the Company annually.

(D) COMMUNICATION WITH SHAREHOLDERS

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company believes that Shareholders have the right to be sufficiently informed of changes in the Company or its business that would materially affect the price or value of its shares. To ensure that all Shareholders are treated fairly and equitably, the Company strives to share pertinent information in a timely manner to keep them apprised of the latest developments through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable.

Shareholders are informed of general meetings through the announcement released to the SGXNet and notices contained in the annual report or circulars sent to all Shareholders. These notices are also advertised in a national newspaper and posted onto the SGXNet on the day of despatch of the annual reports or circulars to Shareholders. Such notices will contain the relevant rules and procedures governing the general meetings. All Shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings. If any Shareholder is unable to attend, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Group values dialogue with its Shareholders. The Group believes in regular, effective and fair communication with its Shareholders and is committed to hearing Shareholders' views and addressing their concerns where possible. The Group's investor policy is that all Shareholders should have parity of information on all major developments impacting the Group's business and operations in a timely manner. To promote a better understanding of Shareholders' views, the Board encourages Shareholders to express their views and ask the Board or the Management questions regarding the Group during the Company's general meetings. At these meetings, Shareholders are able to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters. The Company could also gather views and address Shareholders' concerns at general meetings.

As disclosed in the section entitled "Dividend Policy" in the Company's Offer Document, subject to the dividend factors disclosed in the Offer Document, the Company intends to distribute an annual dividend of not less than 20% of profit attributable to equity holders of the Company in respect of FY2017 and FY2018. Such dividend factors include the actual and projected financial performance of the Group, the Group's level of cash and retained earnings, projected capital expenditure and other investment plans, the terms of the borrowing arrangements (if any), working capital requirements and general financial condition, plans for expansion, the general economic and business conditions in countries in which it operates, and other factors which the Directors may deem appropriate.

For FY2017, the Board has proposed a final dividend (one-tier tax exempt) of 0.30 Singapore cents. per ordinary share (the aggregate of which represents 20.9% of profit attributable to equity holder of the Company for FY2017) which will be subject to Shareholders' approval at the forthcoming AGM.

Conduct of Shareholder Meeting

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and growth plans. Notices of general meetings are despatched to Shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 or 21 clear calendar days before the meeting depending on the nature of the resolution proposed. Such notices will also be announced through SGXNet and published in a national newspaper. The Board welcomes questions from Shareholders who wish to raise issues, either informally or formally, before or during the general meetings.



CORPORATE GOVERNANCE REPORT

A proxy form will also be despatched with each notice of general meeting to all Shareholders. If any Shareholder is unable to attend, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. As the authentication of Shareholder identity information and other related security issues remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, e-mail or fax.

Each item of special business included in the notice of the general meetings will be accompanied by an explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings.

All Directors, key management personnel and the Company's external auditors will attend the general meetings. The respective Chairman of the AC, NC and RC are usually present at such general meetings to address questions relating to the work of their respective Board Committees at general meetings while the external auditors are usually present as well to assist the Board in addressing any relevant queries raised by the Shareholders.

The Company will make available minutes of general meetings, prepared by the Company Secretary, to Shareholders upon their request.

To ensure that all Shareholders have the opportunity to participate effectively in and vote at general meetings, voting at general meetings of the Company will be conducted by poll where Shareholders are accorded voting rights proportionate to their shareholding and all votes will be counted and announced immediately at the meeting. The Company will put all resolutions to vote by poll at general meetings and the detailed results of the total number and percentage of votes cast for and against each resolution will be announced via SGXNet after the conclusion of the general meeting on the same day.

(E) DEALINGS IN COMPANY'S SECURITIES

The Company has adopted a Code of Best Practices to provide guidance to its officers on securities transactions by the Company and its officers.

The Company and its officers are not allowed to deal in the Company's shares during the period commencing one (1) month before the announcement of the Group's half-year and full-year financial results, ending on the date of the announcement of the relevant results.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period or when they are in possession of unpublished price-sensitive information, and they are not to deal in the Company's securities on short-term considerations.

(F) INTERESTED PERSON TRANSACTIONS

The Group has established procedures to ensure that transactions with interested persons are properly reviewed and approved and are conducted on arm's length basis and do not prejudice the interests of the Group and its minority Shareholders. Any Director, MD and/or controlling shareholder of the Company who is interested in a transaction, will abstain and refrain from deliberating, discussing, making recommendations and approving the transaction.

The Group does not have a general mandate from Shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

Save as disclosed in the section entitled "Interested Person Transactions" on pages 106 to 109 of the Offer Document, there were no interested person transactions of S\$100,000 and above for FY2017.

(G) MATERIAL CONTRACTS

Save for the material contracts previously disclosed in the section entitled "Material Contracts" on page 143 of the Offer Document, there were no other material contracts entered into by the Group involving the interests of any Director, MD or controlling shareholder of the Company for FY2017.

CORPORATE GOVERNANCE REPORT



(H) USE OF IPO PROCEEDS

Pursuant to the Company's Listing, the Company received gross proceeds from the issuance of new shares in the capital of the Company of approximately S\$5.22 million (the "**Gross Proceeds**"). As at 31 July 2017, the Gross Proceeds have been utilised as follows:

Use of Gross Proceeds	Amount Allocated S\$'000	Amount Utilised S\$'000	Amount Balance S\$'000
Expansion of service offerings, network of customers and retail partners and expansion into new geographical locations	2,300	–	2,300
Acquisition, strategic alliances and/or joint ventures	600	–	600
General working capital	536	–	536
Net proceeds from the issue of new shares	3,436	–	3,436
Listing fees	43	(43)	–
Professional fees	1,142	(1,142)	–
Placement commission	195	(195)	–
Miscellaneous expenses	404	(264)	140
Total	5,220	(1,644)	3,576

(I) CATALIST SPONSOR

With reference to Rule 1204(21) of the Catalist Rules, non-sponsorship fees paid to the Sponsor for FY2017 and up to the date of this Annual Report amounted to approximately S\$0.45 million in connection with the Listing.



Financial Contents

55	Directors' Statement
58	Independent Auditor's Report
61	Combined Statements of Comprehensive Income
62	Combined Statements of Financial Position
63	Combined Statements of Changes in Equity
64	Statement of Changes in Equity
65	Combined Statements of Cash Flows
67	Notes to the Combined Financial Statements
113	Statistics of Shareholdings
115	Notice of Annual General Meeting
	Proxy Form

DIRECTORS' STATEMENT



for the financial year ended 31 May 2017

The directors are pleased to present their first statement to the members together with the audited combined financial statements of shopper360 Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 May 2017 and the statement of financial position and statement of changes in equity of the Company for the financial period from 27 December 2016 (date of incorporation) to 31 May 2017.

In the opinion of the directors:

- (i) the combined financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 61 to 112 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2017 and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended and changes in equity of the Company for the financial period from 27 December 2016 (date of incorporation) to 31 May 2017 in accordance with the provisions of the Companies Act, Chapter 50 and Financial Reporting Standards in Singapore; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Chew Sue Ann	(First director)
Ravichandran K Moorthy	(Appointed on 19 May 2017)
Margaret Au-Yong @ Moh Chuan	(Appointed on 19 May 2017)
Wong Chin Chin	(Appointed on 19 May 2017)
Hew Koon Chan	(Appointed on 19 May 2017)
Zaffary Bin Ab Rashid	(Appointed on 19 May 2017)

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the performance share plan as disclosed in this statement.

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial period had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act Cap. 50 except as follows:

	Number of ordinary shares Shareholdings registered in their own names		
	At date of appointment	At end of period	At 21 June 2017
Name of Directors and Companies in which interest are held			
<u>Company</u>			
Chew Sue Ann	—	—	250,000
<u>Immediate and ultimate holding company</u>			
Rekaweb.Com Sdn. Bhd.			
Chew Sue Ann	12,750	12,750	12,750



DIRECTORS' STATEMENT

for the financial year ended 31 May 2017

Share options

The shopper360 Limited's Performance Share Plan ("PSP") was approved by the shareholders on 26 May 2017.

The PSP is administered by the Remuneration Committee of the Company, comprising of Margaret Au-Yong (Chairman, Independent Director), Ravichandran K Moorthy (Non-Independent Non-Executive Director) and Hew Koon Chan (Independent Director). A member of the Remuneration Committee who is also a participant of the PSP must not be involved in its deliberation in respect of the awards granted or to be granted to him.

a) Options to take up unissued shares

During the financial period/year, no options to take up unissued shares of the Company or any other corporation in the Group were granted.

b) Options exercised

During the financial period/year, there were no shares of the Company or any other corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

c) Unissued shares under option

At the end of the financial period/year, there were no unissued shares of the Company or any other corporation in the Group under option.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

Hew Koon Chan	(Chairman, Lead Independent Director)
Wong Chin Chin	(Independent Director)
Ravichandran K Moorthy	(Non-Independent Non-Executive Director)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. Their functions are detailed in the Corporate Governance Report.

In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- (a) The audit plans, scope of work, evaluation of the adequacy of the internal controls, audit reports, management letters on internal controls and management response;
- (b) The adequacy and effectiveness of the Group's internal controls addressing financial, operational and compliance risks prior to the incorporation of such results in the annual report;
- (c) The financial statements of the Company and the combined financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements;
- (d) The half-yearly (where relevant) and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- (e) The co-operation and assistance given by the management to the Group's external auditors;
- (f) Interested person transactions falling within the scope of Chapter 9 of the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited and other relevant statutory requirements and any potential conflicts of interests; and
- (g) The re-appointment of the external and internal auditors of the Group.

DIRECTORS' STATEMENT

for the financial year ended 31 May 2017



Audit Committee (cont'd)

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Chew Sue Ann
Director

30 August 2017

Hew Koon Chan
Director



INDEPENDENT AUDITOR'S REPORT

to the members of shopper360 Limited and its subsidiaries

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of shopper360 Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 61 to 112, which comprise the statements of financial position of the Group and of the Company as at 31 May 2017, and the combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows of the Group for the financial year then ended and the statement of changes in equity of the Company for the financial period from 27 December 2016 (date of incorporation) to 31 May 2017, and notes to the combined financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying combined financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the combined financial position of the Group and the financial position of the Company as at 31 May 2017 and of the combined financial performance, combined changes in equity and combined cash flows of the Group for the financial year ended on that date and of the changes in equity of the Company for the financial period from 27 December 2016 (date of incorporation) to 31 May 2017.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the combined financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the combined financial statements of the current period. These matters were addressed in the context of our audit of the combined financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Refer to Notes 3 (n) and 4 to the combined financial statements.

Description of key audit matter:

The Group recognised revenue of RM132,452,140 during the financial year. We considered revenue recognition to be a key audit matter as it is a significant audit risk and requires significant amount of our attention during the audit. The Group has 3 major business segments, with different revenue recognition processes for the respective revenue streams and varying contractual terms with the customers. With the involvement of our component auditors, our audit effort focused on assessing that revenue is properly recognised in accordance with the Group's accounting policies on revenue recognition.

Our procedures to address key audit matter:

Our audit procedures included amongst other:

- Assessing the appropriateness of the Group's accounting policies over revenue recognition.
- Evaluating the design of key internal controls over the revenue cycle and recognition processes.
- Testing operating effectiveness of selected internal controls.
- Performing substantive audit procedures, which include test of details on a sample basis, over the occurrence, accuracy and cut-off of the revenue recorded.
- Assessing the Group's disclosures in respect of the accounting policies on revenue recognition.

INDEPENDENT AUDITOR'S REPORT



to the members of shopper360 Limited and its subsidiaries

Report on the Audit of the Combined Financial Statements (cont'd)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report for the financial year ended 31 May 2017, but does not include the combined financial statements and our auditor's report thereon.

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

In connection with our audit of the combined financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the combined financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Combined Financial Statements

Management is responsible for the preparation of combined financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair combined financial statements and to maintain accountability of assets.

In preparing the combined financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



INDEPENDENT AUDITOR'S REPORT

to the members of shopper360 Limited and its subsidiaries

Report on the Audit of the Combined Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Combined Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong Kian Guan.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

30 August 2017

COMBINED STATEMENTS OF COMPREHENSIVE INCOME



for the financial year ended 31 May 2017

		Group	
	Note	2017 RM	2016 RM
Continuing operations			
Revenue	4	132,452,140	113,519,924
Cost of sales		(90,392,342)	(78,761,301)
Gross profit		42,059,798	34,758,623
Other income	5	818,634	5,275,744
Research and development		(366,359)	(1,013,727)
Administrative expenses		(29,874,048)	(21,639,478)
Finance costs	6	(11,669)	(25,570)
Other operating expenses		(35,172)	(70,161)
Profit before tax	7	12,591,184	17,285,431
Tax expense	9	(4,219,693)	(3,595,308)
Profit from continuing operations		8,371,491	13,690,123
(Loss)/profit from discontinued operation, net of tax	10	(1,419,855)	408,425
Profit for the year		6,951,636	14,098,548
Other comprehensive income/(loss):			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Available-for-sale financial assets			
- fair value gain/(loss)		142,399	(242,666)
- reclassification to profit or loss		(241,208)	–
Other comprehensive loss for the year		(98,809)	(242,666)
Total comprehensive income for the year		6,852,827	13,855,882
Profit attributable to:			
Equity holders of the Company		5,147,206	13,305,851
Non-controlling interests		1,804,430	792,697
Profit for the year		6,951,636	14,098,548
Total comprehensive income attributable to:			
Equity holders of the Company		5,048,397	13,063,185
Non-controlling interests		1,804,430	792,697
		6,852,827	13,855,882
Earnings per share (cents per share) - Basic and diluted			
- Continuing and discontinued operations	11	4.50	11.63
Earnings per share (cents per share) - Basic and diluted			
- Continuing operations	11	5.72	11.33

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



COMBINED STATEMENTS OF FINANCIAL POSITION

at 31 May 2017

	Note	Group 2017 RM	2016 RM	Company 2017 RM
ASSETS				
Non-current assets				
Property, plant and equipment	12	5,622,200	5,331,724	–
Intangible assets	13	2,506,225	2,514,504	–
Available-for-sale financial assets	15	–	983,740	–
Trade and other receivables	18	200,036	450,800	–
Total non-current assets		8,328,461	9,280,768	–
Current assets				
Inventories	16	–	142,779	–
Financial assets at fair value through profit or loss	17	24,231	1,248,626	–
Trade and other receivables	18	40,192,963	32,330,550	538,935
Cash and cash equivalents	19	7,511,886	20,445,778	3
Tax recoverable		1,607,740	1,070,833	–
Total current assets		49,336,820	55,238,566	538,938
Total assets		57,665,281	64,519,334	538,938
EQUITY AND LIABILITIES				
Equity				
Share capital	20	38,550,103	14,670,100	3
Fair value reserve	21(a)	–	98,809	–
Capital reserve	21(b)	(1,354,855)	–	–
Merger reserve	21(c)	(19,230,000)	–	–
Retained earnings		10,318,559	20,986,053	(4,144,724)
Equity attributable to equity holders of the Company, total		28,283,807	35,754,962	(4,144,721)
Non-controlling interests		–	2,069,909	–
Total equity		28,283,807	37,824,871	(4,144,721)
Non-current liabilities				
Borrowings	22	62,650	131,110	–
Deferred tax liabilities	23	117,006	235,716	–
Total non-current liabilities		179,656	366,826	–
Current liabilities				
Trade and other payables	24	28,716,082	25,649,743	4,683,659
Borrowings	22	77,581	83,903	–
Tax payable		408,155	593,991	–
Total current liabilities		29,201,818	26,327,637	4,683,659
Total liabilities		29,381,474	26,694,463	4,683,659
Total equity and liabilities		57,665,281	64,519,334	538,938

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

COMBINED STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 May 2017



Group	Note	Share capital RM	Fair value reserve RM	Capital reserve RM	Merger reserve RM	Retained earnings RM	Equity attributable to equity holders of the Company RM	Non- controlling interests RM	Total RM
At 1 June 2015		14,670,100	341,475	-	-	20,721,832	35,733,407	244,359	35,977,766
Profit for the year		-	-	-	-	13,305,851	13,305,851	792,697	14,098,548
Other comprehensive loss		-	(242,666)	-	-	-	(242,666)	-	(242,666)
Fair value loss on available-for-sale financial assets	21	-	(242,666)	-	-	-	(242,666)	-	(242,666)
Other comprehensive loss for the financial year, net of tax		-	(242,666)	-	-	-	(242,666)	-	(242,666)
Total comprehensive income for the year		-	(242,666)	-	-	13,305,851	13,063,185	792,697	13,855,882
Acquisition of a subsidiary	14(b)	-	-	-	-	-	-	1,032,853	1,032,853
Dividends	25	-	-	-	-	(13,041,630)	(13,041,630)	-	(13,041,630)
At 31 May 2016		14,670,100	98,809	-	-	20,986,053	35,754,962	2,069,909	37,824,871
At 1 June 2016		14,670,100	98,809	-	-	20,986,053	35,754,962	2,069,909	37,824,871
Profit for the year		-	-	-	-	5,147,206	5,147,206	1,804,430	6,951,636
Other comprehensive loss		-	142,399	-	-	-	142,399	-	142,399
Fair value gain on available-for-sale financial assets	21	-	142,399	-	-	-	142,399	-	142,399
Fair value on available-for-sale financial assets disposed reclassified to profit and loss	21	-	(241,208)	-	-	-	(241,208)	-	(241,208)
Other comprehensive loss for the financial year, net of tax		-	(98,809)	-	-	-	(98,809)	-	(98,809)
Total comprehensive income for the year		-	(98,809)	-	-	5,147,206	5,048,397	1,804,430	6,852,827
Transactions with owners recognised directly in equity									
Issuance of share	3	-	-	-	-	-	3	-	3
Disposal of a subsidiary	14(d)	-	-	-	-	-	-	(239,194)	(239,194)
Adjustment pursuant to the Restructuring Exercise		(14,670,000)	-	-	(19,230,000)	-	(33,900,000)	-	(33,900,000)
Issuance of shares pursuant to the Restructuring Exercise	20	38,550,000	-	-	-	-	38,550,000	-	38,550,000
Dividends	25	-	-	-	-	(15,814,700)	(15,814,700)	(2,040,000)	(17,854,700)
Changes in ownership interest in a subsidiary									
Acquisition of non-controlling interest without a change in control	14(c)	-	-	(1,354,855)	-	-	(1,354,855)	(1,595,145)	(2,950,000)
At 31 May 2017		38,550,103	-	(1,354,855)	(19,230,000)	10,318,559	28,283,807	-	28,283,807

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



STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 May 2017

	Share capital RM	Accumulated losses RM	Total equity RM
Company			
Issuance of share at date of incorporation (Note 20)	3	–	3
Loss and total comprehensive loss for the financial period	–	(4,144,724)	(4,144,724)
At 31 May 2017	3	(4,144,724)	(4,144,721)

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

COMBINED STATEMENTS OF CASH FLOWS



for the financial year ended 31 May 2017

		Group	
	Note	2017 RM	2016 RM
Cash flows from operating activities			
Profit before tax from continuing operations		12,591,184	17,285,431
(Loss)/profit before tax from discontinued operation		(1,419,855)	510,998
Adjustments for:			
Amortisation for club membership		8,279	8,279
Depreciation		1,574,664	1,122,018
Dividend income		(14,100)	(314,476)
Fee to professional advisor		1,300,000	–
Interest income		(227,474)	(227,128)
Interest expenses		11,669	25,570
Gain on disposal of property, plant and equipment		(37,786)	(4,555,566)
Gain on disposal of available-for-sale financial assets and reclassification from fair value reserve		(455,130)	–
Loss on disposal of a subsidiary		1,227,935	–
Property, plant and equipment written off		1,161	70,486
Operating cash flow before working capital changes		14,560,547	13,925,612
Inventories		(332,048)	(112,796)
Receivables		(9,689,070)	(1,877,744)
Payables		4,887,700	1,800,267
Cash flows generated from operations		9,427,129	13,735,339
Income tax paid		(5,073,327)	(4,089,232)
Net cash from operating activities		4,353,802	9,646,107
Cash flow from investing activities			
Purchases of property, plant and equipment		(2,212,094)	(3,754,585)
Proceeds from disposal of property, plant and equipment		317,985	7,230,795
Proceeds from disposal of available-for-sale financial assets		1,395,757	–
Disposal of discontinued operation, net of cash disposed of	14(d)	(225,364)	–
Acquisition of a subsidiary, net of cash acquired	14(b)	–	(370,293)
Dividends received		14,100	314,476
Interest received		227,474	227,128
Capital repayment from investment in quoted security		–	192,548
Redemption of financial assets at fair value through profit or loss		1,221,428	5,154,605
Payment of contingent consideration for business combination		(1,000,000)	–
Net cash (used in)/generated from investing activities		(260,714)	8,994,674

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



COMBINED STATEMENTS OF CASH FLOWS

for the financial year ended 31 May 2017

		Group	
	Note	2017 RM	2016 RM
Cash flow from financing activities			
Repayment of borrowings		(84,014)	(401,187)
Dividends paid to owners of the Company		(16,056,300)	(6,000,030)
Dividends paid to non-controlling interest		(1,275,000)	–
Proceeds from issuance of ordinary shares		400,003	–
Interest paid		(11,669)	(2,485)
Net cash used in financing activities		(17,026,980)	(6,403,702)
Net (decrease)/increase in cash and cash equivalents		(12,933,892)	12,237,079
Cash and cash equivalents at beginning of the year		20,445,778	8,208,699
Cash and cash equivalents at end of the year	19	7,511,886	20,445,778

For the purpose of presenting the combined statements of cash flows, the cash and cash equivalents comprise the following:

		Group	
	Note	2017 RM	2016 RM
Cash and cash equivalents			
- Continuing operations		7,511,886	19,388,641
- Discontinued operation		–	1,057,137
Cash and cash equivalents per combined statements of cash flows	19	7,511,886	20,445,778

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

These notes form an integral part of and should be read in conjunction with the accompanying combined financial statements.

1 Corporate information

shopper360 Pte. Ltd. (the "Company") (Co. Reg. No. 201634929Z) was incorporated in Singapore on 27 December 2016 for the purpose of acquiring the existing companies pursuant to the Restructuring Exercise mentioned in Note 2 below. On 19 May 2017, the Company was converted into a public company limited by shares and changed its name to shopper360 Limited.

The registered office and principal place of business of the Company is at 55 Market Street #08-01, Singapore 048941.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 14 to the combined financial statements.

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.

2 The Restructuring Exercise

The Group undertook the transactions described below as part of a corporate reorganisation implemented in preparation for its listing on the Catalist Board of Singapore Exchange Securities Trading Limited (the "Restructuring Exercise").

(a) Incorporation of the Company

The Company was incorporated on 27 December 2016 in Singapore with an issued and paid-up capital of S\$1 comprising 1 ordinary share.

(b) Disposal of Paragon Premiums Sdn. Bhd. ("Paragon Premiums") by Pos Ad Sdn. Bhd. ("Pos Ad")

Pursuant to a sale and purchase agreement dated 30 November 2016 between Pos Ad and Rekaweb.Com Sdn. Bhd. ("RKW") and Zencall Holdings Sdn. Bhd. ("Zencall Holdings"), Pos Ad sold its 85% shareholding interests in Paragon Premiums to RKW and Zencall Holdings for an aggregate cash consideration of RM127,500. The consideration was determined based on a willing buyer-willing seller basis, taking into account the total cost of investment in Paragon Premiums by Pos Ad. The disposal comprised (i) the transfer of 126,000 shares in the capital of Paragon Premiums to RKW for a consideration of RM126,000, and (ii) the transfer of 1,500 shares in the capital of Paragon Premiums to Zencall Holdings for a consideration of RM1,500. Following such disposal, Paragon Premiums was no longer a subsidiary of Pos Ad.

(c) Acquisition of Pos Ad by RKW

Pursuant to a sale and purchase agreement dated 27 December 2016 between Zencall Holdings and RKW, RKW acquired all shareholding interests of Zencall Holdings in Pos Ad for a cash consideration of RM1,000. The consideration was determined based on a willing buyer-willing seller basis, taking into account the total cost of investment in Pos Ad by Zencall Holdings.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

2 The Restructuring Exercise (cont'd)

(d) Acquisition of Pos Ad by shopper360 Sdn. Bhd. ("shopper360 Malaysia")

Pursuant to a share swap agreement dated 26 January 2017 between shopper360 Malaysia, RKW and Koperasi Permodalan FELDA Malaysia Berhad ("KPF"), shopper360 Malaysia acquired all of the respective shareholding interests of RKW and KPF in Pos Ad for an aggregate consideration of RM33,900,000. The consideration was determined based on a willing buyer-willing seller basis, taking into account the net asset value of Pos Ad and its subsidiaries (namely, Shopperplus Sdn. Bhd. ("ShopperPlus") (formerly known as Shopwave Sdn. Bhd.), Jump Retail Sdn. Bhd. ("Jump Retail") and Gazelle Activation Sdn. Bhd. ("Gazelle Activation") (formerly known as Jump Licensing (M) Sdn. Bhd.) as at 31 May 2016, and assuming that Paragon Premium has been disposed of as at 31 May 2016. The consideration was satisfied by the allotment and issue of 172,890 and 166,110 new shares in the issued and paid-up share capital of shopper360 Malaysia ("shopper360 Malaysia Shares") to RKW and KPF respectively, at RM100 per shopper360 Malaysia Share.

Following the share swap, Pos Ad became a wholly-owned subsidiary of shopper360 Malaysia.

(e) Acquisition of ShopperPlus, Jump Retail and Gazelle Activation by shopper360 Malaysia

Pursuant to the restructuring exercise, shopper360 Malaysia acquired all the shareholding interests of Pos Ad in each of ShopperPlus, Jump Retail and Gazelle Activation for a nominal cash consideration of RM1.00 each. Following the acquisition, ShopperPlus, Jump Retail and Gazelle Activation became wholly-owned subsidiaries of shopper360 Malaysia.

(f) Acquisition of Tristar Synergy Sdn. Bhd. ("Tristar Synergy") by shopper360 Malaysia

Pursuant to a sale and purchase agreement dated 11 January 2017 between shopper360 Malaysia and Angelina Ooi, shopper360 Malaysia acquired the 51% shareholding interests of Angelina Ooi in Tristar Synergy in May 2017, for a consideration of RM2.95 million. The consideration was determined based on a willing buyer-willing seller basis, taking into account a premium over the net profit of RM2.5 million of Tristar Synergy for the financial year ended 31 May 2016. The consideration was satisfied by the allotment and issue of an aggregate of 29,500 new shopper360 Malaysia Shares at RM100 per shopper360 Malaysia Share to Angelina Ooi and two (2) individuals nominated.

Following such acquisition, Tristar Synergy became a wholly-owned subsidiary of shopper360 Malaysia.

(g) Issuance of shares in shopper360 Malaysia

On 17 May 2017, shopper360 Malaysia issued 13,000 new shopper360 Malaysia Shares at RM100 per share to its consultants ("Advisor") in consideration of the RM1.3 million professional fees payable to the Advisor under the mandate with the Advisor. Such shopper360 Malaysia Shares represent approximately 3.4% of the share capital of shopper360 Malaysia. The issue price of RM100 per shopper360 Malaysia Share is similar to the price at which new shopper360 Malaysia Shares were allotted and issued by shopper360 Malaysia in connection with its acquisition of subsidiaries within the Group pursuant to the Restructuring Exercise.

On 18 May 2017, shopper360 Malaysia issued an aggregate of 4,000 new shopper360 Malaysia Shares at RM100 per shopper360 Malaysia Share to the Executive Director and Executive Officers ("Management").

(h) Acquisition of shopper360 Malaysia by the Company

Pursuant to a sale and purchase agreement dated 19 May 2017 between the Company and the shareholders of shopper360 Malaysia, the "shopper360 Malaysia Shareholders", the Company acquired all the issued and paid-up share capital of shopper360 Malaysia for a consideration of RM36,773,746. The consideration was determined based on a willing buyer-willing seller basis, taking into account the net asset value of the shopper360 Malaysia and its subsidiaries as at 31 May 2016 and the issuance of shopper360 Malaysia Shares to the Advisor and the Management (as detailed in paragraph (g) above), and assuming that Paragon Premiums has been disposed of and shopper360 Malaysia has acquired 51% of Tristar Synergy. The consideration was satisfied by the allotment and issue of new shares to the shopper360 Malaysia Shareholders.

Following the completion of such acquisition on 8 June 2017, shopper360 Malaysia became a wholly-owned subsidiary of the Company.

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

2 The Restructuring Exercise (cont'd)

(h) Acquisition of shopper360 Malaysia by the Company (cont'd)

Basis of preparation of the combined financial statements

The Group resulting from the above Restructuring Exercise is regarded as a continuing entity as the Group is ultimately controlled by the common shareholders both before and after the Restructuring Exercise. Accordingly, although the Company is only incorporated on 27 December 2016, the combined financial statements of the Group have been prepared using the principles of merger accounting on the basis that the Restructuring Exercise transfers the equity interest in the combining entities under the common control to the Company has been effected for the years ended 31 May 2017 and 2016.

3 Summary of significant accounting policies

(a) Basis of preparation

The combined financial statements of the Group are expressed in Ringgit Malaysia ("RM") except when otherwise indicated. The combined financial statements of the Group have been prepared in accordance with the provisions of the Companies Act and Financial Reporting Standards in Singapore ("FRSs"). The combined financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of combined financial statements in conformity with FRSs requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within next financial year are disclosed in Note 3(w) to the combined financial statements.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Group and the Company.

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 May 2017 have not been applied in preparing these combined financial statements. None of these are expected to have a significant effect on the combined financial statements of the Group and the Company, except as disclosed as follows:

FRS 115 Revenue from Contracts with Customers

FRS 115 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in FRS 115 by applying a 5-step approach.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

3 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

FRS 115 Revenue from Contracts with Customers (cont'd)

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 includes disclosure requirements that will result in disclosure of comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Management is currently assessing the impact of applying the new standard on the Group's combined financial statements.

The Group plans to adopt the standard when it becomes effective in financial year ending 31 May 2019.

FRS 109 Financial Instruments

FRS 109 which replaces FRS 39, includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace FRS 39 incurred loss model.

(a) *Classification and measurement*

The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted using amortised cost model under FRS 109.

(b) *Impairment*

FRS 109 requires the Group to record expected credit losses on all of its loans and receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all its trade receivables.

The Group has not undertaken a detailed assessment of the impact of the impairment provisions under FRS 109 and plans to adopt the standard when it becomes effective in financial year ending 31 May 2019.

FRS 116 Leases

FRS 116 replaces the existing FRS 17: Leases. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their statement of financial position to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The Group will assess the potential impact of FRS 116 and plans to adopt the standard on the required effective date.

Convergence with International Financial Reporting Standards (IFRS)

The Accounting Standards Council ("ASC") announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange ("SGX") will be required to apply a new financial reporting framework identical to the International Financial Reporting Standards (full IFRS convergence) in 2018. The Group will adopt the new financial reporting framework on 1 June 2018.

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

3 Summary of significant accounting policies (cont'd)

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(c) Basis of preparation of combined financial statements

Business combinations involving entities under common control

The combined financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the combined financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method.

The combined financial statements of the Group were prepared by applying the pooling of interest method as the Restructuring Exercise as described in Note 2 is a legal reorganisation of entities under common control. Under this method, the Company has been treated as the holding company of the subsidiaries for the financial years presented rather than from the completion of the Restructuring Exercise. Accordingly, the results of the Group include the results of the subsidiaries for the entire periods under review. Such manner of presentation reflects the economic substance of the companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established.

Pursuant to this:

- Assets and liabilities are reflected at their existing carrying amounts;
- No adjustments are made to reflect the fair values on the date of combination or recognise any new assets or liabilities;
- No additional goodwill is recognised as a result of the combination;
- Prior to the issue of shares by the Company in connection with the Restructuring Exercise, the aggregate equity of the subsidiaries held directly by the Company is shown as the Group's equity for financial years under review; and
- Upon the completion of the Restructuring Exercise, any difference between the consideration paid by the Company and the equity 'acquired' is reflected within the equity of the Group as merger reserve.

Business combinations using acquisition method

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

3 Summary of significant accounting policies (cont'd)

(c) Basis of preparation of combined financial statements (cont'd)

Business combinations using acquisition method (cont'd)

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 3(d). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the combined statements of comprehensive income, statements of changes in equity and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition date fair value or, when applicable, on the basis specified in another standard.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific FRS.

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

(d) Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

3 Summary of significant accounting policies (cont'd)

(d) Goodwill (cont'd)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(e) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight line basis to allocate the depreciable amounts of the property, plant and equipment over their estimated useful lives. The estimated useful life, at the following annual rate are as follows:

Freehold buildings	2%
Office equipment	20% - 33 1/3%
Furniture and fittings	20%
Motor vehicles	20%
Office renovation	20%

Capital work in progress are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the combined financial statements until they are no longer in use.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

3 Summary of significant accounting policies (cont'd)

(f) Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(i) Research and development costs

Research costs are expensed as incurred. Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development. Following initial recognition of the deferred development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses.

All research costs and development costs not eligible for capitalisation have been expensed and are recognised in 'Research and development' line item in profit or loss.

(ii) Club memberships

Club memberships were acquired separately and are amortised on a straight line basis over their finite useful lives of 51 to 84 years.

(g) Impairment of non-financial assets excluding goodwill

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

3 Summary of significant accounting policies (cont'd)

(g) Impairment of non-financial assets excluding goodwill (cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is recognised in other comprehensive income up to the amount of any previous revaluation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the selling expenses.

(i) Financial assets

Classification

The Group classifies its financial assets according to the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group's financial assets are fair value through profit or loss, loans and receivables and available-for-sale.

Financial assets, at fair value through profit or loss

This category has two sub-categories: "financial assets held for trading", and those designated upon initial recognition at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at initial recognition are those that are managed and their performance are evaluated on a fair value basis, in accordance with a documented Group's investment strategy. Derivatives are also categorised as "held for trading" unless they are designated as effective hedging instruments. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months after the reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" (excluding GST receivables and prepayments) and "cash and cash equivalents" on the combined statements of financial position.

Financial assets, available-for-sale

Financial assets, available-for-sale include equity securities that are non-derivatives and are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months after the reporting date.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

3 Summary of significant accounting policies (cont'd)

(i) Financial assets (cont'd)

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to profit or loss. Any amount in the fair value reserve relating to that asset is also transferred to profit or loss.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised as expenses.

Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss, including effects of currency translation, are recognised in profit or loss in the financial year in which the changes in fair values arise.

Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in fair value reserve/other comprehensive income, together with the related currency translation differences.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss.

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

3 Summary of significant accounting policies (cont'd)

(i) Financial assets (cont'd)

Financial assets, available-for-sale

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that was recognised directly in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised.

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale financial assets are not reversed through profit or loss.

(j) Cash and cash equivalents

For the purposes of presentation in the combined statements of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(k) Financial liabilities

Financial liabilities include trade and other payables and borrowings. Financial liabilities are recognised on the combined statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

(l) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

(m) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(n) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity, and the amount of revenue and related cost can be reliably measured.

Revenue from services

Revenue from services rendered is recognised net of discounts as and when the services are performed.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

3 Summary of significant accounting policies (cont'd)

(n) Revenue recognition (cont'd)

Sale of goods

Revenue from sale of goods is recognised when a Group entity has delivered the products to the customer and significant risks and rewards of ownership of the goods have been passed to the customer.

Rental income

Rental income from operating leases are recognised on a straight-line basis over the lease term.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

(o) Leases

When a Group entity is the lessee:

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between reduction of the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in finance lease liabilities. The interest element of the finance cost is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(p) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Employees Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

3 Summary of significant accounting policies (cont'd)

(q) **Borrowing costs**

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in profit or loss using the effective interest method.

(r) **Income taxes**

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or recoverable in respect of previous years.

Deferred income tax is provided using the liability method, on all temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the reporting date.

(s) **Foreign currencies**

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the "functional currency"). The Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, Malaysia, which is the Group's principal place of business and operations. Ringgit Malaysia ("RM") is the currency that mainly influences sales prices for goods and services, labour, material and other costs of providing goods or services and of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services for Malaysia entities. Therefore, the management has determined that RM is the functional currency for the Malaysia entities in the Group. In view of the increased financial reliance of the Company on the operations of its Malaysia entities, the management also determined that RM is the functional currency of the Company. The financial statements of the Group and the Company are presented in Ringgit Malaysia.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

3 Summary of significant accounting policies (cont'd)

(s) Foreign currencies (cont'd)

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(t) Dividend

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's combined financial statements in the period in which they are approved by the Company's shareholders.

(u) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

(v) Discontinued operation

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

(w) Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the combined financial statements (apart from those involving estimations, which are dealt in the preceding paragraphs).

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

3 Summary of significant accounting policies (cont'd)

(w) Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Control over Tristar Synergy Sdn. Bhd.

During financial year ended 31 May 2016, management assessed and concluded that Tristar Synergy Sdn. Bhd. is a subsidiary of the Group even though the Group has only a 49% ownership interest in Tristar Synergy Sdn. Bhd.. The investor with 51% of the ownership interest in Tristar Synergy Sdn. Bhd. signed a concerted party agreement and agreed to vote in accordance with the decision as voted by the Group on relevant activities of Tristar Synergy Sdn. Bhd. including but are not limited to operating, financing and investing activities. Accordingly, the management concluded that the Group has the ability to direct and control the relevant activities of Tristar Synergy Sdn. Bhd. as at 31 May 2016.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) **Impairment of non-financial assets**

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of goodwill and the carrying amount of the goodwill, are given in Note 13 to the combined financial statements. The carrying amounts of property, plant and equipment and club memberships are disclosed respectively in Note 12 and Note 13 to the combined financial statements.

(ii) **Impairment of trade receivables**

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's trade receivables at the end of the reporting period is disclosed in Note 18 to the combined financial statements. If the present value of estimated future cash flows differ from management's estimates, the Group's allowance for impairment for trade receivables and the trade receivables balance at the end of the reporting period will be affected accordingly.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

4 Revenue

	Group	
	2017	2016
	RM	RM
In-store advertising and digital marketing	34,416,115	32,697,538
Field force management	79,652,053	71,933,598
Sampling activities and events management	18,296,023	8,888,788
Others	87,949	–
	132,452,140	113,519,924

5 Other income

	Group	
	2017	2016
	RM	RM
Dividend income from available-for-sale financial assets	14,100	314,476
Gain on disposal of property, plant and equipment	37,786	4,555,566
Gain on disposal of available-for-sale financial assets and reclassification from fair value reserve	455,130	–
Insurance compensation on property, plant and equipment	–	75,772
Waiver of debt - third parties	–	60,133
Management fees	26,388	22,500
Interest income		
- bank	195,336	197,905
- others	32,138	29,223
Rental income	–	4,897
Miscellaneous income	57,756	15,272
	818,634	5,275,744

6 Finance costs

	Group	
	2017	2016
	RM	RM
Interest expense		
- term loans	–	13,101
- finance leases	11,637	9,984
- others	32	2,485
	11,669	25,570

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

7 Profit before tax

	Group	
	2017	2016
	RM	RM
Profit before tax is arrived at after charging:		
Audit fees payable/paid to:		
- auditor of the Company	209,984	–
- other auditor *	63,000	65,000
Fees for non-audit services payable/paid to:		
- auditor of the Company	2,470	–
- other auditor *	16,800	16,754
Amortisation for club membership	8,279	8,279
Bad debts written off	34,016	–
Commission	1,351,600	1,843,652
Depreciation of property, plant and equipment	1,564,283	1,110,481
Fee to professional advisor	1,300,000	–
Listing expenses	3,917,878	–
Rental expense		
- third parties	829,513	836,164
- immediate and ultimate holding company	596,066	–
Staff costs (Note 8)	84,822,432	73,411,889
Supermarket fees	7,990,685	7,658,156
Printing and design	1,465,285	1,794,032
Public performance fee	329,101	1,039,560
Property, plant and equipment written off	1,161	70,486
Acquisition-related costs incurred	–	18,583

* Includes independent member firm of the Baker Tilly International network.

8 Staff costs

	Group	
	2017	2016
	RM	RM
Salaries, allowances, bonuses and commissions	75,369,628	65,079,805
Contributions to defined contribution plan	8,376,063	7,449,380
Other benefits	1,076,741	882,704
	84,822,432	73,411,889



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

9 Tax expense

	Group	
	2017	2016
	RM	RM
Tax expense attributable to profits is made up of:		
<u>From continuing operations</u>		
- Current income tax	4,377,669	3,550,735
- Deferred tax	30,077	228,281
Over provision in respect of previous financial years		
- Income tax	(4,581)	–
- Deferred tax	(183,472)	(183,708)
	4,219,693	3,595,308
<u>From discontinued operation</u>		
- Current income tax	–	53,801
- Deferred tax	–	17,956
Under provision in respect of previous financial years		
- Income tax	–	27,761
- Deferred tax	–	3,055
	–	102,573
	4,219,693	3,697,881

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the Malaysia statutory rate of income tax due to the following factors:

	Group	
	2017	2016
	RM	RM
Profit/(loss) before tax from:		
Continuing operations	12,591,185	17,285,431
Discontinued operation	(1,419,855)	510,998
	11,171,330	17,796,429
Tax calculated at a tax rate of 24% (2016: 24%)	2,681,119	4,271,143
Effect of different tax rates in other countries	290,131	(1,074)
Effect of tax incentive	(25,000)	(25,000)
Expenses not deductible for tax purposes	1,786,402	534,615
Income not subject to tax	(151,721)	(1,197,879)
(Over)/under provision of taxation in prior years	(4,581)	27,761
Over provision of deferred tax in prior years	(183,472)	(180,653)
Utilisation of previously unrecognised tax losses	–	(14,616)
Deferred tax assets not recognised	(123,401)	333,026
Others	(49,784)	(49,442)
	4,219,693	3,697,881

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

10 Discontinued operation

On 30 November 2016, the Group completed the disposal of Paragon Premiums Sdn. Bhd., following a strategic decision to restructure the Group's businesses. The combined statements of profit or loss have been presented to show the discontinued operation separately from continuing operations.

An analysis of the results of discontinued operation is as follows:

		Group	
	Note	2017 RM	2016 RM
Revenue		2,334,680	8,035,442
Cost of sales		(1,979,990)	(6,705,468)
Gross profit		354,690	1,329,974
Other income		5,677	57,703
Administrative expenses		(1,748,861)	(876,679)
Finance costs		(31,361)	–
(Loss)/profit before tax from discontinued operation	(a)	(1,419,855)	510,998
Tax expense		–	(102,573)
(Loss)/profit from discontinued operation		(1,419,855)	408,425

The impact of the discontinued operation on the cash flows of the Group are as follows:

		Group	
		2017 RM	2016 RM
Operating cash flows		1,314,726	(1,905,334)
Investing cash flows		(8,055)	(78,510)
Financing cash flows		(2,010,944)	738,159
Net cash outflow		(704,273)	(1,245,685)

(a) (Loss)/profit before tax from discontinued operation is arrived at after charging:

		Group	
		2017 RM	2016 RM
Depreciation of property, plant and equipment		10,381	11,537
Staff costs		341,092	679,405
Mould and set cost		441,270	1,506,638
Duty, transport and forwarding		249,828	345,123
Production cost		948,902	3,640,770
Royalty fees		120,852	381,494
Packaging and designing		32,751	124,847
Loss on disposal of a subsidiary		1,227,935	–



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

11 Earnings per share

Pursuant to Initial Public Offering ("IPO"), the following tables reflect the combined statements of comprehensive income and share data used in the computation of basic and diluted earnings per share:

	Group	
	2017 RM	2016 RM
Net profit attributable to equity holders of the Company	5,147,206	13,305,851
Weighted average number of ordinary shares for purpose of earnings per share	114,400,000⁽¹⁾	114,400,000 ⁽¹⁾
Earnings per share (cents per share)		
- Basic and diluted	4.50	11.63
From continuing and discontinued operations		
Net profit attributable to equity holders of the Company	5,147,206	13,305,851
Add/(less): Loss/(profit) for the year from discontinued operation	1,391,067	(347,161)
Earnings from continuing operations for the purpose of basic earnings per share	6,538,273	12,958,690
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	114,400,000⁽¹⁾	114,400,000 ⁽¹⁾
Earnings/(loss) per share (cents per share) - Basic and diluted		
- Continuing operations	5.72	11.33
- Discontinued operation	(1.22)	0.30

(1) For comparative purposes, the earnings per share for the respective financial years have been computed based on the net profit attributable to equity holders of the Company and the Company's enlarged share capital of 114,400,000 shares, which assumed the following pursuant to the IPO had been completed as at the end of the respective financial years:

- (a) issue of 385,599 shares pursuant to the Restructuring Exercise;
- (b) sub-division of 385,600 shares in the issued share capital of the Company into 96,400,000 shares; and
- (c) issue of 18,000,000 new shares

There were no dilutive equity instruments for 2017 and 2016.

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

12 Property, plant and equipment

	Freehold buildings RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Office renovation RM	Capital work in progress RM	Total RM
Group							
2017							
Cost							
At 1.6.2016	–	4,846,489	226,047	1,781,239	175,493	2,850,320	9,879,588
Additions	–	583,098	506,070	193,595	520,659	408,672	2,212,094
Disposals	–	(274,462)	–	(491,299)	–	–	(765,761)
Disposal of a subsidiary (Note 14)	–	(178,013)	–	–	(38,845)	–	(216,858)
Write-off	–	(149,524)	–	(7,390)	–	–	(156,914)
Transfer	–	71,279	1,329,547	–	1,858,166	(3,258,992)	–
At 31.5.2017	–	4,898,867	2,061,664	1,476,145	2,515,473	–	10,952,149
Accumulated depreciation							
At 1.6.2016	–	3,306,659	144,439	1,071,713	25,053	–	4,547,864
Depreciation charge	–	602,563	327,518	210,467	434,116	–	1,574,664
Disposals	–	(223,833)	–	(261,729)	–	–	(485,562)
Disposal of a subsidiary (Note 14)	–	(143,936)	–	–	(7,328)	–	(151,264)
Write-off	–	(148,363)	–	(7,390)	–	–	(155,753)
At 31.5.2017	–	3,393,090	471,957	1,013,061	451,841	–	5,329,949
Net carrying value							
At 31.5.2017	–	1,505,777	1,589,707	463,084	2,063,632	–	5,622,200
2016							
Cost							
At 1.6.2015	3,810,562	4,394,172	1,338,745	1,318,734	1,352,048	–	12,214,261
Acquisition of a subsidiary (Note 14)	–	115,672	50,582	93,983	67,676	–	327,913
Additions	–	494,435	34,516	417,500	107,814	2,850,320	3,904,585
Disposals	(3,739,198)	(5,544)	–	(45,283)	–	–	(3,790,025)
Write-off	(71,364)	(152,246)	(1,197,796)	(3,695)	(1,352,045)	–	(2,777,146)
At 31.5.2016	–	4,846,489	226,047	1,781,239	175,493	2,850,320	9,879,588
Accumulated depreciation							
At 1.6.2015	1,020,712	2,876,715	1,247,175	857,485	1,245,215	–	7,247,302
Depreciation charge	69,860	578,440	87,040	263,205	123,473	–	1,122,018
Disposals	(1,066,790)	(2,724)	–	(45,282)	–	–	(1,114,796)
Write-off	(23,782)	(145,772)	(1,189,776)	(3,695)	(1,343,635)	–	(2,706,660)
At 31.5.2016	–	3,306,659	144,439	1,071,713	25,053	–	4,547,864
Net carrying value							
At 31.5.2016	–	1,539,830	81,608	709,526	150,440	2,850,320	5,331,724



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

12 Property, plant and equipment (cont'd)

Assets held under finance leases

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM2,212,094 (2016: RM3,904,585) of which RMNil (2016: RM150,000) was acquired by means of finance lease. Cash payments of RM2,212,094 (2016: RM3,754,585) were made to purchase property, plant and equipment.

The net carrying value of motor vehicles held under finance lease agreements at the end of the reporting period were RM152,421 (2016: RM234,157) (Note 22).

Leased assets are pledged as security for the related finance lease liabilities.

13 Intangible assets

	Goodwill RM	Club memberships RM	Total RM
Group			
2017			
Cost			
At 1.6.2016 and 31.5.2017	2,007,651	583,997	2,591,648
Accumulated amortisation			
At 1.6.2016	–	77,144	77,144
Amortisation	–	8,279	8,279
At 31.5.2017	–	85,423	85,423
Net carrying value			
At 31.5.2017	2,007,651	498,574	2,506,225
2016			
Cost			
At 1.6.2015	–	583,997	583,997
Additions			
- Acquisition of a subsidiary (Note 14)	2,007,651	–	2,007,651
At 31.5.2016	2,007,651	583,997	2,591,648
Accumulated amortisation			
At 1.6.2015	–	68,865	68,865
Amortisation	–	8,279	8,279
At 31.5.2016	–	77,144	77,144
Net carrying value			
At 31.5.2016	2,007,651	506,853	2,514,504

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

13 Intangible assets (cont'd)

Amortisation expense

The amortisation of club memberships is included in the "Administrative expenses" line items in profit or loss respectively.

Impairment testing of goodwill

Goodwill acquired through business combination has been allocated to a cash-generating unit (CGU), which is also the reportable operating segment, for impairment testing.

The carrying amount of goodwill allocated to the CGU is as follows:

	Group	
	2017	2016
	RM	RM
Sampling activities and events management		
- Tristar Synergy Sdn. Bhd.	2,007,651	2,007,651

Key assumptions used in value-in-use calculation

The recoverable amount of the CGU is determined from value-in-use calculation. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to contract values and direct costs during the period. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are estimated based on secured and expected orders. Changes in contract values and direct costs are estimated based on past performances and expected trends and developments in the market.

The Group's value-in-use calculation used cash flow forecasts derived from the most recent financial budgets approved by management covering a three-year period. Estimated growth rate for extrapolation of cash flows beyond the three-year period was assumed to be Nil.

Revenue is estimated to grow at the average rate of 11% (2016: 16%) for the three-year period. The rate used to discount the forecast cash flows from the Group's sampling activities and events management segment is 23.3% (2016: 23.8%).

Sensitivity to changes in assumptions

With regards to the assessment of value in use for the sampling activities and events management segment, management believes that the change in the estimated recoverable amount from any reasonably possible changes in any of the above key assumptions would not cause the recoverable amount to be materially lower than the carrying value of the CGU.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

14 Investment in subsidiaries

Name of subsidiary	Principal place of business	Principal business activities	Proportion of ownership interest	
			2017	2016
			%	%
Held by the Company				
shopper360 Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	100	100
Held by shopper360 Sdn. Bhd.				
Pos Ad Sdn. Bhd. ⁽¹⁾	Malaysia	Providing advertising media services	100	100
Jump Retail Sdn. Bhd. ⁽¹⁾	Malaysia	Retail specialist in filed operations management	100	100
Gazelle Activation Sdn. Bhd. (formerly known as Jump Licensing (M) Sdn. Bhd.) ⁽¹⁾	Malaysia	Trading of computer hardware and software	100	100
Paragon Premiums Sdn. Bhd. ^{(1), (3)}	Malaysia	Designing, marketing, sourcing and supplying of gifts and premiums	–	85
Jump Licensing Pte. Ltd. ⁽²⁾	Federal Territory of Labuan	Selling toys and sublicensing activities	–	100
ShopperPlus Sdn. Bhd. (formerly known as Shopwave Sdn. Bhd.) ⁽¹⁾	Malaysia	Providing digital mobile marketing solutions and services	100	100
Tristar Synergy Sdn. Bhd. ⁽¹⁾	Malaysia	Provide project management, outsourcing manpower to provide digital imaging training, subletting of property and related services	100	49

(1) Audited by independent member firm of Baker Tilly International.

(2) Deregistered on 28 June 2016.

(3) Disposed on 30 November 2016 (Note 10).

For the financial year ended 31 May 2017, the financial results of the subsidiaries were combined with the Company on the basis that the Group is a continuation of the existing businesses of the subsidiaries under common control.

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

14 Investment in subsidiaries (cont'd)

(a) Summarised financial information of subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are considered by management to be material to the Group:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interests held by NCI
31 May 2017		
Paragon Premiums Sdn. Bhd.	Malaysia	Nil%
Tristar Synergy Sdn. Bhd.	Malaysia	Nil%
31 May 2016		
Paragon Premiums Sdn. Bhd.	Malaysia	15%
Tristar Synergy Sdn. Bhd.	Malaysia	51%

The following are the summarised financial information of each of the Group's subsidiaries with NCI that are considered by management to be material to the Group. These financial information include consolidation adjustments but before inter-company eliminations.

Summarised Statements of Financial Position

	Paragon Premiums Sdn. Bhd.		Tristar Synergy Sdn. Bhd.	
	2017	2016	2017	2016
	RM	RM	RM	RM
Non-current assets	–	67,968	–	502,166
Current assets	–	4,748,062	–	4,848,166
Non-current liabilities	–	(21,011)	–	(138,136)
Current liabilities	–	(3,005,591)	–	(1,679,853)
Net assets	–	1,789,428	–	3,532,343
Net asset attributable to NCI	–	268,414	–	1,801,495

Summarised Statements of Comprehensive Income

	Paragon Premiums Sdn. Bhd.		Tristar Synergy Sdn. Bhd.	
	2017	2016	2017	2016
	RM	RM	RM	RM
Revenue	–	8,035,442	–	9,413,151
Profit before tax	–	262,938	–	1,940,013
Income tax expense	–	(102,573)	–	(432,872)
Profit and total comprehensive income	–	160,365	–	1,507,141
Profit allocated to NCI	–	24,055	–	768,642



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

14 Investment in subsidiaries (cont'd)

(a) Summarised financial information of subsidiaries with material non-controlling interests ("NCI") (cont'd)

Summarised Cash Flows

	Paragon Premiums Sdn. Bhd.		Tristar Synergy Sdn. Bhd.	
	2017	2016	2017	2016
	RM	RM	RM	RM
Cash flows (used in)/from operating activities	–	(1,905,334)	–	993,547
Cash flows used in investing activities	–	(78,510)	–	(160,333)
Cash flows from/(used in) financing activities	–	738,159	–	(438,083)
Net (decrease)/increase in cash and cash equivalents	–	(1,245,685)	–	395,131

(b) Acquisition of a subsidiary

On 25 August 2015, the Group acquired 49% of the issued share capital of Tristar Synergy Sdn. Bhd. ("Tristar Synergy") for RM3,000,000. The Group acquired Tristar Synergy in order to complement the Group's principal activities.

(i) Acquisition-date consideration transferred

	2016 RM
Cash paid	2,000,000
Contingent consideration recognised	1,000,000
Total consideration transferred	3,000,000

(ii) Fair values of identifiable assets and liabilities of subsidiary at acquisition date

	RM
Property, plant and equipment	327,913
Deferred tax assets	15,706
Trade and other receivables	1,940,611
Cash and cash equivalents	1,629,707
Trade and other payables	(932,961)
Finance lease liabilities	(183,106)
Amount due to a director	(327,005)
Tax payables	(445,663)
Total identifiable net assets	2,025,202
Less: Non-controlling interest measured at the non-controlling's proportionate share of subsidiary's net assets	(1,032,853)
Net identifiable assets acquired	992,349
Goodwill (Note 13)	2,007,651
Total consideration transferred	3,000,000

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

14 Investment in subsidiaries (cont'd)

(b) Acquisition of a subsidiary (cont'd)

(iii) Effect on cash flows of the Group

	2016 RM
Cash paid (as per (i) above)	2,000,000
Less: Cash and cash equivalents in subsidiary acquired	(1,629,707)
Net cash outflow from acquisition of a subsidiary	<u>370,293</u>

(iv) Contingent consideration arrangement

As part of the acquisition agreement for Tristar Synergy, the Group was required to pay the previous owners of Tristar Synergy additional cash payment of RM1,000,000 if Tristar Synergy's profit after tax for the financial year ended 31 December 2015 is equal or higher than the audited financial year ended 31 December 2014.

The fair value of the contingent consideration was subsequently determined at RM1,000,000 in accordance with the acquisition agreement. The fair value of the contingent consideration was calculated by discounting it based on prevailing borrowing cost for similar instrument as at acquisition date, i.e. the prevailing base lending rate of 6.85% with a premium of 1.0% to present value.

The consideration is due for final measurement and payment to the previous owners on 25 October 2016.

(v) Acquisition-related costs

Transaction costs related to the acquisition of RM18,583 were included in "administrative expenses" in the Group's profit or loss for the previous financial year.

(vi) Goodwill

Tristar Synergy is involved in events management activities. The goodwill of RM2,007,651 is attributable to significant synergies expected to arise to the Group after the acquisition.

(vii) Revenue and profit contribution

Tristar Synergy contributed revenues RM8,888,788 and net profit of RM982,778 to the Group for the period from 1 September 2015 to 31 May 2016. If the acquisition had occurred on 1 June 2015, the Group's revenue for the financial year ended 31 May 2016 would have been RM116,885,933 and total profit would have been RM14,685,294.

(c) Acquisition of non-controlling interest without a change in control

The Group entered into a sale and purchase agreement dated 11 January 2017 to acquire the remaining 51% stakes in Tristar Synergy for a consideration of RM2,950,000 to be satisfied by the allotment and issuance of 29,500 new ordinary shares of shopper360 Sdn. Bhd.. On 18 May 2017, 29,500 new shares at RM100 per share were issued by shopper360 Sdn. Bhd. to the non-controlling interest.

As a result of this acquisition, Tristar Synergy is now a wholly-owned subsidiary of the Group. The carrying value of the net assets of Tristar Synergy at 31 May 2017 was RM3,127,735 and the carrying value of the additional interest acquired was RM1,595,145. The difference of RM1,354,855 between the consideration and the carrying value of the additional interest acquired has been recognised within equity as premium paid for acquisition of non-controlling interest.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

14 Investment in subsidiaries (cont'd)

(c) Acquisition of non-controlling interest without a change in control (cont'd)

The following summarises the effect of the change in the Group ownership interest in Tristar Synergy on the equity attributable to equity holders of the Group.

	Group 2017 RM
Consideration paid for acquisition of non-controlling interest	2,950,000
Carrying amount of non-controlling interest equity	(1,595,145)
Decrease in equity attributable to equity holders of the Company	<u>1,354,855</u>

(d) Disposal of a subsidiary

As referred to in Note 10 to the combined financial statements, on 30 November 2016, the Group discontinued its designing, marketing, sourcing and supplying of gifts and premiums operations at the time of the disposal of its subsidiary, Paragon Premiums Sdn. Bhd..

(i) Effect of disposal on the financial position of the Group

	Group 2017 RM
Property, plant and equipment	65,594
Inventories	474,827
Trade and other receivables	2,086,653
Financial assets at fair value through profit or loss	2,967
Cash and bank balances	352,864
Trade and other payables	(1,344,761)
Deferred tax liabilities	(21,011)
Tax payable	(22,504)
Net asset derecognised	1,594,629
Non-controlling interests	(239,194)
Loss on disposal of a subsidiary	(1,227,935)
Consideration received, satisfied in cash	<u>127,500</u>

The loss on disposal of a subsidiary was included in administrative expenses from discontinued operation.

(ii) Net cash outflow arising from the disposal

	2017 RM
Consideration received, satisfied in cash	127,500
Less: Cash and cash equivalents in subsidiary disposed of	(352,864)
Net cash outflow on disposal of a subsidiary	<u>(225,364)</u>

NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017



15 Available-for-sale financial assets

	Group	
	2017	2016
	RM	RM
At fair value		
Quoted equity shares	–	983,740

16 Inventories

	Group	
	2017	2016
	RM	RM
Trading goods	–	142,779

Cost of inventories included in cost of sales of the discontinued operation for the financial year ended 31 May 2017 amounted to RM129,808 (2016: RM347,968).

17 Financial assets at fair value through profit or loss

	Group	
	2017	2016
	RM	RM
Held for trading		
Investments in short-term fund investments, at fair value	24,231	1,248,626

The investments are short-term fixed income funds issued by a licensed financial institution in Malaysia.

18 Trade and other receivables

	Group		Company
	2017	2016	2017
	RM	RM	RM
Non-current			
Staff loans	200,036	450,800	–
Current			
Trade receivables	31,571,994	24,020,318	–
Accrued income	5,791,295	5,241,103	–
Deposits	416,787	329,255	–
Deferred expenditure	538,935	–	538,935
Prepayments	917,371	1,834,730	–
Staff loans	313,974	290,000	–
Sundry receivables	642,607	615,144	–
	40,192,963	32,330,550	538,935
	40,392,999	32,781,350	538,935



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

18 Trade and other receivables (cont'd)

Impairment loss on trade receivables recognised as an expense amounted to RM34,016 (2016: RMNil).

Staff loans

Staff loans relate to unsecured and interest free loans made to key management personnels of the Group for a tenure of 2 to 3½ years. Pursuant to the employee loan agreements dated 20 March 2015 and 7 October 2015, the loans are repayable in full by way of monthly deduction from the borrowers' salaries.

The fair values of the staff loans approximate their respective carrying values computed based on cash flows discounted at market borrowing rate for similar financial assets at the end of the reporting period. This fair values measurement are categorised within Level 2 of the fair value hierarchy.

19 Cash and cash equivalents

	Group 2017 RM	2016 RM	Company 2017 RM
Bank and cash balances	7,188,886	10,435,639	3
Short term cash investments with fund management company	323,000	10,010,139	–
Cash and cash equivalents	7,511,886	20,445,778	3

The short term cash investments represent investments in short term fixed income fund which provides a stream of monthly income by investing in money market and fixed income instruments. Interest received from the investments is exempted from tax.

Short term cash investments are highly liquid which have an insignificant risk of changes in value which bore effective interest rates at the end of the reporting period ranging from 2.73% to 4.11% (2016: 2.73% to 3.06%) per annum.

20 Share capital

	Number of issued shares 2017	2016	Issued share capital 2017 RM	2016 RM
Group				
Issued and paid up:				
At the beginning of the year	14,670,100	14,670,100	14,670,100	14,670,100
Incorporation of Company	1	–	3	–
Adjustment pursuant to the Restructuring Exercise	(14,670,000)	–	(14,670,000)	–
Issued of shares for:				
- pursuant to the Restructuring Exercise	339,000	–	33,900,000	–
- acquisition of remaining interest in a subsidiary	29,500	–	2,950,000	–
- fee to professional advisor	13,000	–	1,300,000	–
- executive director and executive officers	4,000	–	400,000	–
At the end of the year	385,601	14,670,100	38,550,103	14,670,100

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

20 Share capital (cont'd)

	Number of issued share 2017	Issued share capital 2017 RM
Company		
Issued and paid up:		
At the beginning of the year	–	–
Incorporation of Company	1	3
At the end of the year	1	3

The Company was incorporated on 27 December 2016. Accordingly, the share capital in the combined statements of financial position as at the end of the financial year relates to the aggregate amounts of the paid up capital of the Company and the subsidiary, shopper360 Sdn. Bhd. (31 May 2016: aggregate paid up capital of shopper360 Sdn. Bhd. and Pos Ad Sdn. Bhd.).

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

21 Reserves

(a) Fair value reserve

	Group	
	2017 RM	2016 RM
Balance at beginning of year	98,809	341,475
Fair value changes of available-for-sale financial assets	198,095	(327,441)
Deferred tax (Note 23)	(55,696)	84,775
Reclassification to profit and loss	(241,208)	–
Balance at end of year	–	98,809

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

(b) Capital reserve

Capital reserve represents the premium paid for acquisition of non-controlling interest in its subsidiary, Tristar Synergy Sdn. Bhd..

(c) Merger reserve

Merger reserve represents the difference between the nominal values of the share capital of shopper360 Sdn. Bhd. and Pos Ad Sdn. Bhd., pursuant to the share swap agreement as disclosed in Note 2(d).



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

22 Borrowings

Finance lease liabilities

	2017		Group	
	Minimum lease payments RM	Present value RM	Minimum lease payments RM	Present value RM
Not later than one financial year	84,180	77,581	95,540	83,903
Later than one financial year but not later than five financial years	65,554	62,650	140,613	131,110
Total minimum lease payments	149,734	140,231	236,153	215,013
Less: Future finance charges	(9,503)	–	(21,140)	–
Present value of finance lease liabilities	140,231	140,231	215,013	215,013
Representing finance lease liabilities:				
Current	77,581	–	83,903	–
Non-current	62,650	–	131,110	–
	140,231	–	215,013	–
Effective interest rate	5.98%	–	5.85%	–

The net carrying value of motor vehicles acquired under finance lease agreements are disclosed in Note 12.

Based on the discounted cash flow analysis using market interest rates for similar finance lease agreements at the end of the reporting period, the fair values of finance lease liabilities at the end of the reporting period approximate their carrying amounts as the market interest rate at the end of the reporting period is close to the effective interest rate of the Group's existing finance lease liabilities. This fair value measurement for disclosures purpose is categorised in Level 3 of the fair value hierarchy.

23 Deferred tax liabilities

	Group	
	2017 RM	2016 RM
At 1 June	235,716	270,613
Acquisition of a subsidiary (Note 14)	–	(15,706)
Disposal of a subsidiary (Note 14)	(21,011)	–
Tax (credit)/charge to		
- Profit or loss (Note 9)	(153,395)	65,584
- Other comprehensive income (Note 21)	55,696	(84,775)
At 31 May	117,006	235,716

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

23 Deferred tax liabilities (cont'd)

The following are the major deferred tax liabilities recognised by the Group and the movements thereon, during the current and prior reporting periods.

	Property, plant and equipment RM	Fair value gain RM	Others RM	Total RM
Group				
At 1 June 2015	241,534	29,079	–	270,613
Acquisition of a subsidiary (Note 14)	(15,706)	–	–	(15,706)
Credit to equity for the year	–	(84,775)	–	(84,775)
Charge to profit or loss for the year	50,632	–	14,952	65,584
At 31 May 2016	276,460	(55,696)	14,952	235,716
Disposal of a subsidiary (Note 14)	(6,059)	–	(14,952)	(21,011)
Charge to equity for the year	–	55,696	–	55,696
(Credit)/charge to profit or loss for the year	(153,395)	–	–	(153,395)
At 31 May 2017	117,006	–	–	117,006

At the end of the reporting period, the Group has unutilised tax losses and unabsorbed capital allowances of RM5,900,000 and RM288,000 (2016: RM4,712,000 and RM227,000) that are available for carry forward to offset against future taxable income subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. No deferred tax asset has been recognised in respect of the RM6,188,000 (2016: RM4,939,000) losses and capital allowances as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised.

24 Trade and other payables

	Group 2017 RM	2016 RM	Company 2017 RM
Trade payables	4,437,775	2,336,900	–
Other payables	4,210,017	4,582,314	2,397,517
Deposits	941,363	1,127,320	–
Deferred income	4,051,994	2,549,712	–
Dividends payable (Note 25)	7,565,000	7,041,600	–
Accrued operating expenses	7,325,281	7,011,897	905,471
Contingent consideration for business combination (Note 14(b)(i))	–	1,000,000	–
Amount due to immediate and ultimate holding company	184,652	–	–
Amount due to a subsidiary	–	–	1,380,671
	28,716,082	25,649,743	4,683,659

The amounts due to immediate and ultimate holding company and subsidiary are non-trade in nature, unsecured, interest-free and repayable on demand.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

25 Dividends paid/payable

	Group	
	2017 RM	2016 RM
Ordinary dividends:		
<u>Pos Ad Sdn. Bhd.</u>		
Interim single tier tax exempt dividend of RM0.41 per share, on the 14,670,000 ordinary shares, was declared on 22 August 2016 and paid on 17 November 2016	6,014,700	–
Interim single tier tax exempt dividend of RM0.41 and RM0.48 per share, on the 14,670,000 ordinary shares were declared on 10 July 2015 and 30 May 2016 respectively		
- Paid on 3 August 2015	–	6,000,030
- Dividend payable (Note 24)	–	7,041,600
<u>shopper360 Sdn. Bhd.</u>		
Interim single tier tax exempt dividend of RM8.85 per share, on the 339,100 ordinary shares, was declared on 2 May 2017 and paid on 5 May 2017	3,000,000	–
Interim single tier tax exempt dividend of RM20.05 per share, on the 339,100 ordinary shares, was declared on 25 May 2017 and included in dividend payable (Note 24), subsequently paid on 23 June 2017	6,800,000	–
Dividends paid/payable to equity holders of the Group	15,814,700	13,041,630
<u>Tristar Synergy Sdn. Bhd.</u>		
Interim single tier tax exempt dividend of RM10.00 per share, on the 51,000 ordinary shares, was declared on 31 October 2016 and paid on 17 November 2016	510,000	–
Interim single tier tax exempt dividend of RM15.00 per share, on the 51,000 ordinary shares, was declared on 31 March 2017 and paid on 28 April 2017	765,000	–
Interim single tier tax exempt dividend of RM15.00 per share, on the 51,000 ordinary shares, was declared on 3 April 2017 and included in dividend payable (Note 24), subsequently paid on 22 June 2017	765,000	–
Dividends paid/payable to non-controlling interest	2,040,000	–

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

26 Related party transactions

- (a) In addition to the information disclosed elsewhere in the combined financial statements, the following transactions took place between the Group and related parties, who are not members of the Group during the financial year on terms agreed by the parties concerned:

	Group	
	2017	2016
	RM	RM
With key management personnel-related companies		
Sales	9,350	32,163
Management fees	(25,500)	(22,500)
Purchase of office equipment	–	(11,636)
Purchase of goods	(14,427)	–
With close family members of a key management personnel		
Rental expenses	(127,200)	(95,400)
Purchase of motor vehicle	–	(200,000)
With director-related company		
Disposal of a subsidiary	1,500	–
With shareholders		
Sales of freehold buildings	–	7,396,055
Handling fee income	4,287	–
Rental expenses	(596,066)	–
Disposal of a subsidiary	126,000	–
Acquisition of a subsidiary	(33,900,000)	–
Dividends	(17,854,700)	(13,041,630)
With related company		
Management fees	88,837	–
Purchase of office equipment	(8,009)	–
Interest received	31,361	–
Handling fees	2,646	–

Related company refers to an entity controlled by the immediate and ultimate holding company.

Key management personnel-related companies are companies controlled by a key management personnel of the Group.

Director-related company is a company in which a controlling shareholder/director of the Company has significant influence.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

26 Related party transactions (cont'd)

- (b) Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	Group	
	2017	2016
	RM	RM
Salaries, allowances, bonuses	2,037,756	2,675,794
Contributions to defined contribution plan	352,960	459,689
Fees and other benefits	5,584	44,744
Benefit in kind	53,562	13,107
	2,449,862	3,193,334

27 Capital commitments

Capital commitments not provided for in the combined financial statements:

	Group		Company
	2017	2016	2017
	RM	RM	RM
Capital commitments in respect of property, plant and equipment	–	1,730,725	–

28 Financial instruments

- (a) Categories of financial instruments

Financial instruments at their carrying amounts at the reporting date are as follows:

	Group		Company
	2017	2016	2017
	RM	RM	RM
<i>Financial assets</i>			
Available-for-sale financial assets	–	983,740	–
Financial assets at fair value through profit or loss	24,231	1,248,626	–
Loans and receivables (including cash and cash equivalents)	46,379,953	51,380,445	3
	46,404,184	53,612,811	3
<i>Financial liabilities</i>			
At amortised cost	24,180,497	21,140,472	4,683,659
Contingent consideration of business combination	–	1,000,000	–
	24,180,497	22,140,472	4,683,659

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

28 Financial instruments (cont'd)

(b) Financial risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk, liquidity risk and market price risk. The policies for managing each of these risks are summarised below. The directors review and agree policies and procedures for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which the Group manages and measures financial risk.

Foreign currency risk

The Group has currency exposures arising from transactions, assets and liabilities that are denominated in currencies other than the respective functional currencies of entities in the Group. The foreign currencies in which the Group's currency risk arises are mainly United States Dollar (USD), Singapore Dollar (SGD) and British Pound (GBP).

At the end of the reporting period, the Group and Company have the following financial assets and financial liabilities denominated in foreign currencies based on information provided to key management:

Group

Denominated in:

	USD RM	SGD RM	GBP RM
2017			
Cash and cash equivalents	40,731	32,289	–
Trade and other payables	–	(3,018,233)	–
Net financial asset/(liabilities) denominated in foreign currencies	40,731	(2,985,944)	–
2016			
Available-for-sale financial assets			
- quoted equity shares	–	–	180,810
Cash and cash equivalents	703,027	24,937	133,055
Net financial assets denominated in foreign currencies	703,027	24,937	313,865

Company

Denominated in:

	SGD RM
2017	
Trade and other payables	(4,132,359)
Net financial liabilities denominated in foreign currency	(4,132,359)



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

28 Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Foreign currency risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD and GBP exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant, of the Group's and Company's profit/(loss) after tax and other comprehensive income:

	Group			
	2017		2016	
	Profit after tax RM	Other comprehensive income RM	Profit after tax RM	Other comprehensive income RM
USD against RM				
- strengthened 10%	3,096	–	53,430	–
- weakened 10%	(3,096)	–	(53,430)	–
SGD against RM				
- strengthened 10%	(226,932)	–	1,895	–
- weakened 10%	226,932	–	(1,895)	–
GBP against RM				
- strengthened 10%	–	–	10,112	13,742
- weakened 10%	–	–	(10,112)	(13,742)

Company

If the SGD exchange rate against RM strengthened/weakened by 10% with all other variables held constant, the Company's loss after tax will be higher/lower by RM342,986.

Interest rate risk

The Group's exposure to interest rate risk arises primarily from their borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk (i.e. the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates). Borrowings at fixed rates expose the Group to fair value interest rate risk (i.e. the risk that the value of a financial instrument will fluctuate due to changes in market rates). The Group does not utilise derivatives to hedge its interest rate. As the Group has no significant interest-bearing assets and liabilities, the Group's income and expense are substantially independent of changes in market interest rates.

The sensitivity analysis for interest rate is not disclosed as the effect on the Group's profit or loss is not significant.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis by the management.

As at the end of the reporting period, the Group's trade receivables are all due from debtors located in Malaysia. The Group's trade receivables comprise 2 debtors (2016: 3 debtors) that individually represented 15% to 30% (2016: 10% to 23%) of the trade receivables excluding accrued income.

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

28 Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are substantially with corporate debtors with good collection track record with the Group. Cash and cash equivalents, investment securities and short-term fund investments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The table below is an ageing analysis of trade receivables of the Group:

	Group	
	2017	2016
	RM	RM
Not past due and not impaired	17,928,048	16,349,384
Past due but not impaired	13,643,946	7,670,934
	31,571,994	24,020,318

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2017	2016
	RM	RM
Past due < 30 days	9,440,536	5,129,338
Past due 31 to 60 days	2,246,599	1,198,939
Past due 61 to 90 days	667,958	784,182
Past due over 90 days	1,288,853	558,475
	13,643,946	7,670,934

The Group has no receivables that are impaired at the reporting date.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group and Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities (Note 22) and the ability to close market position at a short notice.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

28 Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Repayable on demand or within 1 year RM	Within 2 to 5 years RM	Total RM
Group			
2017			
Trade and other payables	24,040,266	–	24,040,266
Borrowings	84,180	65,554	149,734
	24,124,446	65,554	24,190,000
2016			
Contingent consideration for business combination	1,000,000	–	1,000,000
Trade and other payables	20,925,459	–	20,925,459
Borrowings	95,540	140,613	236,153
	22,020,999	140,613	22,161,612
Company			
2017			
Trade and other payables	4,683,659	–	4,683,659

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to price risk arising from its investments in quoted equity instruments and short-term fund investments. These instruments are quoted on the Kuala Lumpur Stock Exchange ("KLSE") in Malaysia and London Stock Exchange ("LSE") in UK and are classified as available-for-sale financial assets or financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities and short-term fund investments, the Group diversifies its portfolio in accordance with the limits set by the Group.

Sensitivity analysis for price risk

The sensitivity analysis of reasonably possible change in the prices of the investments in quoted equity instruments and short-term fund investments with all other variables held constant is not disclosed as its effect on the Group's profit after tax and equity is considered insignificant.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017



29 Fair values of assets and liabilities

(a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

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

There has been no transfer between Level 1, Level 2 and Level 3 during the financial years ended 31 May 2017 and 31 May 2016.

(b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value on the combined statements of financial position at the end of the reporting periods:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Recurring fair value measurements				
Group				
2017				
Financial assets				
Financial assets at fair value through profit or loss	24,231	–	–	24,231
2016				
Financial assets				
Available-for-sale financial assets				
- Quoted equity instruments	983,740	–	–	983,740
Financial assets at fair value through profit or loss	1,248,626	–	–	1,248,626
	2,232,366	–	–	2,232,366
Financial liabilities				
Contingent consideration of business combination	–	–	1,000,000	1,000,000

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values as they are short-term in nature, market interest rate instruments, or fixed rate instruments whereby the fixed rates approximate market interest rates on or near the end of the reporting period.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

29 Fair values of assets and liabilities (cont'd)

(d) **Determination of fair values**

Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Equity securities and short-term fund investments

The fair values of financial instruments traded in active markets (such as available-for-sale securities and held for trading investment in short-term fund investments) are based on quoted market prices at the end of the reporting period. These instruments are included in Level 1.

Contingent consideration

The fair value is calculated by discounting it based on prevailing borrowing cost for similar instrument as at acquisition date, i.e. the prevailing base lending rate of 6.85% with a premium of 1.0% to present value. The higher the discount rate will result in a lower fair value.

Non-current staff loans and borrowings

The basis of determining fair values for disclosure at the end of the reporting period is disclosed in Notes 18 and 22 respectively.

(e) **Movements in Level 3 assets and liabilities measured at fair value**

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements:

	Group	
	2017 RM	2016 RM
<u>Contingent consideration</u>		
Balance at beginning of financial year	1,000,000	–
Acquisition of a subsidiary	–	1,000,000
Payment made	(1,000,000)	–
Balance at end of financial year	–	1,000,000

30 Segment information

The Group is organised into business units based on its business segments purposes. The reportable segments are in-store advertising and digital marketing, field force management and sampling activities and events management which are described below. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

- (i) In-store advertising and digital marketing segment provides digital and non-digital in-store advertising mediums in retail chains establishment to its clients. In addition, this segment also provides creative campaign development and mobile marketing services through its proprietary loyalty mobile application platform.
- (ii) Field force management segment provides merchandiser, sales force and supervisory, and talent management services.
- (iii) Sampling activities and events management segment provides in-store promoter services such as sampling and events management for product launches, roadshows, seminars and annual dinners. This segment also provides marketing programmes, marketing intelligence and analysis and consumer relationship management services.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017



30 Segment information (cont'd)

- (iv) Investment holding segment provides management and corporate services to its subsidiaries. It also derives dividend from its subsidiaries.

On 30 November 2016, the Group discontinued the operation of a subsidiary, Paragon Premiums Sdn. Bhd. and presents its operating results separately from the reportable segment (Note 14(d)).

The segment information provided to management for the reportable segments are as follows:

	In-store advertising and digital marketing RM	Field Force Management RM	Sampling activities and events management RM	Investment holding RM	Others RM	Eliminations RM	Consolidation total RM
2017							
Segment revenue							
Sales to external customers	34,416,115	79,652,053	18,296,023	87,949	–	–	132,452,140
Intersegment sales	134,963	34,327	132,556	4,467,778	–	(4,769,624)	–
Total revenue	34,551,078	79,686,380	18,428,579	4,555,727	–	(4,769,624)	132,452,140
Segment profit/ (loss) - continuing operations	6,228,527	4,274,405	3,464,778	(5,591,732)	(4,487)	–	8,371,491
Loss from discontinued operation	–	–	–	–	–	–	(1,419,855)
							<u>6,951,636</u>
Other significant non-cash expense:							
- Depreciation and amortisation	808,895	435,571	188,996	139,100	–	–	1,572,562
- Property, plant and equipment written off	1,156	–	–	5	–	–	1,161
- Fee to professional advisor	–	–	–	1,300,000	–	–	1,300,000
	810,051	435,571	188,996	1,439,105	–	–	<u>2,873,723</u>
Assets and liabilities							
Total segment assets	37,486,614	24,784,950	7,840,206	52,687,461	78,880	(65,212,830)	<u>57,665,281</u>
Segment assets include:							
Additions to non-current assets	1,003,194	599,695	153,371	444,947	–	–	<u>2,201,207</u>
Total segment liabilities	(21,996,211)	(12,218,617)	(4,712,469)	(17,740,688)	(83,364)	27,369,875	<u>(29,381,474)</u>



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

30 Segment information (cont'd)

The segment information provided to management for the reportable segments are as follows (cont'd):

	In-store advertising and digital marketing RM	Field Force Management RM	Sampling activities and events management RM	Investment holding RM	Others RM	Eliminations RM	Consolidation total RM
2016							
Segment revenue							
Sales to external customers	32,697,538	71,933,598	8,888,788	–	–	–	113,519,924
Intersegment sales	160,434	–	524,363	–	264,924	(949,721)	–
Total revenue	32,857,972	71,933,598	9,413,151	–	264,924	(949,721)	113,519,924
Segment profit/ (loss) - continuing operations	8,131,779	4,590,930	982,778	(66,328)	50,964	–	13,690,123
Profit from discontinued operation	–	–	–	–	–	–	408,425
							14,098,548
Other significant non-cash expense:							
- Depreciation and amortisation	826,587	156,093	136,080	–	–	–	1,118,760
- Property, plant and equipment written off	70,343	143	–	–	–	–	70,486
	896,930	156,236	136,080	–	–	–	1,189,246
Assets and liabilities							
Total segment assets	42,908,052	23,305,294	10,166,362	3,470,879	6,236	(15,337,489)	64,519,334
Segment assets include:							
Additions to non-current assets	1,946,846	1,102,189	387,756	467,794	–	–	3,904,585
Total segment liabilities	(20,232,211)	(12,083,916)	(4,844,591)	(3,537,107)	(6,236)	14,009,598	(26,694,463)

Segment results

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Sales between operating segments are on terms agreed by the group companies concerned.

NOTES TO THE COMBINED FINANCIAL STATEMENTS



for the financial year ended 31 May 2017

30 Segment information (cont'd)

Segment assets

The amounts provided to the Management with respect to total assets are measured in a manner consistent with that of the combined financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments.

Segment liabilities

The amounts provided to Management with respect total liabilities are measured in a manner consistent with that of the combined financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments.

Geographical information

The Group's revenue from external customers are derived solely from customers in Malaysia. The non-current assets of the Group are all located in Malaysia.

Information about major customers

Revenue of approximately RM66,984,545 (2016: RM50,393,143) are derived from 3 (2016: 3) major external customers who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

Attributable segments		Group	
		2017 RM	2016 RM
Customer 1	In-store advertising and digital marketing	5,404,878	5,212,241
	Field force management	12,114,644	10,868,468
	Sampling activities and events management	17,402,655	8,000,697
Customer 2	Field force management	16,798,598	12,081,530
Customer 3	Field force management	15,263,770	14,230,207
		66,984,545	50,393,143

31 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The capital structure of the Group mainly consists of equity and borrowings and the Group's overall strategy remains unchanged from financial year ended 31 May 2016.

The Group is in compliance with all externally imposed capital requirements for the financial year ended 31 May 2017 and 2016.



NOTES TO THE COMBINED FINANCIAL STATEMENTS

for the financial year ended 31 May 2017

32 Subsequent events

- (1) The adoption of the new Constitution;
- (2) The sub-division of 385,600 shares into 96,400,000 shares following the Restructuring Exercise;
- (3) The allotment and issue of the New Shares which are the subject of the Placement, on the basis that the New Shares, when allotted, issued and fully paid-up, will rank pari passu in all respects with the existing issued Shares;
- (4) The listing and quotation of all the issued shares (including the new shares to be allotted and issued pursuant to the placement and award shares) on Catalist;
- (5) The adoption of the shopper360 Performance Share Plan ("PSP") and that the Directors be authorised to allot and issue shares upon the vesting of awards under the PSP; and

On 30 June 2017, the Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

33 Comparative figures

The financial statements of the Company cover the financial period since incorporation on 27 December 2016 to 31 May 2017. This being the first set of financial statements for the Company, there are no comparative figures.

34 Authorisation of combined financial statements

The combined financial statements of the Group for the financial year ended 31 May 2017 and the statement of financial position and statement of changes in equity of the Company for the financial period from 27 December 2016 (date of incorporation) to 31 May 2017 were authorised for issue in accordance with a resolution of the directors dated 30 August 2017.

STATISTICS OF SHAREHOLDINGS



as at 17 August 2017

NUMBER OF ISSUED SHARES	:	114,400,000
ISSUED AND FULLY PAID-UP CAPITAL	:	RM51,850,444
NUMBER OF TREASURY SHARES	:	NIL
NUMBER OF SUBSIDIARY HOLDINGS	:	NIL
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER SHARE

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1 - 99	0	0.00	0	0.00
100 - 1,000	3	2.61	1,900	0.00
1,001 - 10,000	26	22.61	187,900	0.17
10,001 - 1,000,000	71	61.74	7,952,900	6.95
1,000,001 and above	15	13.04	106,257,300	92.88
TOTAL	115	100.00	114,400,000	100.00

SUBSTANTIAL SHAREHOLDERS

(as shown in the Company's Register of Substantial Shareholders)

NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
REKAWEB.COM SDN BHD	43,235,250	37.79	—	—
KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	23,207,750	20.29	—	—
YAP PHAIK KWAI ⁽¹⁾	—	—	43,235,250	37.79

Note:

- (1) Yap Phaik Kwai holds 74.5% of issued share capital of Rekaweb.Com Sdn. Bhd. ("RKW") and is deemed interested in the Shares held by RKW by virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 17 August 2017, approximately 33.22% of the issued ordinary shares of the Company was held by the public as defined in the Singapore Exchange Securities Trading Limited Listing Manual Section B : Rules of Catalist ("Catalist Rules"). Therefore, the Company has complied with Rule 723 of the Catalist Rules.



STATISTICS OF SHAREHOLDINGS

as at 17 August 2017

TOP TWENTY SHAREHOLDERS AS AT 17 AUGUST 2017

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1)	REKAWEB.COM SDN BHD	43,235,250	37.79
2)	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	23,207,750	20.29
3)	RAFFLES NOMINEES (PTE) LTD	8,481,200	7.41
4)	DB NOMINEES (S) PTE LTD	5,700,000	4.98
5)	UOB KAY HIAN PTE LTD	5,540,900	4.84
6)	HSBC (SINGAPORE) NOMINEES PTE LTD	2,609,500	2.28
7)	ANGELINA OOI GAIK CHENG	2,475,000	2.16
8)	CHOOT EWE HIN	2,450,000	2.14
9)	OOI LOON KUM	2,450,000	2.14
10)	DBS VICKERS SECURITIES (S) PTE LTD	2,300,000	2.01
11)	LEE CHEE SENG	1,925,400	1.68
12)	CORPORATE ADVISORY AND RE-ENGINEERING SERVICES SDN BHD	1,804,000	1.58
13)	TAN BIN CHEE	1,450,000	1.27
14)	CIMB SECURITIES (S'PORE) PTE LTD	1,342,300	1.17
15)	MAYBANK KIM ENG SECURITIES PTE LTD	1,286,000	1.12
16)	DBS NOMINEES PTE LTD	889,200	0.78
17)	ABN AMRO CLEARING BANK N.V.	689,500	0.60
18)	OCBC NOMINEES SINGAPORE PTE LTD	350,000	0.31
19)	OSC INVESTMENTS CAPITAL PRIVATE LIMITED	350,000	0.31
20)	QUAH TEIK JIN	300,000	0.26
		108,836,000	95.12

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the 2017 annual general meeting (the “**AGM**”) of SHOPPER360 LIMITED (the “**Company**”) will be held at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 on Thursday, 28 September 2017 at 2.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 May 2017 (“**FY2017**”) together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a final tax exempt (one-tier) cash dividend of 0.30 Singapore cents per ordinary share in the capital of the Company for FY2017. **(Resolution 2)**
3. To re-elect the following directors of the Company (“**Directors**”) retiring pursuant to the constitution of the Company (“**Constitution**”) and who, being eligible, offered themselves for re-election as a Director:
 - Ms Chew Sue Ann (Retiring under Regulations 112 and 113) **(Resolution 3)**
 - Mr Ravichandran K Moorthy (Retiring under Regulation 116) **(Resolution 4)**
 - Mr Zaffary Bin Ab Rashid (Retiring under Regulation 116) **(Resolution 5)**
 - Mr Hew Koon Chan (Retiring under Regulation 116) **(Resolution 6)**
 - Ms Margaret Au-Yong @ Moh Chuan (Retiring under Regulation 116) **(Resolution 7)**
 - Ms Wong Chin Chin (Retiring under Regulation 116) **(Resolution 8)**
 - [See Explanatory Note (i)]
4. To approve the payment of Directors’ fees of S\$9,000 for FY2017 and S\$116,000 for the financial year ending 31 May 2018, to be paid quarterly in arrears. **(Resolution 9)**
5. To re-appoint Messrs Baker Tilly TFW LLP as the independent auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 10)**
6. To transact any other ordinary business which may be properly transacted at an AGM of the Company.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without modifications:

7. Authority to allot and issue shares in the capital of the Company **(Resolution 11)**

“That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the Company’s Constitution and Rule 806 of the Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors be and are hereby authorised to:

 - (a) (i) allot and issue shares in the capital of the Company (the “**Shares**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, the “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,



NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force, provided that:
- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to the existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below);
 - (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (i) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time this Resolution is passed;
 - (b) (where applicable) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided that such share options or awards (as the case may be) were granted in compliance with the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or sub-division of Shares;
 - (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Company's Constitution for the time being in force; and
 - (iv) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with terms of the Instruments."

[See Explanatory Note (ii)]

8. Authority to grant awards and to allot and issue Shares under the shopper360 Performance Share Plan **(Resolution 12)**

NOTICE OF ANNUAL GENERAL MEETING



"That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised and empowered to offer and grant awards in accordance with the shopper360 Performance Share Plan (the "**PSP**") and to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the awards granted under the PSP (including but not limited to allotment and issuance of Shares at any time, whether during the continuance of such authority or thereafter, pursuant to awards made or granted by the Company whether granted during the subsistence of this authority or otherwise), provided always that the aggregate number of Shares issued and/or issuable pursuant to the PSP, and any other share option schemes of the Company shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time, and such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (iii)]

By Order of the Board of shopper360 Limited

Chua Kern
Company Secretary
Singapore
13 September 2017

Explanatory Notes:

- (i) Ms Chew Sue Ann will, upon re-election as a Director, remain as the Executive Chairman and Group Managing Director of the Company. Ms Chew Sue Ann is the daughter of a controlling shareholder of the Company, Ms Yap Phaik Kwai, who has a total interest of 37.79% (direct and deemed) of the issued share capital of the Company as at 17 August 2017.

Mr Ravichandran K Moorthy will, upon re-election as a Director, remain as a Non-Independent and Non-Executive Director, as well as a member of the Audit Committee and the Remuneration Committee. Mr Zaffary Bin Ab Rashid will, upon re-election as a Director, remain as a Non-Independent and Non-Executive Director, and a member of the Nominating Committee.

Mr Hew Koon Chan will, upon re-election as a Director, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee. Ms Margaret Au-Yong @ Moh Chuan will, upon re-election as a Director, remain as an Independent Director and Chairman of the Remuneration Committee. Ms Wong Chin Chin will, upon re-election as a Director, remain as an Independent Director, Chairman of the Nominating Committee and a member of the Audit Committee. Each of Mr Hew Koon Chan, Ms Margaret Au-Yong @ Moh Chuan and Ms Wong Chin Chin has no relationships (including immediate family relationships) with the rest of the Directors, the Company, its related corporation, its 10% shareholders or its officers. The Board considers each of Mr Hew Koon Chan, Ms Margaret Au-Yong @ Moh Chuan and Ms Wong Chin Chin to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Further detailed information on the abovementioned Directors can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Company's 2017 Annual Report.

- (ii) Ordinary Resolution 11 proposed in item 7 above, if passed, will empower the Directors to issue Shares and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares pursuant to such instruments, up to a number not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) may be issued other than on a *pro rata* basis to shareholders of the Company.

For the purpose of determining the aggregate number of Shares and Instruments that may be issued, the percentage of the aggregate number of Shares and Instruments will be calculated based on the total number of issued Shares (excluding treasury shares or subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards which are outstanding or subsisting at the time when this resolution is passed and any subsequent bonus issue, consolidation or sub-division of Shares.



NOTICE OF ANNUAL GENERAL MEETING

- (iii) Ordinary Resolution 12 proposed in item 8 above, if passed, will empower the Directors to allot and issue Shares pursuant to the grant of such awards in accordance with the provisions of the PSP, provided that the aggregate number of Shares to be issued pursuant to the PSP and other share scheme which the Company may implement from time to time, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

Notes:

1. A member of the Company entitled to attend and vote at the AGM, and who is not a Relevant Intermediary (as defined below), is entitled to appoint no more than two (2) proxies to attend and vote on his/her/its behalf. A member of the Company who is a Relevant Intermediary (as defined below) is entitled to appoint more than two (2) proxies to attend and vote on his/her/its behalf, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. A proxy need not be a member of the Company.

"Relevant Intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act.

2. Completion and return of the instrument appointing a proxy or proxies by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of proxy(xies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies to the AGM.
3. If a proxy or proxies is/are to be appointed, the instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not less than 72 hours before the time appointed for holding the AGM.

Personal Data Privacy:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and/or representatives appointed for the AGM and/or any adjournment thereof and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM and/or any adjournment thereof, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where a member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this notice.*

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

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.

PROXY FORM

(Please see notes overleaf before completing this form)

SHOPPER360 LIMITED

Company Registration No. 201634929Z
(Incorporated in the Republic of Singapore)

IMPORTANT

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and/or SRS Investors shall be precluded from attending the AGM.
2. This proxy form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Please read the notes to this proxy form.

*I/We _____ (Name) _____ (NRIC/Passport No.)

of _____ (Address)

being a *member/members of SHOPPER360 LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person (or failing either or both of the persons referred to above) the Chairman of the annual general meeting of the Company (the "AGM"), as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM to be held at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 on Thursday, 28 September 2017 at 2:00 p.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

If you wish to exercise all your votes "For" or "Against", please tick (✓) within the appropriate box provided. Otherwise, please indicate the number of votes as appropriate.

No.	Resolutions relating to:	By way of poll	
		For	Against
1.	The Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 May 2017, together with the Auditors' Report thereon		
2.	Approval of declaration of a final tax exempt (one-tier) cash dividend of 0.30 Singapore cents per ordinary share in the capital of the Company for the financial year ended 31 May 2017		
3.	Re-election of Ms Chew Sue Ann as a Director of the Company		
4.	Re-election of Mr Ravichandran K Moorthy as a Director of the Company		
5.	Re-election of Mr Zaffary Bin Ab Rashid as a Director of the Company		
6.	Re-election of Mr Hew Koon Chan as a Director of the Company		
7.	Re-election of Ms Margaret Au-Yong @ Moh Chuan as a Director of the Company		
8.	Re-election of Ms Wong Chin Chin as a Director of the Company		
9.	Approval of Directors' fees amounting to S\$9,000 for the financial year ended 31 May 2017, and the payment of Directors' fees amounting to S\$116,000 for the financial year ending 31 May 2018, to be paid quarterly in arrears		
10.	Re-appointment of Messrs Baker Tilly TFW LLP as the independent auditors of the Company and to authorise the Directors to fix their remuneration		
11.	Authority to allot and issue shares in the capital of the Company		
12.	Authority to grant awards and to allot and issue shares under the shopper360 Performance Share Plan		

Dated this _____ day of _____ 2017

Signature(s) of Member(s) or,
Common Seal of Corporate Member

* Delete as appropriate



IMPORTANT: PLEASE READ NOTES ON THE REVERSE CAREFULLY BEFORE COMPLETING THIS PROXY FORM

NOTES TO PROXY FORM:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. Except for a member who is a relevant intermediary as defined in Section 181(6) of the Companies Act (Cap. 50) of Singapore ("**Companies Act**"), a member shall be entitled to appoint no more than two (2) proxies to attend and vote at the AGM of the Company. A proxy need not be a member of the Company.
3. A member who is a relevant intermediary (as defined in Section 181(6) of the Companies Act) and who is entitled to attend and vote at the AGM may appoint more than two (2) proxies to attend and vote on its behalf but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member (which number and class of Shares shall be specified). In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
4. Relevant intermediary means:
 - a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or
 - c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Where a member appoints more than one (1) proxy, the member shall specify the proportion of his/her/its Shares to be represented by each such proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
6. Completion and return of this proxy form shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this proxy form to the AGM.
7. This proxy form must be deposited at the Company's share registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not less than 72 hours before the time appointed for the AGM (or at any adjournment thereof).
8.
 - (i) This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing.
 - (ii) Where this proxy form is executed by a corporation, it must be executed either under its seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised.
 - (iii) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form.
9. A corporation which is a member may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act.
10. An investor who holds Shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

General:

The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms as set out in the Notice of Annual General Meeting dated 13 September 2017.



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

shopper360 group of companies

POSAD
MEDIA

Jump
JAPANESE

shopper+

TRISTAR
ENERGY

Gazelle
SERVICES

cre8
Tel: (65) 63278398