

**SHOPPER360 LIMITED**

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

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND  
FULL YEAR ENDED 31 MAY 2023**

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

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

*The contact person for the Sponsor is Ms Leong Huey Miin, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone: (65) 6636 4201.*

# SHOPPER360 LIMITED AND ITS SUBSIDIARIES

(Company Registration Number: 201634929Z)

## (A) Condensed interim consolidated statement of comprehensive income

	Note	Group					
		2H2023 (Unaudited) RM	2H2022 (Unaudited) RM	Inc/ (Dec) %	FY2023 (Unaudited) RM	FY2022 (Audited) RM	Inc/ (Dec) %
Revenue	4	84,858,357	82,732,686	3	169,463,245	152,157,777	11
Cost of sales		(68,037,070)	(64,406,087)	6	(134,755,665)	(117,275,064)	15
<b>Gross profit</b>		<b>16,821,287</b>	<b>18,326,599</b>	(8)	<b>34,707,580</b>	<b>34,882,713</b>	(1)
Other income	6	12,153,564	485,487	>100	12,448,329	851,080	>100
<b>Expenses</b>							
Administrative expenses		(17,661,680)	(14,622,214)	21	(33,610,050)	(27,916,964)	20
Other operating expenses (Allowance)/Reversal of impairment on trade receivables and contract assets (net)		(9,610)	(23,593)	(59)	(10,246)	(25,288)	(59)
Finance costs	7	(298,697)	(103,048)	>100	(298,697)	146,952	NM
Share of results of associated companies		(145,619)	(85,070)	71	(297,076)	(146,739)	>100
Share of results of joint venture		(106,597)	(254,210)	(58)	(226,412)	(276,447)	(18)
<b>Profit before tax</b>	8	<b>10,648,065</b>	<b>3,723,951</b>	>100	<b>12,601,922</b>	<b>7,515,307</b>	68
Income tax expense	9	(504,110)	(1,502,942)	(66)	(941,408)	(2,798,998)	(66)
<b>Profit for the period/year</b>		<b>10,143,955</b>	<b>2,221,009</b>	>100	<b>11,660,514</b>	<b>4,716,309</b>	>100
<b>Other comprehensive</b>							
<b>(loss)/income, net of tax:</b>							
<i>Item that is or may be reclassified</i>							
<i>subsequently to profit or loss:</i>							
Currency translation differences arising from consolidation		143,804	(56,806)	NM	(197,348)	(144,970)	36
<i>Items that will not be reclassified</i>							
<i>subsequently to profit or loss:</i>							
Currency translation differences arising from consolidation		52,877	(2,281)	NM	(182,230)	(92,067)	98
Financial assets at fair value through other comprehensive income - fair value (loss)/ gain from equity instruments		(286,506)	2,156,392	NM	(286,506)	2,156,392	NM
<b>Other comprehensive</b>							
<b>(loss)/income for the period/year,</b>							
<b>net of tax</b>		<b>(89,825)</b>	<b>2,097,305</b>	NM	<b>(666,084)</b>	<b>1,919,355</b>	NM
<b>Total comprehensive income for</b>							
<b>the period/year</b>		<b>10,054,130</b>	<b>4,318,314</b>	<b>&gt;100</b>	<b>10,994,430</b>	<b>6,635,664</b>	<b>66</b>
<b>Profit attributable to:</b>							
Equity holders of the Company		10,154,191	1,854,213	>100	11,555,522	3,728,814	>100
Non-controlling interest		(10,236)	366,796	NM	104,992	987,495	(89)
<b>Profit for the period/year</b>		<b>10,143,955</b>	<b>2,221,009</b>	<b>&gt;100</b>	<b>11,660,514</b>	<b>4,716,309</b>	<b>&gt;100</b>
<b>Total comprehensive income</b>							
<b>attributable to:</b>							
Equity holders of the Company		10,011,489	3,953,797	>100	11,071,668	5,740,236	93
Non-controlling interest		42,641	364,517	(88)	(77,238)	895,428	NM
		<b>10,054,130</b>	<b>4,318,314</b>	<b>&gt;100</b>	<b>10,994,430</b>	<b>6,635,664</b>	<b>57</b>
<b>Earnings per share (sen per share):</b>							
Basic and diluted	19	9.33	1.70	>100	10.62	3.43	>100

### Notes:

(1) "2H2023": 6 months financial period ended 31 May 2023.

(2) "2H2022": 6 months financial period ended 31 May 2022.

(3) "FY2023": 12 months financial year ended 31 May 2023.

(4) "FY2022": 12 months financial year ended 31 May 2022.

(5) NM: Not meaningful.

**SHOPPER360 LIMITED AND ITS SUBSIDIARIES**

(Company Registration Number: 201634929Z)

**(B) Condensed interim consolidated statements of financial position**

	Note	Group		Company	
		As at 31 May 2023 (Unaudited) RM	As at 31 May 2022 (Audited) RM	As at 31 May 2023 (Unaudited) RM	As at 31 May 2022 (Audited) RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	1,774,190	1,909,565	-	-
Right-of-use assets	11	3,529,012	2,294,029	-	-
Intangible assets	12	2,308,900	2,316,127	-	-
Investment in subsidiaries		-	-	37,013,629	37,013,629
Investment in associated companies	13	535,714	2,643,374	-	-
Investment in joint venture	14	890,569	1,002,075	1,002,075	1,002,075
Financial assets at fair value through profit or loss	15	12,122,041	2,380,000	-	-
Financial assets at fair value through other comprehensive income	16	3,870,986	4,838,458	-	-
Deferred tax assets		903,431	48,241	-	-
<b>Total non-current assets</b>		<b>25,934,843</b>	<b>17,431,869</b>	<b>38,015,704</b>	<b>38,015,704</b>
<b>Current assets</b>					
Inventories		819,844	796,730	-	-
Financial assets at fair value through profit or loss	15	858,151	50,020	-	-
Trade and other receivables		39,265,302	35,615,771	7,572,151	9,504,362
Contract assets		10,693,641	12,177,006	-	-
Tax recoverable		733,276	720,704	-	-
Cash and cash equivalents		21,629,433	24,510,320	4,704,660	1,025,837
<b>Total current assets</b>		<b>73,999,647</b>	<b>73,870,551</b>	<b>12,276,811</b>	<b>10,530,199</b>
<b>Total assets</b>		<b>99,934,490</b>	<b>91,302,420</b>	<b>50,292,515</b>	<b>48,545,903</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	17	51,850,444	51,850,444	51,850,444	51,850,444
Treasury shares	18	(1,769,029)	(1,769,029)	(1,769,029)	(1,769,029)
Capital reserve		(1,354,855)	(1,354,855)	-	-
Merger reserve		(17,453,646)	(17,453,646)	-	-
Fair value reserve		1,869,886	2,156,392	-	-
Currency translation reserve		(620,617)	(423,269)	-	-
Retained earnings/(Accumulated losses)		37,143,770	26,812,751	(119,405)	(1,829,910)
Equity attributable to equity holders of the Company, total		69,665,953	59,818,788	49,962,010	48,251,505
Non-controlling interest		1,566,732	2,193,072	-	-
<b>Total equity</b>		<b>71,232,685</b>	<b>62,011,860</b>	<b>49,962,010</b>	<b>48,251,505</b>
<b>Non-current liabilities</b>					
Lease liabilities	22	1,695,807	1,025,246	-	-
Deferred tax liabilities		55,523	777,390	-	-
<b>Total non-current liabilities</b>		<b>1,751,330</b>	<b>1,802,636</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade and other payables		18,204,060	15,701,539	330,505	294,398
Contract liabilities		3,527,289	3,929,931	-	-
Borrowings	22	3,166,060	4,976,688	-	-
Lease liabilities	22	1,568,836	1,074,699	-	-
Tax payable		484,230	1,805,067	-	-
<b>Total current liabilities</b>		<b>26,950,475</b>	<b>27,487,924</b>	<b>330,505</b>	<b>294,398</b>
<b>Total liabilities</b>		<b>28,701,805</b>	<b>29,290,560</b>	<b>330,505</b>	<b>294,398</b>
<b>Total equity and liabilities</b>		<b>99,934,490</b>	<b>91,302,420</b>	<b>50,292,515</b>	<b>48,545,903</b>
<b>Net asset value per ordinary share (RM sen)</b>					
	20	64.03	54.98	45.92	44.35

**SHOPPER360 LIMITED AND ITS SUBSIDIARIES**

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**(C) Condensed interim consolidated statement of changes in equity**

Group	Note	Share capital	Treasury shares	Capital reserve	Merger reserve	Fair value reserve	Currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interest	Total equity
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 June 2022 (audited)		51,850,444	(1,769,029)	(1,354,855)	(17,453,646)	2,156,392	(423,269)	26,812,751	59,818,788	2,193,072	62,011,860
Profit for the year		-	-	-	-	-	-	11,555,522	11,555,522	104,992	11,660,514
<b>Other comprehensive loss, net of tax</b>											
<i>Currency translation differences arising from consolidation</i>		-	-	-	-	-	(197,348)	-	(197,348)	(182,230)	(379,578)
<i>Fair value loss on financial assets at fair value through other comprehensive income</i>		-	-	-	-	(286,506)	-	-	(286,506)	-	(286,506)
Other comprehensive loss for the financial year, net of tax		-	-	-	-	(286,506)	(197,348)	-	(483,854)	(182,230)	(666,084)
Total comprehensive income/(loss) for the year		-	-	-	-	(286,506)	(197,348)	11,555,522	11,071,668	(77,238)	10,994,430
<i>Transactions with owners recognised directly in equity</i>											
Dividends paid	21	-	-	-	-	-	-	(1,224,503)	(1,224,503)	(549,102)	(1,773,605)
<b>At 31 May 2023 (unaudited)</b>		<b>51,850,444</b>	<b>(1,769,029)</b>	<b>(1,354,855)</b>	<b>(17,453,646)</b>	<b>1,869,886</b>	<b>(620,617)</b>	<b>37,143,770</b>	<b>69,665,953</b>	<b>1,566,732</b>	<b>71,232,685</b>

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**(C) Condensed interim consolidated statement of changes in equity (cont'd)**

Group	Note	Share capital	Treasury shares	Capital reserve	Merger reserve	Fair value reserve	Currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interest	Total equity
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 June 2021 (audited)		51,850,444	(1,769,029)	(1,354,855)	(17,453,646)	-	(278,299)	26,108,982	57,103,597	1,297,644	58,401,241
Profit for the year		-	-	-	-	-	-	3,728,814	3,728,814	987,495	4,716,309
<b>Other comprehensive income/(loss), net of tax</b>											
<i>Currency translation differences arising from consolidation</i>		-	-	-	-	-	(144,970)	-	(144,970)	(92,067)	(237,037)
<i>Fair value gain on financial assets at fair value through other comprehensive income</i>		-	-	-	-	2,156,392	-	-	2,156,392	-	2,156,392
Other comprehensive income/(loss) for the financial year, net of tax		-	-	-	-	2,156,392	(144,970)	-	2,011,422	(92,067)	1,919,355
Total comprehensive income/(loss) for the year		-	-	-	-	2,156,392	(144,970)	3,728,814	5,740,236	895,428	6,635,664
<i>Transactions with owners recognised directly in equity</i>											
Dividends paid	21	-	-	-	-	-	-	(3,025,045)	(3,025,045)	-	(3,025,045)
<b>At 31 May 2022 (audited)</b>		<b>51,850,444</b>	<b>(1,769,029)</b>	<b>(1,354,855)</b>	<b>(17,453,646)</b>	<b>2,156,392</b>	<b>(423,269)</b>	<b>26,812,751</b>	<b>59,818,788</b>	<b>2,193,072</b>	<b>62,011,860</b>

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

<b>Company</b>	<b>Note</b>	<b>Share capital RM</b>	<b>Treasury shares RM</b>	<b>Accumulated losses RM</b>	<b>Total equity RM</b>
<b>At 1 June 2022 (audited)</b>		51,850,444	(1,769,029)	(1,829,910)	48,251,505
Profit and total comprehensive income for the financial year		-	-	2,935,008	2,935,008
Dividends paid	21	-	-	(1,224,503)	(1,224,503)
<b>At 31 May 2023 (unaudited)</b>		<b>51,850,444</b>	<b>(1,769,029)</b>	<b>(119,405)</b>	<b>49,962,010</b>

<b>Company</b>	<b>Note</b>	<b>Share capital RM</b>	<b>Treasury shares RM</b>	<b>Accumulated losses RM</b>	<b>Total equity RM</b>
<b>At 1 June 2021 (audited)</b>		51,850,444	(1,769,029)	(379,193)	49,702,222
Profit and total comprehensive income for the financial year		-	-	1,574,328	1,574,328
Dividends paid	21	-	-	(3,025,045)	(3,025,045)
<b>At 31 May 2022 (audited)</b>		<b>51,850,444</b>	<b>(1,769,029)</b>	<b>(1,829,910)</b>	<b>48,251,505</b>

**SHOPPER360 LIMITED AND ITS SUBSIDIARIES**

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**(D) Condensed interim consolidated statement of cash flows**

	Group	
	FY2023 (Unaudited)	FY2022 (Audited)
	RM	RM
<b>Cash flows from operating activities</b>		
Profit before tax	12,601,922	7,515,307
Adjustments for:-		
Amortisation for club membership	7,227	7,226
Allowance/(Reversal) of impairment on trade receivables and contract assets (net)	298,697	(146,952)
Depreciation of property, plant and equipment	980,007	1,025,117
Depreciation of right-of-use assets	1,591,357	1,743,136
Interest income	(172,136)	(158,986)
Interest expenses	297,076	146,739
Inventories written off	175,843	176,581
Gain on disposal of property, plant and equipment	(3,044)	-
Gain on disposal of investment in associated company	(11,815,322)	-
Gain on termination of leases	(4,099)	(10,732)
Property, plant and equipment written off	5,804	7,917
Share of results of associated companies	226,412	276,447
Share of results of joint venture	111,506	-
Unrealised foreign exchange loss/(gain)	39,861	(127,021)
Operating cash flow before working capital changes	<u>4,341,111</u>	<u>10,454,779</u>
Inventories	(198,957)	(676,497)
Trade and other receivables and contract assets	(2,464,862)	(8,137,844)
Trade and other payables and contract liabilities	2,085,799	1,933,967
Currency translation adjustments	(334,250)	(206,325)
Cash generated from operations	<u>3,428,841</u>	<u>3,368,080</u>
Income tax paid	<u>(3,212,909)</u>	<u>(2,181,208)</u>
<b>Net cash generated from operating activities</b>	<b><u>215,932</u></b>	<b><u>1,186,872</u></b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(845,528)	(1,370,721)
Addition of right-of-use assets	-	(33,710)
Advance to an associated company	-	(1,000,000)
Interest received	172,136	158,986
Investment in associated companies	-	(2,000,000)
Investment in joint venture	-	(1,002,075)
Proceeds from disposal of property, plant and equipment	8,056	1,291
Proceeds from disposal of associated company	3,954,528	-
(Placement) /redemption of financial assets at fair value through profit or loss	(808,131)	2,075,315
Purchase of financial asset at fair value through profit or loss	-	(1,000,000)
<b>Net cash generated from/(used in) investing activities</b>	<b><u>2,481,061</u></b>	<b><u>(4,170,914)</u></b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(1,656,710)	(1,841,640)
Proceeds from short-term loan	36,332,806	12,039,764
Repayments of short-term loan	(38,143,434)	(7,063,076)
Dividends paid to owners of the Company	(1,224,503)	(3,025,045)
Dividends paid to non-controlling interest shareholder	(549,102)	-
Repayment to non-controlling interest	-	(187,487)
Interest paid	(297,076)	(146,739)
<b>Net cash used in financing activities</b>	<b><u>(5,538,019)</u></b>	<b><u>(224,223)</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b><u>(2,841,026)</u></b>	<b><u>(3,208,265)</u></b>
Cash and cash equivalents at beginning of the financial year	24,510,320	27,591,564
Effects of exchange rate changes on cash and cash equivalents	(39,861)	127,021
<b>Cash and cash equivalents at end of the financial year</b>	<b><u>21,629,433</u></b>	<b><u>24,510,320</u></b>

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**(D) Condensed interim consolidated statement of cash flows (cont'd)**

Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Amount due to non- controlling interest RM	Borrowings RM	Lease liabilities RM	Total RM
Balance as 1 June 2022	240,944	4,976,688	2,099,945	7,317,577
Change from financing cash flow:				
- Proceeds	-	36,332,806	-	36,332,806
- Repayments	-	(38,143,434)	(1,656,710)	(39,800,144)
- Interest paid	-	(110,848)	(186,228)	(297,076)
Non-cash changes:				
- Interest expense	-	110,848	186,228	297,076
- Termination of leases	-	-	(105,565)	(105,565)
- Additions of new leases	-	-	2,926,973	2,926,973
Effect of changes in foreign exchange rate	14,080	-	-	14,080
<b>Balance at 31 May 2023</b>	<b>255,024</b>	<b>3,166,060</b>	<b>3,264,643</b>	<b>6,685,727</b>
Balance as 1 June 2021	400,529	-	2,662,305	3,062,834
Change from financing cash flow:				
- Proceeds	-	12,039,764	-	12,039,764
- Repayments	(187,487)	(7,063,076)	(1,841,640)	(9,092,203)
- Interest paid	-	(18,955)	(127,784)	(146,739)
Non-cash changes:				
- Interest expense	-	18,955	127,784	146,739
- Termination of leases	-	-	(114,296)	(114,296)
- Additions of new leases	-	-	1,393,576	1,393,576
Effect of changes in foreign exchange rate	27,902	-	-	27,902
<b>Balance at 31 May 2022</b>	<b>240,944</b>	<b>4,976,688</b>	<b>2,099,945</b>	<b>7,317,577</b>



## SHOPPER360 LIMITED AND ITS SUBSIDIARIES

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### (E) Notes to the condensed interim consolidated financial statements

#### 1. Corporate information

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

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

These unaudited condensed interim and full year consolidated financial statements as at and for the six months and twelve months ended 31 May 2023 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

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

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

#### 2. Basis of preparation

The unaudited condensed interim and full year financial statements for the six months and twelve months ended 31 May 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The unaudited condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for FY2022.

The accounting policies adopted are consistent with those adopted by the Group in its most recently audited consolidated financial statements for FY2022, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

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

##### 2.1 New and revised standards adopted by the Group

In the current financial year, the Group has adopted all the new and revised SFRS(I) and Interpretations of SFRS(I) (“**SFRS(I) INT**”) that are relevant to its operations and effective for the current financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

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

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### 2. Basis of preparation (cont'd)

#### 2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 May 2022.

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

### 3. Seasonal operations

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

### 4. Segment and revenue information

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

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

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

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

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

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

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

## **SHOPPER360 LIMITED AND ITS SUBSIDIARIES**

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### **4. Segment and revenue information (cont'd)**

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

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

## SHOPPER360 LIMITED AND ITS SUBSIDIARIES

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### 4. Segment and revenue information (cont'd)

#### a. Reportable segments

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

	Advertising and Marketing RM	Sales Execution and Distribution RM	Others RM	Elimination RM	Total RM
<b>2H2023 (unaudited)</b>					
<b>Group</b>					
<b>Segment revenue</b>					
Sales to external customers	18,818,908	66,039,449	-	-	84,858,357
Intersegment sales	6,830	75,688	4,469,218	(4,551,736)	-
Total revenue	<u>18,825,738</u>	<u>66,115,137</u>	<u>4,469,218</u>	<u>(4,551,736)</u>	<u>84,858,357</u>
Income tax expenses/(credit)	196,827	313,426	(6,143)	-	504,110
<b>Segment profit/(loss)</b>	<b>(579,462)</b>	<b>(131,150)</b>	<b>10,854,567</b>	<b>-</b>	<b><u>10,143,955</u></b>
Depreciation and amortisation	369,535	687,536	257,302	-	1,314,373
Property, plant and equipment written off	58	-	5,714	-	5,772
Bad debts written off	1,554	121,626	-	-	123,180
Allowance of impairment losses on trade receivables and contract assets	18,258	155,342	-	-	173,600
Interest income	(267,558)	(39,859)	(144,577)	315,464	(136,530)
Interest expenses	137,362	192,967	130,664	(315,464)	145,529
Inventories written off	-	139,688	-	-	139,688
Gain on disposal of property, plant and equipment	(1,709)	-	-	-	(1,709)
Gain on termination of leases	(4,099)	-	-	-	(4,099)
Share of results of joint venture	-	-	104,583	-	104,583
Share of results of associated companies	-	-	106,597	-	106,597
Gain on disposal of investment in associated company	-	-	(11,815,322)	-	(11,815,322)

**SHOPPER360 LIMITED AND ITS SUBSIDIARIES**

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**4. Segment and revenue information (cont'd)**

**a. Reportable segments (cont'd)**

	Advertising and Marketing RM	Sales Execution and Distribution RM	Others RM	Elimination RM	Total RM
<b>2H2022 (unaudited)</b>					
<b>Group</b>					
<b>Segment revenue</b>					
Sales to external customers	20,116,136	62,616,550	-	-	82,732,686
Intersegment sales	453,656	217,062	4,085,835	(4,756,553)	-
Total revenue	<u>20,569,792</u>	<u>62,833,612</u>	<u>4,085,835</u>	<u>(4,756,553)</u>	<u>82,732,686</u>
Income tax expenses	316,934	784,456	401,552	-	1,502,942
<b>Segment profit/(loss)</b>	<u>2,045,983</u>	<u>826,144</u>	<u>(651,118)</u>	<u>-</u>	<u>2,221,009</u>
Depreciation and amortisation	383,523	721,253	279,387	-	1,384,163
Property, plant and equipment written off	5,857	-	365	-	6,222
Bad debts written off	7,710	16,254	-	-	23,964
(Reversal)/Allowance of impairment losses on trade receivables and contract assets	(48,901)	127,985	-	-	79,084
Interest income	(112,216)	(47,197)	(35,653)	152,292	(42,774)
Interest expenses	70,238	116,224	50,900	(152,292)	85,070
Inventories written off	-	176,581	-	-	176,581
Gain on termination of leases	-	(4,895)	-	-	(4,895)
Share of results of associated companies	-	-	254,210	-	254,210

**SHOPPER360 LIMITED AND ITS SUBSIDIARIES**

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**4. Segment and revenue information (cont'd)**
**a. Reportable segments (cont'd)**

	Advertising and Marketing RM	Sales Execution and Distribution RM	Others RM	Elimination RM	Total RM
<b>FY2023 (unaudited)</b>					
<b>Group</b>					
<b>Segment revenue</b>					
Sales to external customers	39,854,672	129,599,873	8,700	-	169,463,245
Intersegment sales	314,022	144,832	8,761,529	(9,220,383)	-
Total revenue	<u>40,168,694</u>	<u>129,744,705</u>	<u>8,770,229</u>	<u>(9,220,383)</u>	<u>169,463,245</u>
Income tax expenses/(credit)	413,779	533,772	(6,143)	-	941,408
<b>Segment profit</b>	<u>231,365</u>	<u>1,323,107</u>	<u>10,106,042</u>	<u>-</u>	<u>11,660,514</u>
Depreciation and amortisation	692,173	1,364,496	521,922	-	2,578,591
Property, plant and equipment written off	76	-	5,728	-	5,804
Bad debts written off	1,554	123,542	-	-	125,096
Allowance of impairment losses on trade receivables and contract assets	18,258	155,342	-	-	173,600
Interest income	(429,280)	(73,328)	(252,423)	582,895	(172,136)
Interest expenses	230,232	421,724	228,015	(582,895)	297,076
Inventories written off	-	175,843	-	-	175,843
Gain on disposal of property, plant and equipment	(3,044)	-	-	-	(3,044)
Gain on termination of leases	(4,099)	-	-	-	(4,099)
Share of results of joint venture	-	-	111,506	-	111,506
Share of results of associated companies	-	-	226,412	-	226,412
Gain on disposal of investment in associated company	-	-	(11,815,322)	-	(11,815,322)
<b>Assets and liabilities</b>					
Total segment assets	40,442,728	46,233,510	115,752,655	(102,494,403)	<u>99,934,490</u>
Segment assets include:					
Additions to non-current assets	1,676,333	1,017,057	1,079,112	-	3,772,502
Investment in joint venture	-	-	890,569	-	890,569
Investment in associated companies	-	-	535,714	-	535,714
Total segment liabilities	<u>(20,858,616)</u>	<u>(25,533,327)</u>	<u>(8,944,157)</u>	<u>26,634,296</u>	<u>(28,701,804)</u>

**SHOPPER360 LIMITED AND ITS SUBSIDIARIES**

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**4. Segment and revenue information (cont'd)**

**a. Reportable segments (cont'd)**

	Advertising and Marketing RM	Sales Execution and Distribution RM	Others RM	Elimination RM	Total RM
<b>FY2022 (audited)</b>					
<b>Group</b>					
<b>Segment revenue</b>					
Sales to external customers	41,620,140	110,537,637	-	-	152,157,777
Intersegment sales	717,505	225,016	7,517,059	(8,459,580)	-
Total revenue	<u>42,337,645</u>	<u>110,762,653</u>	<u>7,517,059</u>	<u>(8,459,580)</u>	<u>152,157,777</u>
Income tax expenses	1,079,654	1,317,792	401,552	-	2,798,998
<b>Segment profit/(loss)</b>	<b>4,302,222</b>	<b>1,876,984</b>	<b>(1,462,897)</b>	<b>-</b>	<b><u>4,716,309</u></b>
Depreciation and amortisation	955,480	1,222,667	597,332	-	2,775,479
Property, plant and equipment written off	7,175	-	742	-	7,917
Bad debts written off	7,710	16,254	-	-	23,964
Reversal of impairment losses on trade receivables and contract assets	(48,901)	(122,015)	-	-	(170,916)
Interest income	(247,852)	(110,493)	(71,565)	270,924	(158,986)
Interest expenses	145,408	181,874	90,381	(270,924)	146,739
Inventories written off	-	176,581	-	-	176,581
Gain on termination of leases	(927)	(9,805)	-	-	(10,732)
Share of results of associated companies	-	-	276,447	-	276,447
Gain on disposal of investment in associated company	-	-	(11,815,322)	-	(11,815,322)
<b>Assets and liabilities</b>					
Total segment assets	41,565,371	47,800,460	107,626,609	(105,690,020)	<u>91,302,420</u>
Segment assets include:					
Additions to non-current assets	195,223	2,386,633	216,151	-	2,798,007
Investment in joint venture	-	-	1,002,075	-	1,002,075
Investment in associated companies	-	-	2,643,374	-	2,643,374
Total segment liabilities	(20,514,051)	(27,923,216)	(10,880,016)	30,026,723	<u>(29,290,560)</u>

**SHOPPER360 LIMITED AND ITS SUBSIDIARIES**

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**4. Segment and Revenue Information (cont'd)**

**b. Geographical segments**

The Group operates mainly in Malaysia with revenue generated from customers in Malaysia. For FY2023, only marginal 5.2% of the Group's revenue was generated from outside Malaysia. Therefore, an analysis of assets and profits of the Group by geographical distribution has not been included.



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### 4. Segment and revenue information (cont'd)

	Group			
	2H2023 (Unaudited)	2H2022 (Unaudited)	FY2023 (Unaudited)	FY2022 (Audited)
	RM	RM	RM	RM
Advertising and Marketing	18,818,908	20,116,136	39,854,672	41,620,140
Sales Execution and Distribution	66,039,449	62,616,550	129,599,873	110,537,637
Others	-	-	8,700	-
	84,858,357	82,732,686	169,463,245	152,157,777
<i>Timing of revenue recognition</i>				
At a point in time	2,027,621	5,165,747	7,397,914	9,440,462
Over time	82,830,736	77,566,939	162,065,331	142,717,315
	84,858,357	82,732,686	169,463,245	152,157,777

### 5. Financial assets and financial liabilities

#### Fair value measurement

The fair value hierarchy has the following levels:

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

The carrying amounts and fair values of financial assets and financial liabilities of the Group as at 31 May 2023 and 31 May 2022, including their levels in the fair value hierarchy are as follows:

	Amortised cost RM	Fair value through profit or loss RM	Carrying amount Fair value through other comprehensive income RM	Derivatives At Fair value RM	Total RM
<b>Group</b>					
<b>31.5.2023 (unaudited)</b>					
<b>Financial assets</b>					
Investment in joint venture	-	-	-	750,000	750,000
Unquoted equity investments	-	2,380,000	3,870,986	-	6,250,986
CCCPS (refer to Note 15)	-	9,742,041	-	-	9,742,041
Investment in short-term fund	-	858,151	-	-	858,151
Trade and other receivables	37,672,748	-	-	-	37,672,748
Cash and cash equivalents	21,629,433	-	-	-	21,629,433
	<b>59,302,181</b>	<b>12,980,192</b>	<b>3,870,986</b>	<b>750,000</b>	<b>76,903,359</b>
<b>Financial liabilities</b>					
Trade and other payables	17,588,527	-	-	-	17,588,527
Borrowings	3,166,060	-	-	-	3,166,060
Lease liabilities	3,264,642	-	-	-	3,264,642
	<b>24,019,229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,019,229</b>
<b>31.05.2022 (audited)</b>					
<b>Financial assets</b>					
Investment in joint venture	-	-	-	750,000	750,000
Unquoted equity investments	-	2,380,000	4,838,458	-	7,218,458
Investment in short-term fund	-	50,020	-	-	50,020
Trade and other receivables	33,708,968	-	-	-	33,708,968
Cash and cash equivalents	24,510,320	-	-	-	24,510,320
	<b>58,219,288</b>	<b>2,430,020</b>	<b>4,838,458</b>	<b>750,000</b>	<b>66,237,766</b>

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

	Amortised cost RM	Fair value through profit or loss RM	Carrying amount Fair value through other comprehensive income RM	Derivatives At Fair value RM	Total RM
<b>Group</b>					
<b>31.5.2022 (audited)</b>					
<b>(cont'd)</b>					
<b>Financial liabilities</b>					
Trade and other payables	15,031,600	-	-	-	15,031,600
Borrowings	4,976,688	-	-	-	4,976,688
Lease liabilities	2,099,945	-	-	-	2,099,945
	<b>22,108,233</b>	-	-	-	<b>22,108,233</b>
<b>Company</b>					
<b>31.5.2023 (unaudited)</b>					
<b>Financial assets</b>					
Investment in joint venture	-	-	-	750,000	750,000
Trade and other receivables	7,502,872	-	-	-	7,502,872
Cash and cash equivalents	4,704,660	-	-	-	4,704,660
	<b>12,207,532</b>	-	-	<b>750,000</b>	<b>12,957,532</b>
<b>Financial liabilities</b>					
Trade and other payables	<b>330,505</b>	-	-	-	<b>330,505</b>
<b>31.05.2022 (audited)</b>					
<b>Financial assets</b>					
Investment in joint venture	-	-	-	750,000	750,000
Trade and other receivables	9,428,697	-	-	-	9,428,697
Cash and cash equivalents	1,025,837	-	-	-	1,025,837
	<b>10,454,534</b>	-	-	<b>750,000</b>	<b>11,204,534</b>
<b>Financial liabilities</b>					
Trade and other payables	<b>294,398</b>	-	-	-	<b>294,398</b>

*Unquoted equity investments*

The fair value of the unquoted equity investment that is designated at fair value through profit or loss is determined based on recent transacted prices of the investee company's equity as well as consideration of internal and external changes in the business and market environment that the investee operate in. This fair value measurement is categorised under Level 3 of the fair value hierarchy.

The fair value of the unquoted equity investment that is designated at fair value through other comprehensive income is determined based on recent transacted prices of the investee company's equity as well as consideration of internal and external changes in the business and market environment that the investee operate in. This fair value measurement is categorised under Level 3 of the fair value hierarchy.

The fair value of CCCPS that is designated at fair value through profit or loss is determined at face value as stated in the seller consideration agreement dated 13 April 2023, and there are no material changes to the fair value from the subscription date of CCCPS to the financial year end.

**SHOPPER360 LIMITED AND ITS SUBSIDIARIES**

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**5. Financial assets and financial liabilities (cont'd)***Short-term fund investments*

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

**6. Other income**

	<b>Group</b>			
	<b>2H2023 (Unaudited) RM</b>	<b>2H2022 (Unaudited) RM</b>	<b>FY2023 (Unaudited) RM</b>	<b>FY2022 (Audited) RM</b>
Gain on foreign exchange				
- realised	-	50,744	-	132,995
- unrealised	-	126,021	-	127,021
Gain on disposal of property, plant and equipment	1,709	-	3,044	-
Gain on disposal of investment in associated company	11,815,322	-	11,815,322	-
Gain on termination of leases	4,099	4,895	4,099	10,732
Interest income	136,530	60,327	172,136	158,986
Rental income	-	5,200	13,414	16,000
Government grant	18,750	167,945	53,332	239,849
Miscellaneous income	177,154	70,355	386,982	165,497
	12,153,564	485,487	12,448,329	851,080

**7. Finance costs**

	<b>Group</b>			
	<b>2H2023 (Unaudited) RM</b>	<b>2H2022 (Unaudited) RM</b>	<b>FY2023 (Unaudited) RM</b>	<b>FY2022 (Audited) RM</b>
Interest expense				
- Lease liabilities	108,849	66,115	186,228	127,784
- Short term loan	36,770	18,955	110,848	18,955
	145,619	85,070	297,076	146,739

**8. Profit before tax****8.1 Significant items**

	<b>Group</b>			
	<b>2H2023 (Unaudited) RM</b>	<b>2H2022 (Unaudited) RM</b>	<b>FY2023 (Unaudited) RM</b>	<b>FY2022 (Audited) RM</b>
<b><u>Income/(expenses)</u></b>				
Interest income	136,530	60,327	172,136	158,986
Bad debts written off <sup>(1)</sup>	(123,180)	(23,964)	(125,096)	(23,964)
(Allowance)/Reversal of impairment on trade receivables and contract assets <sup>(2)</sup>	(173,600)	(79,084)	(173,600)	170,916

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**8. Profit before tax (cont'd)****8.1 Significant items (cont'd)**

	Group			
	2H2023 (Unaudited) RM	2H2022 (Unaudited) RM	FY2023 (Unaudited) RM	FY2022 (Audited) RM
Gain/(Loss) on foreign exchange <sup>(3)</sup>				
- Realised	(107,600)	50,744	(212,550)	132,995
- Unrealised	(65,499)	126,021	(39,861)	127,021
Amortisation for club membership	(3,613)	(3,612)	(7,227)	(7,226)
Depreciation of property, plant and equipment <sup>(4)</sup>	(502,221)	(459,729)	(980,007)	(1,025,117)
Depreciation of right-of-use assets <sup>(5)</sup>	(808,539)	(920,822)	(1,591,357)	(1,743,136)
Inventories written off <sup>(6)</sup>	(139,688)	(176,581)	(175,843)	(176,581)
Rental expense				
- third parties <sup>(7)</sup>	(146,834)	(66,305)	(304,735)	(186,661)
- vehicle and equipment	(32,733)	(31,925)	(67,271)	(65,062)
Staff costs <sup>(8)</sup>	(68,224,214)	(60,611,853)	(130,950,547)	(109,567,186)
Property, plant and equipment written off	(5,772)	(6,223)	(5,804)	(7,917)

**Notes:**

- (1) Bad debts written off mainly relates to the uncollectible doubtful debts due to clients' outlets closures and clients' financial difficulties.
- (2) Allowance of impairment on trade receivables and contract assets relates to the expected credit loss arising from the outstanding debts balance. Reversal of impairment on trade receivables and contract assets relates to impairment of trade receivables no longer required arising from the recovery of debts from customers.
- (3) The realised and unrealised loss on foreign exchange in 2H2023 and FY2023 was mainly resulted from the weakening of Myanmar Kyat against United States Dollar ("USD") when ShopperPlus Myanmar Co Ltd pay its suppliers in USD.
- (4) The decrease in depreciation of property, plant and equipment in FY2023 was mainly due to certain furniture and fittings that were fully depreciated in the financial year. The increase in depreciation of property, plant and equipment in 2H2023 was mainly due to property, plant and equipment that were purchased in 2H2023.
- (5) The decrease in depreciation of right-of-use assets was in line with the discontinuation of certain lease arrangements upon expiry of the lease term in 2H2023 and FY2023.
- (6) The inventories written off relates to the expired and damaged stock that had been written off in the financial period/year. The decrease in inventories written off in 2H2023 was mainly due to better management and control of inventories.
- (7) The increase in rental expense in 2H2023 and FY2023 was mainly due to new short term lease entered by the Group and increment of the rental of the existing short term lease upon the renewal of lease term.
- (8) The increase in staff costs in 2H2023 and FY2023 was mainly due to an increase in number of sales forces to accommodate new customers, and an increase in minimum monthly wages from RM1,200 to RM1,500 by the Malaysian Government with effect from 1 May 2022.

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**8.2 Related party transactions**

	Group			
	2H2023 (Unaudited) RM	2H2022 (Unaudited) RM	FY2023 (Unaudited) RM	FY2022 (Audited) RM
With immediate and ultimate holding company:				
Payment of lease liabilities and interest expense	(193,200)	(278,930)	(386,400)	(525,466)
Additions of new leases contracted	-	154,786	1,053,192	154,786
Dividends paid	-	-	(486,580)	(1,202,061)
With associated companies:				
Rental income	-	16,000	10,000	16,000
Service fee expenses	-	(124,714)	-	(124,714)
Advance to an associated company	-	(1,000,000)	-	(1,000,000)
Interest income on advances to an associated company	28,230	19,726	41,260	19,726
With joint venture:				
IT service retainer fees expenses	<u>(76,320)</u>	<u>(12,720)</u>	<u>(152,640)</u>	<u>(12,720)</u>

**9. Income tax expenses**

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

	Group			
	2H2023 (Unaudited) RM	2H2022 (Unaudited) RM	FY2023 (Unaudited) RM	FY2022 (Audited) RM
<b>Current income tax</b>				
- Current year	877,691	1,205,961	1,870,345	2,502,017
- (Over)/Under provision in respect of previous financial period/years	(31,746)	261,949	(31,746)	261,949
<b>Deferred tax</b>				
- Current year	424,456	(15,209)	(130,900)	(15,209)
- Adjustment in respect of deferred tax of prior years	(766,291)	50,241	(766,291)	50,241
	<u>504,110</u>	<u>1,502,942</u>	<u>941,408</u>	<u>2,798,998</u>

**10. Property, plant and equipment**

During FY2023, the Group acquired assets amounting to RM0.8 million (FY2022: RM1.4 million) and disposed of assets for RM5,012 in FY2023 (FY2022: Nil). No impairment is charged for FY2023 and FY2022.

## SHOPPER360 LIMITED AND ITS SUBSIDIARIES

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### 11. Right-of-use assets

Group as lessee

#### Nature of the Group's leasing activities

The Group's leasing activities comprise the following:

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

During FY2023, the Group recognised an addition of right-of-use assets in office spaces amounting to RM2.9 million (FY2022: RM1.2 million).

### 12. Intangible assets

During FY2023 and FY2022, the Group did not have additions to intangible assets.

The Group's intangible assets mainly comprise goodwill on consolidation with a carrying amount of RM2.0 million as at 31 May 2023 (31 May 2022: RM2.0 million).

### 13. Investment in associated companies

During FY2023, the Group did not have additions to investment in associated companies. During 2H2023, the Group has disposed its investment in an associated company, namely Troopers Innovation Sdn. Bhd., of RM1.9 million, which is 21.5% owned by the Company.

The associated companies are measured using the equity method.

### 14. Investment in joint venture

During FY2023, the Group did not have additions to investment in joint venture. During FY2022, the Group invested in a joint venture, namely Avinity Analytics Pte Ltd, of RM1.0 million, which is 40% owned by the Company.

The joint venture is measured using the equity method.

### 15. Financial assets at fair value through profit or loss

	Group	
	As at 31.5.2023 (Unaudited) RM	As at 31.5.2022 (Audited) RM
Non-current		
(a) Unquoted equity investments	2,380,000	2,380,000
(b) CCCPS	9,742,041	-
	<hr/>	<hr/>
Current		
(c) Investments in short-term fund	858,151	50,020
	<hr/>	<hr/>

## SHOPPER360 LIMITED AND ITS SUBSIDIARIES

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### 15. Financial assets at fair value through profit or loss (cont'd)

- (a) Unquoted equity investments represent the Group's interest in companies in Malaysia. The Group has unquoted equity investments in PB Grocery Group Sdn. Bhd. ("**PB Groceries**"), incorporated in Malaysia, which is engaged in online groceries related activities. The Group acquired shares of PB Groceries in April 2021.
- (b) The Group has cumulative, fully and compulsorily convertible non-participating preference shares ("**CCCPS**") of BetterPlace Safety Solutions Private Limited, incorporated in India, which is engaged in the business of providing full-stack human capital management technology solutions and services to its customers, primarily tailored around blue-collared workers in terms of life-cycle management. The Group subscribed to the CCCPS of BetterPlace Safety Solutions Private Limited in May 2023.
- (c) Investments in short-term fund are short-term fixed income funds issued by a licensed financial institution in Malaysia.

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

	Group	
	As at 31.5.2023 (Unaudited) RM	As at 31.5.2022 (Audited) RM
Equity investments designated at FVOCI		
Unquoted equity investments	3,870,986	4,838,458

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

### 17. Share capital

	Group and Company			
	As at 31.5.2023 (Unaudited) No. of shares	As at 31.5.2023 (Unaudited) RM	As at 31.5.2022 (Audited) No. of shares	As at 31.5.2022 (Audited) RM
Issued and paid up:				
At the beginning of the second half of the financial year / end of the financial year	108,803,600	51,850,444	108,803,600	51,850,444

The Company did not have any outstanding options, convertibles and subsidiary holdings as at 31 May 2023, 30 November 2022, and 31 May 2022.

**SHOPPER360 LIMITED AND ITS SUBSIDIARIES**

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**18. Treasury shares**

	<b>Group and Company</b>			
	<b>As at 31.5.2023 (Unaudited) No. of shares</b>	<b>As at 31.5.2023 (Unaudited) RM</b>	<b>As at 31.5.2022 (Audited) No. of shares</b>	<b>As at 31.5.2022 (Audited) RM</b>
Issued and paid up:				
At the beginning / end of the year	5,596,400	1,769,029	5,596,400	1,769,029
Percentage of the aggregate number of treasury shares held against the total number of shares outstanding (excluding treasury shares and subsidiary holdings)	5.14%		5.14%	

The Company did not have any subsidiary holdings during and as at 31 May 2023 and 31 May 2022.

There was no sales, transfers, cancellation and/or use of treasury shares during and as at 31 May 2023 and 31 May 2022.

**19. Earnings per ordinary share**

	<b>2H2023 (Unaudited)</b>	<b>2H2022 (Unaudited)</b>	<b>FY2023 (Unaudited)</b>	<b>FY2022 (Audited)</b>
Profit attributable to equity holders of the Company (RM)	10,154,191	1,854,213	11,555,522	3,728,814
Weighted average number of ordinary shares during the period/year	108,803,600	108,803,600	108,803,600	108,803,600
Basic and diluted earnings per ordinary share (RM sen)	9.33	1.70	10.62	3.43

**20. Net asset value per ordinary share**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31.5.2023 (Unaudited)</b>	<b>As at 31.5.2022 (Audited)</b>	<b>As at 31.5.2023 (Unaudited)</b>	<b>As at 31.5.2022 (Audited)</b>
Net asset value attributable to equity holders of the Company (RM)	69,665,953	59,818,788	49,962,010	48,251,505
Number of shares in issue (excluding treasury shares)	108,803,600	108,803,600	108,803,600	108,803,600
Net asset value per ordinary share (RM sen)	64.03		44.35	



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**21. Dividends paid**

	<b>Group</b>	
	<b>FY2023 (Unaudited) RM</b>	<b>FY2022 (Audited) RM</b>
Ordinary dividends paid:		
Final single tier tax exempted dividend of S\$0.0035 per share, on the 108,803,600 ordinary shares, was declared on 28 September 2022 and paid on 17 October 2022 in respect of the financial year ended 31 May 2022	1,224,503	-
Final single tier tax exempted dividend of S\$0.009 per share, on the 108,803,600 ordinary shares, was declared on 28 September 2021 and paid on 22 October 2021 in respect of the financial year ended 31 May 2021	-	3,025,045
	<hr/>	<hr/>

**22. Borrowings and lease liabilities**

The accompanying notes to the statement of financial position:

	<b>Group</b>	
	<b>As at 31.5.2023 (Unaudited) RM</b>	<b>As at 31.5.2022 (Audited) RM</b>
<i>Aggregate amount of borrowings and debt securities:</i>		
Repayable on demand or within 1 year		
- Secured	321,718	393,107
- Unsecured	4,413,178	5,658,280
Repayable within 2 to 5 years		
- Secured	39,904	361,682
- Unsecured	1,655,903	663,564
	<hr/>	<hr/>
	<hr/>	<hr/>

The Group's borrowings are in relation to:

- (i) motor vehicles acquired under finance lease agreements, and the liabilities are recorded as lease liabilities due to the adoption of SFRS(I) 16 Lease; and
- (ii) short term loan and revolving credit facilities obtained from a financial institution for the purpose of financing the working capital of the Group.

## SHOPPER360 LIMITED AND ITS SUBSIDIARIES

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### 22. Borrowings and lease liabilities (cont'd)

#### Details of any collateral

An amount of RM361,622 as at 31 May 2023 (31 May 2022: RM754,789) included in lease liabilities is secured against motor vehicles under right-of-use assets with net carrying value of RM699,356 as at 31 May 2023 (31 May 2022: RM982,270).

The Group has a short-term loan facility and a revolving credit facility from a bank of RM2,566,060 (31 May 2022: RM3,976,688) and nil (31 May 2022: RM1,000,000) as at 31 May 2023, respectively. Both facilities are secured by way of the following:

- (i) guarantees executed by Shopper360 Sdn. Bhd. for RM9,000,000 (31 May 2022: RM5,000,000); and
- (ii) guarantees executed by Pos Ad Sdn. Bhd. for RM9,000,000 (31 May 2022: RM5,000,000).

The Group has a separate revolving credit facility from a bank of RM600,000 as at 31 May 2023 (31 May 2022: RM1,000,000), The facility is secured by way of the following:

- (iii) guarantees executed by Shopper360 Sdn. Bhd. for RM3,000,000 (31 May 2022: RM3,000,000); and
- (iv) guarantees executed by Pos Ad Sdn. Bhd. for RM3,000,000 (31 May 2022: RM3,000,000).

### 23. Subsequent events

The Group has on 27 June 2023 entered into a term sheet ("**Term Sheet**") which summarises the principal terms of a proposed share subscription by Future Fields Pte. Ltd. ("**FFPL**") of 60% of the enlarged issued and paid-up share capital of the Group's wholly owned subsidiary Marvel Distribution Sdn Bhd ("**MDSB**") as the first share subscription ("**First Share Subscription**") and a second proposed subscription of an additional 10% of the enlarged issued and paid-up share capital of MDSB ("**Second Share Subscription**"). The Term Sheet is not legally binding and there will be no obligation to issue or subscribe for any shares in the MDSB until a legally binding definitive agreement is signed. The completion of the share subscription will result in a dilution of the Company's shareholdings initially to 40% of MDSB upon the First Share Subscription and subsequently to 30% of MDSB upon the Second Share Subscription. MDSB will cease to be a subsidiary of the Group after completion of the First Share Subscription.

The principal activities of FFPL is investment holding and its sole shareholder is Chen Ei Hung. The shareholder is not related to the directors and controlling shareholders of the Company, or their respective associates.

Rule 805 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**") stipulates that an issuer must obtain the prior approval of its shareholders in a general meeting if a principal subsidiary of an issuer issues shares that will or may result in the principal subsidiary ceasing to be a subsidiary of the issuer, or a percentage reduction of 20% or more of the issuer's equity interest in the principal subsidiary.

The Board of Directors ("**Board**") is of the view that MDSB is not considered as a principal subsidiary of the Group, based on the following:-

- (a) MDSB does not fall within the definition of principal subsidiary under the Catalist Rules as it is a loss-making entity. Principal subsidiary under the Catalist Rules is defined as a subsidiary whose latest audited consolidated pre-tax profits (including discontinued operations that have not been disposed and excluding the non-controlling interest relating to that subsidiary) as compared with the latest audited consolidated pre-tax profits of the group (including discontinued operations that have not been disposed and excluding the non-controlling interest relating to that subsidiary) accounts for 20% or more of such pre-tax profits of the group. MDSB has been loss making since its incorporation in October 2020. Its loss before tax amounted to RM0.3 million for the period from 7 October 2020 to 31 May 2021, RM1.9 million for FY2022, and RM2.9 million for FY2023.

In comparison, the Group reported profit before tax of RM7.5 million and RM12.6 million for FY2022 and FY2023 respectively.

## **SHOPPER360 LIMITED AND ITS SUBSIDIARIES**

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- (b) MDSB, being newly established in the last quarter of 2020, has yet to contribute in any significant manner or be strategically important to the Group. MDSB has limited operational resources and does not hold any critical assets or intellectual properties.

MDSB's contribution to the revenue and total assets of the Group in FY2022 amounted to 1.8% and 3.6% respectively. MDSB was in a net liability position of RM2.1 million as at 31 May 2022 while the Group's net assets stood at RM59.8 million.

- (c) MDSB is involved in the distribution of fast-moving consumer products, connecting brand owners with retailers and delivering products directly to general trade, modern trade, convenience stores and petrol marts.

MDSB's business is not considered a core business of the Group. Whilst the Group had ventured into such distribution business with the intention of providing a more holistic service to the brands it services, the business of MDSB is ancillary and not critical to the Group's overall business operations and strategies.

- (d) The proceeds from the share subscriptions by FFPL are to finance investment in warehousing facilities, delivery trucks and to expand the range of products in order to drive sales volume and boost margins. The Group is prepared to dilute its shareholding interest in MDSB, with the participation of new investor i.e FFPL, so as to alleviate the financial burden on the Group.

The Company will apprise its shareholders of the dilution of the Group's stake in MDSB arising from the share subscriptions by FFPL through subsequent periodic announcements of its financial statements.

## SHOPPER360 LIMITED AND ITS SUBSIDIARIES

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

#### 1. Review

The condensed interim statement of financial position of the Group as at 31 May 2023 and the related condensed interim statement of comprehensive income for 2H2023 and FY2023, condensed interim consolidated statement of changes in equity as at 31 May 2023 and condensed interim consolidated statement of cash flows for FY2023 and certain explanatory notes have not been audited or reviewed.

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

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

Not applicable. The latest audited financial statements of the Company and the Group for FY2022 was not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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

##### **(A) REVIEW OF THE GROUP'S PERFORMANCE**

##### **2H2023 vs 2H2022**

##### Revenue

Revenue increased by RM2.1 million or 3%, from RM82.7 million in 2H2022 to RM84.9 million in 2H2023 mainly due to an increase in revenue from the Sales and Distribution segment of RM3.4 million and partially offset by a decrease in revenue from the Advertising and Marketing segment of RM1.3 million.

Revenue from the Sales Execution and Distribution segment increased by RM3.4 million or 5.5% in 2H2023 as compared to 2H2022, mainly due to new customers and expansion of existing services for existing customers as they expanded their business scope and coverage.

Revenue from the Advertising and Marketing segment decreased by RM1.3 million or 6.5% in 2H2023 as compared to 2H2022, mainly attributable to a decline in business derived from the Malaysia market due to more cautious advertising expenditure by customers. The Myanmar market is also facing challenges in maintaining constant imported goods due to importation license requirements in the country which has resulted in lower stocks and thus a lesser need for customers to spend on advertising. The decrease was partially offset by revenue growth in the event management business.

##### Cost of sales

Cost of sales increased by RM3.6 million or 6%, from RM64.4 million in 2H2022 to RM68.0 million in 2H2023.

##### Gross Profit and Gross Profit Margin

Gross profit decreased by RM1.5 million or 8%, from RM18.3 million in 2H2022 to RM16.8 million in 2H2023. Gross profit margin decreased from 22.2% in 2H2022 to 19.8% in 2H2023 mainly due to an increase in revenue from the Sales Execution and Distribution segment, which contributed to a lower gross profit margin, and was offset by a decrease in revenue from the Advertising and Marketing segment that contributed to a higher gross profit margin.

## SHOPPER360 LIMITED AND ITS SUBSIDIARIES

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### Other Income

Other income increased by RM11.7 million or 2403%, from RM0.5 million in 2H2022 to RM12.2 million in 2H2023, mainly due to a gain on disposal of investment in an associated company, namely Troopers Innovation Sdn. Bhd., of RM11.8 million, interest income and miscellaneous income, and partially offset by the absence of gain on unrealised and realised foreign exchange and decrease in wage support from the Singapore government under the job support scheme.

### Administrative Expenses

Administrative expenses increased by RM3.1 million or 21%, from RM14.6 million in 2H2022 to RM17.7 million in 2H2023. The increase was mainly due to incremental expenditure for business development, staff hiring and staff expenditure as a result of the increase in number of sales forces to accommodate new customers and an increase in minimum monthly wages from RM1,200 to RM1,500 by the Malaysian Government with effect from 1 May 2022.

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

Net allowance of impairment on trade receivables and contract assets was RM0.3 million in 2H2023 (2H2022: Net allowance of impairment on trade receivables and contract assets of RM0.1 million) mainly due to allowance of impairment of approximately RM174,000 on an overdue trade receivable arising from slower repayment, and bad debts written off of approximately RM125,000 in 2H2023.

### Finance Costs

Finance costs increased by RM61,000, from approximately RM85,000 in 2H2022 to approximately RM146,000 in 2H2023, mainly due to an increase in interest expenses on trade facilities.

### Share of Results of Associated Companies

Share of results of associated companies mainly relates to losses incurred by Instanture Holdings Sdn. Bhd. and its subsidiary, Boostorder Sdn. Bhd., which is 10.18% owned by the Company. It decreased from RM0.3 million in 2H2022 to RM0.1 million in 2H2023, due mainly to stable revenue growth, and partially offset by higher salaries incurred.

Besides that, there is a further share of loss of approximately RM35,000 from Troopers Innovation Sdn. Bhd. in 2H2023. The losses incurred mainly resulted from higher salaries and computer license subscription expenses.

### Share of Results of Joint Venture

Share of results of joint venture of approximately RM105,000 in 2H2023 (2H2022: Nil) mainly relates to losses incurred by Avinity Analytics Pte. Ltd. and its subsidiary, Avinity Analytics Sdn. Bhd, mainly due to a combination of lower revenue and higher salaries. The joint venture started its business operations in February 2022.

### Profit Before Tax

As a result of the above, profit before tax increased by RM6.9 million or 186%, from RM3.7 million in 2H2022 to RM10.6 million in 2H2023.

### Income Tax Expense

Income tax expense decreased by RM1.0 million or 66%, from RM1.5 million in 2H2022 to approximately RM0.5 million in 2H2023, mainly due to the decrease in income tax provision of RM0.6 million and deferred tax provision of RM0.4 million.

## SHOPPER360 LIMITED AND ITS SUBSIDIARIES

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### FY2023 vs FY2022

#### Revenue

Revenue increased by RM17.3 million or 11%, from RM152.2 million in FY2022 to RM169.5 million in FY2023 due mainly to an increase in revenue from the Sales Execution and Distribution segment of RM19.1 million and partially offset by a decrease in revenue from the Advertising and Marketing segment of RM1.8 million.

Revenue from the Sales Execution and Distribution segment increased by RM19.1 million or 17% in FY2023, mainly due to new customers, and expansion of existing services to existing customers as they expanded their business scope and coverage.

Revenue from the Advertising and Marketing segment decreased by RM1.8 million or 4% in FY2023, mainly attributable to a decline in business derived from the Malaysia market due to more cautious advertising expenditure by customers. The Myanmar market is also facing challenges in maintaining constant imported goods due to importation license requirements in the country which has resulted in lower stocks and thus a lesser need for customers to spend on advertising. The decrease is partially offset by revenue growth in the event management business.

#### Cost of sales

Cost of sales increased by RM17.5 million or 15%, from RM117.3 million in FY2022 to RM134.8 million in FY2023, generally in line with the increase in the Group's revenue.

#### Gross Profit and Gross Profit Margin

Gross profit decreased by RM0.2 million or 1%, from RM34.9 million in FY2022 to RM34.7 million in FY2023. Gross profit margin decreased slightly from 22.9% in FY2022 to 20.5% in FY2023 mainly due to an increase in revenue from the Sales Execution and Distribution segment, which contributed to a lower gross profit margin, and was partially offset by a decrease in the revenue from the Advertising and Marketing segment that contributed to a higher gross profit margin.

#### Other Income

Other income increased by RM11.6 million or 1363%, from RM0.9 million in FY2022 to RM12.4 million in FY2023, mainly due to a gain on disposal of investment in an associated company, namely Troopers Innovation Sdn. Bhd., of RM11.8 million, interest income and miscellaneous income, and partially offset by the absence of gain on unrealised and realised foreign exchange and decrease in wage support from the Singapore government under the job support scheme.

#### Administrative Expenses

Administrative expenses increased by RM5.7 million or 20%, from RM27.9 million in FY2022 to RM33.6 million in FY2023. The increase was mainly due to an increase in business development, staff hiring and staff expenditure as a result of the increase in number of sales forces to accommodate new customers and an increase in minimum monthly wages from RM1,200 to RM1,500 by the Malaysian Government with effect from 1 May 2022.

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

Net allowance of impairment on trade receivables and contract assets was RM0.3 million in FY2023 (FY2022: Net reversal of impairment on trade receivables and contract assets of RM0.1 million) mainly due to allowance of impairment of approximately RM174,000 on an overdue trade receivable arising from slower repayment and bad debts written off of approximately RM125,000 in FY2023.

#### Finance Costs

Finance costs increased by RM0.2 million, from approximately RM0.1 million in FY2022 to approximately RM0.3 million in FY2023, mainly due to an increase in interest expenses on trade facilities.

## SHOPPER360 LIMITED AND ITS SUBSIDIARIES

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### Share of Results of Associated Companies

Share of results of associated companies mainly relates to losses incurred by Instanture Holdings Sdn. Bhd. and its subsidiary, Boostorder Sdn. Bhd., which is 10.18% owned by the Company. It decreased from approximately RM276,000 in FY2022 to approximately RM226,000 in FY2023, mainly due to the decrease in share of loss from Instanture Holdings Sdn. Bhd. as a result of stable revenue growth and partially offset by higher salaries incurred. The decrease is partially offset by an increase in share of loss from Troopers Innovation Sdn. Bhd from approximately RM56,000 in FY2022 to RM63,000 in FY2023. The losses incurred from Troopers Innovation Sdn. Bhd. mainly resulted from higher salaries and computer license subscription expenses.

### Share of Results of Joint Venture

Share of results of joint venture of approximately RM112,000 in FY2023 (FY2022: Nil) mainly relates to losses incurred by Avinity Analytics Pte. Ltd. and its subsidiary, Avinity Analytics Sdn. Bhd. due to a combination of lower revenue and higher salaries. The joint venture started its business operations in February 2022.

### Profit Before Tax

As a result of the above, profit before tax increased by RM5.1 million or 68%, from RM7.5 million in FY2022 to RM12.6 million in FY2023.

### Income Tax Expense

Income tax expense decreased by RM1.9 million or 66%, from RM2.8 million in FY2022 to RM0.9 million in FY2023, mainly due to a decrease in income tax provision of RM0.9 million and deferred tax provision of RM0.9 million.

## **(B) REVIEW OF THE GROUP'S FINANCIAL POSITION**

### Non-current Assets

The Group's non-current assets increased by RM8.5 million, from RM17.4 million as at 31 May 2022 to RM25.9 million as at 31 May 2023. The increase was mainly due to an increase in (i) right-of-use assets of RM1.2 million, (ii) financial assets at fair value through profit or loss of RM9.7 million, (iii) deferred tax assets of RM0.9 million, and partially offset by a decrease in (i) property, plant and equipment of RM0.1 million, (ii) investment in associated companies of RM2.1 million, (iii) investment in joint venture of RM0.1 million, and (iv) financial assets at fair value through other comprehensive income of RM1.0 million.

Right-of-use assets increased by RM1.2 million, mainly due to additions in right-of-use assets of RM2.9 million, and partially offset by termination of leases of RM0.1 million and depreciation charge of RM1.6 million.

Financial assets at fair value through profit or loss increased by RM9.7 million, due to the subscription of CCCPS.

Deferred tax assets increased by RM0.9 million, mainly due to the temporary differences in tax deductible expenses which are available to be offsetted against future taxable profits.

Property, plant and equipment decreased by RM0.1 million, mainly due to depreciation charge of RM0.9 million, partially offset by additions in property, plant and equipment of RM0.8 million.

Investment in associated companies decreased by RM2.1 million, mainly due to disposal of an investment in associated company, Trooper Innovations Sdn. Bhd. of RM1.9 million (which the Group completed the disposal in May 2023).

Investment in joint venture decreased by RM0.1 million, mainly due to share of loss in investment in Avinity Analytics Pte. Ltd., a joint venture formed with Surge Ventures Sdn. Bhd., to provide data analytics, data science, machine learning and artificial intelligence to retail, e-commerce and marketing-related businesses and brands. The Group entered into a share subscription agreement for this investment in January 2022.

## SHOPPER360 LIMITED AND ITS SUBSIDIARIES

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Financial assets at fair value through other comprehensive income decreased by RM1.0 million due to the fair value loss arising from the recent transacted price of the unquoted equity instruments.

### Current Assets

The Group's current assets increased by RM0.1 million, from RM73.9 million as at 31 May 2022 to RM74.0 million as at 31 May 2023, mainly due to an increase in (i) trade and other receivables of RM3.6 million, and (ii) financial assets at fair value through profit or loss of RM0.8 million, and partially offset by a decrease in (i) contract assets of RM1.5 million, and (ii) cash and cash equivalents of RM2.9 million.

Trade and other receivables increased by RM3.6 million, mainly due to slightly longer payment terms granted to trade debtors and delay in collection from trade debtors.

Financial assets at fair value through profit or loss increased by RM0.8 million, due to placement of short-term cash investments with financial institutions.

Contract assets decreased by RM1.5 million, mainly due to a decrease in provision of revenue relating to unbilled services rendered.

Please refer to the section on review of the Group's cash flow statement for explanations on the decrease in cash and cash equivalents of the Group.

### Equity

The Group's equity increased by RM9.2 million or 15%, from RM62.0 million as at 31 May 2022 to RM71.2 million as at 31 May 2023, mainly due to an increase in retained earnings of RM10.3 million, and partially offset by a decrease in currency translation reserve of RM0.2 million, fair value reserve of RM0.3 million, and non-controlling interest of RM0.6 million.

### Non-current Liabilities

The Group's non-current liabilities decreased marginally by approximately RM51,000 in FY2023, mainly due to a decrease in deferred tax liabilities of RM0.7 million, partially offset by an increase in lease liabilities of RM0.7 million.

### Current Liabilities

The Group's current liabilities decreased by RM0.5 million, from RM27.5 million as at 31 May 2022 to RM27.0 million as at 31 May 2023, due to a decrease in (i) contract liabilities of RM0.4 million, (ii) borrowings of RM1.8 million, and (iii) tax payable of RM1.3 million, and partially offset by an increase in (i) trade and other payables of RM2.5 million, and (ii) lease liabilities of RM0.5 million.

Contract liabilities decreased by RM0.4 million, mainly due to lower advance billings from the Group to its clients.

Borrowings decreased by RM1.8 million, due to the repayment of short-term loans obtained by the Group's subsidiaries, namely Jump Retail Sdn Bhd and Retail Galaxy Sdn Bhd.

Tax payable decreased by RM1.3 million, mainly due to payment of tax liabilities by ShopperPlus Myanmar Co. Ltd.

Trade and other payables increased by RM2.5 million, mainly due to an increase in provision of bonuses in May 2023 and an increase in other payables.

Lease liabilities increased by RM0.5 million, mainly due to addition of lease liabilities (which mainly relates to rental of office and warehouse), and partially offset by the repayment of lease liabilities.



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### Working Capital

The Group reported a positive net working capital of RM47.0 million as at 31 May 2023, as compared to RM46.4 million as at 31 May 2022.

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

Net cash generated from operating activities in FY2023 was RM0.2 million, due to operating cash flow before changes in working capital of RM4.3 million, changes in working capital of RM0.9 million, and payment of income tax expense of RM3.2 million. Changes in working capital were due to an (i) increase in inventories of RM0.2 million, (ii) increase in trade and other receivables and contract assets of RM2.5 million, (iii) currency translation adjustments of RM0.3 million, and partially offset by an increase in trade and other payables and contract liabilities of RM2.1 million.

Net cash generated from investing activities in FY2023 was RM2.5 million, mainly due to (i) cash proceeds from disposal of investment in associated company of RM4.0 million, and (ii) interest received from banks of RM0.2 million, and partially offset by (i) purchases of property, plant and equipment of RM0.8 million, and (ii) placement of financial assets at fair value through profit or loss of RM0.8 million.

Net cash used in financing activities of RM5.5 million in FY2023 was due to repayment of lease liabilities of RM1.7 million, dividends paid to owners of the Company of RM1.2 million, dividends paid to non-controlling interest shareholder of RM0.5 million, interest paid of RM0.3 million, and net repayments of short term loan of RM1.8 million.

As a result of the above, net cash and cash equivalents decreased by RM2.8 million in FY2023.

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

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

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

### Retail Environment & Shopper Trends

Brands continue to navigate various retail channels, digital channels, social media platforms, influencer marketing and emerging technologies to effectively reach their target audience. Shopper360 took an active approach to engage advertisers by organising a regional retail innovation showcase that was inspired by Euroshop 2023 retail trade fair in Germany. More than 500 participants from the industry including retailers and clients were taken through an experiential exhibition, retail talks, digital gamification and activation walk-throughs as well as networking sessions to further enhance the important role shopper360 plays in the shopper marketing and advertising industry. This retail innovation showcase will also be featured in the Singapore and Myanmar market in August and December 2023 respectively.<sup>1</sup>

Hong Kong's Dairy Farm International Ltd ("DFI"), which operates a chain of hypermarkets and supermarkets under the Giant, Mercato and Giant Mini brands, intends to exit its grocery business in Malaysia.<sup>2</sup> Business remains as usual for in-store advertising subsidiary Pos Ad Sdn Bhd for

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<sup>1</sup> <https://www.businesstoday.com.my/2023/07/12/shopper360-brings-international-retail-innovation-showcase-to-southeast-asia-starting-with-malaysia/>

<sup>2</sup> Giant operator Dairy Farm to exit Malaysian grocery business after 24 years -

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now, however, it remains unclear whether the new owners have a different approach towards advertising in-store. However, DFI continues to operate Giant in Singapore and shopper360 will continue to seek opportunities to work together, including the health and beauty chain under the Guardian Health & Beauty Sdn Bhd.<sup>3</sup>

Other concerns in the retail industry include severe staff shortage. Mydin hypermarkets managing director said there are not enough staff to replenish stocks on shelf and called on the government to relax rules on hiring foreign labour.<sup>4</sup> Meanwhile, layoffs continue amongst global companies such as Spotify, Sea Limited, Meta and Disney. Grab's Jaya Grocer is no exception even though they had added more than 3,000 staff in 2022, largely because of its acquisition of supermarket chain Jaya Grocer. Grab Holdings Ltd is preparing its biggest round of layoffs since the pandemic, as it faces stiffening competition in ride-hailing and meal delivery across Southeast Asia.<sup>5</sup> Job security and job placements become a huge need which can lead to additional business for the Group's manpower services. However, the Group is experiencing margin compression as customers look to reducing costs, led by the minimum wage increase of 25% from RM1,200 to RM1,500 since May 2022. The Group continues to look for ways to digitalise recruitment to preserve margins.

### Myanmar

Myanmar continues to experience difficulties as a nation when cyclone Mocha hit the Rakhine state in May, causing more people to be displaced and impoverished.<sup>6</sup> Yangon, the main city for most businesses went unscathed. However, in June this year, it was announced that foreign direct investments fell by 60% in the first quarter of this year as compared to the same quarter in the year before due to the chaotic and conflict-ridden condition in Myanmar.<sup>7</sup> Against this backdrop, shopper360 managed to negotiate a win-win arrangement with City Mart moving forward to better manage running costs.

In addition, shopper360 recently installed its 5th innovation showcase in a much bigger capacity, held at Sime Darby Convention Center on 12 and 13 July 2023, to enhance the visibility of the services offered by the Group and to remind customers, retailers and business partners that shopper360's services are essential to brands, retailers and marketing communications. Shopper360 was able to garner new business leads from the event and will work towards generating new revenue for the Group in the next 12 months.

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<https://www.freemalaysiatoday.com/category/highlight/2023/02/23/hong-kongs-dfi-retail-group-to-dispose-its-giant-cold-storage-chains/>

<sup>3</sup> <https://theedgemaalaysia.com/node/656464>

<sup>4</sup> <https://www.freemalaysiatoday.com/category/highlight/2023/01/18/relax-rules-for-hiring-foreign-labour-in-retail-mydin-boss-tells-putrajaya/>

<sup>5</sup> <https://www.freemalaysiatoday.com/category/business/2023/06/20/grab-plans-biggest-round-of-job-cuts-since-pandemic/>

<sup>6</sup> <https://edition.cnn.com/2023/05/20/asia/myanmar-cyclone-mocha-damage-interviews-intl-hnk/index.html>

<sup>7</sup> <https://www.irrawaddy.com/business/economy/foreign-investment-in-myanmar-plunges-60-on-year-in-first-quarter.html>

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

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (S\$' cents)	0.50
Tax rate	Tax exempt

The final dividend is subject to shareholders' approval at the forthcoming annual general meeting of the Company.

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

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (S\$' cents)	0.35
Tax rate	Tax exempt

**(c) Date payable**

The date payable is to be advised, subject to shareholders' approval at the Company's annual general meeting for the financial year ended 31 May 2023, to be convened on or before 30 September 2023.

**(d) Books closure date**

To be announced by the Company in due course.

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

Not applicable.

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

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

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

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

**9. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Section (E) Note 4 and Section (F) 2(A) for details.

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**10. A breakdown of sales**

	Group		
	FY2023	FY2022	Increase/ (Decrease)
	RM	RM	%
<b>Sales reported for:</b>			
(a) First half of the financial year	84,604,888	69,425,091	22
(b) Second half of the financial year	84,858,357	82,732,686	3
	<u>169,463,245</u>	<u>152,157,777</u>	11
<b>Operating profit after tax before deducting non-controlling interests reported for:</b>			
(a) First half of the financial year	1,516,559	2,495,300	(39)
(b) Second half of the financial year	10,143,955	2,221,009	357
	<u>11,660,514</u>	<u>4,716,309</u>	147

**11. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	FY2023	FY2022
	RM	RM
(a) Ordinary (Final)	1,224,503	3,025,045
(b) Preference	-	-
	<u>1,224,503</u>	<u>3,025,045</u>

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**12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director or CEO and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Chew Sue Ann	44	Daughter of Yap Phaik Kwai, the controlling shareholder of the Company, and spouse of James Ling Wan Chye, Executive Director of the Company	Executive Chairman and Group Managing Director since date of incorporation of the Company.  Responsible for overseeing operations of the Group.	-
James Ling Wan Chye	45	Son-in-law of Yap Phaik Kwai, the controlling shareholder of the Company, and spouse of Chew Sue Ann, Executive Chairman and Group Managing Director	Executive Director (Since year 2021)  Director of Corporate Finance and Strategy (Since year 2018)  Responsible for overseeing corporate finance and human resource functions of the Group, as well as executing key strategic initiatives of the Group.	-

**13. Disclosure of acquisition (including incorporations) and sale of shares since the end of the previous reporting period pursuant to Rule 706A of the Catalyst Rules**

The Group has disposed its shares in its associated company in FY2023, details of which are as follows:

Disposal of an Associated Company

(1)	Name of associated company	:	Troopers Innovation Sdn Bhd
	Country of incorporation	:	Malaysia
	Principal activities	:	Organisation and management of events for promoting clients' products and services, human resources management, recruitment and payroll services.
	Interest held by the Group	:	21.50%

Save as disclosed above, the Group does not have any other acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since 30 November 2022.

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**BY ORDER OF THE BOARD**

Chew Sue Ann  
Executive Chairman and Group Managing Director  
28 July 2023