

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 ENDED
30 NOVEMBER 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.

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SHOPPER360 LIMITED AND ITS SUBSIDIARIES

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(A) Condensed interim consolidated statement of comprehensive income

	Note	Group		Inc/ (Dec) %
		1H2024 (Unaudited) RM	1H2023 (Unaudited) RM	
Revenue	4	89,785,132	84,604,888	6
Cost of sales		(69,746,074)	(66,718,595)	5
Gross profit		20,039,058	17,886,293	12
Other income	6	261,562	331,063	(21)
Expenses				
Administrative expenses		(18,411,005)	(15,984,668)	15
Other operating expenses		(1,446)	(636)	>100
Impairment on trade receivables		(100,850)	-	NM
Fair value loss for financial asset at fair value through profit or loss	5	(2,380,000)	-	NM
Finance costs	7	(111,136)	(151,457)	(27)
Share of results of associated companies		(81,860)	(119,815)	(32)
Share of results of joint venture		(5,868)	(6,923)	(15)
(Loss)/profit before tax	8	(791,545)	1,953,857	(>100)
Tax expense	9	(1,279,424)	(437,298)	>100
(Loss)/profit for the period		(2,070,969)	1,516,559	(>100)
Other comprehensive income/(loss), net of tax:				
<i>Item that is or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation		73,603	(341,152)	(>100)
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation		13,086	(235,107)	(>100)
Other comprehensive income/(loss) for the period, net of tax		86,689	(576,259)	(>100)
Total comprehensive (loss)/income for the period		(1,984,280)	940,300	(>100)
(Loss)/profit attributable to:				
Equity holders of the Company		(2,045,934)	1,401,331	(>100)
Non-controlling interests		(25,035)	115,228	(>100)
(Loss)/profit for the period		(2,070,969)	1,516,559	(>100)
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company		(1,972,331)	1,060,179	(>100)
Non-controlling interests		(11,949)	(119,879)	(>100)
		(1,984,280)	940,300	(>100)
(Loss)/earnings per share (sen per share):				
Basic and diluted	19	(1.88)	1.29	(>100)

Notes:

- (1) "1H2024": 6 months financial period ended 30 November 2023.
- (2) "1H2023": 6 months financial period ended 30 November 2022.
- (3) NM: Not meaningful

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(B) Condensed interim statements of financial position

	Note	Group		Company	
		As at 30 November 2023 (Unaudited) RM	As at 31 May 2023 (Audited) RM	As at 30 November 2023 (Unaudited) RM	As at 31 May 2023 (Audited) RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	1,579,790	1,774,190	-	-
Right-of-use assets	11	2,722,306	3,529,012	-	-
Intangible assets	12	2,305,286	2,308,900	-	-
Investment in subsidiaries		-	-	37,013,629	37,013,629
Investment in associated companies	13	453,854	535,714	-	-
Joint venture	14	884,701	890,569	1,002,075	1,002,075
Financial assets at fair value through profit or loss	15	9,742,041	12,122,041	-	-
Financial assets at fair value through other comprehensive income	16	3,870,986	3,870,986	-	-
Deferred tax assets		996,204	903,431	-	-
Total non-current assets		22,555,168	25,934,843	38,015,704	38,015,704
Current assets					
Inventories		1,101,180	819,844	-	-
Financial assets, at fair value through profit or loss	15	2,175,106	858,151	-	-
Trade and other receivables		39,480,518	39,265,302	8,057,288	7,572,151
Contract assets		9,202,848	10,693,641	-	-
Cash and cash equivalents		17,789,922	21,629,433	1,985,583	4,704,660
Tax recoverable		419,579	733,276	-	-
Total current assets		70,169,153	73,999,647	10,042,871	12,276,811
Total assets		92,724,321	99,934,490	48,058,575	50,292,515
EQUITY AND LIABILITIES					
Equity					
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)
Fair value reserve		1,869,886	1,869,886	-	-
Capital reserve		(1,354,855)	(1,354,855)	-	-
Merger reserve		(17,453,646)	(17,453,646)	-	-
Currency translation reserve		(547,014)	(620,617)	-	-
Retained earnings/ (Accumulated losses)		33,212,756	37,143,770	(2,255,445)	(119,405)
Equity attributable to equity holders of the Company, total		65,808,542	69,665,953	47,825,970	49,962,010
Non-controlling interest		4,993,138	1,566,732	-	-
Total equity		70,801,680	71,232,685	47,825,970	49,962,010
Non-current liabilities					
Lease liabilities	22	1,136,454	1,695,807	-	-
Deferred tax liabilities		143,439	55,523	-	-
Total non-current liabilities		1,279,893	1,751,330	-	-
Current liabilities					
Trade and other payables		12,769,040	18,204,060	232,605	330,505
Contract liabilities		2,728,928	3,527,289	-	-
Borrowings	22	3,368,778	3,166,060	-	-
Lease liabilities	22	1,269,946	1,568,836	-	-
Tax payable		506,056	484,230	-	-
Total current liabilities		20,642,748	26,950,475	232,605	330,505
Total liabilities		21,922,641	28,701,805	232,605	330,505
Total equity and liabilities		92,724,321	99,934,490	48,058,575	50,292,515
Net asset value per share	20	60.48	64.03	43.96	45.92

SHOPPER360 LIMITED AND ITS SUBSIDIARIES

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(C) Condensed interim consolidated statement of changes in equity

Group	Share capital RM	Capital reserve RM	Fair value reserve RM	Merger reserve RM	Currency translation reserve RM	Treasury shares RM	Retained earnings RM	Equity attributable to equity holders of the Company RM	Non-controlling interest RM	Total equity RM
At 1 June 2023 (audited)	51,850,444	(1,354,855)	1,869,886	(17,453,646)	(620,617)	(1,769,029)	37,143,770	69,665,953	1,566,732	71,232,685
Loss for the period	-	-	-	-	-	-	(2,045,934)	(2,045,934)	(25,035)	(2,070,969)
Other comprehensive income, net of tax										
<i>Currency translation differences arising from consolidation</i>	-	-	-	-	73,603	-	-	73,603	13,086	86,689
Other comprehensive income for the financial period, net of tax	-	-	-	-	73,603	-	-	73,603	13,086	86,689
Total comprehensive income/(loss) for the period	-	-	-	-	73,603	-	(2,045,934)	(1,972,331)	(11,949)	(1,984,280)
<i>Capital contribution from non-controlling interest in a subsidiary</i>	-	-	-	-	-	-	-	-	3,438,355	3,438,355
Dividends paid	-	-	-	-	-	-	(1,885,080)	(1,885,080)	-	(1,885,080)
At 30 November 2023 (unaudited)	51,850,444	(1,354,855)	1,869,886	(17,453,646)	(547,014)	(1,769,029)	33,212,756	65,808,542	4,993,138	70,801,680

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

Group	Share capital RM	Capital reserve RM	Fair value reserve RM	Merger reserve RM	Currency translation reserve RM	Treasury shares RM	Retained earnings RM	Equity attributable to equity holders of the Company RM	Non- controlling interest RM	Total equity RM
At 1 June 2022 (audited)	51,850,444	(1,354,855)	2,156,392	(17,453,646)	(423,269)	(1,769,029)	26,812,751	59,818,788	2,193,072	62,011,860
Profit for the period	-	-	-	-	-	-	1,401,331	1,401,331	115,228	1,516,559
Other comprehensive loss, net of tax										
<i>Currency translation differences arising from consolidation</i>	-	-	-	-	(341,152)	-	-	(341,152)	(235,107)	(576,259)
Other comprehensive loss for the financial period, net of tax	-	-	-	-	(341,152)	-	-	(341,152)	(235,107)	(576,259)
Total comprehensive income/(loss) for the period	-	-	-	-	(341,152)	-	1,401,331	1,060,179	(119,879)	940,300
<i>Transactions with owners recognised directly in equity</i>										
Dividends paid	-	-	-	-	-	-	(1,224,503)	(1,224,503)	-	(1,224,503)
At 30 November 2022 (unaudited)	51,850,444	(1,354,855)	2,156,392	(17,453,646)	(764,421)	(1,769,029)	26,989,579	59,654,464	2,073,193	61,727,657

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

Company	Share capital RM	Treasury shares RM	Accumulated losses RM	Total equity RM
At 1 June 2023 (audited)	51,850,444	(1,769,029)	(119,405)	49,962,010
Loss and total comprehensive loss for the financial period	-	-	(250,960)	(250,960)
Dividends paid	-	-	(1,885,080)	(1,885,080)
At 30 November 2023 (unaudited)	51,850,444	(1,769,029)	(2,255,445)	47,825,970

Company	Share capital RM	Treasury shares RM	Accumulated losses RM	Total equity RM
At 1 June 2022 (audited)	51,850,444	(1,769,029)	(1,829,910)	48,251,505
Loss and total comprehensive loss for the financial period	-	-	(273,411)	(273,411)
Dividends paid	-	-	(1,224,503)	(1,224,503)
At 30 November 2022 (unaudited)	51,850,444	(1,769,029)	(3,327,824)	46,753,591

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(D) Condensed interim consolidated statement of cash flows

	Group	
	1H2024 (Unaudited) RM	1H2023 (Unaudited) RM
Cash flows from operating activities		
(Loss)/Profit before tax	(791,545)	1,953,857
Adjustments for:-		
Amortisation for club membership	3,614	3,614
Impairment on trade receivables	100,850	-
Bad debts written off	7,392	1,916
Depreciation of property, plant and equipment	529,939	477,786
Depreciation of right-of-use assets	815,131	782,818
Interest income	(183,508)	(35,606)
Interest expenses	111,136	151,457
Inventories written off	67,735	36,155
Fair value loss for financial asset at fair value through profit or loss	2,380,000	-
Gain on disposal of property, plant and equipment	(137,288)	(1,335)
Property, plant and equipment written off	190	32
Share of results of associated companies	81,860	119,815
Share of results of joint venture	5,868	6,923
Unrealised foreign exchange loss/(gain)	194,117	(25,638)
Operating cash flow before working capital changes	<u>3,185,491</u>	<u>3,471,794</u>
Inventories	(349,071)	(66,728)
Trade and other receivables and contract assets	1,167,335	(3,530,531)
Trade and other payables and contract liabilities	(6,235,462)	(1,910,047)
Currency translation adjustments	65,425	(566,306)
Cash used in operations	<u>(2,166,282)</u>	<u>(2,601,818)</u>
Income tax paid	(860,715)	(2,521,581)
Net cash used in operating activities	<u>(3,026,997)</u>	<u>(5,123,399)</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(339,499)	(466,468)
Interest received	183,508	34,989
Proceeds from disposal of property, plant and equipment	142,271	1,335
Placement of financial assets at fair value through profit or loss	(1,316,955)	-
Repayments from an associated company	-	236,970
Net cash used in investing activities	<u>(1,330,675)</u>	<u>(193,174)</u>
Cash flows from financing activities		
Repayment of lease liabilities	(932,579)	(825,434)
Proceeds from short-term loan	12,687,362	22,668,308
Repayments of short-term loan	(12,484,644)	(22,340,054)
Dividends paid to owners of the Company	(1,885,080)	(1,224,503)
Capital injection by non-controlling interests	3,438,355	-
Interest paid	(111,136)	(151,457)
Net cash generated from/(used in) financing activities	<u>712,278</u>	<u>(1,873,140)</u>
Net decrease in cash and cash equivalents	<u>(3,645,394)</u>	<u>(7,189,713)</u>
Cash and cash equivalents at beginning of the financial period	21,629,433	24,510,320
Effects of exchange rate changes on cash and cash equivalents	(194,117)	25,638
Cash and cash equivalents at end of the financial period	<u>17,789,922</u>	<u>17,346,245</u>

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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 2023	255,024	3,166,060	3,264,643	6,685,727
Change from financing cash flows:				
- Proceeds	-	12,687,362	-	12,687,362
- Repayments	-	(12,484,644)	(932,579)	(13,417,223)
- Interest paid	-	(20,998)	(90,138)	(111,136)
Non-cash changes:				
- Interest expense	-	20,998	90,138	111,136
- Additions of new leases	-	-	74,336	74,336
Effect of changes in foreign exchange rate	2,079	-	-	2,079
Balance at 30 November 2023	257,103	3,368,778	2,406,400	6,032,281

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(E) Notes to the condensed interim consolidated financial statements

1. Corporate information

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

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

These unaudited condensed interim consolidated financial statements as at and for the six months ended 30 November 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 consolidated financial statements for the six months ended 30 November 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The unaudited condensed interim consolidated 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 consolidated financial statements for the financial year ended 31 May 2023 (“**FY2023**”).

The accounting policies adopted are consistent with those adopted by the Company in its most recently audited consolidated financial statements for FY2023, 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 consolidated 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 consolidated 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 2023.

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

3. Seasonal operations

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

4. Segment and revenue information

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

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

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 includes the distribution of products into various retail channels with a 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.

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, is 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.

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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
1H2024 (unaudited)					
Group					
Segment revenue					
Sales to external customers	21,048,961	68,736,171	-	-	89,785,132
Intersegment sales	659,112	5,390	3,968,499	(4,633,001)	-
Total revenue	<u>21,708,073</u>	<u>68,741,561</u>	<u>3,968,499</u>	<u>(4,633,001)</u>	<u>89,785,132</u>
Tax expense	419,164	770,027	90,233	-	1,279,424
Segment profit/(loss)	401,347	611,837	(3,084,153)	-	<u>(2,070,969)</u>
Depreciation and amortisation	399,594	717,416	231,674	-	1,348,684
Property, plant and equipment written off	172	18	-	-	190
Bad debts written off	7,392	-	-	-	7,392
Fair value loss for financial asset at fair value through profit or loss	-	-	2,380,000	-	2,380,000
Impairment on trade receivables	-	100,850	-	-	100,850
Interest income	(309,806)	(48,286)	(166,887)	341,471	(183,508)
Interest expenses	157,834	145,896	148,877	(341,471)	111,136
Inventories written off	-	67,735	-	-	67,735
Gain on disposal of property, plant and equipment	(137,288)	-	-	-	(137,288)
Share of results of associated companies	-	-	81,860	-	81,860
Share of results of joint venture	-	-	5,868	-	5,868
Assets and liabilities					
Total segment assets	40,035,705	45,605,983	111,243,180	(104,160,547)	<u>92,724,321</u>
Segment assets include:					
Additions to non-current assets	209,337	161,565	42,933	-	413,835
Investment in associated companies	-	-	453,854	-	453,854
Joint venture	-	-	884,701	-	884,701
Total segment liabilities	(20,345,718)	(13,095,102)	(9,366,273)	20,884,452	<u>(21,922,641)</u>

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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
1H2023 (unaudited)					
Group					
Segment revenue					
Sales to external customers	21,035,764	63,560,424	8,700	-	84,604,888
Intersegment sales	307,192	69,144	4,292,311	(4,668,647)	-
Total revenue	<u>21,342,956</u>	<u>63,629,568</u>	<u>4,301,011</u>	<u>(4,668,647)</u>	<u>84,604,888</u>
Tax expense	216,952	220,346	-	-	437,298
Segment profit/(loss)	810,827	1,454,257	(748,525)	-	<u>1,516,559</u>
Depreciation and amortisation	322,638	676,960	264,620	-	1,264,218
Property, plant and equipment written off	18	-	14	-	32
Bad debts written off	-	1,916	-	-	1,916
Interest income	(161,722)	(33,469)	(107,846)	267,431	(35,606)
Interest expenses	92,780	228,757	97,351	(267,431)	151,457
Inventories written off	-	36,155	-	-	36,155
Gain on disposal of property, plant and equipment	(1,335)	-	-	-	(1,335)
Share of results of associated companies	-	-	119,815	-	119,815
Share of results of joint venture	-	-	6,923	-	6,923
Assets and liabilities					
Total segment assets	40,548,171	44,945,793	104,802,401	(101,890,178)	<u>88,406,187</u>
Segment assets include:					
Additions to non-current assets	227,950	462,479	1,049,200	-	1,739,629
Investment in associated companies	-	-	2,523,559	-	2,523,559
Joint venture	-	-	995,152	-	995,152
Total segment liabilities	(19,060,831)	(24,226,491)	(9,515,337)	26,124,129	<u>(26,678,530)</u>

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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. Only a marginal 5.3% of the Group's revenue was generated from outside Malaysia in 1H2024. Therefore, an analysis of assets and profits of the Group by geographical distribution has not been included.

	Group	
	1H2024 (Unaudited) RM	1H2023 (Unaudited) RM
Advertising and Marketing	21,048,961	21,035,764
Sales Execution and Distribution	68,736,171	63,560,424
Others	-	8,700
	89,785,132	84,604,888
<i>Timing of revenue recognition</i>		
At a point in time	2,930,822	5,370,293
Over time	86,854,310	79,234,595
	89,785,132	84,604,888

5. Financial assets and financial liabilitiesFair value measurement

The fair value hierarchy has the following levels:

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

The carrying amounts and fair values of financial assets and financial liabilities of the Group as at 30 November 2023 and 31 May 2023, 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
Group					
30.11.2023 (unaudited)					
Financial assets					
Joint venture	-	-	-	750,000	750,000
Unquoted equity investments	-	-	3,870,986	-	3,870,986
CCCPS (as defined herein)	-	9,742,041	-	-	9,742,041
Investment in short-term fund	-	2,175,106	-	-	2,175,106
Trade and other receivables	36,750,335	-	-	-	36,750,335
Cash and cash equivalents	17,789,922	-	-	-	17,789,922
	54,540,257	11,917,147	3,870,986	750,000	71,078,390
Financial liabilities					
Trade and other payables	11,943,086	-	-	-	11,943,086
Borrowings	3,368,778	-	-	-	3,368,778
Lease liabilities	2,406,400	-	-	-	2,406,400
	17,718,264	-	-	-	17,718,264

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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
Group					
31.5.2023 (audited)					
Financial assets					
Joint venture	-	-	-	750,000	750,000
Unquoted equity investments	-	2,380,000	3,870,986	-	6,250,986
CCCPS (as defined herein)	-	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
	59,302,181	12,980,192	3,870,986	750,000	76,903,359
Financial liabilities					
Trade and other payables	17,588,526	-	-	-	17,588,526
Borrowings	3,166,060	-	-	-	3,166,060
Lease liabilities	3,264,643	-	-	-	3,264,643
	24,019,229	-	-	-	24,019,229
Company					
30.11.2023 (unaudited)					
Financial assets					
Joint venture	-	-	-	750,000	750,000
Trade and other receivables	7,930,774	-	-	-	7,930,774
Cash and cash equivalents	1,985,583	-	-	-	1,985,583
	9,916,357	-	-	750,000	10,666,357
Financial liabilities					
Trade and other payables	232,605	-	-	-	232,605
31.5.2023 (audited)					
Financial assets					
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
	12,207,532	-	-	750,000	12,957,532
Financial liabilities					
Trade and other payables	330,305	-	-	-	330,305

Unquoted equity investments

During 1H2024, the Group had written-down the entire value of its investment in PB Grocery Group Sdn. Bhd. and its group of companies (“**PB Group**”) of RM2,380,000 as all the business operations had ceased since early November 2023. The said cessation was due to the lack of additional funding to support the operations of the PB Group.

At 31 May 2023, the fair value of the unquoted equity investment that is classified at fair value through profit or loss is determined by reference to the most recent financing that has occurred in the investee company and applying the Black Scholes model to determine the fair value of the put option included in the equity investment.

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

Unquoted equity investments (cont'd)

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 transaction as well as consideration of internal and external changes in the business and market environment that the investee company operates in. This fair value measurement is categorised under Level 3 of the fair value hierarchy.

Cumulative, Fully and Compulsory Convertible non-Participating Preference Shares ("CCCPS")

For valuation of the CCCPS, management considered the nature and terms of the CCCPS, and with consideration of the financial information of the investee company. This fair value measurement is categorised under Level 3 of the fair value hierarchy. The Group has not recognised any fair value gain or loss in 1H2024.

Short-term fund investments

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

6. Other income

	Group	
	1H2024 (Unaudited) RM	1H2023 (Unaudited) RM
(Loss)/Gain on foreign exchange	(140,088)	36,298
Gain on disposal of property, plant and equipment	137,288	1,335
Interest income	183,508	35,606
Rental income	25,380	13,414
Government grant	-	34,582
Miscellaneous income	55,474	209,828
	<u>261,562</u>	<u>331,063</u>

7. Finance costs

	Group	
	1H2024 (Unaudited) RM	1H2023 (Unaudited) RM
Interest expense		
- Lease liabilities	90,138	77,379
- Short term loan	20,998	74,078
	<u>111,136</u>	<u>151,457</u>

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8. Profit before tax

8.1 Significant items

<u>Income/(expenses)</u>	Group	
	1H2024 (Unaudited) RM	1H2023 (Unaudited) RM
Interest income	183,508	35,606
Bad debts written off ⁽¹⁾	(7,392)	(1,916)
Fair value loss for financial asset at fair value through profit or loss ⁽²⁾	(2,380,000)	-
Impairment on trade receivables ⁽³⁾	(100,850)	-
Gain on disposal of property, plant and equipment ⁽⁴⁾	137,288	1,335
Gain/(Loss) on foreign exchange		
- Realised ⁽⁵⁾	(12,145)	(104,950)
- Unrealised ⁽⁵⁾	(194,117)	25,638
Amortisation for club membership	(3,614)	(3,614)
Depreciation of property, plant and equipment ⁽⁶⁾	(529,939)	(477,786)
Depreciation of right-of-use assets ⁽⁷⁾	(815,131)	(782,818)
Inventories written off ⁽⁸⁾	(67,735)	(36,155)
Rental expenses ⁽⁹⁾	(103,470)	(192,439)
Staff costs ⁽¹⁰⁾	(68,627,412)	(62,726,333)
Property, plant and equipment written off	(190)	(32)

Notes:

- (1) Bad debts written off mainly relates to the uncollectible doubtful debts due to client's financial difficulties.
- (2) Fair value loss for financial asset at fair value through profit or loss relates to written-down investment in the PB Group.
- (3) Impairment on trade receivables relates to the impairment of trade receivables in the PB Group of approximately RM90,000 and from other trade receivables of approximately RM11,000.
- (4) The gain on disposal of property, plant and equipment was mainly due to the gain of disposal of motor vehicles.
- (5) The decrease in realised loss was mainly due to the absence of US\$ billings from the suppliers of shopperPlus Myanmar in 1H2024 as compared to 1H2023. The unrealised loss in 1H2024 was mainly due to US\$ weakening against Myanmar Kyat for US\$ cash balances recorded in the books of shopperPlus Myanmar.
- (6) The increase in depreciation of property, plant and equipment was mainly due to acquisition of furniture and fittings, office equipment and office renovation during the financial period.
- (7) The increase in depreciation of right-of-use assets was mainly due to the additional office lease during the financial period.
- (8) The inventories written off relate to the expired and damaged stocks that had been written off in the financial period.
- (9) The decrease in rental expenses in 1H2024 was mainly due to the expiration of certain short-term leases.
- (10) The increase in staff costs was mainly due to an increase in staff salary and number of headcounts.

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8.2 Related party transactions

	Group	
	1H2024 (Unaudited) RM	1H2023 (Unaudited) RM
With immediate and ultimate holding company:		
Payment of lease liabilities and interest expense	(193,607)	(193,200)
Additions of new leases contracted	74,366	1,071,257
Dividends paid	(751,493)	(486,580)
With associated companies:		
Rental income	-	10,000
Interest income on advances to an associated company	-	13,030
With joint venture:		
IT service retainer fees expenses	(76,320)	(76,320)

9. Tax expense

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

	Group	
	1H2024 (Unaudited) RM	1H2023 (Unaudited) RM
Current income tax		
- Current year	1,284,154	992,654
Deferred tax		
- Current year	37,139	8,703
- Adjustment in respect of deferred tax for prior years	(41,869)	(564,059)
	<u>1,279,424</u>	<u>437,298</u>

10. Property, plant and equipment

During 1H2024, the Group acquired assets amounting to RM0.3 million (1H2023: RM0.5 million). No impairment is charged for 1H2024 and 1H2023.

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 and five years;
- (ii) In addition, the Group leases certain office spaces and motor vehicles with contractual terms of 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 1H2024, the Group recognised an addition of right-of-use assets in office spaces amounting to RM74,000 (1H2023: RM1.3 million).

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12. Intangible assets

During 1H2024 and 1H2023, 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 (31 May 2023: RM2.0 million).

13. Investment in associated companies

During 1H2024, the Group did not have additions to investment in associated companies.

The associated companies are measured using the equity method.

14. Joint venture

During 1H2024 and 1H2023, the Group did not have additions in joint venture. The Group's joint venture represents the Group's interest in a company in Singapore, namely Avinity Analytics Pte. Ltd., which is 40.0% 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 30.11.2023 (Unaudited) RM	As at 31.5.2023 (Audited) RM
Non-current		
(a) Unquoted equity investment	-	2,380,000
(b) CCCPS	9,742,041	9,742,041
	<u>9,742,041</u>	<u>12,122,041</u>
Current		
(c) Investments in short-term fund	2,175,106	858,151
	<u>2,175,106</u>	<u>858,151</u>

- (a) Unquoted equity investment represents the Group's interest in the PB Group, which is engaged in online groceries related activities.

During 1H2024, the Group had written-down the entire value of its investment in PB Group of RM2,380,000 as all the business operations had ceased since early November 2023. The said cessation was due to the lack of additional funding to support the operations of the PB Group.

- (b) CCCPS represents the Group's interest in the CCCPS of BetterPlace Safety Solution Private Limited ("BP"), incorporated in India, which is engaged in the business of providing full-stack human capital management technology solutions and services to its customer primarily tailored around blue-collared workers in terms of life-cycle management.

On 13 April 2023, the Group entered into a Share Purchase Agreement, a Seller Consideration Agreement and a Share Subscription Agreement to sell its 21.5% shareholding in its associated company, Troopers Innovation Sdn. Bhd. with net carrying amount of RM1,881,248 to BetterPlace Global Pte. Ltd. for a total consideration of RM13,696,570.

According to the Seller Consideration Agreement, the sale consideration is satisfied by cash consideration of RM3,954,528 and subscription consideration of RM9,742,041 which will be utilised to subscribe for 4,915 units of CCCPS of BP.

As of 31 May 2023, the 4,915 units of CCCPS have been allotted to the Group and the CCCPS is convertible to a variable number of equity shares in BP to the value of RM9,742,041 and the number of shares to be issued will be based on the valuation of BP as of the conversion date. The Group has up to 20 years from the date of subscription to convert the CCCPS.

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

(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 30.11.2023 (Unaudited) RM	As at 31.5.2023 (Audited) RM
Equity investments designated at FVOCI		
Unquoted equity investments	3,870,986	3,870,986

Unquoted equity investments represent interests in companies in Malaysia, namely Lapasar 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 30.11.2023 (Unaudited) No. of shares	As at 30.11.2023 (Unaudited) RM	As at 31.5.2023 (Audited) No. of shares	As at 31.5.2023 (Audited) RM
Issued and paid up:				
At the beginning/end of the period/ year	108,803,600	51,850,444	108,803,600	51,850,444

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

18. Treasury shares

	Group and Company		
	As at 30.11.2023 (Unaudited) RM	As at 31.5.2023 (Audited) RM	As at 30.11.2022 (Unaudited) RM
Issued and paid up:			
At the beginning/end of the period/year	1,769,029	1,769,029	1,769,029
	Number of shares		
	As at 30.11.2023 (Unaudited)	As at 31.5.2023 (Audited)	As at 30.11.2022 (Unaudited)
Issued and paid up:			
At the beginning/end of the period/year	5,596,400	5,596,400	5,596,400
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%	5.14%

The Company did not have any subsidiary holdings during and as at 30 November 2023, 31 May 2023 and 30 November 2022. There were no sales, transfers, cancellation and/or use of treasury shares during and as at 30 November 2023, 31 May 2023 and 30 November 2022.

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19. (Loss)/earnings per share

	1H2024 (Unaudited)	1H2023 (Unaudited)
(Loss)/Profit attributable to equity holders of the Company (RM)	(2,045,934)	1,401,331
Weighted average number of ordinary shares on issue during the period	108,803,600	108,803,600
Basic and diluted (loss)/earnings per ordinary share (sen)	<u>(1.88)</u>	<u>1.29</u>

20. Net asset value per share

	Group		Company	
	As at 30.11.2023 (Unaudited)	As at 31.5.2023 (Audited)	As at 30.11.2023 (Unaudited)	As at 31.5.2023 (Audited)
Net asset value attributable to equity holders of the Company (RM)	65,808,542	69,665,953	47,825,970	49,962,010
Number of ordinary shares in issue (excluding treasury shares)	108,803,600	108,803,600	108,803,600	108,803,600
Net asset value per ordinary share (sen)	<u>60.48</u>	<u>64.03</u>	<u>43.96</u>	<u>45.92</u>

21. Dividends paid

	Group	
	1H2024 (Unaudited) RM	1H2023 (Unaudited) RM
Ordinary dividends paid:		
Final single tier tax exempted dividend of SGD0.005 per share, on the 108,803,600 ordinary shares, was declared on 27 September 2023 and paid on 20 October 2023 in respect of the financial year ended 31 May 2023	1,885,080	-
Final single tier tax exempted dividend of SGD0.0035 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	-	<u>1,224,503</u>

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22. Borrowings and lease liabilities

The accompanying notes to the statement of financial position:

	Group	
	As at 30.11.2023 (Unaudited) RM	As at 31.5.2023 (Audited) RM
<i>Aggregate amount of borrowings and debt securities:</i>		
Repayable on demand or within 1 year		
- Secured	160,636	321,718
- Unsecured	4,478,088	4,413,178
Repayable within 2 to 5 years		
- Secured	5,743	39,904
- Unsecured	1,130,711	1,655,903
	<u>5,775,178</u>	<u>6,430,703</u>

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 Leases; 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.

Details of any collateral

An amount of RM166,379 (31 May 2023: RM361,622) included in lease liabilities is secured against motor vehicles under right-of-use assets with a net carrying value of approximately RM452,737 as at 30 November 2023 (31 May 2023: RM699,356).

The Group has a short-term loan facility from a bank of RM3,168,778. The facility is secured by way of the following:

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

The Group has a separate revolving credit facility from a bank of RM200,000. The facility is secured by way of the following:

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

23. Subsequent events

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

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

1. Review

The condensed interim consolidated statement of financial position of the Group as at 30 November 2023, the condensed interim consolidated statement of comprehensive income for 1H2024 and 1H2023, the condensed interim consolidated statement of changes in equity as at 30 November 2023 and the condensed interim consolidated statement of cash flows for 1H2024 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 FY2023 was not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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

(A) REVIEW OF THE GROUP'S PERFORMANCE

Revenue

Revenue increased by RM5.2 million or 6%, from RM84.6 million in 1H2023 to RM89.8 million in 1H2024 mainly due to an increase in revenue from the Sales Execution and Distribution segment of RM5.2 million.

Revenue from the Sales Execution and Distribution segment increased by approximately RM5.2 million or 8% in 1H2024 as compared to 1H2023, mainly due to an increase in revenue from existing clients.

Revenue from the Advertising and Marketing segment increased by approximately RM13,000 or 0.06% in 1H2024 as compared to 1H2023.

Cost of sales

Cost of sales increased by RM3.0 million or 5%, from RM66.7 million in 1H2023 to RM69.7 million in 1H2024 in line with the increase in revenue.

Gross Profit and Gross Profit Margin

Gross profit increased by approximately RM2.1 million or 12%, from RM17.9 million in 1H2023 to RM20.0 million in 1H2024. The increase in gross profit is mainly contributed by the Advertising and Marketing segment.

Gross profit margin increased slightly from 21.1% in 1H2023 to 22.3% in 1H2024.

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Other Income

Other income decreased by approximately RM70,000 or 21%, from RM0.33 million in 1H2023 to RM0.26 million in 1H2024.

Administrative Expenses

Administrative expenses increased by approximately RM2.4 million or 15%, from RM16.0 million in 1H2023 to RM18.4 million in 1H2024, mainly due to higher staff costs and the expenses incurred for organising the Retail Innovation Showcase events.

Impairment on Trade Receivables

Impairment on trade receivables relates to the impairment of trade receivables in PB Group of approximately RM90,000 and other trade receivables of approximately RM11,000.

Fair Value Loss for Financial Asset at Fair Value Through Profit or Loss

During 1H2024, the Group had written-down the entire value of the investment in the PB Group of RM2.38 million ("**Write-Down**") as all the business operations of PB Group had ceased since early November 2023. The said cessation was due to the lack of additional funding to support the operations of the PB Group.

Finance Costs

Finance costs decreased by RM40,000 or 27%, from approximately RM151,000 in 1H2023 to approximately RM111,000 in 1H2024, mainly due to a decrease in interest expenses arising from a lower drawdown amount from the short-term loan.

Share of Results of Associated Companies

Share of results of associated companies decreased by RM38,000 or 32%, from approximately RM120,000 in 1H2023 to approximately RM82,000 in 1H2024, mainly due to the disposal of the Group's stake in Troopers Innovation Sdn. Bhd. on 13 April 2023.

Share of Results of Joint Venture

Share of results of joint venture of approximately RM6,000 in 1H2024 mainly relates to losses incurred by Avinity Analytics Pte. Ltd. and its subsidiary, Avinity Analytics Sdn. Bhd.. The joint venture started its business operations in February 2022 and is currently focusing on the Malaysia market.

(Loss)/Profit Before Tax

As a result of the above, the Group incurred a loss before tax of RM0.8 million in 1H2024 as compared to a profit before tax of RM2.0 million in 1H2023.

Tax Expense

Tax expense increased by approximately RM0.9 million or 193%, from RM0.4 million in 1H2023 to RM1.3 million in 1H2024, mainly due to an increase in income tax provision of RM0.3 million and a decrease in adjustment in respect of deferred tax for prior years of RM0.5 million.

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(B) REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current Assets

The Group's non-current assets decreased by RM3.3 million, from RM25.9 million as at 31 May 2023 to RM22.6 million as at 30 November 2023. The decrease was mainly due to the Write-Down.

Right-of-use assets decreased by RM0.8 million, mainly due to depreciation of such right-of-use assets.

Investment in associated companies decreased by RM0.1 million, mainly due to the share of loss from associated companies.

Financial assets at fair value through profit or loss decreased by RM2.4 million mainly due to the Write-Down.

Deferred tax assets increased by RM0.1 million, mainly due to the increase in future deductible expenditure derived from the accrued expenditures and bonus provision.

Current Assets

The Group's current assets decreased by RM3.8 million, from RM74.0 million as at 31 May 2023 to RM70.2 million as at 30 November 2023, mainly due to a decrease in (i) cash and cash equivalents of RM3.8 million and (ii) contracts assets of RM1.5 million; and was partially offset by an increase in financial assets at fair value through profit or loss of RM1.3 million.

Financial assets at fair value through profit or loss increased by RM1.3 million mainly due to an increase in investments in short-term fund.

Contract assets decreased by RM1.5 million, mainly due to an increase in the billings of previously unbilled services rendered in the second half of FY2023.

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 decreased by RM0.4 million from RM71.2 million as at 31 May 2023 to RM70.8 million as at 30 November 2023, mainly due to the Group's loss after tax of RM2.1 million attributable primarily to the Write-Down and the dividends paid of RM1.9 million, which was partly offset by an increase in non-controlling interests of RM3.4 million.

Non-current Liabilities

The Group's non-current liabilities decreased by RM0.5 million, from RM1.8 million as at 31 May 2023 to RM1.3 million as at 30 November 2023, mainly due to repayment of borrowings.

Current Liabilities

The Group's current liabilities decreased by RM6.4 million, from RM27.0 million as at 31 May 2023 to RM20.6 million as at 30 November 2023, mainly due to a decrease in trade and other payables of RM5.4 million and contract liabilities of RM0.8 million.

Trade and other payables decreased by RM5.4 million, mainly due to a reduction in reimbursement of expenses payable to sales force staff and payment of bonuses in relation to FY2023.

Contract liabilities decreased by RM0.8 million, mainly due to the lower advanced billings from the Group to its clients.

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Working Capital

The Group reported a positive working capital of RM49.5 million as at 30 November 2023, as compared to RM47.0 million as at 31 May 2023.

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

Net cash used in operating activities in 1H2024 was RM3.0 million, due to operating cash flow before working capital changes of RM3.2 million, changes in working capital of RM5.4 million, and payment of income tax expense of RM0.9 million. Changes in working capital were mainly due to an increase in trade and other payables and contract liabilities of RM6.2 million, an increase in inventories of RM0.3 million and partially offset by a decrease in trade and other receivables and contract assets of RM1.2 million.

Net cash used in investing activities in 1H2024 was RM1.3 million, mainly due to placement of investments in short-term funds.

Net cash from in financing activities of RM0.7 million in 1H2024 mainly relates to cash from the share subscription by Future Fields Pte. Ltd. ("FFPL") for RM3.4 million, which was partly offset by dividends paid to owners of the Company of RM1.9 million, and repayment of lease liabilities of RM0.9 million.

As a result of the above, net cash and cash equivalents decreased by RM3.6 million in 1H2024.

Material increases in cash obtained from financing activities

During 1H2024, FFPL subscribed for a 30% shareholding interest in Marvel Distribution Sdn. Bhd. ("MDSB") for RM3.4 million.

Material deficit in cash from operation

Material deficit in cash from operating activities in 1H2024 was mainly due to an increase in payment for other payables.

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.

Media

The media landscape has become heavier on digital spending. Pos Ad, shopperplus Singapore and shopperplus Myanmar are putting more focus on digitising the media offering, such as investing in digital screen hardware and advertisement operations software to allow advertising to be implemented with shorter lead times.

Aside from this, the Group will explore and implement influencer marketing and push brands to use tools such as live streaming to complement their sales.

An October report by Cube Asia, a market intelligence company focused on Southeast Asia's online retail environment, emphasizes that influencer marketing is a significant sales driver for e-commerce in Southeast Asia. It directly contributes about US\$11 billion in net merchandise value (NMV). Marketing expenditure on influencers will reach US\$4 billion this year in 2023, where influencers will eat up 60% of the revenue. Platforms are investing in influencers, driving more

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people to be content creators and be part of the creator economy¹. The Group will need to leverage these trends when providing solutions to brands.

Talent

Malaysia is looking to implement the Progressive Wage Policy (“PWP”) by late 2024 at the earliest with a pilot to be implemented in June to September 2024. The white paper proposes that in the first year of implementation, the PWP will cover formal sector workers with a monthly income between RM1,500 and RM4,999, involving at least four million wage earners in Malaysia. While the government has yet to decide which sectors are affected, the white paper proposes to provide wage increment guidance based on classifications set by the Ministry of Human Resources². This salary increase will increase the cost of doing business, and eventually drive inflation of products and services as well. However, it will also bode well for Jump Retail and Retail Galaxy, being in the manpower management services, will have a natural effect of an increase in revenue. Clients will expect higher efficiency from the managed staff by Jump Retail and Retail Galaxy, hence, this will lead to an increase in training and upskilling required for our talent pool.

Capital

Investors are tight on cash and are more selective about which companies to invest in, with a cautious view towards companies that are burning cash and making losses. There will be a push for start-ups to keep their fixed costs low while having a timeline to profitability³. The Group will continue to look for meaningful and profitable companies that are in line with its vision to be the leading tech-driven shopper marketing agency in the region. One thing to note is that in Malaysia, a capital gain tax of 10% of net gain on the disposal of shares will be introduced for selling unlisted shares, with exception to venture capital companies with effect as of 1 March 2024 and could cause some initial hesitation on potential mergers & acquisitions consideration⁴.

Malaysia

Malaysian economy is projected to expand between 4% to 5% in 2024⁵. There are concerns about rising cost of doing business caused by rationalisation of subsidies, increase in sales and service tax from 6% to 8% with an expanded scope of taxable services⁶, and this has a cascading effect which will ultimately result in higher prices and inflationary pressure.

Singapore

Johor-Singapore Special Economic Zone (“SEZ”) is an exciting and welcome proposal to foster better collaboration between Singapore and Malaysia. A committee has been tasked to conduct a feasibility study and the memoranda of understanding is expected to be signed by 11 January 2024. The details of the MOU are unknown, but a SEZ would benefit the Group in terms of investments from our richer neighbour who would enjoy the benefits of slightly lower cost for services such as digital marketing and media⁷.

Myanmar

Myanmar remains a concern for the future of doing business due to political instability caused by the civil war⁸. However, as of the recent Retail Innovation Showcase that was held in Myanmar on 5 December 2023, the response from the event was encouraging. A total of 200 participants attended the event and media bookings were made in the following weeks. The showcase showed the strength of the City Mart as a destination of choice for shoppers, and shopperplus Myanmar as a sole partner in engaging shoppers through various forms of media formats.

¹ <https://www.theedgesingapore.com/edgeinvest/news/news/digital-economy/new-kings-and-queens-content> (23 November 2023)

² <https://www.theedgemaalaysia.com/node/692668> (11 December 2023)

³ <https://theedgemaalaysia.com/node/690544> (21 November 2023)

⁴ <https://www2.deloitte.com/content/dam/Deloitte/my/Documents/tax/my-tax-esspresso-special-edition-malaysia-budget-2024-snapshot.pdf> (October 2023)

⁵ <https://theedgemaalaysia.com/node/690744> (28 November 2023)

⁶ <https://www.pwc.com/my/en/assets/publications/Taxavvy/2023/pwc-taxavvy-budget-2024-edition-ver4.pdf> (13 October 2023)

⁷ <https://www.nst.com.my/news/government-public-policy/2023/10/972964/malaysia-singapore-agree-jointly-develop-johor> (30 October 2023)

⁸ <https://edition.cnn.com/2023/11/28/asia/myanmar-nationwide-offensive-junta-intl-hnk/index.html> (28 November 2023)

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5. Dividend

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

No dividend has been declared or recommended for 1H2024.

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for the financial period ended 30 November 2023, as the Board of Directors deems it appropriate to retain the cash for the Group's working capital, capital expenditure and future growth.

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

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

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

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention, which may render the unaudited consolidated financial results of the Group for the half year ended 30 November 2023 to be false or misleading in any material aspects.

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

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

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

The Group does not have any acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since 31 May 2023.

The Group, FFPL and MDSB had on 23 October 2023 entered into a share subscription agreement for the following subscriptions:

- (i) FFPL will subscribe for 3,438,355 ordinary shares in MDSB, equivalent to 30% of the enlarged issued and paid-up share capital of MDSB ("**First Share Subscription**") for a subscription price of RM3,438,355;
- (ii) FFPL will subscribe for 8,595,887 ordinary shares in MDSB, being an additional 30% of the enlarged issued and paid-up share capital in MDSB ("**Second Share Subscription**") for a subscription price of RM8,595,887 and the subscription will be completed no later than three (3) months from the satisfaction of the relevant conditions as stipulated in the share subscription agreement; and
- (iii) FFPL has the option to further subscribe for 6,685,690 ordinary shares in MDSB, being an additional 10% of the enlarged issued and paid-up share capital in MDSB ("**Third Share Subscription**") for a subscription price of RM6,685,690, at a date which is no later than 18 months from the date of the share subscription agreement, 23 October 2023.

The First Share Subscription by FFPL was completed in November 2023 with a cash consideration of RM3,438,355.

The completion of the First Share Subscription has resulted in a dilution of the Group's shareholdings to 70% of MDSB. The Group's shareholdings in MDSB will subsequently be diluted to 40% upon the completion of the Second Share Subscription and finally to 30% upon the completion of the Third Share Subscription. MDSB will cease to be a subsidiary of the Group after completion of the Second Share Subscription.

The principal activity 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.

The Company will disclose the completion of the Second Share Subscription and Third Share Subscription in its results announcements.

BY ORDER OF THE BOARD

Chew Sue Ann
Executive Chairman and Group Managing Director
12 January 2024