

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 2024**

*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**”).*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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
(Company Registration Number: 201634929Z)

(A) Condensed interim consolidated statement of comprehensive income

| | Note | Group | | Inc/ (Dec) % |
|--|------|-----------------------------|-----------------------------|--------------------|
| | | 1H2025 (Unaudited) RM | 1H2024 (Unaudited) RM | |
| Revenue | 4 | 93,057,736 | 89,785,132 | 4 |
| Cost of sales | | (77,675,881) | (69,746,074) | 11 |
| Gross profit | | 15,381,855 | 20,039,058 | (23) |
| Other income | 6 | 355,612 | 261,562 | 36 |
| Expenses | | | | |
| Administrative expenses | | (15,368,122) | (18,411,005) | (17) |
| Other operating expenses | | - | (1,446) | NM |
| Reversal of impairment/(Allowance of impairment) losses on trade receivables | | 5,406 | (100,850) | NM |
| Fair value loss for financial asset at fair value through profit or loss | 5 | - | (2,380,000) | NM |
| Finance costs | 7 | (66,650) | (111,136) | (40) |
| Share of results of associated companies | | (826,896) | (81,860) | >100 |
| Share of results of joint venture | | 70,913 | (5,868) | NM |
| Loss before tax | 8 | (447,882) | (791,545) | (43) |
| Tax expense | 9 | (621,900) | (1,279,424) | (51) |
| Loss for the period | | (1,069,782) | (2,070,969) | (48) |
| 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 | | 379,633 | 73,603 | >100 |
| <i>Item that will not be reclassified subsequently to profit or loss:</i> | | | | |
| Currency translation differences arising from consolidation | | (64,433) | 13,086 | NM |
| Other comprehensive income/(loss) for the period, net of tax | | 315,200 | 86,689 | >100 |
| Total comprehensive loss for the period | | (754,582) | (1,984,280) | (62) |
| Loss attributable to: | | | | |
| Equity holders of the Company | | (1,120,465) | (2,045,934) | (45) |
| Non-controlling interest | | 50,683 | (25,035) | NM |
| Loss for the period | | (1,069,782) | (2,070,969) | (48) |
| Total comprehensive loss attributable to: | | | | |
| Equity holders of the Company | | (740,832) | (1,972,331) | (62) |
| Non-controlling interest | | (13,750) | (11,949) | 15 |
| | | (754,582) | (1,984,280) | (62) |
| Loss per share (sen per share): | | | | |
| Basic and diluted | 19 | (1.03) | (1.88) | (45) |

Notes:

- (1) "1H2025": 6 months financial period ended 30 November 2024.
- (2) "1H2024": 6 months financial period ended 30 November 2023.
- (3) NM: Not meaningful

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(B) Condensed interim statements of financial position

| | Note | Group | | Company | |
|---|------|---|--|---|--|
| | | As at 30 November 2024 (Unaudited) RM | As at 31 May 2024 (Audited) RM | As at 30 November 2024 (Unaudited) RM | As at 31 May 2024 (Audited) RM |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 10 | 1,097,194 | 1,783,288 | - | - |
| Right-of-use assets | 11 | 1,223,893 | 1,748,858 | - | - |
| Intangible assets | 12 | 3,227,431 | 2,832,176 | - | - |
| Investment in subsidiaries | | - | - | 37,013,629 | 37,013,629 |
| Investment in associated companies | 13 | 3,755,900 | 4,582,796 | - | - |
| Joint venture | 14 | 1,057,434 | 986,521 | 1,002,075 | 1,002,075 |
| Financial assets at fair value through profit or loss | 15 | 9,742,041 | 9,742,041 | - | - |
| Financial assets at fair value through other comprehensive income | 16 | 7,215,409 | 7,215,409 | - | - |
| Deferred tax assets | | 1,136,325 | 1,060,178 | - | - |
| Total non-current assets | | 28,455,627 | 29,951,267 | 38,015,704 | 38,015,704 |
| Current assets | | | | | |
| Financial assets, at fair value through profit or loss | 15 | 71,549 | 2,590,747 | - | - |
| Trade and other receivables | | 37,319,689 | 36,614,126 | 8,166,543 | 7,698,929 |
| Contract assets | | 11,666,257 | 9,672,029 | - | - |
| Tax recoverable | | 1,590,274 | 837,264 | - | - |
| Cash and cash equivalents | | 11,868,908 | 16,239,982 | 963,217 | 2,076,812 |
| Total current assets | | 62,516,677 | 65,954,148 | 9,129,760 | 9,775,741 |
| Total assets | | 90,972,304 | 95,905,415 | 47,145,464 | 47,791,445 |
| 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) |
| Capital reserve | | (1,354,855) | (1,354,855) | - | - |
| Merger reserve | | (17,453,646) | (17,453,646) | - | - |
| Fair value reserve | | 5,214,309 | 5,214,309 | - | - |
| Currency translation reserve | | (178,756) | (558,389) | - | - |
| Retained earnings/ (Accumulated losses) | | 36,902,673 | 38,023,138 | (3,150,708) | (2,658,362) |
| Equity attributable to equity holders of the Company, total | | 73,211,140 | 73,951,972 | 46,930,707 | 47,423,053 |
| Non-controlling interest | | 737,222 | 750,972 | - | - |
| Total equity | | 73,948,362 | 74,702,944 | 46,930,707 | 47,423,053 |
| Non-current liabilities | | | | | |
| Lease liabilities | 22 | 435,633 | 704,064 | - | - |
| Deferred tax liabilities | | 231,462 | 141,871 | - | - |
| Total non-current liabilities | | 667,095 | 845,935 | - | - |
| Current liabilities | | | | | |
| Trade and other payables | | 11,891,435 | 15,339,855 | 214,757 | 368,392 |
| Contract liabilities | | 2,237,341 | 2,254,491 | - | - |
| Borrowings | 22 | 1,344,817 | 1,617,186 | - | - |
| Lease liabilities | 22 | 883,254 | 1,145,004 | - | - |
| Total current liabilities | | 16,356,847 | 20,356,536 | 214,757 | 368,392 |
| Total liabilities | | 17,023,942 | 21,202,471 | 214,757 | 368,392 |
| Total equity and liabilities | | 90,972,304 | 95,905,415 | 47,145,464 | 47,791,445 |
| Net asset value per share | 20 | 67.29 | 67.97 | 43.13 | 43.59 |

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(C) Condensed interim consolidated statement of changes in equity

| Group | Share capital | Capital reserve | Fair value reserve | Merger reserve | Currency translation reserve | Treasury shares | 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 2024 (audited) | 51,850,444 | (1,354,855) | 5,214,309 | (17,453,646) | (558,389) | (1,769,029) | 38,023,138 | 73,951,972 | 750,972 | 74,702,944 |
| (Loss)/profit for the period | - | - | - | - | - | - | (1,120,465) | (1,120,465) | 50,683 | (1,069,782) |
| Other comprehensive income/(loss), net of tax | | | | | | | | | | |
| <i>Currency translation differences arising from consolidation</i> | - | - | - | - | 379,633 | - | - | 379,633 | (64,433) | 315,200 |
| Other comprehensive income/(loss) for the financial period, net of tax | - | - | - | - | 379,633 | - | - | 379,633 | (64,433) | 315,200 |
| Total comprehensive income/(loss) for the period | - | - | - | - | 379,633 | - | (1,120,465) | (740,832) | (13,750) | (754,582) |
| At 30 November 2024 (unaudited) | 51,850,444 | (1,354,855) | 5,214,309 | (17,453,646) | (178,756) | (1,769,029) | 36,902,673 | 73,211,140 | 737,222 | 73,948,362 |

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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 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 statements of changes in equity (cont'd)

| Company | Share capital RM | Treasury shares RM | Accumulated losses RM | Total equity RM |
|---|-----------------------------|-----------------------------------|--------------------------------------|----------------------------|
| At 1 June 2024 (audited) | 51,850,444 | (1,769,029) | (2,658,362) | 47,423,053 |
| Loss and total comprehensive loss for the financial period | - | - | (492,346) | (492,346) |
| At 30 November 2024 (unaudited) | 51,850,444 | (1,769,029) | (3,150,708) | 46,930,707 |

| 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) | (2,255,545) | 47,825,970 |

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(D) Condensed interim consolidated statement of cash flows

| | Group | |
|---|-----------------------------|-----------------------------|
| | 1H2025 (Unaudited) RM | 1H2024 (Unaudited) RM |
| Cash flows from operating activities | | |
| Loss before tax | (447,882) | (791,545) |
| Adjustments for:- | | |
| Amortisation for intangible assets | 76,907 | 3,614 |
| Reversal of impairment/(Allowance of impairment) losses on trade receivables | (5,406) | 100,850 |
| Bad debts written off | - | 7,392 |
| Depreciation of property, plant and equipment | 416,294 | 529,939 |
| Depreciation of right-of-use assets | 656,607 | 815,131 |
| Interest income | (166,651) | (183,508) |
| Interest expenses | 66,650 | 111,136 |
| Inventories written off | - | 67,735 |
| Fair value loss for financial asset at fair value through profit or loss | - | 2,380,000 |
| Gain on disposal of property, plant and equipment | (129,361) | (137,288) |
| Loss on termination of lease | 408 | - |
| Property, plant and equipment written off | - | 190 |
| Share of results of associated companies | 826,896 | 81,860 |
| Share of results of joint venture | (70,913) | 5,868 |
| Unrealised foreign exchange loss | 147,634 | 194,117 |
| Operating cash flow before movement in working capital | <u>1,371,183</u> | <u>3,185,491</u> |
| Inventories | - | (349,071) |
| Trade and other receivables and contract assets | (2,694,384) | 1,167,335 |
| Trade and other payables and contract liabilities | (3,450,901) | (6,235,462) |
| Currency translation adjustments | (19,335) | 65,425 |
| Cash used in operations | <u>(4,793,437)</u> | <u>(2,166,282)</u> |
| Income tax paid | <u>(1,023,670)</u> | <u>(860,715)</u> |
| Net cash used in operating activities | <u>(5,817,107)</u> | <u>(3,026,997)</u> |
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment | (163,726) | (339,499) |
| Additions of intangible asset | (472,162) | - |
| Interest received | 166,651 | 183,508 |
| Proceeds from disposal of property, plant and equipment | 559,027 | 142,271 |
| Redemption/(placement) of financial assets at fair value through profit or loss | 2,519,198 | (1,316,955) |
| Net cash generated from/(used in) investing activities | <u>2,608,988</u> | <u>(1,330,675)</u> |
| Cash flows from financing activities | | |
| Repayment of lease liabilities | (676,302) | (932,579) |
| Proceeds from short-term loans | 5,734,149 | 12,687,362 |
| Repayment of short-term loans | (6,006,518) | (12,484,644) |
| Dividends paid to owners of the Company | - | (1,885,080) |
| Capital injection by non-controlling interests | - | 3,438,355 |
| Interest paid | (66,650) | (111,136) |
| Net cash (used in)/generated from financing activities | <u>(1,015,321)</u> | <u>712,278</u> |
| Net decrease in cash and cash equivalents | <u>(4,223,440)</u> | <u>(3,645,394)</u> |
| Cash and cash equivalents at beginning of the financial period | 16,239,982 | 21,629,433 |
| Effects of exchange rate changes on cash and cash equivalents | (147,634) | (194,117) |
| Cash and cash equivalents at end of the financial period | <u>11,868,908</u> | <u>17,789,922</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 2024 | 259,644 | 1,617,186 | 1,849,068 | 3,725,898 |
| Change from financing cash flows: | | | | |
| - Proceeds | - | 5,734,149 | - | 5,734,149 |
| - Repayments | - | (6,006,518) | (676,302) | (6,682,820) |
| - Interest paid | - | (11,868) | (54,782) | (66,650) |
| Non-cash changes: | | | | |
| - Interest expense | - | 11,868 | 54,782 | 66,650 |
| - Additions of new leases | - | - | 182,980 | 182,980 |
| - Termination of leases | - | - | (36,859) | (36,859) |
| Effect of changes in foreign exchange rate | (14,668) | - | - | (14,668) |
| Balance at 30 November 2024 | 244,976 | 1,344,817 | 1,318,887 | 2,908,680 |

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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 2024 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 2024 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 2024 (“**FY2024**”).

The accounting policies adopted are consistent with those adopted by the Company in its most recently audited consolidated financial statements for FY2024, 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 2024.

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 |
|--|------------------------------------|---|--------------------|--------------------|---------------------|
| 1H2025 (unaudited) | | | | | |
| Group | | | | | |
| Segment revenue | | | | | |
| Sales to external customers | 19,120,101 | 73,937,635 | - | - | 93,057,736 |
| Intersegment sales | 1,397,502 | 4,610 | 3,982,876 | (5,384,988) | - |
| Total revenue | <u>20,517,603</u> | <u>73,942,245</u> | <u>3,982,876</u> | <u>(5,384,988)</u> | <u>93,057,736</u> |
| Tax (credit)/expense | (208,760) | 646,877 | 183,783 | - | 621,900 |
| Segment (loss)/profit | <u>(1,439,075)</u> | <u>2,222,440</u> | <u>(1,853,147)</u> | <u>-</u> | <u>(1,069,782)</u> |
| Depreciation and amortisation | 522,216 | 408,026 | 219,566 | - | 1,149,808 |
| Reversal of impairment losses on trade receivables | - | (5,406) | - | - | (5,406) |
| Interest income | (296,646) | (52,966) | (96,744) | 279,705 | (166,651) |
| Interest expenses | 171,322 | 36,653 | 138,380 | (279,705) | 66,650 |
| Gain on disposal of property, plant and equipment | (2,999) | (126,362) | - | - | (129,361) |
| Loss on termination of lease | - | 408 | - | - | 408 |
| Share of results of associated companies | - | - | 826,896 | - | 826,896 |
| Share of results of joint venture | - | - | (70,913) | - | (70,913) |
| Assets and liabilities | | | | | |
| Total segment assets | 36,420,810 | 39,726,962 | 110,605,767 | (95,781,235) | <u>90,972,304</u> |
| Segment assets include: | | | | | |
| Additions to non-current assets | 28,790 | 729,698 | 60,380 | - | 818,868 |
| Investment in associated companies | - | - | 3,755,900 | - | 3,755,900 |
| Joint venture | - | - | 1,057,434 | - | 1,057,434 |
| Total segment liabilities | <u>(19,604,172)</u> | <u>(9,012,158)</u> | <u>(9,207,547)</u> | <u>20,799,935</u> | <u>(17,023,942)</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 |
|--|------------------------------------|---|--------------------|--------------------|---------------------------|
| 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 |
| Allowance of impairment losses 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)

b. Geographical segments

The Group operates mainly in Malaysia with revenue generated from customers in Malaysia. Only a marginal 3.6% of the Group's revenue was generated from outside Malaysia in 1H2025. Therefore, an analysis of assets and profits of the Group by geographical distribution has not been included.

| | Group | |
|--------------------------------------|-----------------------------|-----------------------------|
| | 1H2025 (Unaudited) RM | 1H2024 (Unaudited) RM |
| Advertising and Marketing | 19,120,101 | 21,048,961 |
| Sales Execution and Distribution | 73,937,635 | 68,736,171 |
| | 93,057,736 | 89,785,132 |
| <i>Timing of revenue recognition</i> | | |
| At a point in time | 1,702,148 | 2,930,822 |
| Over time | 91,355,588 | 86,854,310 |
| | 93,057,736 | 89,785,132 |

5. Financial assets and financial liabilities

Fair value measurement

The fair value hierarchy has the following levels:

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

The carrying amounts and fair values of financial assets and financial liabilities of the Group as at 30 November 2024 and 31 May 2024, 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 | | | | | |
| 30.11.2024 (unaudited) | | | | | |
| Financial assets | | | | | |
| Joint venture | - | - | - | 750,000 | 750,000 |
| Unquoted equity investments | - | - | 7,215,409 | - | 7,215,409 |
| CCCPS (as defined herein) | - | 9,742,041 | - | - | 9,742,041 |
| Investment in short-term fund | - | 71,549 | - | - | 71,549 |
| Trade and other receivables | 33,778,098 | - | - | - | 33,778,098 |
| Cash and cash equivalents | 11,868,908 | - | - | - | 11,868,908 |
| | 45,647,006 | 9,813,590 | 7,215,409 | 750,000 | 63,426,005 |
| Financial liabilities | | | | | |
| Trade and other payables | 10,819,510 | - | - | - | 10,819,510 |
| Borrowings | 1,344,817 | - | - | - | 1,344,817 |
| Lease liabilities | 1,318,887 | - | - | - | 1,318,887 |
| | 13,483,214 | - | - | - | 13,483,214 |

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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 | | | | | |
| 31.5.2024 (audited) | | | | | |
| Financial assets | | | | | |
| Joint venture | - | - | - | 750,000 | 750,000 |
| Unquoted equity investments | - | - | 7,215,409 | - | 7,215,409 |
| CCCPS (as defined herein) | - | 9,742,041 | - | - | 9,742,041 |
| Investment in short-term fund | - | 2,590,747 | - | - | 2,590,747 |
| Trade and other receivables | 34,119,788 | - | - | - | 34,119,788 |
| Cash and cash equivalents | 16,239,982 | - | - | - | 16,239,982 |
| | 50,359,770 | 12,332,788 | 7,215,409 | 750,000 | 70,657,967 |
| Financial liabilities | | | | | |
| Trade and other payables | 14,487,821 | - | - | - | 14,487,821 |
| Borrowings | 1,617,186 | - | - | - | 1,617,186 |
| Lease liabilities | 1,849,068 | - | - | - | 1,849,068 |
| | 17,954,075 | - | - | - | 17,954,075 |
| Company | | | | | |
| 30.11.2024 (unaudited) | | | | | |
| Financial assets | | | | | |
| Joint venture | - | - | - | 750,000 | 750,000 |
| Trade and other receivables | 8,045,928 | - | - | - | 8,045,928 |
| Cash and cash equivalents | 963,217 | - | - | - | 963,217 |
| | 9,009,145 | - | - | 750,000 | 9,759,145 |
| Financial liabilities | | | | | |
| Trade and other payables | 214,757 | - | - | - | 214,757 |
| 31.5.2024 (audited) | | | | | |
| Financial assets | | | | | |
| Joint venture | - | - | - | 750,000 | 750,000 |
| Trade and other receivables | 7,631,362 | - | - | - | 7,631,362 |
| Cash and cash equivalents | 2,076,812 | - | - | - | 2,076,812 |
| | 9,708,174 | - | - | 750,000 | 10,458,174 |
| Financial liabilities | | | | | |
| Trade and other payables | 368,392 | - | - | - | 368,392 |

Unquoted equity investments

The unquoted equity investment which fair value is carried at profit or loss represents the Group's interest in PB Grocery Group Sdn. Bhd. and its group of companies ("**PB Group**"). In the previous financial year, the Group had written down the entire value of the investments as all the investee's business operations had ceased since early November 2023.

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

Unquoted equity investments (cont'd)

As at 31 May 2024, the fair value of the unquoted equity investment that is designated as fair value through other comprehensive income is measured by reference to recent transactions that have occurred in the investee company and taking into consideration the price that would be received to sell the investment. The fair value measurement is categorised under Level 3 of the fair value hierarchy. Based on the management assessment of investee's financial performance and available information, the Group has not recognised any fair value gain or loss in 1H2025.

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

For valuation of the CCCPS, management considered the characteristic and terms of the CCCPS as set out in the agreements (Note 15), and assessment of the most recent financial information of the investee. The fair value measurement is categorised in Level 3 of the fair value hierarchy. Based on the management assessment of investee's financial performance and available information, the Group has not recognised any fair value gain or loss in 1H2025.

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 | |
|---|-----------------------------|-----------------------------|
| | 1H2025 (Unaudited) RM | 1H2024 (Unaudited) RM |
| Loss on foreign exchange | - | (140,088) |
| Gain on disposal of property, plant and equipment | 129,361 | 137,288 |
| Interest income | 166,651 | 183,508 |
| Rental income | 31,569 | 25,380 |
| Government grant | 13,565 | - |
| Miscellaneous income | 14,466 | 55,474 |
| | <u>355,612</u> | <u>261,562</u> |

7. Finance costs

| | Group | |
|---------------------|-----------------------------|-----------------------------|
| | 1H2025 (Unaudited) RM | 1H2024 (Unaudited) RM |
| Interest expense | | |
| - Lease liabilities | 54,782 | 90,138 |
| - Short term loans | 11,868 | 20,998 |
| | <u>66,650</u> | <u>111,136</u> |

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8. Profit before tax

8.1 Significant items

| <u>Income/(expenses)</u> | Group | |
|---|-----------------------------|-----------------------------|
| | 1H2025 (Unaudited) RM | 1H2024 (Unaudited) RM |
| Interest income | 166,651 | 183,508 |
| Bad debts written off ⁽¹⁾ | - | (7,392) |
| Fair value loss for financial asset at fair value through profit or loss ⁽²⁾ | - | (2,380,000) |
| Reversal of impairment/(Allowance of impairment) losses on trade receivables ⁽³⁾ | 5,406 | (100,850) |
| Gain on disposal of property, plant and equipment ⁽⁴⁾ | 129,361 | 137,288 |
| Loss on foreign exchange | | |
| - Realised ⁽⁵⁾ | (83,765) | (12,145) |
| - Unrealised ⁽⁵⁾ | (147,634) | (194,117) |
| Amortisation for intangible assets ⁽⁶⁾ | (76,907) | (3,614) |
| Depreciation of property, plant and equipment ⁽⁷⁾ | (416,294) | (529,939) |
| Depreciation of right-of-use assets ⁽⁸⁾ | (656,607) | (815,131) |
| Inventories written off ⁽⁹⁾ | - | (67,735) |
| Rental expenses ⁽¹⁰⁾ | (329,220) | (103,470) |
| Staff costs ⁽¹¹⁾ | (72,918,327) | (68,627,412) |
| Property, plant and equipment written off | - | (190) |

Notes:

- (1) Bad debts written off mainly relate to the uncollectible doubtful debts due to client's financial difficulties.
- (2) In 1H2024, fair value loss for financial asset at fair value through profit or loss relates to written-down investment in PB Group.
- (3) In 1H2024, allowance of impairment losses 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. Reversal of impairment losses on trade receivables in 1H2025 was due to repayment from trade debtor which amount was impaired in the prior year.
- (4) The gain on disposal of property, plant and equipment was mainly due to the gain on disposal of motor vehicles.
- (5) The increase in realised loss was mainly due to the withdrawal of a term-deposit (in Singapore Dollar ("SGD")) at a lower exchange rate for SGD against RM, as compared to the exchange rate at placement date. The decrease in unrealised loss was mainly due to a lower US Dollar cash balances held by shopperplus Myanmar which has Myanmar Kyat as its functional currency.
- (6) Amortisation of intangible assets was mainly due to an internally developed software that had been capitalised as intangible asset in the second half of the financial year ended 31 May 2024.
- (7) The decrease in depreciation of property, plant and equipment was mainly due to certain fixed assets being fully depreciated during the financial period.
- (8) The decrease in the depreciation of right-of-use assets was mainly due to the expiry of several office lease contracts during the financial period.
- (9) The inventories written off relate to the expired and damaged stocks that had been written off in 1H2024 incurred by a previously owned subsidiary which is currently an associated company of the Group.
- (10) The increase in rental expenses in 1H2025 was mainly due to an increase in rented office space.
- (11) The increase in staff costs was mainly due to an increase in staff salaries and the number of headcounts.

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8.2 Related party transactions

| | Group | |
|---|-----------------------------|-----------------------------|
| | 1H2025 (Unaudited) RM | 1H2024 (Unaudited) RM |
| With immediate and ultimate holding company: | | |
| Payment of lease liabilities and interest expense | (168,600) | (193,607) |
| Additions of new leases contracted | - | 74,366 |
| Dividends paid | - | (751,493) |
| With associated companies: | | |
| Rental income | 31,569 | - |
| Rental expenses | (134,300) | - |
| IT service retainer fees expenses | (27,000) | - |
| Other income from an associated company | 9,146 | - |
| With joint venture: | | |
| IT service retainer fees expenses | (77,760) | (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 | |
|---|-----------------------------|-----------------------------|
| | 1H2025 (Unaudited) RM | 1H2024 (Unaudited) RM |
| Current income tax | | |
| - Current year | 360,251 | 1,284,154 |
| Deferred tax | | |
| - Current year | 261,649 | 37,139 |
| - Adjustment in respect of deferred tax for prior years | - | (41,869) |

10. Property, plant and equipment

During 1H2025, the Group acquired assets amounting to RM0.2 million (1H2024: RM0.3 million). No impairment is charged for 1H2025 and 1H2024.

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 1H2025, the Group recognised an addition of right-of-use assets in office spaces amounting to RM183,000 (1H2024: RM74,000).

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12. Intangible assets

The Group's intangible assets mainly comprise goodwill on consolidation with a carrying amount of RM2.0 million (31 May 2024: RM2.0 million).

During 1H2025, the Group recognised computer software as intangible asset amounting to RM472,000. The Group did not have additions to intangible assets in 1H2024.

13. Investment in associated companies

During 1H2025, the Group did not have additions to investment in associated companies.

The associated companies are measured using the equity method.

14. Joint venture

During 1H2025 and 1H2024, 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 30.11.2024 (Unaudited) RM | As at 31.5.2024 (Audited) RM |
| Non-current | | |
| (a) CCCPS | 9,742,041 | 9,742,041 |
| Current | | |
| (b) Investments in short-term fund | 71,549 | 2,590,747 |

- (a) 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 (collectively known as the "**Agreements**") to sell its 21.5% shareholding in its former 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 was satisfied by cash consideration of RM3,954,528 and subscription consideration of RM9,742,041 which was utilised to subscribe for 4,915 units of CCCPS of BP.

The 4,915 units of CCCPS had been allotted to the Group and the CCPS 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.

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

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16. Financial assets at fair value through other comprehensive income (“FVOCI”)

| | Group | |
|--|--|---------------------------------------|
| | As at 30.11.2024 (Unaudited) RM | As at 31.5.2024 (Audited) RM |
| Equity investments designated at FVOCI | | |
| Unquoted equity investments | 7,215,409 | 7,215,409 |

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 are not held for trading. Accordingly, management has elected to designate these investments in equity shares at fair value through other comprehensive income. It is the Group’s strategy to hold these investments for long-term purposes.

17. Share capital

| | Group and Company | | | |
|---|---|--|--|---------------------------------------|
| | As at 30.11.2024 (Unaudited) No. of shares | As at 30.11.2024 (Unaudited) RM | As at 31.5.2024 (Audited) No. of shares | As at 31.5.2024 (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 2024, 31 May 2024 and 30 November 2023.

18. Treasury shares

| | Group and Company | | |
|---|--|---------------------------------------|--|
| | As at 30.11.2024 (Unaudited) RM | As at 31.5.2024 (Audited) RM | As at 30.11.2023 (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 30.11.2024 (Unaudited) | As at 31.5.2024 (Audited) | As at 30.11.2023 (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 2024, 31 May 2024 and 30 November 2023. There were no sales, transfers, cancellation and/or use of treasury shares during and as at 30 November 2024, 31 May 2024 and 30 November 2023.

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19. Loss per share

| | 1H2025 (Unaudited) | 1H2024 (Unaudited) |
|---|-------------------------------|-------------------------------|
| Loss attributable to equity holders of the Company (RM) | (1,120,465) | (2,045,934) |
| Weighted average number of ordinary shares on issue during the period | 108,803,600 | 108,803,600 |
| Basic and diluted loss per ordinary share (RM sen) | <u>(1.03)</u> | <u>(1.88)</u> |

20. Net asset value per share

| | Group | | Company | |
|--|---|--|---|--|
| | As at 30.11.2024 (Unaudited) | As at 31.5.2024 (Audited) | As at 30.11.2024 (Unaudited) | As at 31.5.2024 (Audited) |
| Net asset value attributable to equity holders of the Company (RM) | 73,211,140 | 73,951,972 | 46,930,707 | 47,423,053 |
| 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 (RM sen) | <u>67.29</u> | <u>67.97</u> | <u>43.13</u> | <u>43.59</u> |

21. Dividends paid

| | Group | |
|---|--------------------------------------|--------------------------------------|
| | 1H2025 (Unaudited) RM | 1H2024 (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 |
| | <u>-</u> | <u>1,885,080</u> |

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22. Borrowings and lease liabilities

The accompanying notes to the statement of financial position:

| | Group | |
|--|--|---------------------------------------|
| | As at 30.11.2024 (Unaudited) RM | As at 31.5.2024 (Audited) RM |
| <i>Aggregate amount of borrowings and debt securities:</i> | | |
| Repayable on demand or within 1 year | | |
| - Secured | 1,344,817 | 1,657,102 |
| - Unsecured | 883,254 | 1,105,088 |
| Repayable within 2 to 5 years | | |
| - Secured | - | - |
| - Unsecured | 435,633 | 704,064 |
| | <u>2,663,704</u> | <u>3,466,254</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 RM Nil (31 May 2024: RM39,873) included in lease liabilities is secured against motor vehicles under right-of-use assets with a net carrying value of RM Nil as at 30 November 2024 (31 May 2024: RM37,344).

The Group has a short-term loan facility from a bank of RM1,000,000. 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 Retail Galaxy Plus Sdn. Bhd. for RM9,000,000.

The Group has a separate revolving credit facility from a bank of RM344,817. 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 Retail Galaxy Plus 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 2024, the condensed interim consolidated statement of comprehensive income for 1H2025 and 1H2024, the condensed interim consolidated statement of changes in equity as at 30 November 2024 and the condensed interim consolidated statement of cash flows for 1H2025 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 FY2024 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 RM3.3 million or 4%, from RM89.8 million in 1H2024 to RM93.1 million in 1H2025 mainly due to an increase in revenue from the Sales Execution and Distribution segment of RM5.2 million and partly offset by a decrease in revenue from the Advertising and Marketing segment of RM1.9 million.

Revenue from the Sales Execution and Distribution segment increased by approximately RM5.2 million or 8% in 1H2025 as compared to 1H2024, mainly due to an increase in revenue from existing clients as they expanded their business scope and coverage.

Revenue from the Advertising and Marketing segment decreased by RM1.9 million or 9% in 1H2025 as compared to 1H2024, mainly due to a decline in business derived from the Malaysia market due to more cautious advertising expenditure by clients.

Cost of sales

Cost of sales increased by RM7.9 million or 11%, from RM69.7 million in 1H2024 to RM77.7 million in 1H2025 mainly due to increase in cost of sales from the Sales Execution and Distribution segment of RM5.6 million and Advertising and Marketing segment of RM2.3 million.

Gross Profit and Gross Profit Margin

Gross profit decreased by approximately RM4.6 million or 23%, from RM20.0 million in 1H2024 to RM15.4 million in 1H2025. The decrease in gross profit is mainly contributed by the Advertising and Marketing segment of RM4.3 million. This decrease was primarily due to the recent boycott movement towards global brands linked to geopolitical tensions, which influenced consumer spending behaviour and led certain clients to adjust their budget, resulting in a decline in our revenue. Simultaneously, an increase in cost of sales, driven predominantly by rising staff costs, further reduced the margins.

Gross profit margin decreased from 22.3% in 1H2024 to 16.5% in 1H2025.

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Other Income

Other income increased by approximately RM0.1 million or 36%, from RM0.3 million in 1H2024 to RM0.4 million in 1H2025.

Administrative Expenses

Administrative expenses decreased by approximately RM3.0 million or 17%, from RM18.4 million in 1H2024 to RM15.4 million in 1H2025. This reduction was primarily driven by the absence of administrative expenses incurred by Marvel Distribution Sdn. Bhd., a previously owned subsidiary which is currently an associated company of the Group.

The decrease was further contributed by a decrease in staff costs as part of the Group's strategic reorganisation which merged the business operations of Retail Galaxy Sdn. Bhd. with Retail Galaxy Plus Sdn. Bhd. (formerly known as Pos Ad Sdn. Bhd.) in 1H2025.

In addition, the decrease was also contributed by one-off expenses incurred for organising the Retail Innovation Showcase events in 1H2024.

Reversal of Impairment /(Allowance of Impairment) losses on Trade Receivables

Reversal of impairment losses on trade receivables relates to prior year allowances of impairment losses on trade receivables which are no longer needed. In 1H2024, impairment losses 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 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 approximately RM44,000 or 40%, from approximately RM0.1 million in 1H2024 to approximately RM67,000 in 1H2025, mainly due to a decrease in interest expenses arising from a lower drawdown amount of short-term loans.

Share of Results of Associated Companies

Share of results of associated companies of approximately RM0.8 million in 1H2025 mainly relates to losses incurred by Marvel Distribution Sdn. Bhd.

Share of Results of Joint Venture

Share of results of joint venture improved from share of loss of approximately RM6,000 in 1H2024 to share of profit of approximately RM71,000 in 1H2025, mainly due to a growth in profitability of Avinity Analytics Pte. Lte. and its subsidiary, Avinity Analytics Sdn. Bhd. in 1H2025.

Loss Before Tax

As a result of the above, the Group incurred a loss before tax of RM0.4 million in 1H2025 as compared to a loss before tax of RM0.8 million in 1H2024.

Tax Expense

Tax expense decreased by approximately RM0.7 million or 51%, from RM1.3 million in 1H2024 to RM0.6 million in 1H2025, mainly due to a decrease in income tax provision of RM0.9 million and partly offset by an increase in deferred tax of RM0.3 million.

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(B) REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current Assets

The Group's non-current assets decreased by RM1.5 million, from RM30.0 million as at 31 May 2024 to RM28.5 million as at 30 November 2024.

The property, plant and equipment decreased by RM0.7 million, driven by the depreciation and disposal of assets. Right-of-use assets decreased by RM0.5 million, mainly due to depreciation of right-of-use assets.

The decrease was mainly due to the investment in associated companies of RM0.8 million, contributed by the share of loss.

It was partly offset by the increase in intangible assets by RM0.4 million, due to the recognition of computer software as an intangible asset, and an increase in deferred tax asset of approximately RM76,000.

Current Assets

The Group's current assets decreased by RM3.4 million, from RM65.9 million as at 31 May 2024 to RM62.5 million as at 30 November 2024, mainly due to a decrease in (i) cash and cash equivalents of RM4.4 million and (ii) financial assets at fair value through profit or loss of RM2.5 million; and was partially offset by an increase in contract assets of RM2.0 million, tax recoverable of RM0.8 million and trade and other receivables in RM0.7 million.

Financial assets at fair value through profit or loss decreased by RM2.5 million mainly due to lower investments in short-term funds.

Contract assets increased by RM2.0 million mainly due to an increase in 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 decreased by RM0.7 million from RM74.7 million as at 31 May 2024 to RM74.0 million as at 30 November 2024, mainly due to the Group's loss after tax of RM1.1 million and was partly offset by an increase in currency translation of RM0.4 million.

Non-current Liabilities

The Group's non-current liabilities decreased by RM0.2 million, from RM0.8 million as at 31 May 2024 to RM0.6 million as at 30 November 2024, mainly due to repayment of lease liabilities.

Current Liabilities

The Group's current liabilities decreased by RM4.0 million, from RM20.4 million as at 31 May 2024 to RM16.4 million as at 30 November 2024, mainly due to a decrease in (i) trade and other payables of RM3.4 million, (ii) lease liabilities of RM0.3 million and (iii) borrowings of RM0.3 million.

Trade and other payables decreased by RM3.4 million, mainly due to settlement to suppliers. The decrease in both lease liabilities and borrowings were due to repayment by the Group.

Working Capital

The Group reported a positive working capital of RM46.2 million as at 30 November 2024, as compared to RM45.6 million as at 31 May 2024.

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

Net cash used in operating activities in 1H2025 was RM5.8 million, due to operating cash flow before working capital changes of RM1.4 million, changes in working capital of RM6.2 million, and payment of income tax expense of RM1.0 million. Net working capital outflow was mainly due to a decrease in trade and other payables and contract liabilities of RM3.5 million and an increase in trade and other receivables and contract assets of RM2.7 million.

Net cash generated from investing activities in 1H2025 was RM2.6 million, mainly due to redemption of investments in short-term funds.

Net cash used in financing activities of RM1.0 million in 1H2025 mainly relates to repayment of lease liabilities of RM0.7 million, and the remaining was due to net repayment of short-term loans.

As a result of the above, cash and cash equivalents decreased by RM4.2 million in 1H2025.

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.

Business Outlook

The Group continues to face challenges in the market. Rising operational expenses due to the Budget 2025 minimum wage compliance¹ is resulting in more selective spending by clients, particularly in retail. Clients are increasingly prioritising cost management strategies, which include reducing budgets for labour-intensive services like in-store promoters and merchandisers. This trend is expected to persist as businesses seek to balance rising costs with operational efficiency. The Group is actively working with clients to mitigate this impact through resource optimisation, operational efficiency, and streamlining processes to deliver cost-effective solutions. By focusing on these areas, the Group aims to provide continued value to clients while managing the effects of rising costs.

Additionally, global and regional factors are contributing to economic uncertainty and cautious spending trends. The ongoing war in Israel has created economic volatility, which has influenced client spending behaviour. In Malaysia, the 2024 boycott movement had a notable impact on consumable products.^{2 3} Some of the brands reported a slowdown in its real internal growth (RIG) metric, which measures the volume of products sold. This decline was attributed to consumer hesitancy towards global brands linked to geopolitical tensions, particularly the Israel-Hamas conflict. The Group has adjusted strategies to help clients rebuild consumer trust and recover engagement levels, demonstrating agility in responding to these disruptions.

At the same time, the Group sees growing demand for digital marketing services as clients shift to innovative and cost-effective solutions to engage consumers. Moving forward, the Group will focus on enhancing service delivery, optimising costs, and expanding digital solutions to address these shifting priorities and leverage the positive economic outlook.

¹ <https://www.thestar.com.my/news/nation/2024/10/18/budget-2025-minimum-wage-to-go-up-to-rm1700-from-feb-1-2025-says-anwar> (18 October 2024)

² <https://themalaysianreserve.com/2024/01/12/are-boycotts-impacting-homegrown-brands-positively/> (12 Jan 2024)

³ <https://theedgemalaysia.com/node/723522> (28 August 2024)

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Retail Industry Outlook

The retail sector remains under pressure due to rising costs, economic uncertainty, and evolving consumer behaviour. Nevertheless, the outlook for Malaysia in 2024 and 2025 remains generally positive. Malaysia's GDP is projected to grow by 5.0% in 2024 and slightly ease to 4.9% in 2025. This growth is supported by a steady improvement in the labour market, income-boosting measures, and continued recovery in tourism.⁴

Income-boosting initiatives, such as civil service salary and pension reviews, higher cash handouts to lower-income groups, and the minimum wage hike, are expected to drive consumer spending.⁵ This increased spending could benefit companies in retail, services, and consumer goods sectors, creating opportunities for the Group to deliver impactful and targeted shopper marketing solutions.

The retail industry is also witnessing several key trends in 2024 and 2025 that are reshaping operations and consumer engagement. Retailers are increasingly adopting artificial intelligence (“AI”) to boost sales and efficiency, with AI-powered recommendation engines providing personalised shopping experiences that are critical for customer loyalty.⁶ To attract shoppers, retailers are creating more entertaining and engaging in-store experiences, such as interactive displays, product demonstrations, and events. The Group will continue to support clients with cost-effective and impactful campaigns that align with these evolving needs and trends.

Singapore

Meanwhile in Singapore, the retail market is dynamic and competitive, driven by rising incomes, evolving consumer preferences, and technological advancements. Despite challenges like intense competition, opportunities exist in meeting the demand for personalised shopping experiences.⁷ The Group aims to capitalise on this by supporting clients' digital transformation efforts through interactive displays and contest platforms, enabling them to thrive in the evolving retail landscape.

Inflation is expected to ease, with overall inflation projected to fall to 1.9% in 2025 from 2.5% in 2024.⁸ Lower inflation could help maintain consumer purchasing power and support domestic demand, which is advantageous to the Group as it encourages clients to increase their marketing efforts.

5. Dividend

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

No dividend has been declared or recommended for 1H2025.

(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.

⁴ <https://focusmalaysia.my/malaysias-2025-gdp-growth-predicted-at-4-9-amid-global-challenges/> (17 December 2024)

⁵ <https://www.thestar.com.my/business/business-news/2024/12/17/malaysia039s-gdp-forecast-to-grow-by-49-pct-in-2025> (17 December 2024)

⁶ <https://explodingtopics.com/blog/retail-trends> (8 November 2024)

⁷ <https://markwiderresearch.com/singapore-retail-market/> (August 2024)

⁸ <https://www.straitstimes.com/business/economists-raise-singapores-2025-growth-forecast> (11 December 2024)

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

No dividend has been declared/recommended for the financial period ended 30 November 2024, 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 2024 to be false or misleading in any material aspects.

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

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

10. Disclosure 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 2024 pursuant to Rule 706A of the Catalist Rules.

The Group is currently holding 100% equity interest in the issued and paid-up share capital of Shopper360 Sdn. Bhd. ("**Subsidiary**"), a company incorporated in Malaysia. To support its operational and developmental needs, the Group has increased its investment in the issued and paid-up share capital of the Subsidiary by injecting additional capital of RM1,000,000. Following the capital injection, the Group continues to hold 100% of the issued and paid-up share capital of the Subsidiary.

The cash injection, completed at the end of December 2024, is aimed at strengthening an indirect subsidiary's working capital, to support its growth and future development.

The cash injection was funded by internal resources and will not have any material impact on the Group's earnings per share and net tangible asset value per share for the current financial year. It aligns with the Group's strategic objectives and does not present any adverse effects on the interests of the Groups or its shareholders.

None of the directors and controlling shareholders of the Company has any interest, direct or indirect, in the above cash injection (other than by reason of being a director or controlling shareholder of the Company).

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BY ORDER OF THE BOARD

Chew Sue Ann
Executive Chairman and Group Managing Director
10 January 2025