

shopper360



# FLOURISH

NURTURING   EMBRACING   THRIVING

ANNUAL REPORT **20**  
**23**

## OUR VISION

To be the **leading tech-driven shopper marketing experts** in Asia

## OUR MISSION

We aspire to be the leader in the field of shopper marketing, sales and distribution by providing 360 solutions such as integrated digital and offline shopper solutions such as creative specialist, retail consultancy, data analytics, in-store advertising, retail marketing, field force management, promoters activation, on-ground activation and retail technology products and services. Having established shopper360 as a one-stop agency for shopper solutions, brands are able to speed up its sales penetration and distribution by leveraging our network and marketing expertise.

We aspire to attract the best talent that fits our culture of forward thinking, forward doing, collaboration whilst cultivating an environment that promotes integrity, and develops expertise.

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

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

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



### BE EXPERT

We're smart people. We know our products and services inside out; and are always ready to dish out information and advice on them.



### COLLABORATIVE

Two heads are better than one. The best solutions come from working together with our clients, partners and colleagues.



### FORWARD THINKING, FORWARD DOING

We're always one step ahead and challenging the status quo.



### DO WHAT'S RIGHT

Always doing what is morally right for yourself and the company without any compromise in any situation.

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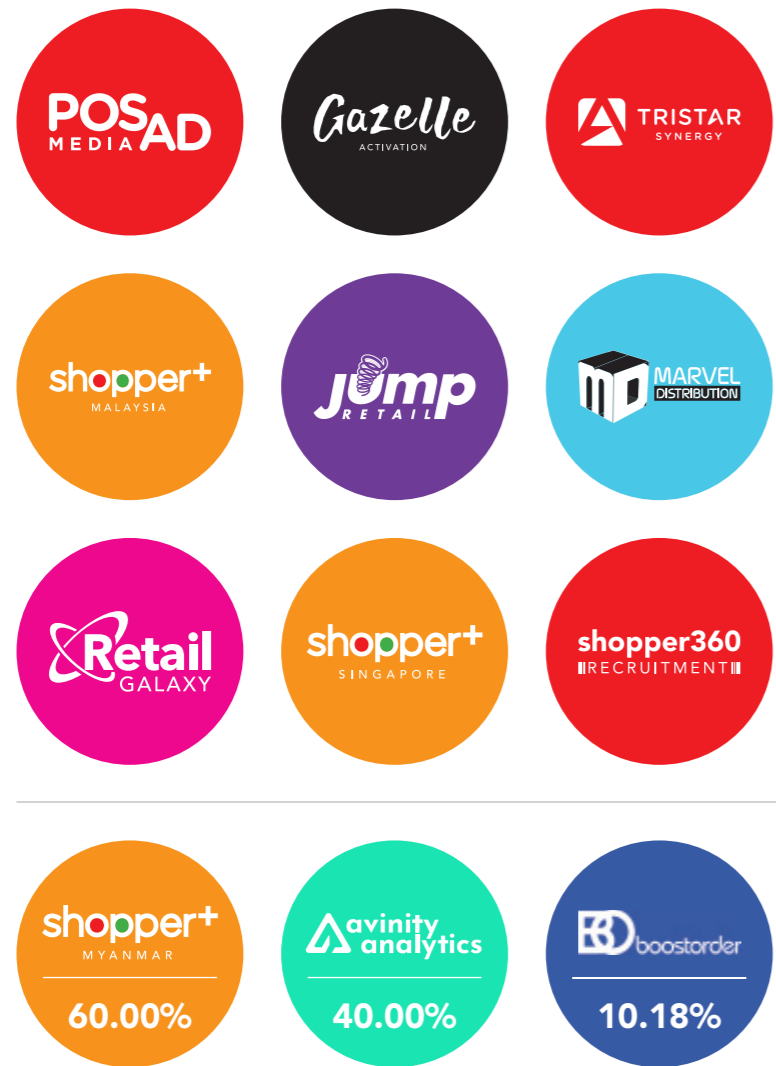
This annual report has been prepared by shopper360 Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual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

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

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


# GROUP STRUCTURE

100% 



(Active Companies Only)

## NON-AFFILIATED INVESTMENT COMPANIES

  
3.20%

  
3.34%

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**CHEW SUE ANN**  
Executive Chairman and Group Managing Director

**JAMES LING WAN CHYE**  
Executive Director

**HEW KOON CHAN**  
Lead Independent Director

**MARGARET AU-YONG**  
Independent Director

**RAJA SINGHAM A/L S.SUKUMARA SINGHAM**  
Independent Director

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

### AUDIT COMMITTEE

- Hew Koon Chan (Chairman)
- Margaret Au-Yong
- Raja Singham A/L S.Sukumara Singham

### NOMINATING COMMITTEE

- Raja Singham A/L S.Sukumara Singham (Chairman)
- Hew Koon Chan
- Zaffary Bin Ab Rashid

### REMUNERATION COMMITTEE

- Margaret Au-Yong (Chairman)
- Hew Koon Chan
- Zaffary Bin Ab Rashid

### COMPANY SECRETARY

- Chua Kern

COMPANY REGISTRATION NUMBER  
201634929Z

### PRINCIPAL PLACE OF BUSINESS

Malaysia  
**shopper360 Sdn Bhd**  
505, 5th Floor, Block A  
Phileo Damansara 2, 15 Jalan 16/11  
46350 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel: +603 7890 5050

Myanmar  
**shopperplus Myanmar Co. Ltd.**  
No.14B, Shwe Kainnyee Housing,  
Nar Nat Taw Road, Kamarut  
Township, Yangon, Myanmar  
Tel: +959 7836 28367

Singapore  
**shopperplus Singapore Pte. Ltd.**  
80 Changi Road, #05-21,  
Centropod,  
Singapore 419715  
Tel: +65 65134833

SHARE REGISTRAR  
**B.A.C.S Private Limited**  
77 Robinson Road,  
#06-03 Robinson 77,  
Singapore 068896

AUDITORS  
**Baker Tilly TFW LLP**  
600 North Bridge Road  
#05-01 Parkview Square, Singapore  
188778  
Partner-in-charge: Foong Chooi Chin

*Appointed since financial year ended 31 May 2020*

PRINCIPAL BANKER  
**The Hong Kong and Shanghai Banking Corporation Limited, Singapore Branch**  
50 Raffles Place,  
Singapore Land Tower,  
Singapore 048623

SPONSOR  
**ZICO Capital Pte. Ltd.**  
77 Robinson Road,  
#06-03 Robinson 77,  
Singapore 068896

REGISTERED OFFICE  
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Website: [www.shopper360.com.my](http://www.shopper360.com.my)

# CHAIRMAN'S STATEMENT

Dear Shareholders,

We started the financial year in a mad rush to ensure all customers under our Sales Execution and Distribution segment were compliant with the new minimum wage order gazetted by the Malaysian government, which increased from RM1,200 to RM1,500 per month. The required change was officially announced in end April 2022 and employers were expected to comply by 1 May 2022.<sup>1</sup> Our client-facing personnel worked alongside our customers and human resource department to ensure we were compliant with this requirement and any adjustments made were promptly acknowledged and signed off by our customers.

In the financial year ended 31 May 2023 ("FY2023"), we conducted a salary benchmark exercise, commissioned through Aon's human capital business, to understand workforce data within our industry and where we stood in terms of remuneration and compensation for our talented workforce. We knew that the slowdown during the COVID-19 pandemic affected our ability to increase salaries significantly. Hence, the salary benchmark exercise was intentionally commissioned to ensure we looked at the data and took action where necessary to keep our workforce fairly compensated. There was an increase in our administrative expenses by 20% year-on-year, after taking into account the minimum wage increase, adjustment in salaries and hiring of more staff to our Group.

Cost of business increased not just for shopper360 but also our customers, who were impacted by higher input costs such as raw materials and logistics. Since most of our customers are global multinational corporations, another black swan event such as the Russian-Ukraine which started on 24 February 2022, has brought global uncertainty throughout the world. Therefore, shopper360 was unable to increase our fees for the services (advertising, retail services, marketing and events) rendered under these circumstances.

Nevertheless, our customers and their portfolio of brands did set aside marketing budgets for in-person events and we had the privilege of working closely with some of our customers to deliver memorable and experiential moments for their brands in public spaces during the first half of FY2023.

**CHEW SUE ANN**

Executive Chairman and Group Managing Director



We are extremely grateful to all of our retailer partners (including GCH retail, 99 Speedmart, Billion Supermarket Chain to name a few) whom we have worked with over the last 20 years for giving us a chance to negotiate terms and conditions for our partnership that was more reflective of the rising costs of business and equitable for both parties under such uncertain times. Coupled with the introduction of new, innovative mediums such as Tokinomo Shelfobot and Motion Display, we believe retail media will garner more interest from brands to engage and delight shoppers in-store.

It was timely that our senior management team was able to participate in Europe's popular retail trade show in Dusseldorf, Germany. We went as a group to learn and expose ourselves to the latest marketing and retail technology and was able to bring back some of our learnings and inspiration to our clients at our very own retail innovation showcase held in Malaysia on 12 and 13 July 2023, and in Singapore on 25 August 2023. More than 500 relevant industry clients, retailers and business partners attended the Malaysian event and we were able to showcase more than 50 different exhibits, launch our contest platform, and introduce our clients to the services of our investee companies such as Avinity Analytics Pte Ltd, Lapasar Sdn Bhd, Boostorder Sdn. Bhd. and Potboy Grocery Group Sdn Bhd. It not only placed shopper360 group of companies top of mind as a shopper marketing agency but gave us opportunities to upsell and cross sell our Group's services to new and existing customers.

Our regional business, particularly in Myanmar, have deteriorated during the second half of FY2023 under the economic conditions led by the military junta. Foreign investment continues to dwindle and major brands such as Nestle and Beiersdorf have pulled out their marketing offices from the country, leaving the management of their sales and marketing to local distributors and media agencies. This led us to focus our efforts on local Burmese brands as well as regional brands from Vietnam, Thailand, Malaysia and Singapore. However, even they were not spared by the restrictive importation policies.<sup>2</sup> Retailers and brands struggle to import their goods efficiently into the country, impacting availability and affordability in the stores. Myanmar is experiencing higher inflation of goods, causing employers like us to increase salaries to help our employees fight off the steep inflation. Even though conditions in Myanmar are not ideal, shopper360 remains committed to maintaining its business in Myanmar and will continue to work closely with our joint venture partner, City Ventures to monetise opportunities in Myanmar, reduce unnecessary costs and introduce new services into the market.

#### NOTES:

<sup>1</sup> <https://www.malaymail.com/news/malaysia/2022/04/28/its-official-malaysia-to-start-rm1500-minimum-wage-from-may-1-firms-with-fe/2056088>

<sup>2</sup> <https://fulcrum.sg/myanmar-returns-to-import-substitution-primed-to-fail/>

The Sales Execution and Distribution segment saw a decline in profitability due to our continuous investment in a start-up and wholly owned subsidiary of the Group, namely Marvel Distribution Sdn Bhd ("MDSB"). Several brands within MDSB had to be discontinued or rationalised due to product defects, poor sales traction, and principal brands changing ownership (such as Starbucks ready-to-drink products being sold to Nestle and will be distributed by Nestle). This drove the Group to look for strategic partners that can help us find anchor brands and raise capital to take the business forward, which has led to the signing of a term sheet with Future Fields Pte. Ltd. in June 2023, in respect of a proposed share subscription by Future Fields Pte. Ltd. in MDSB.

Finally, the investment committee comprising the board of directors and senior management team of the Company welcomed the offer to sell the shares of Troopers Innovation Sdn. Bhd. ("Troopers") to Better Place Safety Solutions Private Limited ("Better Place India"), a frontline workplace management SAAS platform in return for RM4.0 million cash and RM9.7 million worth of shares in Better Place India, resulting in a gain of RM11.8 million from the sale of shares in Troopers, a gig work platform which shopper360 invested in during the tail-end of the Malaysian Movement Control Order in August 2021. We were grateful to see that one of our investments has benefited the Company and its shareholders.

As we look towards the future, we know that the sustainability of the business depends on a few factors such as improving our margins, removing leakages and simplifying business processes. Apart from that, shopper360 needed to improve its marketing and visibility of the Group to command better pricing for its services. Hence, we were highly encouraged by the positive response from the participants who attended our retail innovation showcase held in Malaysia and Singapore. We were able to showcase our innovation and launch our new capabilities and technology to tackle engagement, communication, conversion and activation in-store. To flourish as a company, we will need to focus on our main priorities, stay lean, and seize the right opportunities together as a team.

# BOARD OF DIRECTORS



**CHEW SUE ANN**  
Executive Chairman and Group  
Managing Director

Chew Sue Ann ("**Ms Chew**") is our Executive Chairman and Group Managing Director and was appointed on 27 December 2016. She is the daughter of the founder of the Group, the late Mr. Raymond Chew. She is responsible for overseeing the overall business development and general management of the Group, and formulating the Group's strategic directions and expansion plans. Her involvement in the Group started with her appointment as a member of the board of directors of Pos Ad Sdn Bhd in 2004, and she later became the executive chairman of Pos Ad Sdn Bhd in December 2011.

In 2015, Ms Chew rebranded Pos Ad Group to shopper360 to better position the group of services surrounding retail and marketing for brands, which includes, in-store advertising, merchandising, promoter and events activation, digital marketing and sales distribution. In 2017, Ms Chew listed the Group on the Catalist board of SGX.

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



**JAMES LING WAN CHYE**  
Executive Director

James Ling Wan Chye ("**Mr Ling**") joined the Company on 8 January 2018 as the Director of Corporate Finance and Strategy. On 1 December 2021, he was appointed Executive Director of the Company.

Mr Ling brings his regional fast-moving consumer goods ("**FMCG**") corporate experience on board the family-founded business. He has cross-functional experience and takes a collaborative approach in driving teams to achieve business strategy and goals of the Group.

Prior to joining the Group, Mr Ling spent almost fifteen years in Fonterra Co-operative Group Ltd across New Zealand, Singapore and Malaysia, holding various positions in its finance department at global, regional and local levels including as Finance Director of Fonterra Brands Malaysia. In addition to his financial experience, Mr Ling held roles in operations, marketing and sales in Singapore and Malaysia.

Mr Ling has also worked with PriceWaterhouseCoopers (New Zealand). Mr Ling graduated from the University of Auckland, New Zealand in 2000 with a Bachelor of Commerce (1st class honours), majoring in accounting and finance. He was a fellow member of the Chartered Accountants Australia and New Zealand (CAANZ).

He is the Chairman of a non-profit non-governmental organisation, Dignity For Children Foundation and Dignity Education Sdn Bhd.



**HEW KOON CHAN**  
Lead Independent Director

Hew Koon Chan ("**Mr Hew**") is our Lead Independent Director and was appointed on 19 May 2017. He is the chairman of the Company's audit committee ("**AC**") and a member of the nominating committee ("**NC**") and remuneration committee ("**RC**").

Mr Hew began working as a process engineer in 1986 for Texas Instruments Singapore Pte Ltd. In 1988, he was employed as an investment analyst and rose through the ranks to become an investment director at Seavi Venture Services Pte Ltd which is affiliated with Advent International, a global private equity firm.

Mr Hew established Integer Capital Pte Ltd in 2004 which provides business consultancy to clients on mergers and acquisitions. He presently also sits on the board of directors of companies listed on the Singapore Exchange, namely Resources Global Development Limited and Oiltek International Limited.

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



**MARGARET AU-YONG**  
Independent Director

Margaret Au-Yong ("**Ms Au-Yong**") is our Independent Director and was appointed on 19 May 2017. She is the chairman of the RC and a member of the AC.

She has over 31 years of experience in the media and marketing industry. She started her career at Sin Chew Jit Poh in 1975, and she joined Union45 Sdn Bhd in 1983. From 1991 to 1998, she was with Saatchi & Saatchi Pte Ltd, a renowned global communications and advertising agency.

In 1998, she was appointed managing director of CIA Medianetwork Malaysia Sdn Bhd ("**CIA**") and subsequently, after the acquisition of CIA's parent company by WPP Plc in 2003, MEC Global was formed, Ms Au-Yong was then the chief executive officer for 3 years.

In 2006, she was appointed as the head of media, marketing and facilities for Tune Group Sdn Bhd and also represents the group in the Malaysia Retail Chain Association.

Ms Au-Yong is a council member of both Malaysia National Publisher Association (MNPA) and Malaysian Media Specialist Association since 1990 and 1998 respectively. Between 2010 and 2012, she was the audit chairman and vice president of the Audit Bureau of Circulation, and from 2016 to 2018, she served as the president of the Malaysia Advertisers Association ("**MAA**"). She currently sits on the MAA Council as Treasurer.

Ms Au-Yong graduated from the University of Malaya in 1973 with a Bachelor of Arts (Hons).



**RAJA SINGHAM A/L  
S. SUKUMARA SINGHAM**  
Independent Director

Raja Singham A/L S. Sukumara Singham ("**Mr Raja**") was appointed as Independent Director on 27 July 2022. He is also appointed as the Chairman of the NC and a member of the AC.

Mr Raja is the co-founder and Managing Director of the BAC Education Group ("**BAC**"). He is also an educator, entrepreneur, and a founding member of a range of companies specialising in education, corporate training, advertising, publications, and IT development.

Mr Raja received the National Outstanding Educationist Award in 2021 from the Private Education Co-operative of Malaysia and was also named Education Man of the Year by the Brand Laureate for his significant contribution to the Malaysian higher education sector. Under his leadership, BAC was awarded the ASEAN Business Awards Malaysia for Best in CSR for 6 consecutive years from 2016 to 2021 and the Malaysia Technology Award for Online Services (Education) in 2021, 2022 and 2023.

Mr Raja holds several key portfolios, including Founder and President of Pertubuhan Bangkit (Uplift Organisation), Founder of the Make It Right Movement, and Founder of BACFlix (the largest free education initiative by the private sector in Malaysia). He was also the Secretary of the ASEAN Business Advisory Council Malaysia ("**ABAC**") and Lead Mentor of the ASEAN Mentorship for Entrepreneurs Network (AMEN) under the ABAC. He was named a Circle Expert, by the Malaysian Government, for Transformasi Nasional 2050 (TN50) on Work and Value Creation in 2017, and was appointed as an advisor for the drafting of the Malaysian Indian Blueprint under the National Economic Plan which was launched in 2017.

He obtained a Bachelor of Laws (LLB) Honours from the University of Buckingham in 1989 and Certificate of Legal Practice (CLP) from Legal Professional Qualifying Board Malaysia in 1990.



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

Zaffary Bin Ab Rashid ("**Mr Ab Rashid**") is our Non-Independent Non-Executive Director and was appointed on 19 May 2017. He is a member of the NC and RC of the Company.

Mr Ab Rashid is currently the executive director of investments and business at Koperasi Permodalan FELDA Malaysia Berhad. He is also a non-executive director of KPF Palm Oil Mill Sdn Bhd and an alternate director of Noweia Industries Sdn Bhd.

He graduated from the Southern New Hampshire University, USA (formally known as the New Hampshire College) in 1997 with a Bachelor of Science majoring in Economics and Finance.



## SENIOR MANAGEMENT TEAM



**ANGELINA OOI**  
Chief Executive Officer of  
Tristar Synergy Sdn Bhd

Angelina Ooi ("**Angelina**") has been the Chief Executive Officer of Tristar Synergy Sdn Bhd ("**Tristar Synergy**") since September 2007. She helmed a new portfolio by taking on Gazelle Activation Sdn Bhd from June 2022 till June 2023. She started her career with ACA Pacific Technology (M) Sdn Bhd in 1991, and has accumulated twenty-six years of experience in sales, marketing and business development.

In April 1996, Angelina began her engagement with the then EPSON Trading (M) Sdn Bhd until August 2007. She later incorporated Tristar Synergy, and subsequently sold a minority interest in Tristar Synergy to shopper360 Malaysia in August 2015. Tristar Synergy was subsequently acquired by shopper360 Malaysia pursuant to a restructuring exercise in connection with the Company's listing on the Catalist board of the SGX-ST. She is currently a non-executive director of Tristar Marketing Sdn Bhd and Global Color Services Sdn Bhd.

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



**Ooi Chee Kee**  
Chief Executive Officer of  
Jump Retail Sdn Bhd and Retail  
Galaxy Sdn Bhd

Ooi Chee Kee ("**CK**") joined our Group as the Chief Executive Officer of Jump Retail Sdn Bhd ("**Jump Retail**") in July 2018. With over twenty years of experience in the FMCG industry under his belt, his role includes taking the lead in strategy management, operations, administration and business development of Jump Retail and Retail Galaxy Sdn Bhd.

CK first started out in Diethelm (M) Sdn Bhd (now known as DKSH Malaysia Sdn Bhd) back in 2001, and was the operation director of Jump Retail from 2008 to 2012, customer business manager for Nestlé from 2012 to 2016, regional distributor manager of Nestlé from 2016 to 2017, and went back to DKSH Malaysia Sdn Bhd as modern trade General Manager from 2017 before returning to our Group in July 2018.

CK graduated with an Advanced Certificate in Marketing from AMSET Business School in 1996.



**MAY KIM HUI YEE**  
General Manager of Pos Ad Sdn  
Bhd and shopperplus Singapore  
Pte Ltd

May Kim Hui Yee ("**May Kim**") has been a part of Pos Ad Sdn Bhd ("**Pos Ad**") for over fifteen years. Prior to her appointment as General Manager, she has worked as the Client Service and Marketing Director, responsible for the sales, marketing, and client servicing side of the business of Pos Ad Sdn Bhd and Gazelle Activation Sdn Bhd.

As shopper360 looks to expand, May Kim has progressed to General Manager of Gazelle Activation Sdn Bhd from 2017 to 2020. She has worked for clients such as Heineken Malaysia and Goodyear. In 2020, she was appointed as General Manager for Pos Ad Sdn Bhd, overseeing the sales and marketing as well as the operations of Pos Ad Sdn Bhd.

In early 2021, she took on a new portfolio and now oversees shopperplus Singapore's overall business and operations for the region.

May Kim graduated from Anglia Ruskin University, UK in 1999 with a Bachelor of Business Administration (Corporate Administration) (Honours).



**LEE JUN LING**  
General Manager of  
shopperplus Sdn Bhd

Lee Jun Ling ("**Jun Ling**") joined our Group under the Group Business Development function in May 2017. In 2019, she was appointed as General Manager of shopperplus Sdn Bhd and is responsible for the business development and operations and has a proven track record in achieving results.

From September 2013 to November 2015, Jun Ling was the chief financial officer and head of business delivery unit of Geometry Global Sdn Bhd. Prior to that, she was the commercial controller for Grey Worldwide Sdn Bhd and its group of companies in Malaysia from February 2005 to August 2013.

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



**Gary Siew Kok Yoong**  
Financial Controller

Gary Siew Kok Yoong ("**Mr Siew**") joined the Company on 1 September 2022 as the Financial Controller and resigned with effect from 13 September 2023.

He is responsible for the financial and accounting function of the Group, including internal controls and taxation. Prior to joining the Company, he was the Financial Controller of a Malaysian public listed company, namely Carlsberg Brewery Malaysia Berhad.

Mr Siew has more than 26 years' experience in finance and accounting and has held several key roles in various multinationals and listed companies across several industries, including FMCG, oil and gas and finance shared services. Early in his career, he was an auditor with KPMG.

He is an Associate Member of The Chartered Institute of Management Accountants UK (CIMA) (ACMA), a Chartered Global Management Accountant (CGMA) from the Association of International Certified Professional Accountants and also a Chartered Accountant of The Malaysian Institute of Accountants (MIA).

Mr Siew holds a Master of Business Administration (Marketing) from Nottingham Trent University UK.



# GROUP FINANCIAL HIGHLIGHTS

## (A) KEY DATA OF OPERATING RESULTS

	FY2020 RM'000	FY2021 RM'000	FY2022 RM'000	FY2023 RM'000
Revenue	162,678	153,133	152,158	169,463
Profit before tax	7,043	10,069	7,515	12,602
Profit for the year	3,633	6,563	4,716	11,661
Profit attributable to equity holders of the Company	2,964	5,816	3,729	11,556

## (B) FINANCIAL INDICATORS

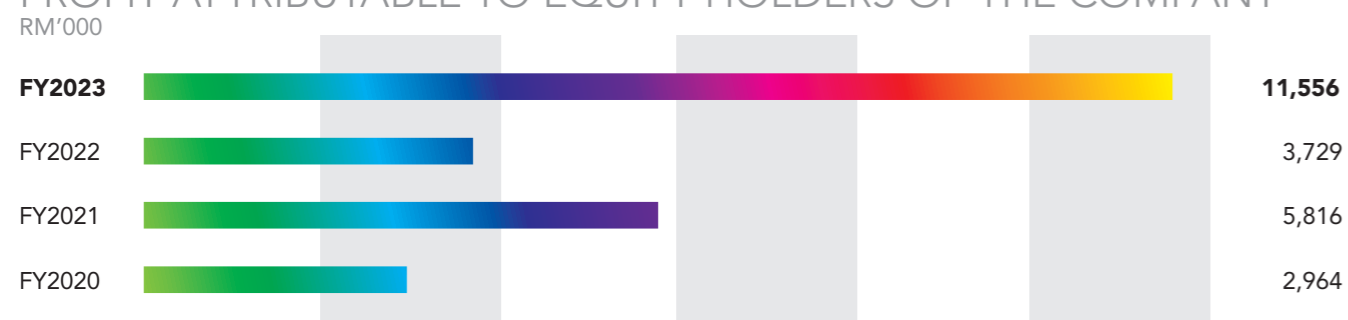
Return on equity	6%	10%	6%	17%
Earnings per share <sup>(1)</sup> (RM cents)	2.62	5.29	3.43	10.62

**NOTE:** <sup>(1)</sup> Earnings per share is computed based on profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares during the year (excluding treasury shares).

## REVENUE



## PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY



# REVIEW OF THE GROUP'S PERFORMANCE IN FY2023

shopper360 Limited (the "Company" or "shopper360", and together with its subsidiaries, the "Group") was incorporated in the Republic of Singapore on 27 December 2016 and listed on Catalist on 30 June 2017. The Group is a well-established provider of shopper marketing services in the retail and consumer goods industries in Malaysia and has more than 30 years of experience in the in-store advertising industry. It offers a comprehensive range of marketing and advertising services that integrate along the entire shopper journey, through in-store experience to loyalty, retention and repeat purchase. The shopper marketing services provided by the Group can be categorised into three main segments, namely (i) Advertising and Marketing segment; (ii) Sales Execution and Distribution segment; and (iii) Investment Holding and Others segment.

## REVENUE

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

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

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

## COST OF SALES

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

## GROSS PROFIT AND GROSS PROFIT MARGIN

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

## OTHER INCOME

Other income increased by RM11.5 million or 1363%, from RM0.9 million in FY2022 to RM12.4 million in FY2023, mainly due to a gain on disposal of investment in an associated company, namely Troopers Innovation Sdn. Bhd., of RM11.8 million, interest income and miscellaneous income, and partially offset by the absence of gain on unrealised and realised foreign exchange and decrease in wage support from the Singapore government under the job support scheme.

## ADMINISTRATIVE EXPENSES

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

## (ALLOWANCE)/REVERSAL OF IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND CONTRACT ASSETS (NET)

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

## FINANCE COST

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

## SHARE OF RESULTS OF ASSOCIATED COMPANIES

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

**SHARE OF RESULTS OF JOINT VENTURE**

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

**PROFIT BEFORE TAX**

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

**INCOME TAX EXPENSE**

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

**NON-CURRENT LIABILITIES**

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

**CURRENT LIABILITIES**

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

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

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

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

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

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

**EQUITY**

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

**WORKING CAPITAL**

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

**REVIEW OF THE GROUP'S FINANCIAL POSITION FOR FY2023****NON-CURRENT ASSETS**

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

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

Financial assets at fair value through profit or loss increased by RM9.7 million, due to the subscription of cumulative, fully and compulsorily convertible non-participating preference shares ("CCCPs").

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

Property, plant and equipment decreased by RM0.1 million, mainly due to depreciation charge of RM1.0 million, partially offset by additions in property, plant and equipment of RM0.9 million.

Investment in associated companies decreased by RM2.1 million, mainly due to disposal of an investment in associated company, Trooper Innovations Sdn. Bhd. with carrying value of RM1.9 million, which was completed in May 2023.

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

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

**CURRENT ASSETS**

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

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

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

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

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

**REVIEW OF THE GROUP'S CASH FLOW STATEMENT**

Net cash generated from operating activities in FY2023 was RM0.2 million, due to operating cash flow before changes in working capital of RM4.3 million, changes in working capital of RM0.9 million, and payment of income tax expense of RM3.2 million. Changes in working capital were due to an (i) increase in inventories of RM0.2 million, (ii) increase in trade and other receivables and contract assets of RM2.5 million, (iii) currency translation adjustments of RM0.4 million, and partially offset by an increase in trade and other payables and contract liabilities of RM2.1 million.

Net cash generated from investing activities in FY2023 was RM2.5 million, mainly due to (i) cash proceeds from disposal of investment in associated company of approximately RM4.0 million, and (ii) interest received from banks of RM0.2 million, and partially offset by (i) purchases of property, plant and equipment of RM0.9 million, and (ii) placement of financial assets at fair value through profit or loss of RM0.8 million.

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

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



# FIELD FORCE MANAGEMENT



Jump Retail Sdn Bhd and Retail Galaxy Sdn Bhd has been in the field force business in Malaysia since 1994 and 2017 respectively.

We support brands in executing their merchandising and promotional plans, optimising sales opportunities in retail with our real-time reporting and our data analytics team can further customise reporting based on business needs while maintaining world class in-store visibility to improve shopper experience.

Shared service merchandising has been a huge success in delivering value to SME business partners.

Without our dedicated TEAM, none of the above is possible. Constant engagement and upskilling of our talents are the KEY to our business success.

We will be expanding into East Malaysia and Singapore in FY2024.





# IN-STORE ADVERTISING

Pos Ad's media network reaches 70% of Malaysian shoppers across over 4000 key retail channels, hypermarkets, modern trade, and convenience stores within Malaysia. Aside from media services, Pos Ad offers production and installation services, music box technology for online play, in-house creative, and retail solutions. From ideation to execution, online to offline: Pos Ad ensures seamless execution and attention to detail to bring our customers vision to life.

shopperplus Singapore embraces Singapore's vibrant retail culture and trends to provide omnichannel media solutions that support 360 degree brand engagements, alongside a partner network of key retail channels and chains in Singapore.

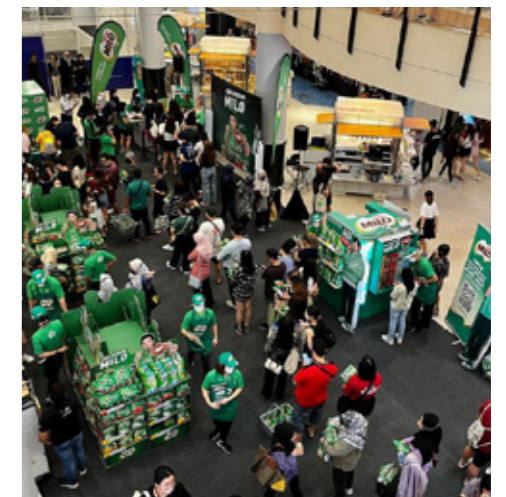
shopperplus Myanmar is the definitive in-store media provider in Myanmar, with the largest modern trade and retail network – City Mart Holdings, guaranteeing its brand and products reach the ever-growing consumer market, with comprehensive in-store communication, merchandising and activation solutions.

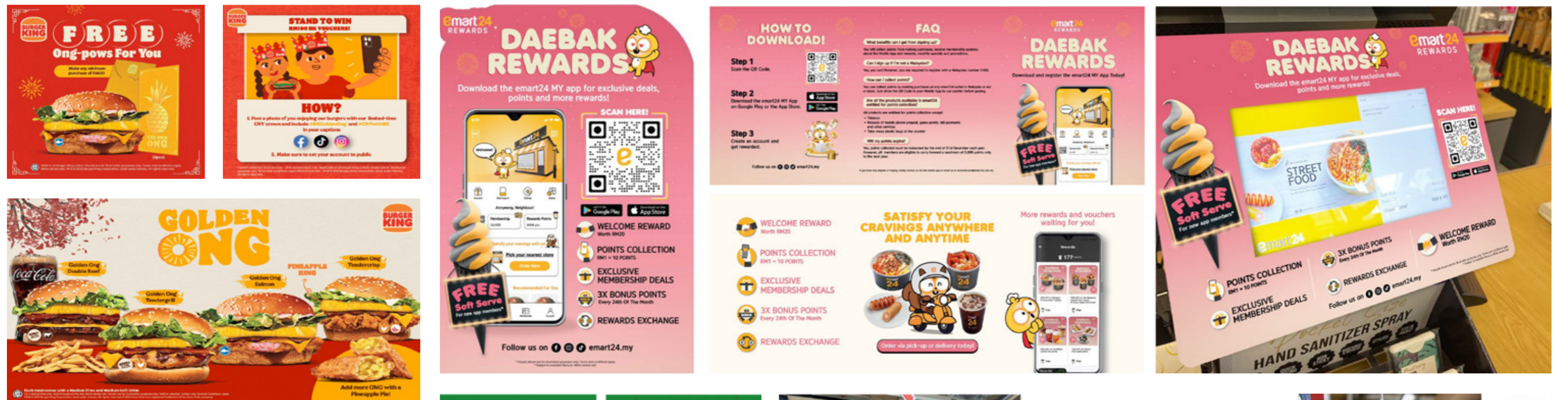




# ACTIVATION AND EVENTS

Tristar Synergy Sdn Bhd, Gazelle Activation Sdn Bhd and shopperplus Myanmar Pte Ltd conceptualise and activate shopper experience for brands through innovative and experiential engagement ideas. Right up from ideation, creative to execution, we achieve brand objectives with impactful shopper experience like product launches, instore promoters, roadshows, lifestyle events, mystery shoppers, out of home activations and more.



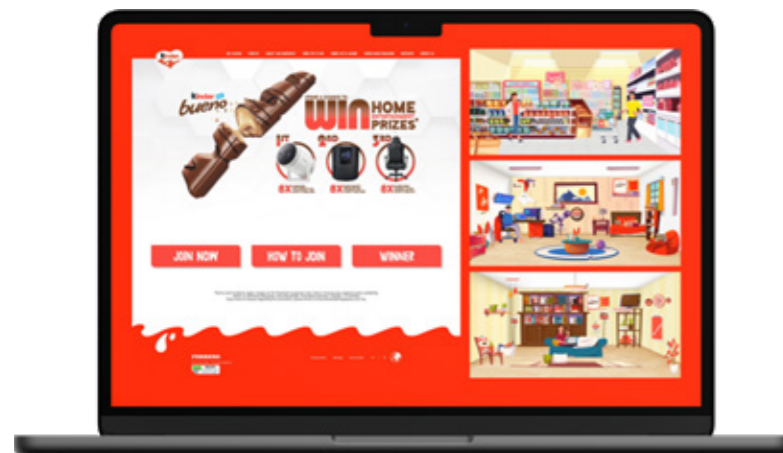


# CREATIVE

shopperplus Sdn Bhd help brands strategise, plan and execute integrated marketing plans with emphasis on shoppers; from consideration and planning stages to the point of purchase. We partner with retailers to understand and craft precise category and communication strategies, as well as best in class operations practices. We combine our insights in channel and shopper behavior and craft unique marketing strategies to help brands WIN WITH YOUR SHOPPER!



# CONTEST MANAGEMENT AND FULFILLMENT



At shopperplus Sdn Bhd, we help our clients deliver and execute smart contest solutions in the most effective way. We develop campaign strategies based on target consumer insights and objectives, which includes type of contest, mechanics, channel, winner and prize matrix to increase submission of contest entries and engagement.



# DIGITAL ENGAGEMENT & RETAIL SOLUTIONS



**Gamification:** shopperplus Sdn Bhd's gaming platform is a game engine made available for customisation of games for brand needs. Our game engine provides the architecture that clients and developers can use to run the game and enable them to focus on unique experiences of the game such as game level, character and game story, element textures and interactivity within the game.

**Virtual Promoter:** Our virtual promoter platform is built for engagement and interaction. Our platform is built with CRM capabilities, omnichannel promoter engagement with assisted ordering and merchant partner operations solutions.

**Retail Solution:** A win-win partnership that propels our PARTNER to be the unbeatable leader at best-in-class customer experience and future proofing against competitors. We work with our PARTNER as one team to design and implement the most effective and efficient retail strategy, ensuring their objectives are met on time and in full.



## DISTRIBUTOR

The marketing and distribution arm of shopper360 Limited, a seamless B2B tech driven experience connecting brand owners with retailers. Marvel Distribution Sdn Bhd delivers products directly to general trade, modern trade, convenience stores and petrol mart while-on-the-move with our very own van sales team.

Growing from one warehouse in the central region to now three including the northern and southern regions of Malaysia, we are becoming a full fledged distributor for some local and international brands.



# INVESTEE COMPANIES



Avinity Analytics Pte Ltd (“**Avinity Analytics**”) is a data consultancy and solutions provider, with expertise in the brand, retail, supply chain and marketing sectors. Their solutions include data infrastructure development, business intelligence dashboards, data management, data analysis, data governance, as well as AI solutions.

Throughout 2023, their primary focus has been to deliver quality data solutions to brand and supply chain clients in Malaysia. As they transition into 2024, they anticipate broadening their customer base to incorporate clients from Singapore and across Southeast Asia.



By offering full-scale data solutions, Avinity Analytics enables their clients to extract valuable business insights from data, streamline data processes, and enhance business performance through AI solutions.

They are set to drive innovation on delivering AI driven advanced analytics, which include automated insights, predictive modeling, recommendation systems, and anomaly detection. These advancements are aimed to provide significant value to their clients, while also supporting the steady, long-term growth of Avinity Analytics.

For more information, please visit [www.avinityanalytics.com](http://www.avinityanalytics.com).

Contact details:  
E: [hello@avinityanalytics.com](mailto:hello@avinityanalytics.com)  
M: +6016-6152149



Boostorder – Bringing brands and distributors to the next level via the best and most comprehensive order and pay automation software solution. Established since 2017, Boostorder Sdn Bhd (“**Boostorder**”) has been serving more than 300 brands and distributors spanning across multiple industries, including FMCG, apparel and automotive, just to name a few.

The company of around 35 employees prides itself with its robust suite of products that provides an end-to-end solution for the B2B trade flow, from order to fulfilment.

- Some of the products include:
- 24/7 B2B portal for customers to place orders, make payments, execute product returns, and view purchase history
  - Sales and field force automation platform (suitable for field/tele/van sales, merchandisers and promoters)
  - Warehouse mobility platform
  - Route planning and driver application
  - Real time interactive dashboards for full data visibility
  - B2B payment, financing and auto-reconciliation solutions
  - Seamless two-way integration with major ERPs and accounting systems

Boostorder has successfully helped businesses digitally transform their operations and workflows, allowing them to accelerate their growth by increasing overall revenue, reducing operating costs significantly, improving customer experience as well as improving business cash flow.

Throughout the years, Boostorder has also fostered close relationships with its partners, including software companies such as Microsoft, SAP & Sage, as well as financial institutions such as Boost Credit, UOB & Funding Societies. Through collaborative efforts such as system integrations and events, this has greatly strengthened Boostorder’s suite of solutions and expanded its customer base.

Boostorder has achieved over RM4.5 billion gross transaction value within its platform, and the fintech project (Mango Fintech) has disbursed more than RM17 million of loan to over 50 distributors / retailers so far.

Till today, Boostorder is constantly improving and innovating based on the current market needs and trends to stay relevant and competitive in the market. As the company looks forward to an even more exponential growth in the next few years, the team continues to hold firm to its values that have brought them to where they are so far – Customer Success, Continuous Improvement and Trust.

For more information, please visit [www.boostorder.com](http://www.boostorder.com)



Lapasar Sdn Bhd (“**Lapasar**”) is a Malaysian based online wholesaler in the FMCG space. The company started out as a B2B platform in 2018, connecting corporate buyers to a pool of suppliers. In mid-2020, Lapasar launched the second pillar of its company, a FMCG wholesale segment, which is the growth driver for the company today.

In the wholesale segment, Lapasar provides mom-and-pop stores and restaurants with a mobile app, namely Lapasar Borong, to order their supplies. Once an order is placed on the app, Lapasar offers free delivery to the customers within 24-72 hours. Examples of items sold are soft drinks, instant noodles, and creamers. Traditionally, mom-and-pop stores or restaurants would either place orders with a number of different distributors, as each distributor only carries 1 to 3 brands, or self-pickup items from physical wholesalers. Lapasar combines the convenience of delivery, while offering products across multiple brands, making it a convenient one-stop-centre for customers.

Lapasar’s unique offering in both business segments allowed for exceptional growth over the past years. Annual revenues increased from RM10.7 million in 2019, to RM44.5 million in 2020, RM130.3 million in 2021, and RM245.2 million in 2022. Over the next years, Lapasar will continue to invest into the growth of the company and expand beyond the current locations of Klang Valley, Johor and Perak.

For more information, please visit [www.lapasar.com](http://www.lapasar.com)



Potboy Grocery Group Sdn Bhd (“**Potboy**”) started off as an online grocery platform providing free delivery throughout Klang Valley and Seremban, and has now expanded into brick-and-mortar stores since April 2021. Today, they operate more than 80 stores in Klang Valley.

On 27 June 2023, Potboy opened its first batch of PotboyGO, cashierless and check-out free kiosks at 18 MRT stations. MRT commuters can now scan a QR code, open the chiller door, pick their groceries and walk away with no human interaction required. PotboyGO is a collaboration with ARB IOT Group Limited (listed on Nasdaq), which leverages on the revolutionary Pick-N-Go technology, originating from the United States. These Pick-N-Go machines are an integration of Internet of Things and Object Recognition AI-driven sensors which form the backbone technology of PotboyGO kiosks and provides a seamless shopping experience to its customers.

This historical groundbreaking revolutionary retail kiosks were officially launched by YB Chang Lih Kang, Minister of Science Technology and Innovation Malaysia, together with Potboy’s technology partner ARB IOT Group Limited and premise owner, MRT Corp.<sup>1</sup>

For more information, please visit [www.potboy.com.my](http://www.potboy.com.my)

<sup>1</sup> Potboy Group Collaborates with ARB IOT Group to launch Malaysia 1st AI-Driven Cashierless & Check-out free Kiosks at 18 MRT Stations - <https://www.malaysiakini.com/announcement/670055>

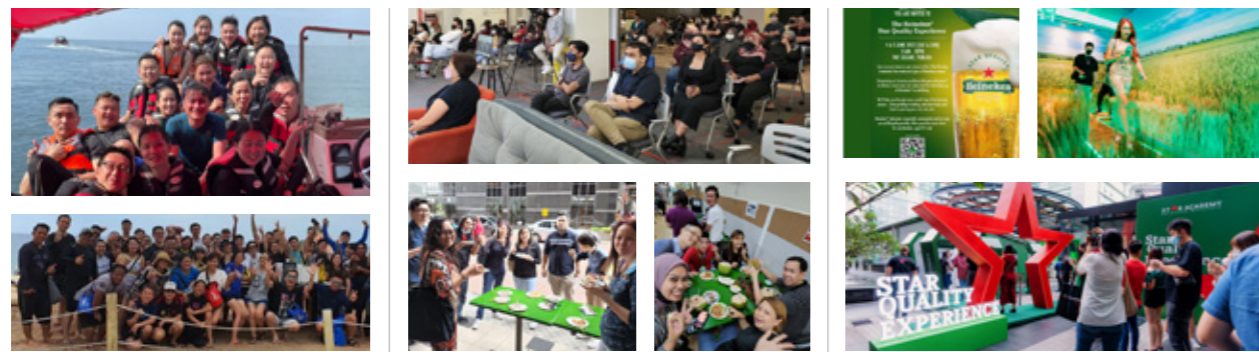




# CALENDAR OF EVENTS

## JUNE 2022 - MAY 2023

JUN



Jump Retail, Retail Galaxy and Marvel Distribution had a 3-day team building trip to Tioman Island, Malaysia. The team included members from group finance and human resource department.

The Staff Meeting for the fourth quarter (Q4) of FY2022 was held at the KL HQ Office. A live streaming of the event was showcased to our colleagues from regional offices, Singapore and Myanmar. After the meeting, all staff were treated to a buffet of satay, roast lamb, seasonal fruits like durians, rambutans and fresh coconut.

Gazelle Activation created an immersive walkthrough experience of the 5-star brewing principles from the fields to the bar at Heineken® Star Quality Experience's finale at The Square, Publika. This programme is a combination of training and learning in seven cities across Malaysia with the search for the best performing Star Bartender.



Celebrated Chow Siew Bee's 20 years of service, our longest serving senior manager within shopper360 group of companies. Siew Bee held the position of Group Financial Controller and stepped down to Head of Commercial Projects as of 1 September 2022.

shopper360's human resources department and Jump Retail's recruitment team on a talent acquisition drive at a 2-day 'myStarJob.com' Fair held at Pavilion Bukit Jalil, Kuala Lumpur.



Tristar Synergy had a 3-day team building at Club Med Cherating, Malaysia, together with group finance, human resource, admin, IT and creative.

Gazelle Activation and Tristar Synergy collaborated in organising 'Sekolah Kebangsaan MILO®', which took place at AEON Alpha Angle, Wangsa Maju. Shoppers walked through a 'pretend fun school' filled with activities such as the MILO® claw game, 'Bas Sekolah MILO®' photobooth and educational zones.

JUL



Creative & Design team had their team building activity at Escape Petaling Jaya. Through fun yet challenging activities, members from all subsidiaries, and interns came together to help each other through obstacles to achieve a common goal.

shopperplus had a team building outing at Genting Skyworlds Theme Park, which ended with dinner at Burger & Lobster in Genting Highlands, Malaysia.



shopperplus developed and launched webinar for puberty teen championing female personal hygiene and body positivity on Kimberly Clark Corporation's behalf. This engagement is a collaboration with Ministry of Education and Ministry of Women, Family and Community Development of Malaysia. More than 1,000 teachers from over 200 schools in Malaysia participated in the webinar.



A welcome dinner was held for Mr Raja Singham as our new Independent Director in replacement of Ms Wong Chin Chin. It doubled up as a farewell dinner for Ms Wong Chin Chin for her years of service as an Independent Director for shopper360.

AUG



shopper360's human resources department and Jump Retail's recruitment team on a talent acquisition drive at 'Karnival Kerjaya Jamin Kerja Keluarga Malaysia 2022 Negeri Selangor', organised by Perkeso and Myfuturejobs at Perkarangan Stadium Melawati Shah Alam, Selangor.

shopper360 participated in the second round of the 2-day 'myStarJob' Fair at Sunway Convention Centre.

Tristar Synergy organised the event launching for Milo Hi-Fibre at 'Shuttle in The Dark'



shopperplus Singapore having some fun at the new 'Saber Fit' fitness experience.

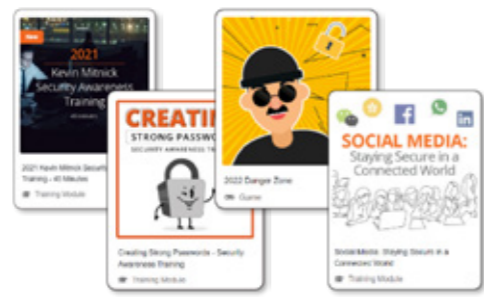
Jump Retail field force set up captivating displays for Suntory Beverage & Food Malaysia Sdn Bhd at a concourse event at Mid Valley Mall, Kuala Lumpur.

Strike of team spirit, Jump Retail's 'elite team' had a fun and friendly bowling match after a day of intensive training.

SEP



Mr Gary Siew, officially joined the Company as Financial Controller on 1 September 2022.



The company introduced a series of 'Cybersecurity Awareness' training for all employees. Through this programme, employees understand the danger of phishing, scams and the damage it can cause to the Company.



The Staff Meeting for FY2023 was held at Avante Hotel, Petaling Jaya. We had a tremendous turnout where all our employees in Malaysia, Singapore and Myanmar attended physically.



shopper360's Annual Dinner was held after a four-year break, with the theme 'Mafia Night'. Every subsidiary performed that night along with best dressed awards for male and female category.



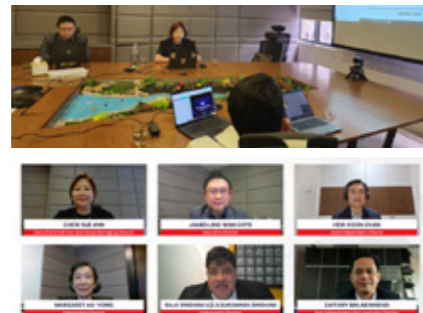
The shopperplus Myanmar management team were given the opportunity of an all-expense paid trip to Kuala Lumpur. This trip was part of their incentive for a good performing year for FY2022.



The shopperplus Singapore team had their team building activity at 'Breakout Escape Room' Kuala Lumpur. Through this activity they learned effective decision making and communication skills.



We had the opportunity to participate in a 'spin & sweat' class at Flyproject KLGCC, with our very own staff member, Aggie, as our instructor.



shopper360 Limited's FY2022 Annual General Meeting (AGM) was held virtually on 28 September 2022



Tristar Activation executed the race kit redemption for 'Larian Malaysia Boleh Bersama MILO' at Sunway Velocity Mall.

OCT



Powered by Kotex, Tristar Activation and shopperplus collaborated to conduct talks to high school female students relating to personal hygiene and body positivity as part of the #SheCan Project.

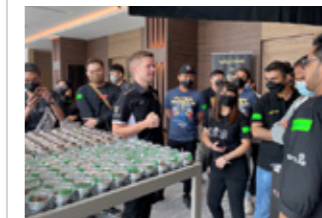


Tristar Synergy created and produced the 'Home of Purina' for an 'Expo Kuching' which was held in Matrade, Kuala Lumpur

OCT

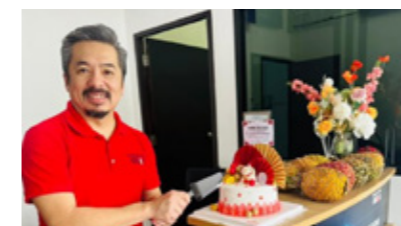


Tristar Synergy executed the launch of 'Maggi Sah Malaysia' at MATIC, Kuala Lumpur. It was a cook-off challenge for the most creative and innovative Maggi recipe from all across Malaysia.



Gazelle Activation executed Guinness Perfect Pour training program with the finale at 'Makhan' Gasket Alley, Petaling Jaya. A total of 670 bartenders from 233 bar outlets nationwide were trained to uphold the standards of serving Guinness while in search for the best Guinness bartender.

NOV



Jump Retail opened a new branch in Kota Kinabalu, Sabah, to meet the expansion and growing demand of field force services in East Malaysia.



Jump Retail had a gathering with all staff based in Kota Kinabalu and Kuching, Malaysia.



Pos Ad had a 2-day team building event in Melaka, Malaysia. Members from the support group function such as, creative, human resource and finance also participated. Through games and outdoor activities, the team had the opportunity to bond and collaborate in a fun and exciting environment.



Tristar Synergy executed a concourse event in celebration of Haribo's 100 years of Goldbears at Sunway Pyramid Mall, Petaling Jaya

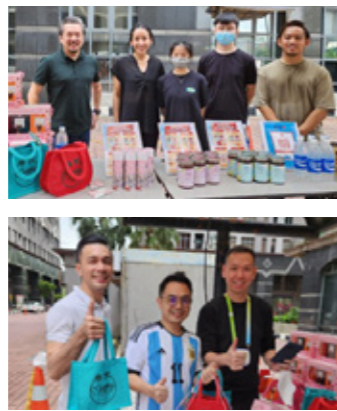


After a 2-year hiatus due to the pandemic, the Kuala Lumpur Standard Chartered Marathon finally took place on 12 November 2022. 22 of us from shopper360 participated in the 5km fun run 'Run For A Reason' CSR program category.

DEC



Gazelle Activation executed Heineken's Annual Dinner in Penang, Malaysia. Overseeing all aspects including concept creative and development, travel, transportation, lodging, arrangement setup, poolside parties, interactive games and lucky draw prize.



In conjunction with the year-end festive season, Marvel Distribution had a mini warehouse sale at Phileo Damansara 2, Petaling Jaya. Amazing deals and promotions were up for grabs.



Jump Retail celebrated its 20th Anniversary with a BANG! It was celebrated with our team of merchandisers nationwide. A series of celebrations were held regionally within 2 weeks in the North, South, East Coast and a grand finale at Central region of Malaysia with a live stream on Facebook. There were lucky draw prizes, best dressed, best merchandiser and long service awards.

JAN



Gazelle Activation executed the launch event for Heineken Malaysia in their 'Towards Healthy Watershed' sustainability strategy program.



A committee of 31 members from the Group conducted an essential basic fire-fighting and emergency response plan.

JAN



shopper360 launched Wonderlah, a games platform during Chinese New Year. Participants were able to play games such as Prosper Bunny and Match the Memory Game and points earned from the games were converted to cash and donated to Dignity for Children Foundation. A total of RM40,000 was raised.

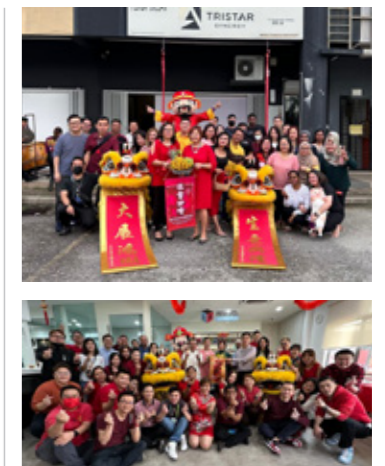


Retail Galaxy setup and installed 'Lego' exhibits for the Chinese New Year roadshow at concourse section of 1Utama Mall, Petaling Jaya.

FEB



The Staff Meeting for the second quarter (Q2) of FY2023 cum Chinese New Year celebration was held at the KL HQ office. A live streaming of the celebration was showcased to our colleagues from regional offices in Malaysia, Singapore and Myanmar. We also had the traditional lion dance, God of prosperity and firecrackers!



Tristar Synergy and Marvel Distribution had their Chinese New Year celebrations on their premises.



The senior management team made a trip to EuroShop2023 in Germany. EuroShop is the world's no. 1 Retail Trade Fair, bringing the international retail world together. The primary objective of this excursion is to explore new trends, innovation and cutting-edge technologies that can be introduced as new mediums within the Southeast Asia region.



Tristar Synergy executed the #JomMinumMilo event for meet-and-greet session with Milo Brand Ambassador, Park Seo Joon at Sunway Pyramid, Petaling Jaya. It was a 4-day event, where sales engagement and redemption activities were also held.

MAR



Marvel Distribution made a visit to Thailand with the purpose of discovering and selecting a range of new brands and products for importation into Malaysia.

Jump Retail's 'Wellness' team organised a friendly bowling match.

MAY



Jump Retail, Retail Galaxy and Marvel Distribution came together to organise a series of vibrant and welcoming 'Open Houses' for their teams nationwide in Malaysia during the Hari Raya festive season.

Tristar Synergy and shopperplus Myanmar management team had their separate strategy and brainstorm sessions to plan for FY2024.

Tristar Synergy organised a dinner and movie appreciation night for their loyal promoters. It was a fun night filled with appreciation awards and lucky draw gifts!



shopperplus Myanmar engaged in a 3-day team building retreat at Ngwe Saung, Myanmar. The team participated in a variety of games and activities, enhancing their camaraderie and strengthening their bond.

Jump Retail and Retail Galaxy management team got together for a strategy meet in Bangkok, Thailand, to brainstorm together on strategies moving forward.

MAY

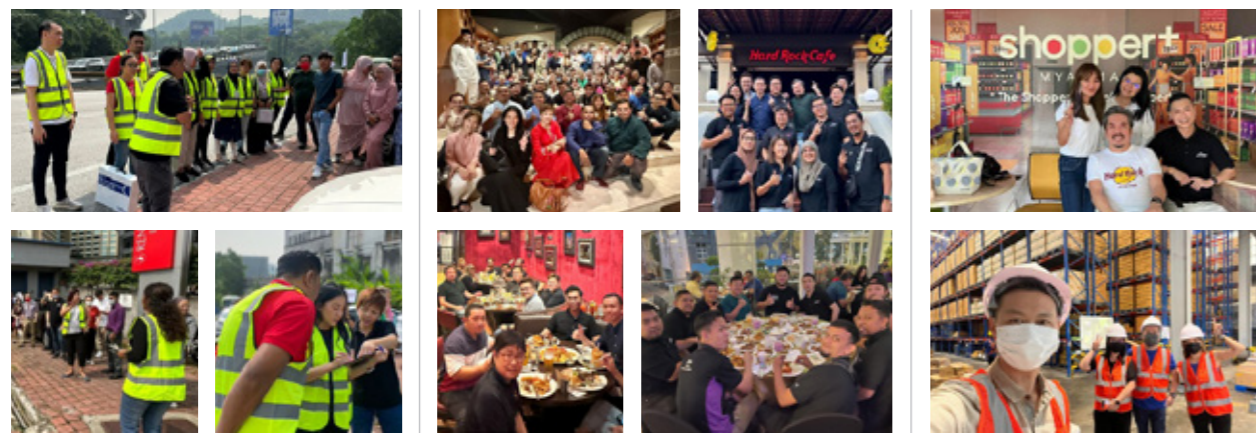


shopperplus hosted a delightful potluck 'Raya' tea party at the office. It was a heartwarming and joyous occasion that succeeded in uniting colleagues and team members during this meaningful celebration.

shopperplus conducted a knowledge sharing session of 'What's In Your Basket' to understand how the 4C's (Capture, Connect, Convert & Continue) is applied along the shopper journey.

shopper360 participated in a 2-day job fest organised by Kabel and Universiti Malaya to hire fresh graduates and interns for the Group.

APR

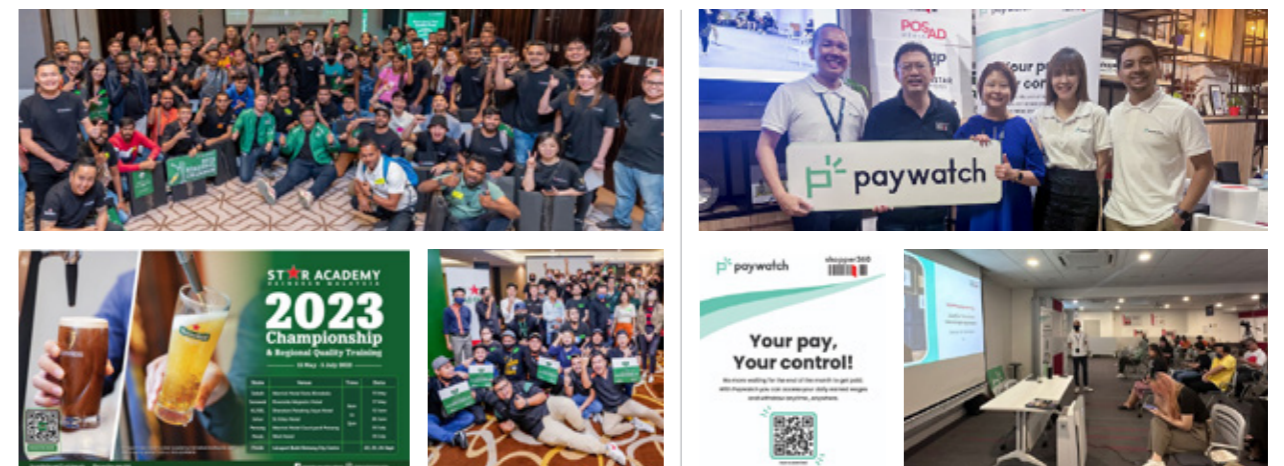


shopper360's 'Occupational Safety and Health' committee conducted a fire drill session at KLHQ office. By organising this drill, the Company demonstrates its proactive approach to being prepared and maintaining a secure working environment.

Jump Retail, Retail Galaxy and Marvel Distribution had their series of 'Buka Puasa' makan sessions with the team nationwide in Malaysia to express their gratitude for their hard work during the fasting month.

Marvel Distribution made a visit to Yangon, Myanmar to acquire 'best practice' knowledge from the Group's business partners in Myanmar.

MAY



Heineken's Star Academy Malaysia 2023 Championship and Regional Quality Training kicked off in May. Gazelle Activation executed the event at 6 locations nationwide and the finale in September.

shopper360 launched Paywatch, a benefit of withdrawing earned wages before the month-end, to our full-time employees.

# CORPORATE SOCIAL RESPONSIBILITY

## SHOPPER360 CSR PARTNERSHIP WITH DIGNITY FOR CHILDREN FOUNDATION AND GRAZE MARKET



Since August 2022, shopper360 has been making monthly contributions of RM3,200 to support Dignity For Children Foundation to subsidise the cost of providing nutritious meals for the children. Dignity For Children Foundation is a non-governmental organisation that provides holistic care and education for the marginalised and urban poor in Kuala Lumpur, Malaysia.

In partnership with Graze Market, fruits and vegetables which were rejected by the local commercial retailers for being imperfect-looking yet still good to be consumed are supplied to Dignity For Children Foundation weekly at a discounted price. Graze Market is a social enterprise known for its commitment to minimising food waste and promoting sustainability.

The partnership between shopper360, Dignity For Children Foundation and Graze Market amplifies the essence of community, compassion, and teamwork. Through this synergy, shopper360's agenda for environmental, social and corporate governance ("ESG") is embraced. We are also committed to eradicating food wastages and being part of the circular economy.



## SHOPPER360 PARTICIPATED IN KUALA LUMPUR STANDARD CHARTERED MARATHON (KLSCM) 2022 – RUN FOR A REASON (RFAR) CSR PROGRAM

Kuala Lumpur Standard Chartered Marathon (KLSCM) 2022 returned after a two-year hiatus due to the pandemic with over 34,000 runners at Dataran Merdeka in 12 and 13 November 2022.

In 2020, shopper360 participated in the community element through the corporate challenge category. As part of this initiative, funds were raised through a CSR programme, Run For A Reason (RFAR) to aid deserving organisations. There were five organisations selected to raise funds, the shortlisted charities were Standard Chartered's Futuremakers, Dignity for Children Foundation, the National Cancer Society of Malaysia, Hospis Malaysia and Teach for Malaysia. A donation of RM1,000 per runner was donated to any of these beneficiaries chosen. However, due to the pandemic, this event was put on hold and only took place in November 2022.

shopper360 demonstrated our commitment to CSR and a total of 22 runners participated in the 5km RFAR. A total donation of RM22,000 was made to Dignity for Children Foundation as our preferred choice.



SHOPPERPLUS MYANMAR VISIT TO THIT THAT VILLAGE AND AYE CHAN THAR VILLAGE IN HLAING THAR YAR



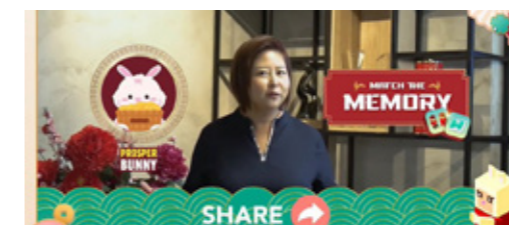
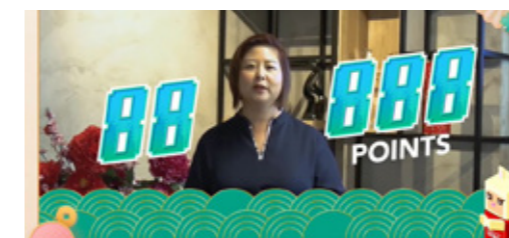
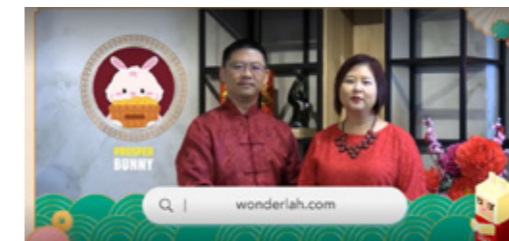
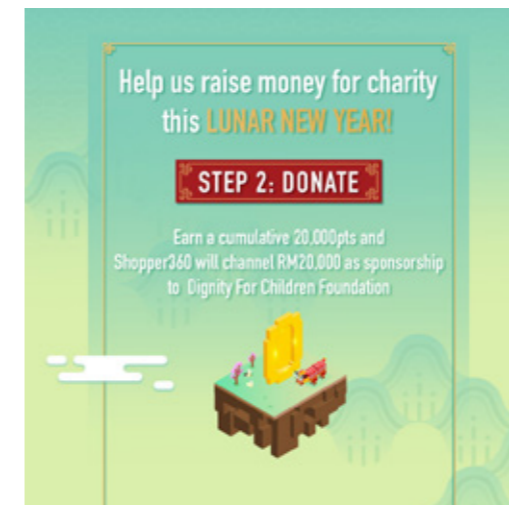
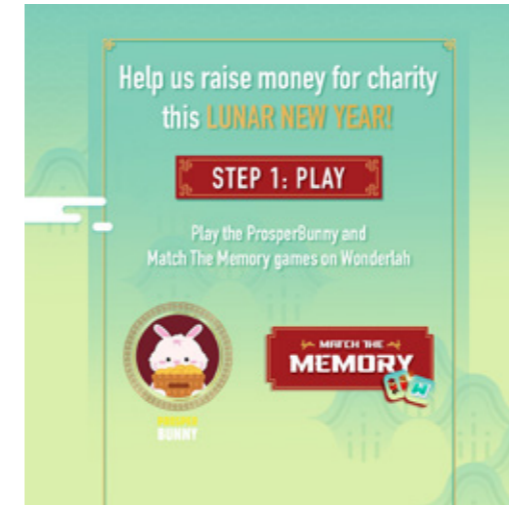
As part of our annual goal to give back and positively impact different communities in Myanmar, shopperplus Myanmar ran a CSR program at Thit That Village and Aye Chan Thar Village in Hlaing Thar Yar township in Yangon region on 19 December 2022.

The team, in total twenty-six staff members, participated in preparing and distributing packages for donation to the lower-income families in the community.

A total of 720 packages were distributed to households in these two villages. Each bag was filled with rice, cooking oil, noodle, soap, toothbrush, toothpaste and other essential items. A total of US\$7,150 was spent on providing these necessities.

On the distribution day, the team were divided into four groups to reach out to 720 households.

Through activities such as these, the team was able to develop a stronger team spirit among themselves and a sense of achievement through helping communities in need.



WONDERLAH PARTNERSHIP WITH DIGNITY FOR CHILDREN FOUNDATION

In a heartwarming and impactful collaboration, shopper360 has partnered with Dignity for Children Foundation, a non-governmental organisation, during the Chinese New Year festivities of 2023. This remarkable partnership marked a significant step towards fostering positive change and providing holistic care for the marginalised and urban poor children of Kuala Lumpur, Malaysia.

To achieve this objective, shopper360 harnessed the power of a digital engagement platform 'Wonderlah', an in-house developed gamification platform. We invited the public to play 'Prosper Bunny and Match the Memory' game on Wonderlah and each player's score directly translates into a meaningful contribution. For every point earned, shopper360 generously pledged a corresponding monetary fund with the first goal being a cumulative score of 20,000 points.

Since January 2023, our dedicated players have enthusiastically accumulated an astounding 88,888 points and shopper360 has fulfilled the promise of sponsoring RM40,000 to Dignity for Children Foundation.

This collaboration between shopper360 and Dignity for Children Foundation emphasises the boundless potential of digital technology in uniting communities and driving impactful change. We are committed to encouraging a collective sense of purpose and spreading compassion towards Malaysian society.



## SHOPPER360 INKS MOA WITH IACT COLLEGE TO SUPPORT RM200,000 SCHOLARSHIP FUND

Shopper360's partnership with IACT College highlights the integrated shopper marketing solutions group's dedication to creating a positive impact and shaping a brighter future for the younger generation.

On 1 June 2023, shopper360 Limited signed a Memorandum of Agreement ("MOA") with IACT College, the nation's premier creative communication education provider. This collaboration will see shopper360 providing financial support and valuable opportunities to deserving students through a RM200,000 scholarship fund.

The RM200,000 scholarship fund, disbursed from 2023 to 2024 will be divided into two categories: the shopper360 Career Catalyst Scholarship and the shopper360 Nation Building Scholarship.

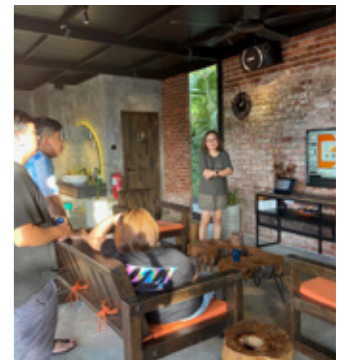
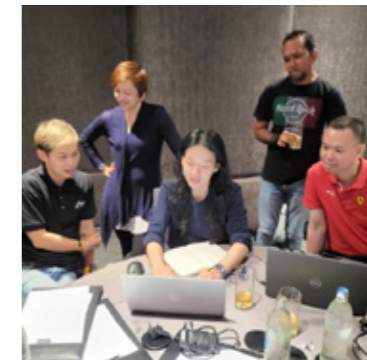
The shopper360 Career Catalyst Scholarship is open to outstanding students pursuing either a BA (Hons) in Media, Culture & Communications or a BA (Hons) in Advertising & Design from the University of Sunderland. Successful applicants will be awarded a fund of RM20,000 and a one-year contract with shopper360 or its affiliated companies, offering them valuable industry experience. Each year there will be three deserving recipients.



On the other hand, the shopper360 Nation Building Scholarship is open to any student enrolled at IACT College who is facing financial constraints in continuing their studies. Each year, four deserving recipients will be awarded RM10,000 each, providing vital financial assistance to pursue their educational goals.

Kesvini a/p Mahathevan, a student from BA (Hons) Media, Culture & Communication, was announced as the first recipient of the prestigious shopper360 Career Catalyst Scholarship.

## STAFF ENGAGEMENT



### STRATEGY MEETING: ENHANCING TRANSPARENCY AND COMMUNICATING SUCCESS



Strategy Meeting is a platform for our organisation to reflect on the past year's performance, highlight achievements, share vision, and set the course for the future. It aims to enhance transparency, communications, and provide stakeholders with a comprehensive understanding of our Company's progress. By aligning the communication strategy, it will strengthen the effectiveness of our strategies and contribute to the overall growth and success of the Group. Together, we will continue to strive for excellence and navigate the path to sustainable growth.

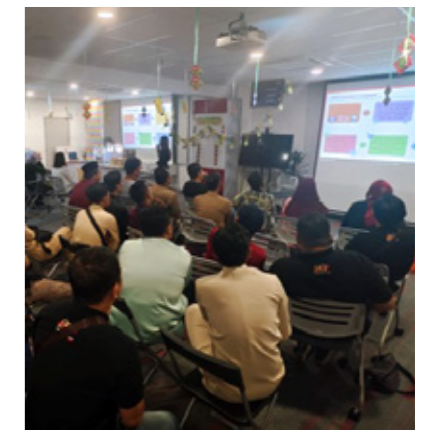
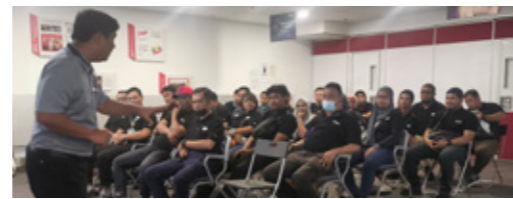




### EMPOWERING EMPLOYEES THROUGH PURPOSEFUL TRAININGS

Employee development remains a pivotal aspect of our organisational success. Recognising the significance of skilled and motivated employees, shopper360 have increasingly invested in comprehensive training programs. These programs aim to equip employees with the knowledge, enhance skillsets, and mindset needed to thrive in their roles. It also foster a culture of continuous learning, boost morale, nurture succession, foster innovation and contribute to the Company's growth.

Empowering employees through continuous learning remains a key driver of success.







### TEAM BUILDING ACTIVITIES

To foster a dynamic, collaborative work environment, shopper360 group of companies organises team building activities that promote unity, boost morale, and enhance teamwork. Throughout the year, various team-building initiatives were organised to empower our employees, improve communication, and cultivate a cohesive organisational culture. These activities aimed to strengthen the bonds within our teams and enhance overall productivity, creativity, and job satisfaction.



# RETAIL INNOVATION SHOWCASE

SHOPPER360 BRINGS INTERNATIONAL RETAIL INNOVATION SHOWCASE TO SOUTHEAST ASIA, STARTING WITH MALAYSIA



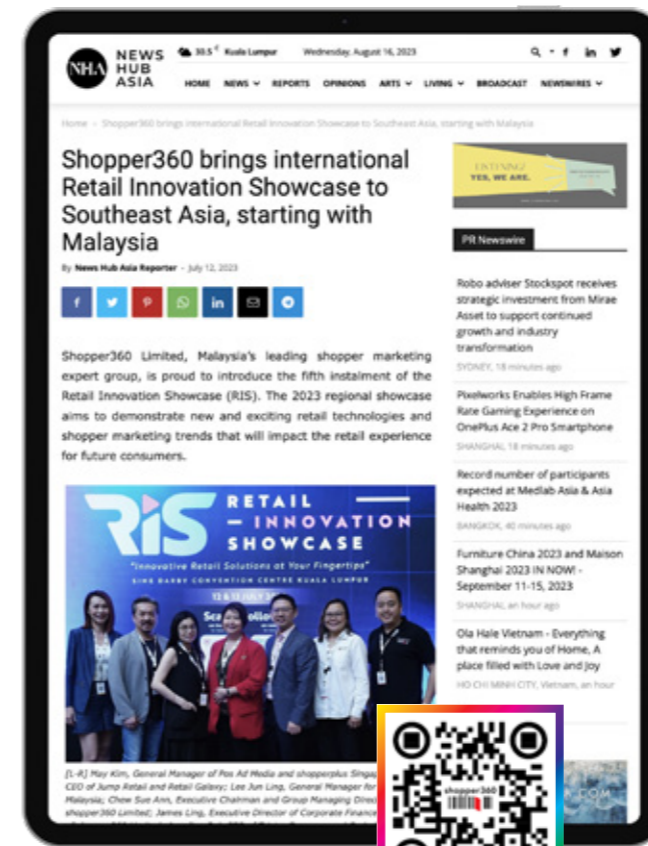
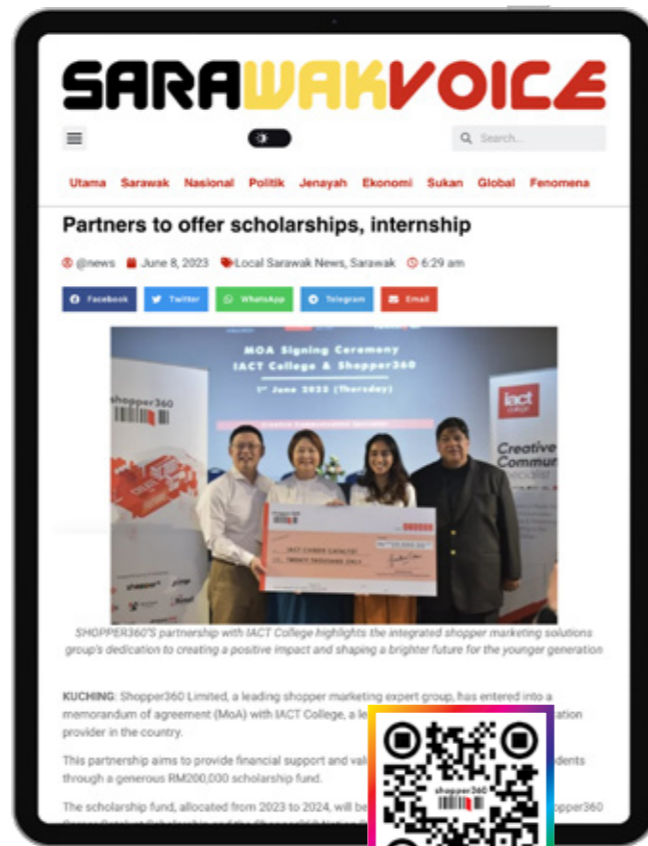
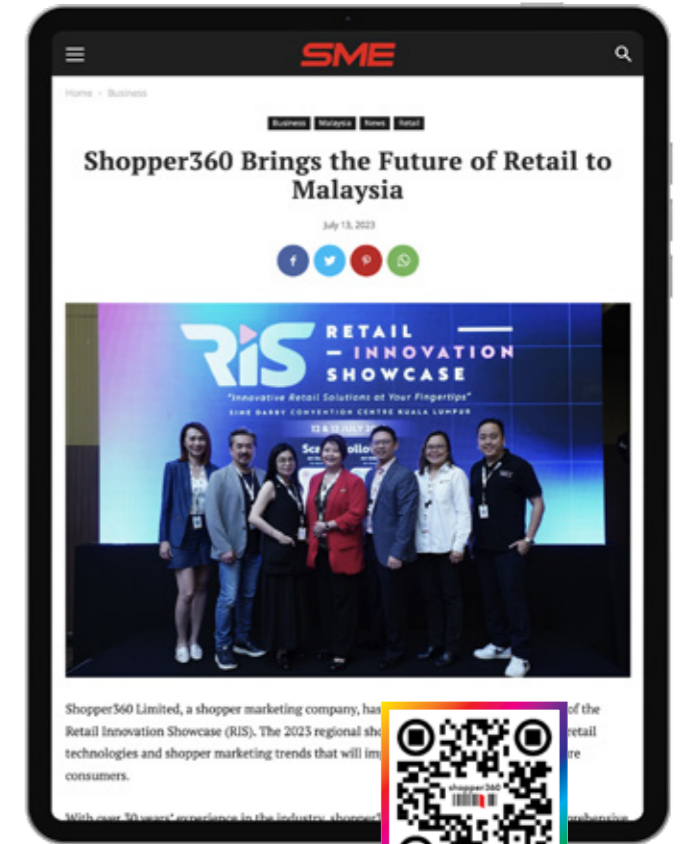
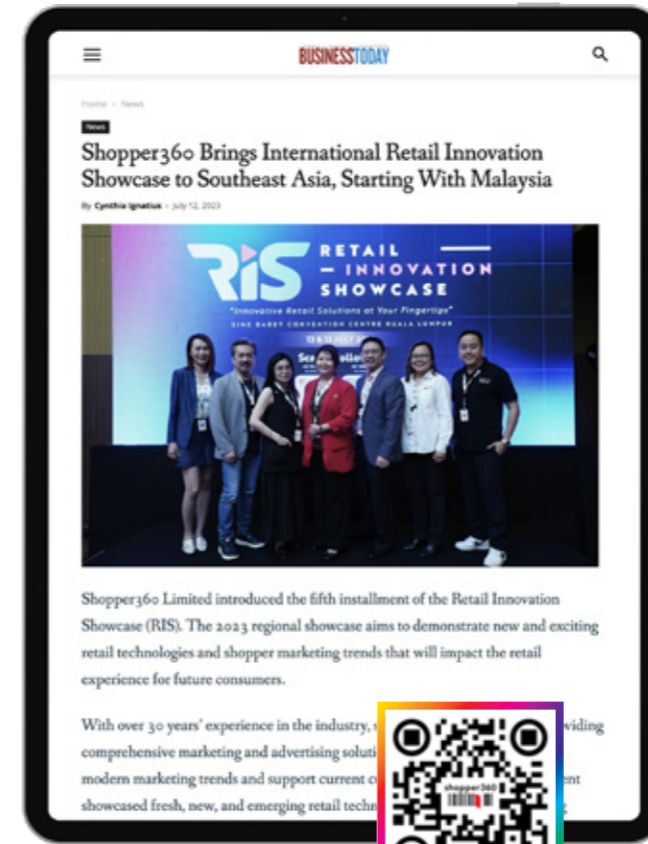
It was a two-day event held at Sime Darby Convention Centre with more than 500 attendees on 12 and 13 July 2023. Retail Innovation Showcase (“RIS”) was a platform to highlight fresh, new and emerging retail technologies, and shopper marketing trends relevant to the ASEAN market.

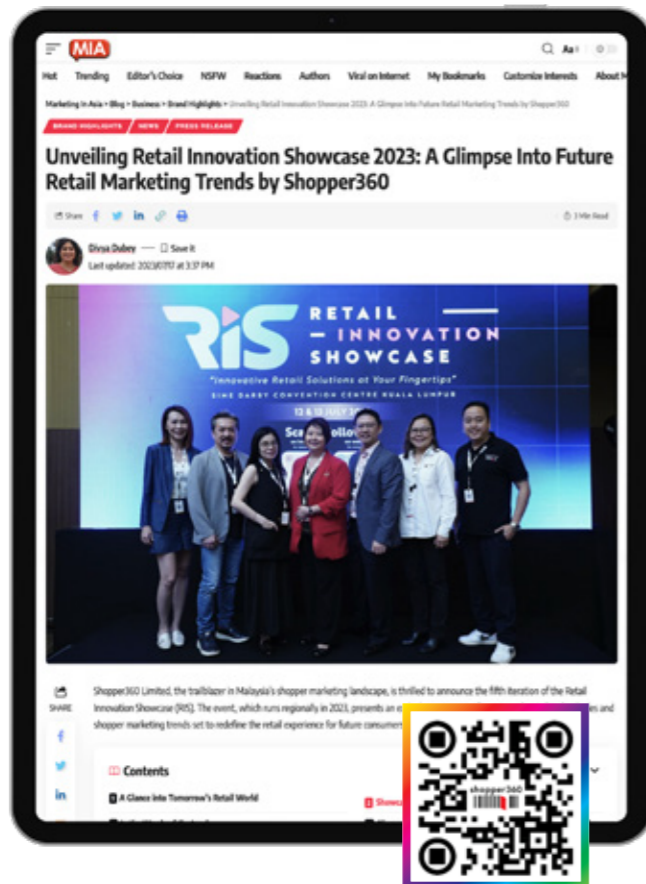
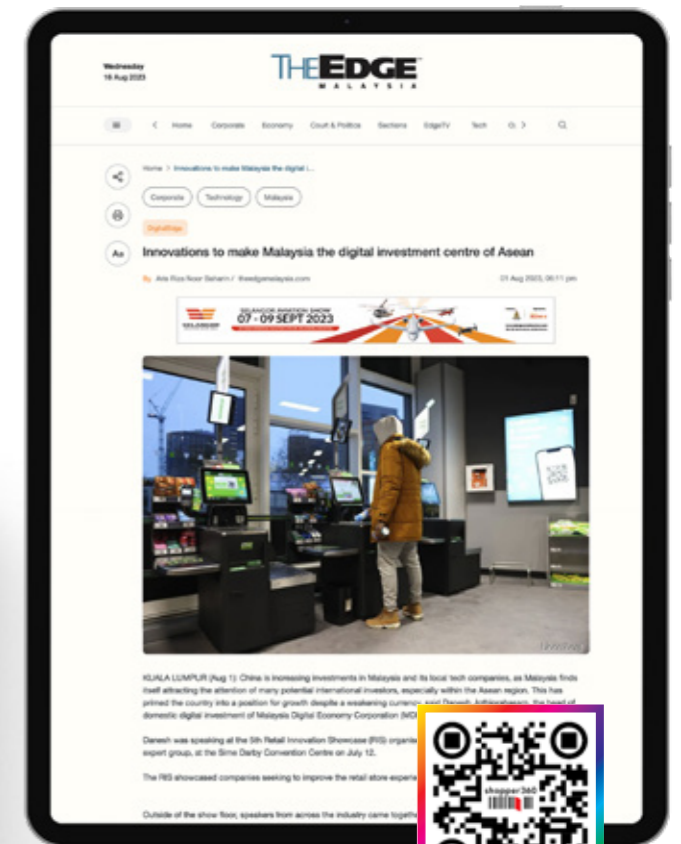
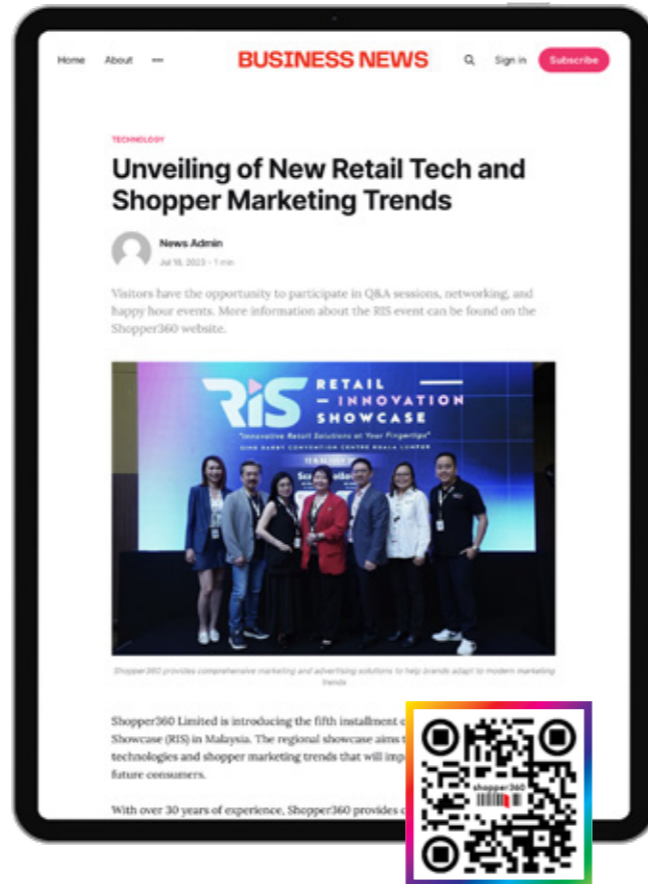
Inspired by our recent visit to the retail industry trade fair EuroShop 2023 held in Germany, this showcase aims to demonstrate new and exciting retail technologies and shopper marketing trends that will impact the retail experience for future consumers.

The RIS event featured a wide array of booths with unique and interactive experiences alongside opportunities to engage with industry leaders and discover cutting-edge technologies. With booths from retail, retail tech partners, FMCG, and non-FMCG brands, visitors can explore the event specific shopper communication demonstration area, digital game platform, and an exploratory activation area.

Continuing our aspiration, RIS was held in Singapore on 25 August 2023 at Marina One West Tower and will be held in Myanmar on 5 December 2023 at Ocean St. John.

# MEDIA HIGHLIGHTS





# SUSTAINABILITY REPORT

## ABOUT THIS REPORT

We are pleased to present our Sustainability Report for the financial year ended 31 May 2023 ("**FY2023**") which covers the company's strategies, initiatives and performance in relation to environmental, social and governance ("**ESG**") issues. The scope of this report covers the sustainability performance and practices across our Group from 1 June 2022 to 31 May 2023, unless otherwise stated.

This report, produced in accordance with the Global Reporting Initiatives ("**GRI**") Universal Standards, includes the primary components as set out in Rules 711A, 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist for sustainability reporting. The GRI standards were selected as it is an internationally recognised and widely adopted reporting framework that provides guidance to report on sustainability matters.

This report also contains our inaugural disclosure on climate-related matters that follows the guidelines set forth by the Task Force for Climate-related Financial Disclosures ("**TCFD**"). We are committed to our approach to sustainability and strive to ensure that our operations have a positive impact on the environment and society. By aligning with the TCFD recommendations, we aim to take a proactive stance in addressing climate change and its potential effects on our business and we hope to contribute to a more sustainable future for all. During the year, the Company's internal auditors, RSM Corporate Consulting (Malaysia) Sdn Bhd, have been engaged to review our current sustainability reporting processes.

The GRI content index and relevant references are disclosed on pages 77 to 78 of this report. The data and information provided have not been verified by external independent party. We have relied on internal data monitoring and verification to ensure accuracy of data and information.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to [ir@shopper360.com.my](mailto:ir@shopper360.com.my).

## BOARD STATEMENT ON SUSTAINABILITY

shopper360 Limited (the “**Company**”, and together with its subsidiaries, “**shopper360**” or the “**Group**”) is a well-established shopper marketing expert group in Malaysia, with over 30 years’ experience in the industry. The Group provides comprehensive marketing and advertising solutions that integrates consumers’ journey from digital brand awareness, retail and in store media, to events and active engagements.

The Group has always been committed to sustainability and fully supports the adoption of the SGX sustainability reporting guidelines. We firmly believe that building a sustainable business is vital to our continued success.

The global economy continued to battle escalating geopolitical tensions, rising energy costs and elevated interest rates in FY2023. These factors, coupled with persistent inflationary pressures, made for a difficult economic climate. At the same time, the world is also witnessing an increase in floods and heatwaves caused by climate changes, resulting in rising temperatures and rainfall in several countries. These natural disasters are a clear indication of the urgent need for sustainable practices to mitigate the effects of climate change.

On the local front, prices of essential goods have increased by double digits in a short period of time, prompting several rounds of price hikes by fast moving consumer goods (“**FMCG**”) companies in 2022. This has caused an increase in overall cost for consumers. As a result, there is a greater emphasis on mindful spending, both in the short and long term. This has impacted shopping behaviour whereby households cook more at home and delay purchases of high-value goods, and would often pay attention to offers and discounts by retailers. Other concerns include severe staff shortages in the retail industry, with layoffs continuing amongst global companies. The recent increase in minimum wage in Malaysia has also led to margin compression while customers looked to reduce costs. Despite these obstacles, however, we continue to persevere and worked tirelessly to navigate our way through a rapidly changing service landscape.

FY2023 has seen another year of achievements and progress on the backdrop of uncertainty. The need for innovative solutions has never been more urgent. This year, we continue to take important steps to improve our service offering.

During the year, shopper360 took an active approach to engage advertisers by organising a regional retail innovation showcase (“**RIS**”) that will feature the latest innovations for retail environments and how retailers and brands can utilise these new tools to further engage consumers. Participants from the industry including retailers and clients were taken through an experiential exhibition, retail talks, digital gamification and activation walk-throughs as well as networking sessions to further enhance the important role shopper360 plays in the shopper marketing and advertising industry. The RIS event also showcased fresh, new, and emerging retail technologies and shopper marketing trends with unique and interactive experiences whilst engaging with industry leaders and discovering cutting-edge technologies.

Our efforts in the previous year in digitalising our business continues to be our priority. Digital contest execution through our own proprietary game engine - helping brands create cost effective digital contests that are not only fun for shoppers but impactful in terms of sales returns and exposure for the brands continues to be important. Digitalisation trends such as migration to cloud computing, meetings and trainings being conducted virtually as well as services being fulfilled through online platforms, remain significant moving forward.

shopper360 is committed to protecting the health and well-being of our stakeholders. We have implemented initiatives to make a positive social impact, working to protect and support communities where we operate. In June 2023, the Group inked a Memorandum of Agreement (“**MoA**”) with IACT College, a distinguished provider of creative communication education in the nation. The collaboration entails shopper360 providing financial assistance worth RM200,000, internship opportunities and a one year job guarantee for scholarship recipients. This MoA is a testament of our commitment to supporting the growth and development of the next generation of creative minds. We believe that investing in education is one way to contribute towards achieving sustainability, and we look forward to seeing the positive impact this collaboration will have on the community.

Our commitment to fostering a culture of safety and well-being remains unwavering. The health, safety and well-being of our employees and their families has been and remains our first priority. As we move forward, we will continue to prioritise the health and well-being of our employees, recognising that a strong and healthy workforce is essential to our long-term success. We continue to maintain oversight over our sustainability

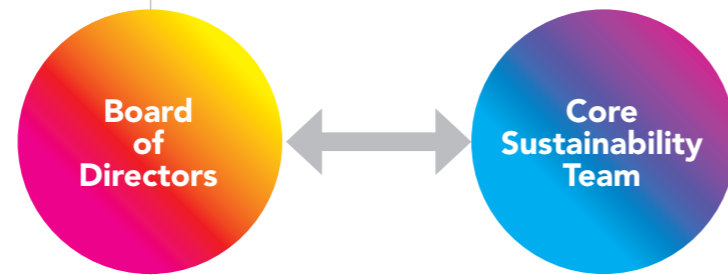
directions, strategies and initiatives during the financial year. Our ESG management and economic performance at shopper360 is overseen by the board of directors (the “**Board**” or “**Directors**”), which works closely with the Core Sustainability Team (“**CST**”) to define the impact of ESG issues on our business and our stakeholders including our employees, investors and the local communities in which we operate.

The CST is led by the Executive Director, members from the senior management and respective head of support functions (such as finance, information technology and human resource), which are tasked to maintain oversight in the sustainability efforts of teams across different business units. The CST also reviews and supervises the implementation and tracking of sustainability data and its progress.

We identify material topics for reporting based on the significance of our ESG factors and the degree of influence where we see the most potential for creating maximum value for our shareholders and stakeholders. The materiality assessment was guided by inputs from our management and key representatives from business units as well as some external stakeholders. Material topics are reviewed annually for their continued relevance according to current global and local trends. In our annual review to prioritise the material ESG matters that are most relevant to our operations, we have concluded that the same matters disclosed in FY2022 remain relevant to the Group in FY2023.

While we are satisfied with our progress so far, we recognise there is much more work to be done. And this cannot be achieved without collaboration with our consumers, retailers, communities and, most importantly, our people. As we move forward, we will continue to assess and refine our approach to sustainability, leveraging our expertise and experience to drive meaningful progress and achieve our objectives. We are proud of the progress we have made thus far, and we remain steadfast in our dedication to sustainability.

## SUSTAINABILITY GOVERNANCE (GRI 2-9)



The Board is ultimately responsible for providing oversight on sustainability affairs across the business value chain and consider such matters in the formulation of the Group's strategies.

The Board is supported by the CST to oversee the implementation of the Group's sustainability strategy. This includes integrating sustainability policies and processes to the business and monitoring the Group's overall sustainability performance.

During FY2023, the Board has attended the sustainability training courses mandated by SGX to enhance their understanding of industry-leading practices in sustainability reporting. This initiative is aimed to ensure that the Board remains well-informed and equipped with the knowledge necessary to drive our Group's sustainability agenda effectively.

The Group recognises the importance and benefits of having a diverse Board, which allows the Board to gather input from a wider variety of perspectives for the benefit of the Group. In order to better promote and demonstrate the commitment towards this topic, the Board had approved a Board Diversity Policy during FY2023. The Policy outlines the Group's commitment to ensuring that Board appointments are based on merit and that Board diversity is an important element in Director selection.

As at 31 May 2023, our Board are comprised of 6 members, out of which 3 members are independent and non-executive directors (50%) and 2 members are female (33%). Their backgrounds are diverse, ranging from entrepreneurship, corporate financial background and marketing expertise. Our senior management comprised 5 members, out of which 3 are female (60%).

## APPROACH TO SUSTAINABILITY

### ENGAGING OUR STAKEHOLDERS






The Group adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders as part of its overall responsibility to secure the long-term future of the Company. We believe that responding to rapidly changing stakeholder interests is crucial in sustaining its business growth and as such it is of utmost importance that we engage with our stakeholders to gain valuable insights and understand the issues that they are most concerned with.



We define our stakeholders as those impacted by our business activities, who have direct and indirect involvement and whose interest may have positive or negative consequences due to our business activities. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to suppliers, employees, investors and shareholders, customers, and government and regulators. We adopt both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into our corporate strategies to achieve mutually beneficial relationships. Through the above steps, we were able to gain an understanding of the sustainability issues that matter most to our key stakeholders. We then earmarked the material factors and assessed their materiality in the context of our business operations, with reference to the respective GRI standards.

The Group is committed to engaging all of our stakeholders as part of our continued sustainability endeavors. We view stakeholder engagement as a continual process and not a one-off event. The identification and management of material issues are carried out annually to ensure their relevance to our stakeholders.

Stakeholder engagement and responding to their feedback and needs are part and parcel of shopper360's way of doing business and ensuring long-term success. Their feedback and suggestions will help the Group to adjust its business strategy and operate in a transparent and accountable manner. The following table represents the stakeholder engagement methods which the Group adopts in our sustainability practices to meet the ESG requirements.

STAKEHOLDERS	ENGAGEMENT PLATFORM	FREQUENCY OF ENGAGEMENT	KEY CONCERNS
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Face-to-face or virtual (online) meetings, and by phone</li> <li>• Vendor Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• When needed</li> <li>• During project implementation and when required</li> <li>• Annually for material suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Recycled material options</li> <li>• Digitisation to reduce paper trail</li> <li>• Product and service quality</li> <li>• Fair Pricing</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Staff Appraisal</li> <li>• Training and development</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• Occasionally</li> </ul>	<ul style="list-style-type: none"> <li>• Salary benchmarking exercise</li> <li>• Employee capabilities and career development</li> <li>• Sense of belonging and recognition</li> </ul>
 <b>Investors and Shareholders</b>	<ul style="list-style-type: none"> <li>• Annual General Meeting/ Extraordinary General Meeting</li> <li>• Annual Report</li> <li>• Announcement</li> </ul>	<ul style="list-style-type: none"> <li>• Annually or when needed</li> <li>• Annually</li> <li>• Half yearly (results announcements) or when needed (other announcements)</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability and business continuity</li> <li>• Innovation</li> <li>• Transparency</li> <li>• Growth and Profitability</li> <li>• Cash and Dividends</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Face-to-face or virtual (online) meetings, and by phone</li> <li>• Regular customers' feedback</li> <li>• Social Media</li> <li>• Exhibition and Shopper Talks</li> </ul>	<ul style="list-style-type: none"> <li>• When needed</li> <li>• As and when it occurs including business reviews or on ad hoc basis</li> <li>• At least once a month</li> <li>• At least once a year</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of Service</li> <li>• Contracts fulfilment</li> <li>• Data privacy</li> <li>• New services and innovation</li> </ul>
 <b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• Announcement</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• Half yearly (results announcements) or when needed (other announcements)</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with regulatory and industry standards and guidelines</li> </ul>

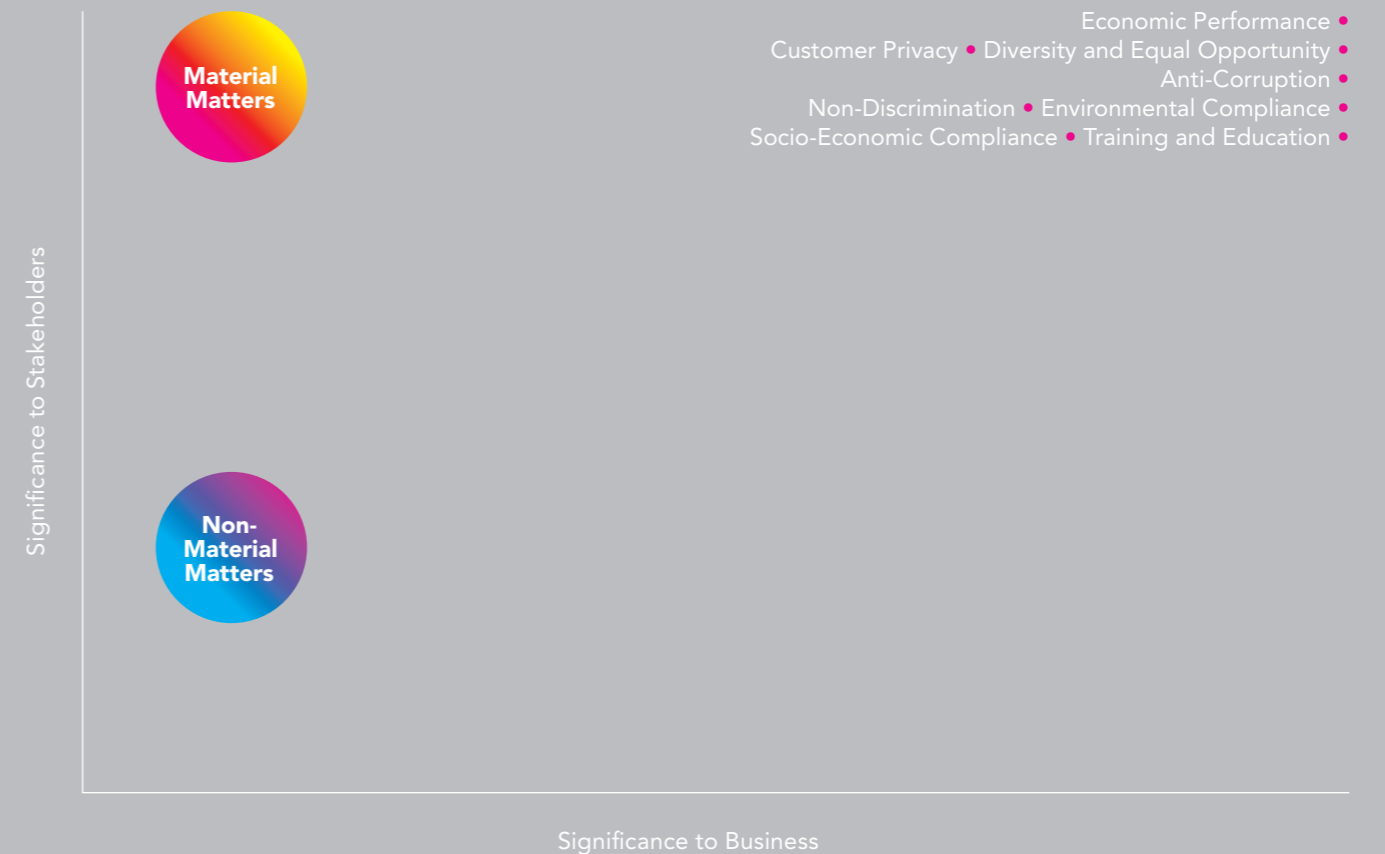
# MATERIALITY ASSESSMENT

Material topics are reviewed annually for their continued relevance according to current global and local trends. In our annual review to prioritise the material ESG matters that are most relevant to our operations, we have concluded that the same matters disclosed in FY2022 remain relevant to the Group in FY2023.

## OUR MATERIAL TOPICS AND TARGETS

Applying the guidance from GRI, we have identified the following material topics from our previous disclosure. We have also set targets, while at the same time tracking our progress against them.

### MATERIALITY PRIORITISATION INDEX



\*Non-Material matters not selected for reporting are not disclosed.



In our commitment to sustainable development, we measure our sustainability performance by tracking its progress every year:

Material Topic	3 Year Target	Achievements		FY2023 Progress and Performance
		FY2022	FY2023	
<b>Economic Performance</b>	Growth within business segments and external growth	Achieved	Partially Achieved	<p>In FY2023, revenue from the Sales Execution and Distribution segment increased while the Advertising and Marketing segment recorded lower revenue. On the whole, gross profit was slightly lower than last year while higher costs resulted in lower overall profitability from the business segments.</p> <p>The Group sold the entire stake in one of its investments in an associated company, namely Troopers Innovation Sdn. Bhd., to BetterPlace Global Pte. Ltd at a return of 5.85x<sup>1</sup> the capital it invested in where shopper360 received a consideration amount of approximately RM13.7 million, out of which RM9.7 million comprised cumulative, fully and compulsorily convertible non-participating preference shares in BetterPlace Safety Solutions Private Limited.</p> <p>shopper360 will look at activities such as the Retail Innovation Showcase held or to be held in 3 markets (Malaysia, Singapore and Myanmar) to increase revenue and profitability, and focus on optimising cost during the coming year to improve profitability. In addition, we continue to seek out good business investments to complement the shopper marketing and retail services ecosystem.</p>
<b>Anti-Corruption</b>	Zero incidents of corruption	Achieved	Achieved	Zero reported incidents of corruption in FY2023.
<b>Environmental Compliance</b>	No incidence of non-compliance with environmental laws and regulations	Achieved	Achieved	No incidence of non-compliance with environmental laws and regulations in FY2023.
<b>Diversity and Equal Opportunity</b>	Continue to maintain diversity in our workforce	Achieved	Achieved	In FY2023, female representation is approximately 33% of the workforce. The Board consists of 6 members, out of which 2 are women.
<b>Non-Discrimination</b>	Zero incidents of discrimination	Achieved	Achieved	Zero reported incidents of discrimination in FY2023.
<b>Training and Education</b>	Average 8-9 hours for permanent staff	Achieved	Achieved	In FY2023, our training hours averaged 15.51 hours for permanent staff.
<b>Socio-Economic Compliance</b>	Zero incidents of non-compliance with laws and regulations in the social and economic area	Achieved	Achieved	Zero incidents of non-compliance with laws and regulations in the social and economic area for FY2023.
<b>Customer Privacy</b>	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data	Achieved	Achieved	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2023.

<sup>1</sup> Return of 5.85x was derived from the consideration amount of approximately RM13.7 million less the Group's cost of investment in Troopers Innovation Sdn Bhd ("Troopers") of RM2.0 million, divided by the Group's cost of investment in Troopers of RM2.0 million. The multiple on invested capital for sale of the Group's stake in Troopers was 6.85x based on the consideration amount of RM13.7 million divided by the Group's cost of investment in Troopers of RM2.0 million.

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

In line with SGX's updated Sustainability Reporting Guide, all listed companies are now required to provide climate-related disclosures on a 'comply or explain' basis. The Task Force on Climate-Related Financial Disclosures, an international initiative, was created to establish reliable and comprehensive frameworks for disclosing climate-related financial risks and opportunities. In FY2023, we set out to adopt TCFD recommendations for the first time and will be implementing a phased approach towards climate reporting.

### GOVERNANCE

The Board has the overall responsibility for the Group's sustainability strategy, including climate-related risks and opportunities. The Board is supported by the Core Sustainability Team to oversee the implementation of the Group's sustainability strategy.

### STRATEGY

As part of our commitment to sustainability, we are actively pursuing ways to enhance our climate resilience across all business divisions. To achieve this, our first priority is to gain an understanding of the potential hazards and benefits presented by climate change on our operations. We have conducted desktop research and rudimentary scenario analysis to examine the risks and opportunities associated with various climate scenarios. By assessing its impact on our businesses, we can identify existing and develop new strategies to mitigate any negative effects and capitalise on positive outcomes in the future. We expect our strategies to evolve to be more developed and refined as we progress over the coming years.

Climate Framework & Scenario	Paris Agreement-Aligned Scenario (below 2°C)	No Mitigation Scenario (4°C)
<b>Selected Scenario</b>	This assumes countries will take significant action to reduce their greenhouse gas emissions and implement other measures to mitigate climate change and transition to a low-carbon economy, thus limiting global warming to below 2°C.	This scenario represents Business As Usual scenario which are used to assess risks, with high emissions and few or no steps are taken (no policy changes) to limit greenhouse gas emissions, leading to global temperature rise.
<b>Framework/ Model Supported</b>	International Energy Agency-2°C Scenario (2DS)	Intergovernmental Panel on Climate Change Representative Concentration Pathway 8.5
<b>Assumptions Made</b>	<ul style="list-style-type: none"> <li>Rapid deployment of renewable energy and energy storage technologies;</li> <li>Shift in clients, consumer preferences and investor attitudes towards sustainability, for example brands with high-emissions advertising services;</li> <li>Carbon tax and pricing introduced;</li> <li>Fuel subsidies phased out</li> </ul>	<ul style="list-style-type: none"> <li>Slow deployment of renewable energy and energy storage technologies, continued reliance on fossil fuels and conventional power generation technologies;</li> <li>Global emissions continue to rise due to high carbon intensity;</li> <li>Global mean sea level rise, changes in precipitation patterns, and increased frequency and severity of extreme weather;</li> <li>Limited policy action to reduce greenhouse gas emissions, with no significant implementation of carbon pricing</li> </ul>

**RISK MANAGEMENT**

shopper360 acknowledges that maintaining a sound system of risk management is imperative to safeguard the interests of the Group and its stakeholders. The Board is responsible for the governance of risks and has responsibility to ensure that the Group is appropriately managing risks. The Group will work towards incorporating climate-related risks and opportunities as part of the existing risk management processes to better enable assessment, monitoring, and management of these climate-related risks alongside other existing risks identified.

The table below illustrates our mitigation strategies for material climate-related risks.

**CLIMATE-RELATED RISK AND OPPORTUNITIES**

Risk Category	Risk Type	Risk Description	Potential Financial and Other Impacts	Strategy for Mitigation or Adaptation Measures	Overall Impact Level	Time Horizon	Climate Related Opportunities
Physical Risk	(P1) Increased severity of extreme weather events such as floods and flash floods	Flood: Properties located in high flood risk areas	<ul style="list-style-type: none"> <li>Physical Assets: Rented offices are affected by floods</li> <li>Increase in insurance costs</li> <li>Physical damage or impairment of assets</li> <li>Cost of pre-emptive mitigation measures</li> <li>Potential disruptions to operations</li> </ul>	<ul style="list-style-type: none"> <li>The Group is currently tracking its fuel and electricity usage to monitor greenhouse gas (“GHG”) emissions</li> <li>The Group is currently tracking water usage</li> <li>Continued efforts to encourage and educate our people to reduce, reuse and recycle</li> </ul> <p><b>Potential Future Plans:</b></p> <ul style="list-style-type: none"> <li>Alternate route/ optimise route planning to minimise the utilisation of fuel</li> <li>Minimise use of water and electricity through continued utilisation of energy efficient electrical items when and where possible</li> <li>Provide necessary safety training to employees to manage if these risks occur</li> </ul>	Medium	Long	<ul style="list-style-type: none"> <li>Strengthen flood mitigation procedures and emergency response</li> </ul>
	(P2) Drought	Water shortage, dehydration	<ul style="list-style-type: none"> <li>Staff health problems affects the operation and performance of the company</li> <li>Activation may be cancelled or postponed due to lack of water supply. Promoters may not be able to conduct sampling of drinks or food</li> </ul>	<ul style="list-style-type: none"> <li>Minimise use of water and electricity through continued utilisation of energy efficient electrical items when and where possible</li> <li>Provide necessary safety training to employees to manage if these risks occur</li> </ul>	Low	Long	
	(P3) Rising mean temperatures	Properties and location affected by heat and rising temperature	<ul style="list-style-type: none"> <li>Outdoor activation may become more difficult to plan and execute, this could lead to cancellations, rescheduling or increase costs for activation</li> <li>Staff gets sick or unwell</li> <li>Higher operating cost</li> </ul>	<ul style="list-style-type: none"> <li>The Group is currently tracking its fuel and electricity usage to monitor GHG emissions</li> <li>The Group is currently tracking water usage</li> <li>Continued efforts to encourage and educate our people to reduce, reuse and recycle</li> </ul> <p><b>Potential Future Plans:</b></p> <ul style="list-style-type: none"> <li>Hold out of home activations at green buildings</li> <li>Focus more on recycling efforts and avoid products with a lot of packaging</li> </ul>	Medium	Long	<ul style="list-style-type: none"> <li>Where possible, utilise energy efficient technology to reduce emissions</li> <li>Identify alternative cooling methods and improve indoor air quality and ventilation</li> <li>Enhancement of staff training on readiness and handling heat-stress situations covering:                             <ul style="list-style-type: none"> <li>- recognition of early symptoms of heat stress;</li> <li>- administering first aid for heat-related illnesses; and</li> <li>- activate emergency medical services quickly when needed.</li> </ul> </li> </ul>

Risk Category	Risk Type	Risk Description	Potential Financial and Other Impacts	Strategy for Mitigation or Adaptation Measures	Overall Impact Level	Time Horizon	Climate Related Opportunities
Transition Risk	(T1) Clients or consumer demand for sustainable products or services	<ul style="list-style-type: none"> <li>Our clients/ consumers may demand:                             <ul style="list-style-type: none"> <li>- The use of environmentally friendly materials</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Clients may choose not to continue to engage shopper360 if they believe that shopper360's current products do not use environmentally friendly materials, which will impact shopper360's revenue and bottom-line</li> </ul>	<ul style="list-style-type: none"> <li>Continued efforts to encourage and educate our people to reduce, reuse and recycle</li> </ul> <p><b>Potential Future Plans:</b></p> <p><b>Clients:</b></p> <ul style="list-style-type: none"> <li>To monitor the consumer and market expectations</li> <li>Identify sustainable products/services that are required by clients. This applies to shopper360's suppliers as well as client-appointed suppliers</li> </ul>	Medium	Short	<ul style="list-style-type: none"> <li>Explore demand for energy-efficient advertising /marketing solutions.</li> <li>Cultivating a pool of ESG savvy personnel</li> <li>Adopt energy efficiency measures and renewable energy across the Group</li> <li>Partner with other companies or organisations that are working towards a low-carbon economy, such as renewable energy providers or sustainable transportation companies</li> </ul>
	(T2) Clients or consumer demand for products or materials used that are recyclable	<ul style="list-style-type: none"> <li>Our clients / consumers may demand:                             <ul style="list-style-type: none"> <li>- Materials that can be used repeatedly to reduce wastage</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Clients/customers may view shopper360 negatively if they believe that shopper360's current products or materials used are not recyclable or environmentally-friendly</li> </ul>	<p><b>Distribution Business:</b></p> <p>Consideration for future plans on last mile delivery:</p> <ul style="list-style-type: none"> <li>optimisation and implement intelligent transportation management systems</li> <li>consider cleaner, energy-efficient and flexible transportation modes</li> <li>use near zero emission trucks and electronic vehicles</li> </ul>	Medium	Short	
	(T3) Areas of regulation that may impact business with regards to sustainable practices	<ul style="list-style-type: none"> <li>Use of materials that are not recyclable</li> <li>Materials used for events that are not in compliance with environmental regulations</li> </ul>	<ul style="list-style-type: none"> <li>Increased cost in complying or meeting 'green' requirements thereby increasing operating cost</li> </ul>	<ul style="list-style-type: none"> <li>Continued efforts to encourage and educate our people to reduce, reuse and recycle</li> </ul> <p><b>Potential Future Plans:</b></p> <ul style="list-style-type: none"> <li>Use of alternative materials that are recyclable and high compatibility for events</li> <li>To observe/monitor regulations that require efforts on reducing carbon footprint on the Company's products or services</li> <li>Working with regulators to monitor such requirements and anticipate potential cost that may impact shopper360</li> </ul>	Low	Medium	<ul style="list-style-type: none"> <li>Opportunity to understand potential regulations that may impact the Group in the future</li> </ul>

Time Horizon	Definition
Long Term	> 5 years
Medium Term	3 to 5 years
Short Term	< 3 years

**METRICS AND TARGETS**

We recognise the importance of setting targets for emissions reduction. However, as this is our first year of reporting on TCFD disclosures, we have yet to establish specific targets in this area. We understand that setting targets is crucial in driving progress towards a low-carbon future, and we will consider exploring ways to develop clear and measurable goals for emissions reduction. This includes enhancing our disclosures and capabilities in identifying and managing emissions. We are on the lookout for ways to leverage analytics and automation to assist us in disclosing the required information above.

shopper360's relevant climate-related and environmental metrics are reported this year, which are Scope 1 and Scope 2 GHG emissions and energy consumption. Please refer to energy and greenhouse gas emissions and water consumption section on page 68 to 69 for more information.

## ECONOMIC PERFORMANCE

We are committed to achieving economic sustainability growth for our shareholders. We conduct our business in compliance with applicable laws and regulations and in accordance with high ethical business practices and good corporate governance.

As part of shopper360's journey to incorporate sustainable business practices in the long term, the Group is committed to a holistic approach to business management. shopper360 believes that focusing on financial sustainability is critical. The Group's basic principle is that long-term profitability and shareholder value is ensured by taking into account the interests of stakeholders, such as shareholders, employees, suppliers and society as a whole.

(A) KEY DATA OF OPERATING RESULTS	FY2019 RM'000	FY2020 RM'000	FY2021 RM'000	FY2022 RM'000	<b>FY2023 RM'000</b>
Revenue	161,085	162,678	153,133	152,158	<b>169,463</b>
Profit before tax	7,773	7,043	10,069	7,515	<b>12,602</b>
Profit for the year	5,404	3,633	6,563	4,716	<b>11,661</b>
Profit attributable to equity holders of the Company	5,185	2,964	5,816	3,729	<b>11,556</b>

### (B) FINANCIAL INDICATORS

Return on equity	10%	6%	10%	6%	<b>17%</b>
Earnings per share <sup>(1)</sup> (RM cents)	4.53	2.62	5.29	3.43	<b>10.62</b>

Cash and Cash Equivalents	21,242	22,054	27,592	24,510	<b>21,629</b>
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**NOTE:** <sup>(1)</sup> Earnings per share is computed based on profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares during the year (excluding treasury shares).

It is our belief that to deliver value for all our stakeholders, particularly our shareholders, we have to focus on maintaining a strong financial position by carrying out our operations in a responsible manner and building resilience throughout our business operations for long-term sustainable growth.

### DETAILED FINANCIAL RESULTS

For the detailed financial results of our Group, please refer to the following sections of the Annual Report:

- Group Financial Highlights, pages 10 to 13
- Financial Statements, pages 115 to 170

## ANTI-CORRUPTION

(GRI 205-1), (GRI 205-2), (GRI-205-3)

We remain steadfast in upholding our business ethics to the highest levels. The Group is committed to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs.

shopper360 has zero-tolerance for corruption. We take a strong stand against corrupt practices and strategies, and this value has been communicated to all of our employees, major suppliers and business partners. There were no fines or non-monetary sanctions for non-compliance with laws and regulations in respect of corruption in FY2023.

The Group has established a whistle-blowing policy and channel with the aim of providing a structured mechanism for employees and other stakeholders to report any concerns on any suspected or wrongful activities or wrongdoings. These refer to any potential violations or concerns relating to any laws, rules, regulations, acts, ethics, integrity and business conduct, including any violation or concerns relating to malpractice, illegal, immoral, embezzlement and fraudulent activities, which will affect the business and image of the Group. Please refer to page 97 for further details on the Group's whistle-blowing policy.

The Group has an Anti-Bribery and Corruption Policy in place. In FY2023, anti-bribery and anti-corruption trainings are provided to permanent staff and respective business heads of the Group. Anti-bribery, anti-corruption and conflict of interest declarations are also conducted as part of the annual employee declaration by all permanent employees.

In FY2023, there were no reported incidents of corruption.

### ANTI-CORRUPTION

	FY2023	FY2022
Incidents of Corruption (GRI 205-3)	<b>NIL</b>	<b>NIL</b>

The Group will continue to target zero incidents of corruption in the Group in the financial year ending 31 May 2024 ("FY2024") and beyond.

# ENERGY AND GREENHOUSE GAS EMISSIONS

(GRI-302-1), (GRI-302-3), (GRI 305-1), (GRI 305-2), (GRI-305-4)

## ENERGY AND GHG EMISSIONS CONSUMPTION AND INTENSITY

For this financial year, we have also started tracking and reporting our scope 1 emissions (emissions released from company-owned vehicles), as well as our scope 2 (purchased electricity) emissions where FY2023 disclosure represents the base year.

(GRI 305-1), (GRI-305-4)

Fuel Consumption (Scope 1 Emissions) <sup>1(a)</sup>	FY2023
<b>Company Vehicles<sup>1(b)</sup></b>	
Fuel Consumption (litres)	1,707,373
Total Emissions (tCO2e)	3,975
Revenue (RM'000)	169,463
Fuel Consumption Intensity (tCO2e/RM'000)	0.0235

(GRI 305-2), (GRI-305-4)

Electricity Consumption (Scope 2 Emissions) <sup>2</sup>	FY2023
<b>Purchased Electricity</b>	
Electricity Consumption (MWh)	444
Total Emissions (tCO2e)	286
Revenue (RM'000)	169,463
Electricity Consumption Intensity (tCO2e/RM'000)	0.0017

(GRI-302-1), (GRI-302-3)

Total Energy Consumption	FY2023
<b>Energy Consumption</b>	
Fuel Consumption (tCO2e)	3,975
Electricity Consumption (tCO2e)	286
Total Energy Consumption (tCO2e)	4,261
Revenue (RM'000)	169,463
Energy Consumption Intensity (tCO2e/RM'000)	0.0252

Total Energy Consumption for FY2023 is 16,664 MWh and energy consumption intensity is 0.0983 (MWh/RM'000 of revenue)<sup>3</sup>

**NOTE:**

<sup>1(a)</sup> Scope 1 emissions are calculated in accordance with GHG Protocol Emissions Calculator Tool.

<sup>1(b)</sup> Data for fuel consumed for vehicles are based on company fuel cards.

<sup>2</sup> Scope 2 emissions are calculated based on Peninsular Malaysia Average Operating Margin Emission Factor: <https://www.mgmc.gov.my/wp-content/uploads/2019/12/2017-CDM-Electricity-Baseline-Final-Report-Publication-Version.pdf>

<sup>3</sup> Energy consumption are 0.0095 MWh per litre of Fuel: <https://hextobinary.com/unit/energy/from/gasoline/to/megawatthour>

# WATER CONSUMPTION

(GRI 303-5)

## WATER CONSUMPTION AND INTENSITY

We are aware that water is a precious resource, and our consumption habits directly impact the environment. For FY2023, the water consumption data has been compiled by analysing the utility bills for the period of reporting across our Group.

Water Consumption	FY2023
<b>Water</b>	
Total Water Consumption (litres)	3,950
Revenue (RM'000)	169,463
Water Consumption Intensity (litre/RM'000)	0.0233

# WASTE

(GRI 306-3)

While we recognise that waste generation is an important sustainability metric, we have chosen not to disclose waste metrics in our sustainability report as we do not currently generate hazardous waste.

We remain committed to minimising our environmental impact and promoting sustainability in all aspects of our business, and will consider to explore opportunities to identify and improve our waste reduction and management practices.

# ENVIRONMENTAL COMPLIANCE

(GRI 2-27)

Our Group is dedicated to protect the environment through the integration of environmental conservation methods whenever possible, into our business operations. The Group remains steadfast in our commitment to sustainable development and seeks to operate in a way that minimises environmental harm. shopper360's direct environmental impact is limited, but we always strive to avoid unnecessary footprint and to further reduce the impact on the environment.

In FY2023, there was no incidence of non-compliance with environmental laws and regulations and we endeavor to maintain this track record.

## ENVIRONMENTAL COMPLIANCE

FY2023 FY2022

Incidents of non-compliance with environmental laws and regulations (GRI 2-27)	NIL	NIL
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Our Group will continue to target to maintain this track record of zero incidents of non-compliance with environmental laws and regulations in FY2024 and beyond.

## REDUCE, REUSE AND RECYCLE

Environmental issues such as climate change continues to be on the forefront of global sustainability agenda. The Group realises the importance of improving our sustainability performance in enhancing our competitiveness. We aim to make contributions to the environment, our business and the local communities by integrating sustainability approach in our operation. In the Group's day-to-day operations, we encourage our employees to practice the 3Rs – Reduce, Reuse and Recycle in the management of our resources. The 3Rs play a crucial role, not only in contributing to a more sustainable environment but also lowering our cost.

We continue to move manual and paper processes to softcopy and digital formats such as:

- All employment appointment and service contract letters are communicated in softcopy formats via the HR system or email.
- Performance appraisal forms moved to softcopy.
- Moving more approval processes to using Microsoft Teams platform.

We continue to communicate and encourage our employees to minimize the use of paper and upgrade processes to digital methods whenever possible and this will be a continuous focus moving forward. Apart from the above, our employees are also encouraged to conserve energy through the switching-off of power for equipment that are not in use, and the switching-off of lights during lunch hours and when not in use.

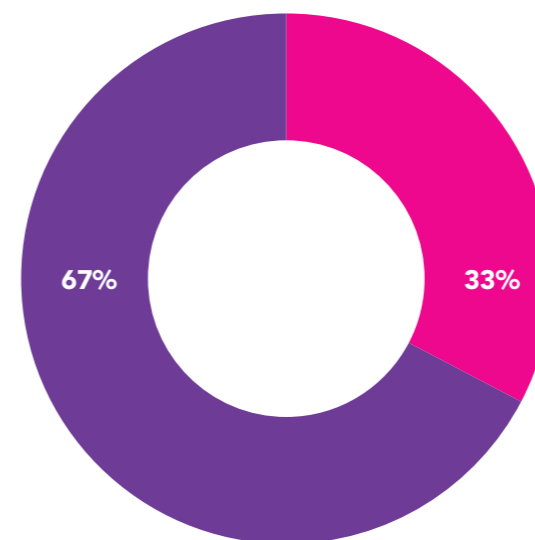
# DIVERSITY AND EQUAL OPPORTUNITY

(GRI 401-1), (GRI 405-1)

We aim to create a vibrant team as we strive to offer equal opportunities for recruitment, career progression and training within the Group. We recognise our employees are the drivers of our business and we believe in creating a respectful, rewarding and safe working environment for our people. Our work environment is aimed at providing a fair performance-based work culture that is diverse, inclusive and collaborative. We also encourage our employees to reach their fullest potential and provide them with a fulfilling and meaningful career. Every employee plays an essential role in the Group. Continuous open dialogue is the main platform used to engage our employees. Open dialogues are conducted informally to encourage employees to raise any issues to management. We believe that this provides a more interactive and direct channel for any form of feedback.

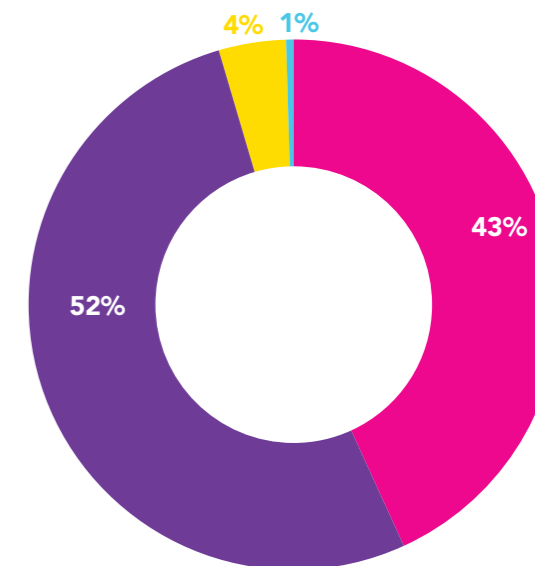
As at 31 May 2023, shopper360 employed 2,442 staff, comprising 356 permanent staff and 2,086 contract staff. Female employees accounted for approximately 33% (802) and male employees 67% (1,640) of our total workforce. The Group's workforce age distribution and job description by gender are represented in the following charts below:

CURRENT EMPLOYEES RATE BY GENDER



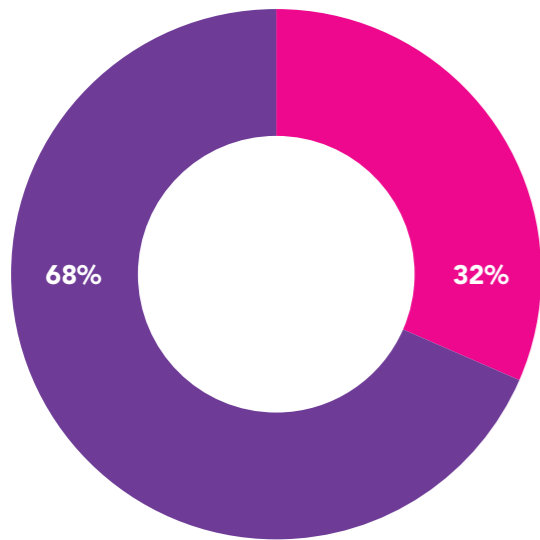
● Female ● Male

CURRENT EMPLOYEES BY AGE GROUP



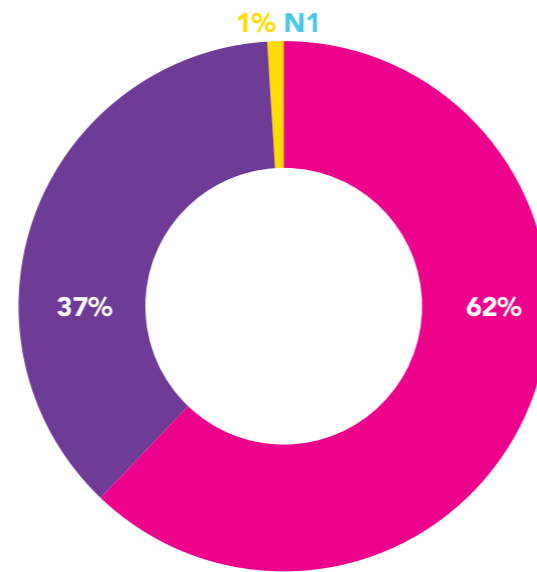
● Age < 30 years old ● Age > 50 years old  
● Age 30 to 50 years old ● Age > 60 years old

NEW HIRE RATE BY GENDER



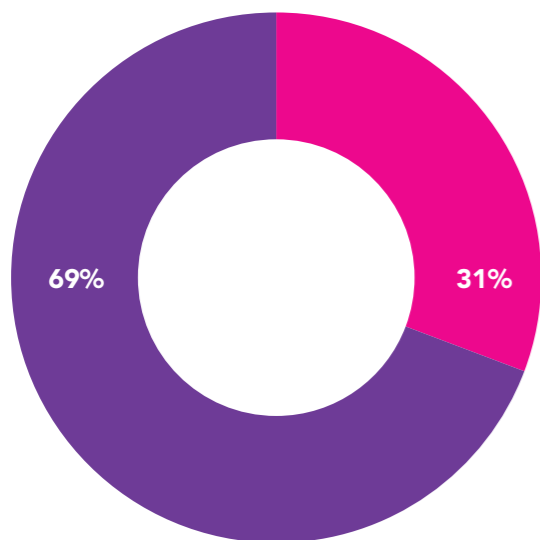
● Female ● Male

NEW HIRE RATE BY AGE GROUP



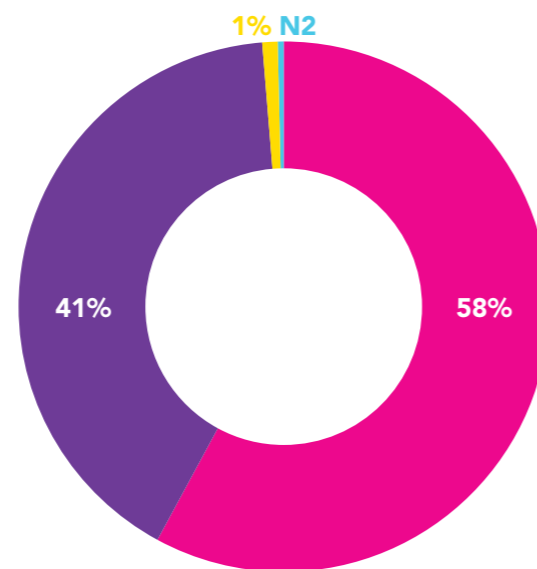
● Age < 30 years old ● Age > 50 years old  
● Age 30 to 50 years old ● Age > 60 years old

TURNOVER RATE BY GENDER



● Female ● Male

TURNOVER RATE BY AGE GROUP



● Age < 30 years old ● Age > 50 years old  
● Age 30 to 50 years old ● Age > 60 years old

**NOTE:**  
N1: New Hire Rate By Age Group of > 60 years old is less than 1%  
N2: Turnover Rate By Age Group of > 60 years old is less than 1%

Our employee turnover is 1,299 and turnover rate in FY2023 was 54% mainly from contract staff.

Building and retaining talent are both critical in growing the Group as the continuous growth of the Group needs talented employees. Having a diverse workforce with equal opportunity regardless of age, race and gender is one of the ways to build and retain talent. Our employees are not covered by collective bargaining agreements but are given the rights to exercise freedom of association. Our diversity is not just limited to our employees but also represented in our Board. Our Directors come from different backgrounds which helps to expand the range of perspectives at the top and enables the Board to better advise the Group strategically. The profile of each of our Directors can be found on pages 6 to 7 of this report.

## OCCUPATIONAL HEALTH AND SAFETY (GRI 403-9), (GRI 403-10)

### ZERO FATALITIES

We made it our priority to attract and retain the best talent, promote well-being and occupational health and safety with a goal of zero deaths and minimising accidents and work-related ill health. To this end, we have implemented health and safety measures to help ensure employee safety in our offices. There were no reported incidents of death but one case of high consequence injuries in FY2023. We aim to maintain a rate of zero reported incidents of death or high consequence injuries in FY2024 and beyond.

OCCUPATIONAL HEALTH AND SAFETY	FY2023	FY2022
Death Cases (GRI 403-9)	NIL	NIL
High Consequence Injuries (GRI 403-9)	1	NIL
Recordable Injuries (inside & outside of workplace) (GRI 403-9)	24	14
Recordable work-related ill health cases (GRI 403-10)	NIL	NIL

## NON-DISCRIMINATION (GRI 406-1)

The Group encourages freedom of expression and open communication. Work culture plays an important role in drawing the best out of employees and for them to develop a sense of belonging.

The Group has pledged to instill an inclusive and non-discriminatory culture that focuses on treating all employees fairly. We adopt a strong stance against discrimination on any biases and are committed to providing equal opportunities.

NON-DISCRIMINATION	FY2023	FY2022
Incidents of discrimination and corrective actions taken (GRI 406-1)	NIL	NIL

Our Group will strive to maintain zero incidents of discrimination in FY2024 and beyond.

# TRAINING AND EDUCATION

(GRI 404-1)

shopper360 believes in nurturing its employees to raise the employees' learning and development capacity, yielding a capable and more agile workforce.

We encourage and aim to provide all employees with equal opportunities for training and upgrading. We acknowledge that learning and training is an important, continuous and life-long process so that employees are equipped with the competencies needed to meet current and future business needs. This includes workshops, seminars, conferences, in-house company training and on-the-job training. We believe that the personal growth of the employees would elevate our organisational performance and help in achieving long-term business growth and sustainability for the Group.

As a Group, we are continuously striving to create a collaborative and fulfilling working environment for all of our employees. This can only be achieved with carefully designed innovative employee engagement and development programmes.

Staff training and the continuing development of the employees are essential for the success of our Group. In a rapid changing business environment, we will need to ensure that the training needs are optimised and meet the purpose of upgrading the skillset of our workforce. We believe as the market evolves, so must the skill set of learning professionals. As such, we have continued to be adaptive to the employees' training requirements.

Virtual learning such as webinar workshops (both internally and externally conducted) and self-learning platforms utilising technology to enable learning continues to play an important role in the Group. Leveraging technology and digital tools has been key to achieving successful employee engagement. We continued to upskill our employees during this period as they acquired new knowledge through virtual learning programmes completed on e-learning platform and through videoconferencing. These virtual trainings have increased our staff's digital savviness and prepared them to be adaptable on multiple fronts, thus enabling shopper360 to be more resilient in the future. Some of these courses include:

- Coaching Skills for People Manager
- Effective Workplace Communication
- Impactful and Persuasive Presentation
- Cyber Security Awareness Training
- MS Excel-Immediate to Advance
- Working With Different Personalities
- Anti-Bribery and Anti-Corruption Training

AVERAGE TRAINING HOURS	FY2019	FY2020	FY2021	FY2022	FY2023
Average Training Hours Per Staff (Permanent)	8.85	9.89	13.61	3.15	15.51

We have exceeded our annual targeted average training hours (between 8 to 9 hours) by achieving 15.51 average training hours per staff (permanent staff) for FY2023, an increase from FY2022 mainly due to regular trainings being resumed which was put on hold as a result of restrictions posed by COVID-19 in the previous year, and additional trainings being provided.

### AVERAGE TRAINING HOURS BY GENDER

Male	13.81
Female	17.98

The Group believes virtual learning should be seen as a complement and extension of physical forms of learning. Moving forward, we aim to maintain our targeted average training hours of 8-9 hours for permanent staff in the long term.

# SOCIOECONOMIC COMPLIANCE

(GRI 2-27)

We are mindful of the well-being of every community in which we operate in. The Group always emphasises the importance of being aware of the social and cultural sensitivities of the local communities to all its employees.

The Group is proud to inform that it is in compliance, in all material aspects, with all social and economic rules and regulations and is not engaged in any anti-competitive practices.

SOCIOECONOMIC COMPLIANCE	FY2023	FY2022
Incidents of non-compliance with laws and regulations in the social and economic area (GRI 2-27)	NIL	NIL

We did not identify any non-compliance with socioeconomic laws and regulations during the reporting period. Our Group will strive to maintain zero incidents of non-compliance with laws and regulations in the social and economic area in FY2024 and beyond.

### GIVING BACK TO THE COMMUNITY

We aspire to be a good corporate citizen that people are glad to have in their community. As part of our broader commitment to the communities in which we operate, we make donations and partner with various community and non-profit organisations. Our community engagement activities are disclosed under our Calendar of Events and Corporate Social Responsibility, and can be referred to at page 30 to 42 of this report.

# CUSTOMER PRIVACY

(GRI 418-1)

In the digital age, businesses are susceptible to data theft and cyberattacks. Therefore, safeguarding our stakeholders' data is of paramount importance to our Group and we are committed to maintain utmost privacy and security of their personal data. This includes recognising our responsibility to properly handle clients' personal information. Our employees are also aware on keeping business-related information confidential.

The Group has not been the subject of any complaints concerning breaches of customer privacy or loss of customer data, nor any complaints relating to data protection.

In FY2023, we are pleased to inform that there were no cases of substantiated complaints received about breaches of customer privacy and losses of customer data, and no complaints received from outside parties and regulatory bodies.

CUSTOMER PRIVACY	FY2023	FY2022
Substantiated complaints concerning breaches of customer privacy and losses of customer data (GRI 418-1)	NIL	NIL

Our Group intends to maintain the record of zero incidents on breaches of customer privacy and losses of customer data in FY2024 and beyond.

# GRI CONTENT INDEX

<b>Statement of use</b>	shopper360 Limited has reported the information cited in this GRI content index for the period from 1 June 2022 to 31 May 2023 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

## CORPORATE GOVERNANCE

The Board acknowledges the importance for the Group to adopt and continuously practise good corporate governance throughout the Group's operations to ensure accountability and transparency, as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and financial performance of the Group.

Please refer to the Corporate Governance Report set out on pages 79 to 108 for further details on the Group's corporate governance practices.

## RISK MANAGEMENT

The Board acknowledges that it is responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems including financial, operational, compliance and information technology controls. The Board is committed to ensuring that the Group has an effective and practical enterprise risk management framework in place to safeguard shareholders' interests, and the sustainability of the Group as well as provide a basis to make informed decisions having regard to the risk exposure and risk appetite of the Group.

For detailed disclosure on our risk management activity, please refer to pages 95 to 97 for further details.

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NO
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	AR	2 to 3
	2-2 Entities included in the organization's sustainability reporting	AR	2, 55
	2-3 Reporting period, frequency and contact point	SR: About This Report	55
	2-4 Restatements of information	None	N/A
	2-5 External assurance	shopper360 has not sought external assurance for this reporting period	N/A
	2-6 Activities, value chain and other business relationships	AR: Business Activities	14 to 25, 123
	2-7 Employees	SR: Diversity and Equal Opportunity	71 to 72
	2-8 Workers who are not employees	No employees fall under this category	N/A
	2-9 Governance structure and composition	AR: Corporate Information AR: Corporate Governance Report SR: Sustainability Governance	3 79-108 58
	2-10 Nomination and selection of the highest governance body	AR: Corporate Governance Report	86 to 87
	2-11 Chair of the highest governance body	AR: Corporate Governance Report	84 to 85
	2-12 Role of the highest governance body in overseeing the management of impacts	AR: Corporate Governance Report SR: Sustainability Governance	81, 101 58
	2-13 Delegation of responsibility for managing impacts	SR: Sustainability Governance	58
	2-14 Role of the highest governance body in sustainability reporting	SR: Board Statement on Sustainability, Sustainability Governance AR: Corporate Governance Report	56 to 58 81
	2-15 Conflicts of interest	AR: Corporate Governance Report SR: Anti-Corruption	79, 81 67
	2-16 Communication of critical concerns	SR: Stakeholder Engagement	59 to 60
	2-17 Collective knowledge of the highest governance body	SR: Sustainability Governance AR: Corporate Governance Report	58 80 to 81
	2-18 Evaluation of the performance of the highest governance body	AR: Corporate Governance Report-Board Performance	90 to 91
	2-19 Remuneration policies	AR: Corporate Governance Report-Remuneration Matters	91 to 95
	2-20 Process to determine remuneration	AR: Corporate Governance Report-Remuneration Matters and Level and Mix of Remuneration	91 to 95
	2-21 Annual total compensation ratio	AR: Only Top Five (5) Key Management Personnel are disclosed (salary, bonus, share options and benefits-in-kind)	94
	2-22 Statement on sustainable development strategy	SR: Board Statement on Sustainability, TCFD	56 to 57, 62 to 75
	2-23 Policy commitments	AR: Provision 1.1 Corporate Governance Report, AR: Corporate Governance Report: Whistle-blowing SR: Anti-Corruption, Whistle-blowing Policy	79 97 67
	2-24 Embedding policy commitments	AR: Whistle-blowing Policy SR: Anti-Corruption	97 67
	2-25 Processes to remediate negative impacts	AR: Whistle-blowing Policy SR: Anti-Corruption	97 67
	2-26 Mechanisms for seeking advice and raising concerns	AR: Corporate Governance Report on Whistleblowing SR: Anti-Corruption	97 67
	2-27 Compliance with laws and regulations	SR: Anti-Corruption, Environmental Compliance, Socioeconomic Compliance	67, 70, 75
	2-28 Membership associations	None	N/A
	2-29 Approach to stakeholder engagement	SR: Stakeholder Engagement	59 to 60
	2-30 Collective bargaining agreements	None	N/A



GRI STANDARD	DISCLOSURE	LOCATION	PAGE NO
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	SR: Materiality Assessment	61
	3-2 List of material topics	SR: Materiality Assessment	61
	3-3 Management of material topics	SR: Materiality Assessment	62 to 75
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	SR: Economic Performance	66
	201-2 Financial implications and other risks and opportunities due to climate change	SR: TCFD	63 to 65
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	SR: Anti-Corruption	67
	205-2 Communication and training about anti-corruption policies and procedures	SR: Anti-Corruption SR: Training and Education	67 74
	205-3 Confirmed incidents of corruption and actions taken	SR: Anti-Corruption	67
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	SR: Energy and Greenhouse Gas Emissions	68
	302-3 Energy intensity	SR: Energy and Greenhouse Gas Emissions	68
<b>GRI 303: Water and Effluents 2018</b>	303-5 Water consumption	SR: Water Consumption	69
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	SR: Energy and Greenhouse Gas Emissions	68
	305-2 Energy indirect (Scope 2) GHG emissions	SR: Energy and Greenhouse Gas Emissions	68
	305-4 GHG emissions intensity	SR: Energy and Greenhouse Gas Emissions	68
<b>GRI 306: Waste 2020</b>	306-3 Waste generated	SR: Waste	We do not track this metric as we do not generate hazardous waste
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	SR: Diversity and Equal Opportunity	71 to 72
<b>GRI 403: Occupational Health and Safety 2018</b>	403-9 Work-related injuries	SR: Occupational Health and Safety	73
	403-10 Work-related ill health	SR: Occupational Health and Safety	73
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	SR: Training and Education	74
	404-2(a) Programs for upgrading employee skills and transition assistance programs. (*)	SR: Training and Education	74
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	SR: Sustainability Governance, Diversity and Equal Opportunity	58, 71 to 72
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	SR: Non-Discrimination	73
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR: Customer Privacy	75

\*Data reported under GRI 404-2 does not include transition assistance programs.

## TCFD FRAMEWORK CONTENT INDEX

DISCLOSURES		
Section	Disclosure	Page Reference in Sustainability Report
<b>GOVERNANCE</b>		
a)	Describe the board's oversight of climate-related risks and opportunities	63
b)	Describe management's role in assessing and managing climate-related risks and opportunities	63
<b>STRATEGY</b>		
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	64 to 65
b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	64 to 65
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	63 to 65
<b>RISK MANAGEMENT</b>		
a)	Describe the organisation's processes for identifying and assessing climate-related risks.	64 to 65
b)	Describe organizational processes for managing climate-related risks	64 to 65
c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	64
<b>METRICS AND TARGETS</b>		
a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	64 to 65, 68
b)	Disclose Scope 1, Scope 2, and, where appropriate, Scope 3 greenhouse gases (GHG) and related risks	68
c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	The Group have yet to establish climate-related target to assess and manage climate related risks and opportunities

## CORPORATE GOVERNANCE REPORT

The board of directors (the "Board" or "Directors") of shopper360 Limited (the "Company", and together with its subsidiaries, the "Group") is committed to maintaining high standards of corporate governance and has always recognised the importance of good governance to enhance corporate performance, accountability, shareholders' value and protection of stakeholders' interests, as well as financial performance of the Group.

This report describes the Group's corporate governance structures and practices in place during the financial year ended 31 May 2023 ("FY2023"), with specific references made to the principles and provisions of the Code of Corporate Governance 2018 (the "Code") issued on 6 August 2018 and the accompanying Practice Guidance issued by the Monetary Authority of Singapore dated 11 January 2023. Pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalyst ("Catalist Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Company confirms that for FY2023, the Group has complied with the principles of the Code, and the provisions of the Code (except where otherwise explained). In areas where the Company's practices vary from any provisions of the Code, the Company has stated herein the provision of the Code from which it has varied, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code. The Board will continue to assess the needs of the Company and implement appropriate practices accordingly.

### (A) BOARD MATTERS

#### Board's Conduct of its Affairs

**Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

#### Provision 1.1

The Company is headed by an effective Board to lead and control its operations and affairs. The principal function of the Board is the overall management and corporate governance of the Group including establishing strategic objectives and providing entrepreneurial leadership. The Board's key responsibilities include charting and reviewing the Group's overall business strategy, supervising the management of the Company (the "Management") as well as reviewing the Group's financial performance and managerial performance while considering sustainability issues as part of its strategic formulation and assesses key risks provided by the Management as well as the adequacy and effectiveness of the internal controls and risk management systems of the Group. The day-to-day management and implementation of business strategies are delegated to the Executive Directors and Management.

In addition, the Board has an obligation to the shareholders of the Company (the "Shareholders") and other stakeholders of the Company to safeguard their interests and the Company's assets by establishing a framework of prudent and effective controls which enables risk to be assessed and managed, setting the Company's values and standards (including ethical standards), and ensuring that obligations to Shareholders and other stakeholders are understood and being met, as well as identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation.

All Directors are expected to exercise due diligence and independent judgment, are obliged to act in good faith and objectively in the best interests of the Company, and hold the Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Group.

When a potential conflict of interest situation arises, prompt disclosure must be made by the conflicted Director to the Board, accompanied with details of the interest and nature of the conflict. The conflicted Director will recuse himself/herself from discussions and decisions involving the areas of potential conflict, unless the Board is of the opinion that his/her participation is necessary. Where such participation is permitted, the conflicted Director will recuse himself/herself from the decision-making. For purposes of Section 156 of the Companies Act 1967 of Singapore ("Companies Act"), each Director has given notice to the Company of the entities in which he/she is an officer or member of, and which he/she should be regarded as being interested in with regards to any transaction made between the Group and such entity. The notice will assist to flag out any potential conflict of interest in transactions entered into by the Group. Each Director will periodically update the notice whenever there is any change in his/her interest in other entities.

## Provision 1.2

Directors understand the Company's business as well as their directorship duties (including their roles as Executive, Non-Executive and Independent Directors). The Company does not have a formal training programme for Directors. However, all new Directors will undergo an orientation in order to be provided with background information about the Group's history, strategic direction and industry-specific knowledge and the Company's corporate governance policies and practices. The Directors will also have the opportunity to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business operations. The Company will also arrange for first-time Directors to attend relevant training on the roles and responsibilities of a director as prescribed by the SGX-ST pursuant to Rule 406(3)(a) and Practice Note 4D of the Catalist Rules, and, if necessary, in areas such as accounting, legal and industry specific knowledge as appropriate.

All Directors are encouraged to participate in seminars, conferences and receive training to improve themselves in discharging their duties as Directors, and such training of Directors will be arranged and funded by the Company. The Sponsors, external auditors and/or the Company Secretary will also update and brief the Directors on changes and new developments in regulatory requirements to enable them to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected roles and responsibilities. Relevant releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority, as well as news articles/report which are relevant to the Group's business are also circulated to the Directors.

In FY2023, the Directors have attended the following courses:

## (a) Chew Sue Ann

Date	Name of course attended
11 – 12 Oct 2022	Adworld Conference
26 Feb – 2 Mar 2023	Euroshop Germany, Retail Trade Fair
3 – 5 May 2023	C12 Global Marketplace Leader Conference
22 Jun 2023	Artificial Intelligence GPT: Opportunities & Risk
Oct 2022 – Present	Cybersecurity Training (Virtual)

## (b) Hew Koon Chan

Date	Name of course attended
2 Aug 2022	Listed Entity Director Programme ("LED") - Environmental, Social & Governance Essentials
7 Feb 2023	NRC Pitstop: Strengthening Board Effectiveness Assessment
12 Apr 2023	Masterclass for Directors: MCD3: NRC and Talent Management

## (c) James Ling Wan Chye

Date	Name of course attended
26 Feb – 2 Mar 2023	Euroshop Germany, Retail Trade Fair
3 – 5 May 2023	C12 Global Marketplace Leader Conference
17 - 18 Jun 2023	AI Revolution Program
22 Jun 2023	Artificial Intelligence GPT: Opportunities & Risk
Oct 2022 - Present	Cybersecurity Training (Virtual)

## (d) Raja SinghamA/L S.Sukumara Singham

Date	Name of course attended
2 Aug 2022	LED – Environmental, Social and Governance Essentials
4 Oct 2022	LED 1 – Listed Entity Director Essentials
15 Mar 2023	LED 6 – Board Risk Committee Essentials
15 Mar 2023	LED 5 – Audit Committee Essentials
16 Mar 2023	LED 7 – Nominating Committee Essentials
6 Jul 2023	LED 2 – Board Dynamics
7 Jul 2023	LED 3 – Board Performance
11 Jul 2023	LED 4 – Stakeholder Engagement

## (e) Zaffary Bin Ab Rashid

Date	Name of course attended
2 Aug 2022	LED – Environmental, Social and Governance Essentials

## (f) Margaret Au-Yong

Date	Name of course attended
2 Aug 2022	LED – Environmental, Social and Governance Essentials

## Provision 1.3

The Board decides on matters that requires its approval and clearly communicates this to the Management in writing. Matters that require the approval of the Board include, but are not limited to, the following:

- (a) provide entrepreneurial leadership, set strategic objectives (including focus on value creation, innovation and sustainability) and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- (b) establish a framework of prudent and effective controls which enables risks to be identified, assessed and managed, including safeguarding of Shareholders' interests and the Group's assets;
- (c) overseeing the processes for evaluating the adequacy and effectiveness of internal controls, risk management system, financial reporting and compliance;
- (d) monitor and review Management's performance towards achieving the set organisational objectives and goals;
- (e) review and approve corporate plans, annual budgets, material investment and divestment proposals, major funding initiatives or requirements, material merger and acquisition activities and financial plans of the Group;
- (f) set the Group's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met;
- (g) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;
- (h) matters that involve a conflict of interest of a controlling Shareholder or a Director or persons connected to such Shareholder or Director;
- (i) approval of announcements to be released via the SGXNet, including half-yearly and full year financial results announcements;
- (j) approval of annual and interim reports, financial statements, Directors' statements and annual reports;
- (k) share issuance, interim dividends and other returns to Shareholders;
- (l) appointment/cessation, and remuneration packages of the Directors and key management executives;
- (m) any matters relating to the Company's general meetings, Board and Board Committees (as defined below); and
- (n) review and approve interested persons transactions and material transactions, and announcements thereof, in compliance with the requirements of the Catalist Rules.

Provision 1.4

The Board has established and delegated specific areas of responsibilities to three (3) main sub-committees, namely the Audit Committee (“AC”), the Nominating Committee (“NC”) and the Remuneration Committee (“RC”) (collectively, the “Board Committees”), which operate under clearly defined written terms of reference (“TOR”) setting out their compositions, authorities and duties, and various operating procedures including reporting back to the Board. The Board Committees play an important role in ensuring good corporate governance in the Company and within the Group. The TOR of the Board Committees are reviewed on a regular basis to ensure their continued relevance and any change to the TOR will require the approval of the Board.

The respective Chairmen of the Board Committees report the decisions and/or recommendations to the Board. The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board. The names of the respective members, terms of reference and a summary of activities of each Board Committee are set out in this report.

Provision 1.5

The schedule of all Board and Board Committee meetings as well as the annual general meeting of the Company (“AGM”) for the next calendar year is planned well in advance. The Board will meet at least twice a year to review, consider and approve strategic, operational and financial matters, and whenever warranted by particular circumstances. Ad-hoc and/or non-scheduled Board meetings may be convened to deliberate or address any specific significant matters that may arise. Directors who are unable to meet physically may participate in the meeting through electronic means such as videoconferencing, teleconferencing or other similar means of communication. In addition to these meetings, corporate events and actions requiring the Board’s approval may be discussed over the telephone, followed by Directors’ resolutions in writing being passed. Regulation 101(A) of the Company’s Constitution (the “Constitution”) allows a Board meeting to be conducted by way of tele-conference and video conference.

The number of meetings of the Board and Board Committees held during FY2023 and the attendance of each Director at the said meetings are tabulated below:

	Board	AC	NC	RC
<b>No. of meetings held</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>No. of meetings attended by each Director</b>				
Ms. Chew Sue Ann	2	2*	1*	1*
Mr. James Ling Wan Chye	2	2*	1*	1*
Mr. Hew Koon Chan	2	2	1	1
Ms. Margaret Au-Yong	2	2	1*	1
Mr. Raja Singham A/L S. Sukumara (“Mr Raja Singham”) <sup>(1)</sup>	2	2	1	1*
Mr. Zaffary Bin Ab Rashid	2	2*	1	1

\* By invitation

<sup>(1)</sup> Appointed as Director on 27 July 2022.

The Company Secretary attends the Board and Board Committees meetings and ensures that Board procedures are followed. The Company Secretary also ensures that the Companies Act and all other regulations of the SGX-ST are complied with.

When a Director has multiple board representations, the NC will consider whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company, taking into consideration the Director’s number of listed company board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved. The Board and the NC have established a guideline on the maximum number of listed company directorships that each Director is allowed to hold and this guideline can be found under Provision 4.5 of this report.

Provision 1.6

Management endeavours to provide Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Detailed Board and Board Committee papers are prepared and circulated to the Directors before each Board and Board Committee meeting. The Board and Board Committee papers include sufficient information on financial, budget, business and corporate issues (where applicable) to enable the Directors to be properly briefed on issues to be considered at the Board and Board Committee meetings. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Key personnel who can provide additional insight into the matters at hand would be present at the relevant time during the Board and Board Committee meetings.

The Board receives half-yearly financial results, annual budgets and explanation on material forecasts variances to enable them to oversee the Group’s operational and financial performance as well as risks faced by the Group. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group’s business operations. All Directors have unrestricted access to the Company’s records and information, minutes of the Board and Board Committee meetings, and management accounts so as to enable them to make informed decisions and carry out their duties. The Directors may also liaise with the Management as and when required to seek additional information.

Provision 1.7

All Directors have separate and independent access to the Management and the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with, and, where necessary, external advisers at the Company’s expense. The Company Secretary and/or his representatives attend and prepare the minutes of all the Board and Board Committees meetings, which are circulated for review.

The Company Secretary is responsible to the Board for advising on the implementation of the Group’s compliance requirements pursuant to the Companies Act, Securities and Futures Act 2001 of Singapore and all other regulations of the SGX-ST. The appointment and removal of the Company Secretary is decided by the Board as a whole.

The Board also has independent access to the external advisers, including the Sponsor, and the internal auditors. Should Directors, whether as a group or individually, require independent professional advice in furtherance of their duties, the Company, upon the directive by the Board, shall appoint such independent professional adviser to render advice. The costs of such professional advice shall be borne by the Company.

**Board Composition and Guidance**

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

Provision 2.1

The independence of each Director is reviewed annually by the NC, based on the guidelines as provided in the Code and its Practice Guidance as well as Rule 406(3)(d) of the Catalist Rules, and any other salient factors. In its review, the NC considers all nature of relationships and circumstances that could influence the judgement and decisions of the Directors before tabling its findings and recommendations to the Board for approval. The Independent Directors are independent in conduct, character and judgement and they do not have any relationship with the Company, its related corporations, substantial shareholders or officers that could interfere, or be reasonably perceived to interfere with the exercise of the Director’s independent business judgment in the best interest of the Company, and are able to exercise objective judgement on matters of the Group independently from Management. There is no policy to prohibit or require Independent Directors to hold shares in the Company. The NC has reviewed, determined and confirmed the independence of each Director for FY2023. None of the Independent Directors has served on the Board beyond nine years from the date of his or her first appointment.

For FY2023, the Independent Directors (namely Hew Koon Chan, Margaret Au-Yong and Raja Singham) have confirmed that they and their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors’ independent business judgment in the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Independent Directors were not in any situation that could, or reasonably be perceived to, compromise their independence of thought and decision. The Board, based on the review conducted by the NC, has determined that the said Directors are independent for FY2023.

Provisions 2.2 and 2.3

During FY2023 and the date of this report, the Board comprises six (6) directors, including three (3) of whom are Non-Executive and Independent Directors and one (1) Non-Executive and Non-Independent Director. The Board currently has three (3) independent directors and do not form a majority of the Board. However, more than half of the Board consists of Non-Executive Directors, and the independent Directors also make up the full AC and majority of the NC and RC, the Board is of the view that there are adequate safeguards and measures to ensure that the decision making process of the Board is independent and based on collective decisions without any individuals or groups of individuals dominating the decision making process.

The Board also has a Lead Independent Director who is available to Shareholders, and will provide leadership in situations where the Executive Chairman and Group Managing Director ("**Group MD**"), Ms. Chew Sue Ann, may be conflicted.

Additionally, in the event of an equality of votes at the Board meeting, the Executive Chairman and Group MD, Ms. Chew Sue Ann, has undertaken to not exercise the casting vote. Taking into account of the above, the Board is of the view that the Company complies with Principle 2 of the Code.

Provision 2.4

As at the date of this report, the compositions of the Board and Board Committees are as follows:

Name of Director	Designation	Board Committee Membership		
		Audit Committee	Nominating Committee	Remuneration Committee
Ms. Chew Sue Ann	Executive Chairman and Group MD	–	–	–
Mr. James Ling Wan Chye	Executive Director	–	–	–
Mr. Hew Koon Chan	Lead Independent Director	Chairman	Member	Member
Ms. Margaret Au-Yong	Independent Director	Member	–	Chairman
Mr. Raja Singham	Independent Director	Member	Chairman	–
Mr. Zaffary Bin Ab Rashid	Non-Independent and Non-Executive Director	–	Member	Member

The Board members collectively possess the necessary core competencies such as accounting, finance, investment, business and management experience, corporate governance, industry knowledge and strategic planning experience for the effective functioning of the Board and an informed decision-making process. This is to ensure that there is effective representation for Shareholders and issues of strategy, performance and resources are fully discussed and examined to take into account long-term interests of Shareholders, employees, customers, suppliers, other stakeholders and the industry in which the Group conducts its business.

Although all the Directors have equal responsibility for the performance of the Group, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and rigorously examined and take into account the long-term interests of not only the Shareholders, but also of the employees and reviewing the performance of the Management in achieving agreed goals and objectives. The NC considers the Independent Directors to be of sufficient calibre and number and their views to be of sufficient weight such that no individual or small group of individuals dominates the Board's decision-making process.

The Board is committed to building diversity amongst its members. The Board has taken various initiatives to select and appoint its members that are suitable and qualified as Directors regardless of gender, age, ethnicity, religion, amongst others. The Board members are diverse in terms of expertise in different backgrounds such as finance, business, marketing, and management fields. Having a diverse background of members is important as this will maintain the appropriate balance of perspectives, experience and expertise on the Board to support the long-term success of the Company.

The Company has adopted a formal Board Diversity policy that sets out the approach to achieve diversity and provides the Company with the flexibility to select from a wide and diverse talent pool when shortlisting candidates for Board appointment. The NC considers diversity criteria such as gender, experience, skills, knowledge, and independence, amongst other relevant criteria as part of the process for Director candidate selection and nomination. The NC and the Board believe that currently, there being an appropriate balance of industry knowledge, skills, background, experience, professional qualifications, age and gender on the Board, it allows for diverse and objective perspectives on the Group's business and direction to support the long-term success of the Group, and are satisfied that the objectives of the Board Diversity policy are met and that the current Board composition reflects the Company's commitment to Board diversity. The NC will also continue to review the Board Diversity policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. Any updates or progress made towards implementing the Board Diversity policy will be disclosed in the Company's Corporate Governance Report, as appropriate.

Provision 2.5

In FY2023, the Non-Executive Directors (including Independent Directors) constructively challenge and help develop both the Group's short-term and long-term business strategies. Management's progress and performance in implementing such agreed business strategies are monitored by the Non-Executive Directors and Executive Directors, as a full board. In FY2023, the Non-Executive and Non-Independent Director together with the Independent Directors, led by the Lead Independent Director, communicate among themselves without the presence of Management as and when the need arose. Where appropriate, the Lead Independent Director provides feedback to the Board and/or Chairman as appropriate. Similarly, the Lead Independent Director acts as the focal point for contact between the Executive Directors and the Management with the Independent Directors.

**Chairman, Executive Director and Chief Executive Officer**

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

Provision 3.1

Ms. Chew Sue Ann currently assumes the roles of both the Chairman and Group MD. The Company does not have a Chief Executive Officer ("**CEO**"). Taking into account the current corporate structure, size, nature and scope of the Group's operations, the Board is of the view that it is presently not necessary to separate the roles of the Chairman and Managing Director. The Group believes that a single leadership structure will facilitate the decision-making process in relation to business opportunities and operational matters.

With the AC consisting of all Non-Executive and Independent Directors and the RC and NC consisting of majority Non-Executive and Independent Directors, the Board believes that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence.

Provision 3.2

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

### Provision 3.3

The Board has appointed Mr. Hew Koon Chan as the Lead Independent Director to provide leadership in circumstances where the Chairman and Group MD is conflicted. Mr. Hew Koon Chan is available to Shareholders where they have concerns and in circumstances where contact through the normal channels of communication with the Chairman and Group MD or the Management has failed to resolve their concerns or for which such contact is inappropriate or inadequate.

### Board Membership

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

### Provision 4.1

The Board established the NC with written TOR which clearly set out its duties and responsibilities which include, amongst others:

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

The NC meets at least once a year and at other times as required, in accordance with its TOR. The Chairman of the NC reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

### Provision 4.2

As at the date of this report, the NC comprises three (3) members, two (2) of whom, including the NC Chairman are Independent. The Lead Independent Director is also a member of the NC. The NC comprises the following members:

Mr Raja Singham (NC Chairman and Independent Director)

Mr Hew Koon Chan (Member and Lead Independent Director)

Mr Zaffary Bin Ab Rashid (Member and Non-Independent and Non-Executive Director)

### Provision 4.3

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the skills, experience and knowledge, business, finance and management skills necessary for the Group's businesses and each Director, through his/her contributions, brings to the Board an independent (when applicable) and objective perspective to enable balanced and well-considered decisions to be made.

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

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

The Company's Constitution provides that one-third of the Board, or the number nearest to one-third, is to retire by rotation at every AGM. In addition, the Company's Constitution also provides that new Directors appointed during the year, either to fill a vacancy or as an addition to the Board, are required to submit themselves for re-election at the next AGM of the Company. In addition, Rule 720(4) of the Catalist Rules also provides that all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. The NC has recommended, and the Board has agreed that at the forthcoming AGM, Mr. Hew Koon Chan and Mr. Zaffary Bin Ab Rashid, will be retiring via rotation pursuant to Regulation 112 of the Company's Constitution. Both Directors have offered themselves for re-election. Please refer to the section entitled "Additional Information on Director Nominated for Re-election – Appendix 7F to the Catalist Rules" of this report for the information as set out in Appendix 7F to the Catalist Rules relating to Mr. Hew Koon Chan and Mr. Zaffary Bin Ab Rashid. In making the above recommendations, the NC had considered the said Directors' overall contribution and performance. Each member of the NC has abstained from voting on any resolutions in respect of his/her re-nomination as a Director of the Company.

### Provision 4.4

The NC determines annually, and as and when circumstances require, whether a Director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers, and the confirmation of independence form completed by each Independent Director to confirm his/her independence. Such form is drawn up based on Principle 2 of the Code, as well as Rule 406(3)(d) of the Catalist Rules. The NC has assessed the independence of the Directors and is satisfied that there are no relationships, which would deem any of the Independent Directors not to be independent. Each of the Independent Directors also confirmed that there are no other relationships (including any immediate family relationships) between him/her, and the Company, its related corporations, its substantial shareholders or its officers.

The Board, with the concurrence of the NC, has also considered Mr. Hew Koon Chan, Ms. Margaret Au-Yong and Mr. Raja Singham to be independent for the purpose of Rule 704(7) of the Catalist Rules.

### Provision 4.5

During FY2023, the Company does not have any alternate directors. The Code and its Practice Guidance require listed companies to fix the maximum number of board representations on other listed companies that a company's directors may hold and to disclose this in its annual report. The Board, with the concurrence of the NC, has agreed that the Directors shall not hold more than six (6) directorships in listed companies.

The NC will review and decide, on an annual basis (or more frequently as the NC deems fit), whether such Director with competing time commitments is able to and has been adequately carrying out his/her duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his/her duties towards other principal commitments. The Board and the NC will also take into consideration each Director's track record on past and current boards, if any, to assess whether there are any information that may cast doubt on the Director's qualification and ability to act as a Director of the Company. The NC will also take into account the attendance of the Directors at Board or Board Committee meetings, results of the assessment of the effectiveness of the Board as a whole, the Board Committees, and the respective Directors' actual conduct on the Board and the Board Committees, in making its determination.

The NC has reviewed and is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have other board representations or principal commitments. The NC will continue to monitor and determine annually, on a case-by-case basis, whether the Directors have given sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a Director of the Company.

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

Name of Director	Board appointment	Date of First Appointment	Date of Last Re-election	Directorships in Other Listed Companies and Principal Commitments
Ms. Chew Sue Ann	Executive	27 December 2016	28 September 2022	<p><u>Present Listed Directorships</u> None</p> <p><u>Other Principal Commitments</u> <u>Group and Investee Companies</u> - Shopper360 Sdn. Bhd. - Jump Retail Sdn. Bhd. - Retail Galaxy Sdn. Bhd. - Pos Ad Sdn. Bhd. - Agensi Pekerjaan S360 Recruitment Sdn. Bhd. - Tristar Synergy Sdn. Bhd. - Gazelle Activation Sdn Bhd. - ShopperPlus Sdn. Bhd. - Marvel Distribution Sdn. Bhd. - SHE Distribution Sdn. Bhd. - ShopperPlus Myanmar Co. Ltd. - ShopperPlus Singapore Pte. Ltd. - Avinity Analytics Sdn. Bhd. - Avinity Analytics Pte. Ltd.</p> <p><u>Other Companies</u> - Rekaweb.Com Sdn. Bhd. - Zencall Holdings Sdn. Bhd. - Dimensi Kasturi Sdn. Bhd.</p>
Mr. James Ling Wan Chye	Executive	1 December 2021	28 September 2022	<p><u>Present Listed Directorships</u> None</p> <p><u>Other Principal Commitments</u> <u>Group Companies</u> - Shopper360 Sdn. Bhd. - Agensi Pekerjaan S360 Recruitment Sdn. Bhd. - SHE Distribution Sdn. Bhd.</p> <p><u>Other Companies</u> - Dignity For Children, Chairman - Dignity Education Sdn. Bhd., Director</p>
Mr. Hew Koon Chan	Non-Executive and Independent	19 May 2017	28 September 2021 (To be re-elected at the forthcoming AGM)	<p><u>Present Listed Directorships</u> - Resources Global Development Limited - Oiltek International Limited, Non-Executive Chairman</p> <p><u>Other Principal Commitments</u> - Integer Capital Pte Ltd, Managing Director</p>
Ms. Margaret Au-Yong	Non-Executive and Independent	19 May 2017	28 September 2022	<p><u>Present Listed Directorships</u> None</p> <p><u>Other Principal Commitments</u> - Tune Group Sdn. Bhd., Head of Media, Marketing and Facilities - Macomm Management Services Sdn. Bhd., Director</p>

Name of Director	Board appointment	Date of First Appointment	Date of Last Re-election	Directorships in Other Listed Companies and Principal Commitments
Mr. Zaffary Bin Ab Rashid	Non-Executive and Non-Independent	19 May 2017	28 September 2021 (To be re-elected at the forthcoming AGM)	<p><u>Present Listed Directorships</u> None</p> <p><u>Other Principal Commitments</u> - Koperasi Permodalan Felda Malaysia Berhad, Executive Director, Investments and Business - KPF Palm Oil Mill Sdn. Bhd., Non-Executive Director - Noweia Industries Sdn. Bhd., Alternate Director - KPF Holdings Sdn. Bhd., Non-Executive Director</p> <p><u>Group Companies</u> - ShopperPlus Myanmar Co. Ltd - ShopperPlus Singapore Pte. Ltd</p>
Mr. Raja Singham	Non-Executive and Independent	27 July 2022	28 September 2022	<p><u>Present Listed Directorships</u> None</p> <p><u>Other Principal Commitments</u> - BAC Education Group, Managing Director</p> <p><u>Director of:</u> - Brickfelds Asia College Sdn. Bhd. - Hostels Asia Sdn. Bhd. - The Creative Academy Sdn. Bhd. - Veritas Education Sdn. Bhd. - Abacus Digital Sdn. Bhd. - Faceberry Communications Sdn. Bhd. - Monster Fit Sdn. Bhd. - BAC Engage Sdn. Bhd. - Faceberry Digital Sdn. Bhd. - Make It Right Movement Sdn. Bhd. - Backed 4 Life Sdn. Bhd. - MUMC Education Sdn. Bhd. - Edu Nation Sdn. Bhd. - Edrevolution Sdn. Bhd. - Faceberry Holdings Sdn. Bhd. - BAC International Sdn. Bhd. - BAC Ventures Sdn. Bhd. - FAC3 Entertainment Sdn. Bhd. - Agensi Pekerjaan Jobsbac Sdn. Bhd. - BAC Learn Sdn. Bhd. - Backup Consultancy Sdn. Bhd. - HRD Academy Sdn. Bhd. - BAC Global Sdn. Bhd. - Asia Law Academy Sdn. Bhd. - Course Advisor Sdn. Bhd. - Skills Academy Sdn. Bhd. - BAC Education Sdn. Bhd. - Digital Marketing Academy Sdn. Bhd. - Malaysian Ceylonese National Community Centre Berhad - Project Deep Sdn. Bhd. - Kolej IACT Sdn. Bhd. - Bookad Media Sdn. Bhd. - Mycars-Ads Sdn. Bhd. - BAC Foundation - BAC Digital Academy Sdn. Bhd. - Educap Sdn. Bhd. - Educap Holdings Sdn. Bhd. - Reliance College Sdn. Bhd. - BAC College (Singapore) Pte Ltd</p> <p><u>Other</u> - Pertubuhan Bangkit, Founder and President</p>

The Board and NC noted that Mr. Raja Singham holds multiple directorships and three other principal commitments. The Board, together with the NC (save for Mr. Raja Singham) is of the view that Mr. Raja Singham has the ability to devote sufficient time and resources as an independent director of the Company, taking into consideration the following:

- (a) Out of the 39 companies in which Mr. Raja Singham holds directorships, 37 companies are part of the BAC Education Group ecosystem. 11 of these 37 companies are investment holding or dormant companies, and the remaining 26 companies has its own head and team of staff to run the day-to-day operations. Mr. Raja Singham's role as Managing Director at the BAC Education Group is primarily to provide an overarching strategy to grow the group and where necessary, to give his input on business development. Mr. Raja Singham's roles in the remaining 2 companies (namely, Malaysian Ceylonese National Community Centre Berhad and FAC3 Entertainment Sdn. Bhd.) are solely advisory and not on full-time basis;
- (b) Shopper360 holds around 3 official meetings a year (half year results, full year results and AGM) and they are confirmed and blocked well in advance. As such, Mr. Raja Singham should be able to work around his other commitments. The NC (save for Mr. Raja Singham) believes that Mr. Raja Singham's entrepreneurship experience, industry and business connections, would add to a different dimension to board discussions; and
- (c) Mr. Raja Singham is fully aware of his duties and has confirmed that he is able to devote sufficient time and attention to the matters of the Company in respect of his role as an independent director of the Company.

### Board Performance

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

#### Provisions 5.1 and 5.2

The NC is responsible for deciding how the Board's performance may be evaluated and proposing objective performance criteria for the Board's approval and implementing corporate governance measures to achieve good stewardship of the Company. The NC has adopted processes for the evaluation of the performance and effectiveness of the Board as a whole, the Board Committees and individual Directors, based on the performance criteria approved by the Board. The objective of the annual evaluation is to identify areas for improvement and thereafter implement appropriate action.

The assessment of the contribution by each Director is specifically related to the individual Director's duties such as preparedness, contribution, and industry and business knowledge and experience which are crucial to the Group's business. The NC evaluates each Director's performance based on parameters such as attendance and participation at Board and Board Committees meetings, appropriate skills, experience and expertise, understanding business plans and strategies, and leadership to Management.

The NC also takes into account the Board's balance and mix in evaluating the performance and effectiveness of the Board as a whole. Factors taken into consideration for the assessment of the Board as a whole includes the contribution to the development of strategies and effective risk management, response to problems and crisis, and the evaluation that underpins the Board's effectiveness in providing timely information. The assessment of the contribution of the Chairman encompasses effective leadership and communication with Shareholders and the Board.

Each of the Board Committees is assessed for its effectiveness to address the matters and timely resolution of issues. The NC will review the performance evaluation results and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors. The NC will assess the effectiveness of the Board as a whole and the Board Committees, and contribution by each Director to the effectiveness of the Board on an annual basis. Results of the performance evaluation will be collated and reported to the Board.

The NC has in place an annual Board Performance Evaluation exercise, which is used to evaluate the effectiveness of the Board and facilitate discussion to enable Directors to discharge their duties more effectively. The evaluations are carried out by means of a questionnaire being completed by each Director. The results of the completed questionnaires are collated and the findings are analysed and discussed by the NC, with comparatives from the previous year's results and reported to the Board.

The Board performance evaluation exercise provides an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes had allowed him/her to discharge his/her duties effectively. Directors are encouraged to propose changes to enhance effectiveness as a whole.

The Board evaluation questionnaire takes into consideration qualitative factors such as Board composition, information flow to the Board, Board process, Board accountability, matters concerning the Chairman and Group MD, Directors and top management and standards of conduct of Board members. The NC would review the need to set quantitative targets as performance criteria when appropriate.

The performance criteria will not be changed from year to year unless circumstances deem it necessary for any of the criteria to be changed, for example to align with changes to the Code and the onus should be on the Board to justify the decision.

The NC also has an annual performance evaluation exercise for each of the Board Committees. The performance evaluations of the AC, NC and RC are similarly carried out with questionnaires. The results are collated and the findings are analysed and discussed by the NC, with comparatives from the previous year's results, and reported to the Board.

Individual Director evaluations are also conducted whereby each Director is evaluated on his/her contributions through proper guidance, diligent oversight and able leadership, and the support extended to Management in steering the Group.

The results of the Board, Board Committees and Individual Director evaluations are compiled by the Company Secretary and reported to the NC. In discussing the results of the performance evaluations for FY2023, the Board and Board Committee members were able to identify areas for improving their effectiveness. No significant problems were identified.

Following the review in FY2023, the Board is of the view that the Board and its Board Committees operate effectively and that each Director contributes to the overall effectiveness of the Board and its Board Committees. There was no external consultant involved in the Board evaluation process for FY2023. The NC will continue to review the formal assessment processes for evaluating Board performance, its Board Committees, as well as the contribution of individual Directors to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolutions in respect of his/her assessment as a Director.

## (B) REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

#### Provisions 6.1

The Company has established the RC for determining the remuneration of Directors and key management personnel of the Company. The RC shall meet at least once a year. The terms of reference set out clearly the principal responsibilities of the RC which include, amongst others:

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

Provisions 6.2

As at the date of this report, the RC comprises three (3) members. All members of the RC are Non-Executive Directors, the majority of whom, including the RC Chairman are independent. The members of the RC are:

Ms. Margaret Au-Yong (RC Chairman and Independent Director)

Mr. Zaffary Bin Ab Rashid (Member and Non-Executive and Non-Independent Director)

Mr. Hew Koon Chan (Member and Lead Independent Director)

Provisions 6.3

The RC ensures that a formal and transparent procedure is in place for fixing the remuneration packages of individual Directors and key management personnel. The recommendations of the RC are submitted to the Board for endorsement.

All aspects of remuneration, including but not limited to, Directors' and key management personnel's fees, salaries, allowances, bonuses, options, benefits-in-kind and termination payments are reviewed by the RC. No Director is involved in deciding his/her own remuneration. Each member of the RC shall abstain from voting on any resolution in respect of his/her remuneration package and making any recommendations and/or participating in any deliberations of the RC in respect of his/her remuneration package.

The Company's obligations arising in the event of termination of service contracts of its Executive Directors and key management personnel are contained in their respective employment letters. The RC is satisfied that such contracts of service provide for fair and reasonable termination clauses, applicable to the respective employment class and are not overly generous.

An annual review of the compensation will be carried out by the RC to ensure that the remuneration of the Executive Directors and key management personnel commensurate with their performance and that of the Group, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Directors (together with other key management personnel) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

Provisions 6.4

The RC has the right to seek professional advice relating to the remuneration of all Directors and key management personnel. The RC would ensure that any relationship between the appointed remuneration consultant and any of the Directors and key management personnel will not affect the independence and objectivity of the remuneration consultant. The expenses of such advice shall be borne by the Company.

For FY2023, the Company engaged an independent remuneration consultant, being AON Malaysia Sdn Bhd, to conduct a salary benchmarking exercise which was then implemented as part of the remuneration structure.

**Level and Mix of Remuneration**

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

Provisions 7.1, 7.2 and 7.3

The remuneration policy of the Group is to provide compensation packages at market rates that reward successful performance and attract, retain and motivate the Executive Directors and key management personnel. The RC will take into account the industry norms, the Group's performance, as well as the contribution and performance of each Director and key management personnel when determining remuneration packages.

The remuneration for Executive Directors and certain key management personnel are based on service contracts and comprise a fixed and variable component. The variable component is performance-related and is linked to the Group's performance, as well as the performance of each individual Executive Director and key management personnel. Performance-related remuneration is aligned with the interests of Shareholders and other stakeholders and promotes the long-term success of the Company. The Executive Directors do not receive any Directors' fees.

The Company has adopted a performance share plan known as the shopper360 Performance Share Plan ("PSP"). Executive and Non-Executive Directors and key management personnel are eligible to participate in the PSP in accordance with the rules for the PSP. The RC is responsible for the administration of the PSP in accordance with the rules of the PSP. As at the date of this report, no awards have been granted under the PSP by the Company.

The Non-Executive Directors (including the Non-Executive and Non-Independent Director) receive Directors' fees appropriate to the level of their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors are not over-compensated to the extent that their independence may be compromised. The Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. Directors' fees of S\$72,980 for FY2023 had been approved by Shareholders at the last AGM held on 28 September 2022. Directors' fees of S\$76,800 for the financial year ending 31 May 2024 have been recommended by the Board and will be subjected to the approval of Shareholders at the forthcoming AGM of the Company.

Currently, there are no contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. Each of the Executive Directors owes a fiduciary duty to the Company. The Company should be able to avail itself of remedies against the Executive Director in the event of such breach of fiduciary duties. The RC would review such contractual provision as and when necessary and would put forward to the Board for consideration and approval.

The RC is of the view that the current remuneration structure for the Directors and key management personnel are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

**Disclosure on Remuneration**

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

Provisions 8.1

The compensation packages for employees including the Executive Directors and key management personnel comprised a fixed component (base salary), a variable component (cash-based annual bonus) and benefits-in-kind, where applicable, taking into account amongst other factors, the individual's performance, the performance of the Group and industry practices. During FY2023, there were no termination, retirement and post-employment benefits granted to the Executive Directors and key management personnel.

An annual review of the compensation is carried out by the RC to ensure that the remuneration of the Executive Directors and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Directors and together with other key management personnel are reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, as well as the need for the compensation to be symmetric with the risk outcomes. The Company extended its service agreement with the Chairman and Group MD, Ms. Chew Sue Ann, by a further period of three (3) years with effect from 1 June 2023. Mr. James Ling Wan Chye's service agreement will expire on 31 December 2023.

The remuneration paid to or accrued to each individual Director for FY2023 is as follows:



Name of Key Management Personnel	Salary <sup>(1)</sup>	Bonus	Share Options	Benefits-In-Kind	Director's Fees	Total
<b>Between S\$250,000 and S\$500,000</b>	%	%	%	%	%	%
Ms. Chew Sue Ann	85	12	0	3	0	100
Mr. James Ling Wan Chye <sup>(2)</sup>	93	6	0	1	0	100
<b>Below S\$50,000</b>	%	%	%	%	%	%
Mr. Hew Koon Chan	0	0	0	0	100	100
Ms. Margaret Au-Yong	0	0	0	0	100	100
Mr. Raja Singham <sup>(3)</sup>	0	0	0	0	100	100
Mr. Zaffary Bin Ab Rashid	0	0	0	0	100	100
Ms. Wong Chin Chin <sup>(4)</sup>	0	0	0	0	100	100

**Notes:**

<sup>(1)</sup> Amount inclusive of contribution to employer provident funds.

<sup>(2)</sup> Mr. James Ling Wan Chye, the Executive Director and Director of Corporate Finance and Strategy, is the spouse of Ms. Chew Sue Ann, Executive Chairman and Group MD.

<sup>(3)</sup> Mr. Raja Singham was appointed as an Independent Director with effect from 27 July 2022.

<sup>(4)</sup> Ms. Wong Chin Chin resigned as an Independent Director with effect from 26 July 2022.

For FY2023, the remuneration paid to or accrued for the top five (5) key management personnel (who are not Directors) is as follows:

Name of Key Management Personnel	Salary <sup>(1)</sup>	Bonus	Share Options	Benefits-In-Kind	Total
<b>Between S\$250,000 and S\$500,000</b>	%	%	%	%	%
Ooi Chee Kee	87	11	0	2	100
<b>Below S\$250,000</b>	%	%	%	%	%
Angelina Ooi	90	9	0	1	100
Lee Jun Ling	96	2	0	2	100
May Kim Hui Yee	89	10	0	1	100
Gary Siew Kok Yoong <sup>(2)</sup>	92	6	0	2	100
Chow Siew Bee <sup>(3)</sup>	98	0	0	2	100

**Notes:**

<sup>(1)</sup> Amount inclusive of contribution to employer provident funds.

<sup>(2)</sup> Mr. Gary Siew Kok Yoong was appointed as Financial Controller on 1 September 2022 and resigned with effect from 13 September 2023.

<sup>(3)</sup> Ms. Chow Siew Bee relinquished her position as Financial Controller and was re-designated as Head of Commercial Projects of the Company with effect from 1 September 2022 and was no longer an executive officer of the Company.

The Company has not disclosed details of remuneration (amounts and breakdown) of its Directors as recommended by the Code, given the competitive business environment and possible negative impact on the Group's business interests and ability to retain and nurture the Group's talent pool. After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide Shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration.

For FY2023, the aggregate total remuneration paid/payable to the aforesaid top five (5) key management personnel amounted to S\$0.91 million (equivalent to RM2.98 million, based on the average exchange rate for FY2023 of RM3.272 to S\$1.00).

Provisions 8.2

Save for Ms. Chew Sue Ann and Mr. James Ling Wan Chye who are spouses, and daughter and son-in-law, respectively, of Ms. Yap Phaik Kwai (the controlling shareholder of the Company), there are no other employees who are substantial shareholders of the Company, or are immediate family members of a Director, the Chairman and Group MD or a substantial shareholder of the Company whose remuneration exceeds S\$100,000 for FY2023.

Provisions 8.3

Please refer to Principle 7 of this report for information on the PSP adopted by the Company. As at the date of this report, no awards have been granted under the PSP by the Company.

**(C) ACCOUNTABILITY AND AUDIT****Risk Management and Internal Controls**

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

Provisions 9.1

The Board determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives and value creation.

The Board acknowledges that it is responsible for establishing, maintaining and reviewing the adequacy and effectiveness of the Company's overall internal control framework. The Board also recognises that an adequate and effective internal control system will not preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The AC responsibilities include the risk management function as the Group does not have a separate risk management committee. The AC has reviewed, with the assistance of the internal auditors, and the external auditors, the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

The Company has put in place risk management and internal control systems, including financial, operational, compliance and information technology controls, which are detailed in formal instructions, standard operating procedures and financial authority limits policies. The Board has determined the Group's levels of risk tolerance and risk policies, and oversees the Management in the design, implementation and monitoring of the risk management and internal control systems. The Board also monitors the Group's risks through the AC, internal auditors and external auditors.

The Group has an Enterprise Risk Management Framework in place to manage its exposure to risks that are associated with the conduct of its business. The Board will continue its risk assessment, which is an on-going process, with a view to improve the Group's internal control and risk management systems.

Provisions 9.2

For FY2023, the Board has received assurance from:

- the Chairman and Group MD, and the Group Financial Controller ("**Group FC**") that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- the Chairman and Group MD, and the Executive Director that the Group's risk management systems and internal control systems (including financial, operational, compliance and information technology controls) are adequate and effective.

Based on the work performed by the internal auditors and external auditors, the review undertaken by the Management, the existing internal controls in place and the assurance from the Chairman and Group MD, and the Executive Director, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2023.

## Audit Committee

### Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

#### Provisions 10.1

The role and responsibilities of the AC are to assist the Board in the execution of its corporate governance responsibilities within its terms of reference and requirements. The terms of reference of the AC sets out its duties and responsibilities. Amongst others, the AC is responsible for:

- (a) assisting the Board in the discharge of its statutory responsibilities on financing and accounting matters;
- (b) reviewing significant financial reporting issues and judgements to ensure the integrity of the financial statements and any announcements relating to financial performance;
- (c) reviewing the periodic financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;
- (d) reviewing the adequacy, effectiveness, scope and results of the external audit and its cost effectiveness, and the independence and objectivity of the external auditors;
- (e) reviewing the external auditor's audit plan and audit report, and the external auditor's evaluation of the system of internal accounting controls, their management letter and the Management's response;
- (f) reviewing and discussing with auditors any suspected fraud or irregularity or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;
- (g) reviewing the key financial risk areas, the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board;
- (h) reviewing at least annually the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems, and discussing issues and concerns, if any, arising from the internal auditors;
- (i) reviewing the assurance from the Chairman and MD, and Group FC on the financial records and financial statements;
- (j) reviewing the scope and results of the internal audit procedures, and at least annually, the independence, adequacy and effectiveness of the Group's internal audit function, and whether the Group's internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience;
- (k) reviewing and approving transactions falling within the scope of Chapter 10 of the Catalist Rules (if any);
- (l) reviewing any interested person transactions and monitor the procedures established to regulate interested person transactions, and any deviations from the procedures will be subject to the AC's review and approval;
- (m) making recommendations to the Board on: (i) the proposals to Shareholders on the appointment, reappointment and removal of the external auditor; and (ii) the remuneration and terms of engagement of external auditors;
- (n) undertaking generally such other functions and duties as may be required by law or the Catalist Rules; and
- (o) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The AC has explicit authority to investigate any matters within its terms of reference. The AC also has full access to, and the co-operation of, the Management and full discretion to invite any Director or senior management to attend its meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud. As such, the Group undertakes to investigate complaints of suspected fraud in an objective manner and has put in place arrangements by which staff of the Group or third parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The Company has implemented whistle-blowing procedures pursuant to which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Whistle-blowing concerns shall be reported in person or in writing via electronic mail to the Chairman of the AC directly. The Group will treat all information received confidentially and protect the identity and the interest of all whistle-blowers against detrimental or unfair treatment. The objective of the whistle-blowing policy is to ensure independent investigation of matters raised and to allow appropriate actions to be taken. The results from the investigation will be reported directly to the Chairman of the AC. There was no whistle-blowing report received by the Chairman of the AC for FY2023.

#### Provisions 10.2 and 10.3

As at the date of this annual report, the AC comprises three (3) members, all of whom (including the Chairman) are Independent and Non-Executive Directors. The AC comprises the following members:

Mr. Hew Koon Chan	(AC Chairman and Lead Independent Director)
Ms. Margaret Au-Yong	(Member and Independent Director)
Mr. Raja Singham	(Member and Independent Director)

The Board and the NC are of the view that the members of the AC are appropriately qualified to discharge their responsibilities and they have the requisite recent and relevant accounting or related financial and/or business management expertise or experience. The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation, and none of the AC members have financial interest in the Company's existing auditing firm or auditing corporation.

#### Provisions 10.4

### Internal Audit

The Company has outsourced its internal audit function to RSM Corporate Consulting (Malaysia) Sdn Bhd ("**RSM**"), a company within RSM Malaysia PLT (a member firm of the international RSM network of auditing firms). In FY2023, an internal audit review was carried out by RSM. RSM performs its work in accordance with the RSM Internal Audit Methodology which is consistent with the Standards for the Professional Practice of Internal Auditing established by The Institute of Internal Auditors.

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

In respect of FY2023, the AC has reviewed the internal auditors' audit plans, its evaluation of the Group's system of internal controls, audit findings and management's responses to those findings, and the adequacy and effectiveness of material internal controls (including financial, operational, compliance and information technology controls) and overall risk management systems of the Group.

The AC is satisfied that the outsourced internal audit function is independent, adequately resourced, effective and has the appropriate standing within the Group. The AC is also of the view that the outsourced internal audit function is staffed with suitably qualified and experienced professionals with the relevant experience, and adheres to professional standards including those promulgated by the Institute of Internal Auditors. On an annual basis, the AC reviews the independence, adequacy and effectiveness of the internal audit function of the Company.

## External Audit

Annually, the AC will also conduct a review of the independence and objectivity of the external auditors through discussions with the external auditors, as well as reviewing the non-audit fees paid to them. The AC received an audit report from the external auditors setting out the non-audit services provided and the fees charged for FY2023. A breakdown of the audit and non-audit fees paid to the Company's auditors is disclosed on page 137 of this Annual Report. The aggregate amount of fees paid or payable by the Group to the external auditors for FY2023 amounted to RM260,382 for audit services and RM16,252 for non-audit services and the aggregate amount of fees paid or payable to the external auditors of the subsidiaries for FY2023 amounted to RM164,121 for audit services and RM47,919 for non-audit services. The AC is satisfied that the nature and extent of such non-audit services would not prejudice the independence and objectivity of the external auditors.

For FY2023, the AC has reviewed and is satisfied with the level of co-operation rendered by the Management to the external auditors, the adequacy of scope and quality of their audits, and the independence and objectivity of the external auditors.

The AC is satisfied that the external auditors of the Company, Baker Tilly TFW LLP, an auditing firm registered with the Accounting and Corporate Regulatory Authority, and the external auditors of the Company's subsidiaries, Baker Tilly Monteiro Heng PLT, an auditing firm registered with the Audit Oversight Board of Malaysia, and May & Partners Company Limited, Certified Public Accountants, are independent and that they had also provided a confirmation of their independence to the AC. The AC had assessed the external auditors of the Company based on factors such as performance, adequacy of resources and experience of their audit engagement partners and audit teams assigned to the Group's audit as well as the size and complexity of the Group. Accordingly, the AC is satisfied that Rules 712 and 715 of the Catalyst Rules have been complied with and has recommended to the Board, the nomination of Baker Tilly TFW LLP for re-appointment at the forthcoming AGM of the Company.

In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and its judgement of items that might affect the integrity of the financial statements. The significant matters impacting the financial statements as set out in the independent auditor's report under key audit matters on pages 112 to 113 of this annual report, were discussed with the Management and the external auditors, and were reviewed by the AC.

### Provisions 10.5

The AC will meet with the external auditors and internal auditors without the presence of the Management, at least once annually, and as and when necessary, to review the adequacy of audit arrangement, with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the external auditors and internal auditors. In respect of FY2023, the AC has met with the external auditors and the internal auditors once, without the presence of the Management.

## (D) SHAREHOLDER RIGHTS AND ENGAGEMENT

### Shareholder Rights and Conduct of General Meeting

**Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

### Provisions 11.1

The Group is committed to continually strengthen its relationship with the shareholders and believes in providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business, which could have a material impact on the share price or value of the Group.

The Company believes that prompt disclosure of relevant information and a high standard of disclosure are the keys to raising the level of corporate governance. The Board believes in regular and timely communication with its shareholders. In line with the continuous disclosure obligations of the Company pursuant to the Catalyst Rules, the Company's policy states that all shareholders should be informed simultaneously and in a timely manner of all major developments that impact the Group.

The Company does not practice selective disclosure. The Board is mindful of the obligation to provide timely and fair disclosure of material information. All financial results, as well as notices and other price-sensitive and/or trade-sensitive information are released in a timely manner through various media, including announcements via SGXNet, and posted on the Company's website for dissemination to Shareholders and the public in accordance with the Catalyst Rules.

While the Company does not have a dedicated investor relations team, the Company maintains a corporate website to constantly communicate with stakeholders, which is being overseen by the Executive Director of the Company. The Company welcomes any comment, feedback and query from the stakeholders through the Company's corporate website and strives to engage and manage relationships with the stakeholders. Stakeholders may find such information on the investor relations section of the Company's corporate website.

The Company's general meetings (including the AGM) are the principal forum for dialogue with the Shareholders. Shareholders are encouraged to attend all general meetings of the Company to ensure a high level of participation and accountability. The Company will inform Shareholders on the rules governing general meetings of Shareholders. The Company recognises the value of feedback from Shareholders. During the AGM, Shareholders are given ample time and opportunities to air their views and concerns. All the Directors will endeavour to attend the AGM and extraordinary general meetings, and Shareholders will be given the chance to share their thoughts and ideas or ask questions relating to the resolutions to be passed or on other corporate and business issues.

Shareholders who are not relevant intermediaries can vote in person or appoint not more than two (2) proxies (or in the case of Shareholders who are relevant intermediaries, more than two (2) proxies) to attend, speak and vote on their behalf at the general meetings. There is no provision in the Company's Constitution that limits the number of proxies for nominee companies.

For greater transparency, the Company will put all resolutions to vote by poll at general meetings and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will be made on the same day on SGXNet.

The forthcoming AGM to be held in respect of FY2023 will be convened and held in a wholly-physical format. Shareholders will not be able to participate by way of electronic means at the forthcoming AGM. Further information regarding the arrangements for the forthcoming AGM are set out in the Notice of AGM on pages 173 to 178 of this Annual Report.

### Provisions 11.2

All registered Shareholders are invited to participate in and are given the right to vote on resolutions at general meetings. Every matter requiring shareholders' approval is proposed as a separate resolution. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. A proxy form will be sent with the notice of general meeting to all Shareholders. For investors who hold Shares under the Central Provident Fund Scheme and Supplementary Retirement Scheme ("**CPF/SRS Investors**"), the proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS Investors who wish to appoint the Chairman of the AGM/EGM to act as their proxy should approach their respective CPF Agent Banks/ SRS Operators to submit their votes. Separate resolutions are proposed for substantially separate issues at the meeting, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

### Provisions 11.3

At general meetings of the Company, Shareholders are given the opportunity to raise questions to the Directors and the Management relating to the Company's business or performance. The Management, as well as the respective Chairmen of the Board, AC, RC and NC will be present and available to address all comments or queries raised by Shareholders at general meetings of the Company. The external auditors of the Company will also be present at the AGM to address Shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

All Directors were present at the FY2022 AGM held on 28 September 2022. Save for the aforementioned AGM, there was no other general meetings held during FY2023.

Provisions 11.4

The Company has decided, for the time being, not to implement voting in absentia through mail, electronic mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. An exception is made for the forthcoming AGM to be held in respect for FY2023, at which shareholders shall be allowed to submit their proxy forms via electronic means.

Provisions 11.5

The proceeding of each of the general meetings will be properly recorded, including substantial or relevant comments or queries from Shareholders relating to the agenda of the general meetings and responses from the Board and Management. All minutes of the general meetings will be available for the inspection of Shareholders upon their request and such minutes of general meetings are also published on the Company's corporate website as soon as practicable.

The Company published the minutes of the FY2022 AGM on the SGXNet and its corporate website, in compliance with the Catalist Rules.

Provisions 11.6

The Company adopted a dividend policy in August 2021, that aims to provide Shareholders with a target annual dividend payout of 30% of the Group's profit attributable to equity holders of the Company as final dividends. Such declaration and payment of dividends shall be determined at the sole discretion of the Board.

In proposing any dividend payout, the Board shall take into account, inter alia:-

- (a) the level of the Group's cash and retained earnings;
- (b) the Group's projected levels of capital expenditure and other investment plans, including strategic and opportunistic investments;
- (c) the Group's working capital requirements and general business and financing conditions;
- (d) the market conditions in global and specific markets; and
- (e) any other factors the Board may deem relevant.

The Board endeavours to maintain a balance between meeting Shareholders' expectations and prudent capital management with a sustainable dividend policy. The Board will continually review the dividend policy and reserves its right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time.

The details of dividend payment, if any, would be disclosed via the release of the announcements through SGXNet. If no dividend has been declared, a statement to that effect and the reasons for the decision will be included in the half-yearly or full year financial results announcements, as the case may be. The Board has recommended a final dividend for FY2023, which will be subject to Shareholders' approval at the forthcoming AGM.

**Engagement with Shareholders**

**Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

Provisions 12.1, 12.2 and 12.3

The Company believes in timely and accurate dissemination of information to its Shareholders. The Board makes every effort to comply with continuous disclosure obligations of the Company under the Catalist Rules and the Companies Act. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as soon as practicable. Communication to Shareholders is normally made through:

- (a) annual reports or circulars to Shareholders (which include notices of general meetings) are prepared and made available to all Shareholders within the mandatory period;
- (b) half-yearly and full year financial statements announcements containing a summary of the financial information and affairs of the Group for the period;
- (c) notices and explanatory memoranda for general meetings;
- (d) disclosures to the SGX-ST via SGXNet; and
- (e) Company's corporate website at [www.shopper360.com.my](http://www.shopper360.com.my) where shareholders can access information on the Group.

The Company's general meetings are the principal forum for dialogue with shareholders, to gather their views or inputs, and address their concerns, if any. Shareholders are given ample time and opportunities to sound their views and concerns. All the Directors will endeavour to attend the general meetings of the Company, and Shareholders will be given the chance to share their thoughts and ideas or ask questions relating to the resolutions to be passed or on other corporate and business issues. The Company will consider the use of other forums as and when applicable.

In accordance with the Catalist Rules, the Company does not practise selective disclosure, and trade sensitive and/or price sensitive information is publicly released on an immediate basis where required under the Catalist Rules.

The Company strives to reach out to shareholders and investors via its online investor relations site within its corporate website at [www.shopper360.com.my](http://www.shopper360.com.my) where it updates shareholders and investors on the latest news and business developments of the Group. Shareholders may contact the Company with questions via the contact details on its corporate website and the Company will respond to such questions accordingly.

**(E) MANAGEMENT STAKEHOLDERS RELATIONSHIPS****Engagement with Stakeholders**

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

Provisions 13.1 and 13.2

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to secure the long term future and sustainability of the Company. The Company's efforts on sustainability are focused on creating sustainable value for its key stakeholders, which include communities, customers, staff, regulators, shareholders and vendors.

Provisions 13.3

The Company maintains a current corporate website to communicate and engage with stakeholders. The Company's corporate website can be accessed at [www.shopper360.com.my](http://www.shopper360.com.my).

**(F) DEALINGS IN COMPANY'S SECURITIES**

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

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

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

**(G) INTERESTED PERSON TRANSACTIONS**

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

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

The IPTs entered into by the Group during FY2023 is set out as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules) (S\$'000)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000) (S\$'000)
Rekaweb.Com Sdn. Bhd.	Controlling shareholder of the Company	128	-

The Group leases properties from Rekaweb.Com Sdn. Bhd. for office and storeroom purposes.

Save as disclosed above, there were no IPTs which were equivalent to or more than S\$100,000 entered into for FY2023.

**(H) MATERIAL CONTRACTS**

Save as disclosed above on the service agreements between the Company and Ms. Chew Sue Ann (Executive Chairman and Group MD) and between the Company and Mr. James Ling Wan Chye (Executive Director and Director of Corporate Finance and Strategy), no material contracts (including loans) were entered into between the Company or any of its subsidiaries involving the interests of any Director or controlling Shareholder, which are either subsisting at the end of the financial year reported on or, if not then subsisting, entered into since the end of the previous financial year.

**(I) CATALIST SPONSOR**

With reference to Rule 1204(21) of the Catalist Rules, no non-sponsorship fees were paid to the Sponsor, ZICO Capital Pte. Ltd. in respect of FY2023.

**ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES**

Pursuant to Rule 720(5) of the Catalist Rules, information as set out in Appendix 7F to the Catalist Rules relating to Mr. Hew Koon Chan and Mr. Zaffary Bin Ab Rashid, being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

Name of Director	Mr. Hew Koon Chan ("Mr. Hew")	Mr. Zaffary Bin Ab Rashid ("Mr. Zaffary")
Date of appointment	19 May 2017	19 May 2017
Date of last re-appointment (if applicable)	28 September 2021	28 September 2021
Age	61	52
Country of principal residence	Singapore	Malaysia

Name of Director	Mr. Hew Koon Chan ("Mr. Hew")	Mr. Zaffary Bin Ab Rashid ("Mr. Zaffary")
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Hew as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Hew's qualifications, skills, expertise, past experiences and overall contribution since his appointment as a Director of the Company.	The re-election of Mr. Zaffary as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Zaffary's qualifications, skills, expertise, past experiences and overall contribution since his appointment as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	No	No
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	Lead Independent Director, AC Chairman, RC member and NC member	RC member and NC member
Professional qualifications	Bachelor of Mechanical Engineering; Graduate Diploma in Financial Management; Certified Diploma in Accounting and Finance	Bachelor of Science majoring in Economics and Finance
Working experience and occupation(s) during the past 10 years	<u>December 2004 – Current</u> Integer Capital Pte Ltd, Managing Director, providing business consultancy on mergers and acquisitions.	<u>Koperasi Permodalan Felda Malaysia Berhad</u> <u>2011 - 2017</u> Senior General Manager, Investments and Business. <u>2018 - Current</u> Executive Director, Investments and Business.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to <u>Listing Rule 704(8)</u>		

Name of Director	Mr. Hew Koon Chan ("Mr. Hew")	Mr. Zaffary Bin Ab Rashid ("Mr. Zaffary")
Past (for the last 5 years)	<p><b>Past Directorships:</b></p> <p>September 2019 - May 2021 ecoWise Holdings Limited, Independent Director</p> <p>March 2013 – February 2021 ATXL Invest Pte Ltd (struck off), Non-Executive Director</p> <p>June 2011 - June 2020 Far East Group Limited, Lead Independent Director</p> <p>July 2019 – September 2019 Livingstone Health Limited (formerly known as Ardmore Medical Group Limited), Independent Director</p> <p>September 2012 - April 2019 DeClout Pte Ltd (formerly known as DeClout Limited), Independent Director</p> <p>September 2010 – April 2019 Nordic Group Limited, Independent Director</p> <p>May 2009 – February 2023 SP Manufacturing Pte Ltd, Non-Executive Director</p> <p><b>Other Principal Commitments:</b> Nil</p>	<p><b>Past Directorships:</b></p> <p>March 2013 – January 2022 Gold Coin Malaysia Group Sdn Bhd, Non-Executive Director</p> <p><b>Other Principal Commitments:</b> Nil</p>
Present	<p><b>Present Directorships:</b> shopper360 Limited</p> <p><b>Other Companies</b> December 2004 – Current Integer Capital Pte Ltd, Managing Director</p> <p>December 2019 – Current Resources Global Development Limited, Independent Director</p> <p>May 2011 – Current SEA Family Trust Pte Ltd, Non-Executive Director</p> <p>December 2021 – Current Oiltek International Limited, Non-Executive Chairman</p> <p><b>Other Principal Commitments:</b> Nil</p>	<p><b>Present Directorships:</b> shopper360 Limited</p> <p><b>Group Companies</b> ShopperPlus Myanmar Co. Ltd ShopperPlus Singapore Pte. Ltd</p> <p><b>Other Companies</b> May 2015 – Current KPF Palm Oil Mill Sdn Bhd, Non-Executive Director</p> <p>May 2021 – Current Noweia Industries Sdn Bhd, Alternate Director</p> <p>December 2021 – Current KPF Holdings Sdn Bhd, Non-Executive Director</p> <p><b>Other Principal Commitments:</b> Nil</p>
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

Name of Director	Mr. Hew Koon Chan ("Mr. Hew")	Mr. Zaffary Bin Ab Rashid ("Mr. Zaffary")
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

Name of Director	Mr. Hew Koon Chan ("Mr. Hew")	Mr. Zaffary Bin Ab Rashid ("Mr. Zaffary")
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

Name of Director	Mr. Hew Koon Chan ("Mr. Hew")	Mr. Zaffary Bin Ab Rashid ("Mr. Zaffary")
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	<p>Yes.</p> <p>Mr Hew was an independent director of DeClout Limited. On 8 March 2017 (Wednesday), Mr Hew sold 200,000 shares in DeClout Limited and received the contract statement by ordinary mail from his broker on 11 March 2017 (Saturday). Mr Hew subsequently informed DeClout Limited on 13 March 2017 (Monday), which was more than two (2) business days from the date of his change of interest on 8 March 2017. On 28 April 2017, Mr Hew was held by the Monetary Authority of Singapore (the "Authority") to be in breach of Section 133 of the Securities and Futures Act 2001 of Singapore ("SFA") which, inter alia, requires directors of a corporation to notify the corporate of any change of their interest in the shares of the corporate within two (2) business days from their becoming aware of such change of interest. The Authority has not taken any regulatory action against Mr Hew save for a reminder of his obligation to comply with Section 133 of the SFA and other laws and regulations at all times, and that the Authority may take this contravention into account when considering actions to be taken against him for any future violations. Accordingly, this matter has been concluded.</p> <p>Mr Hew confirmed that save for the aforementioned warning received, there was no further action taken by the Authority and there have been no further developments in relation to the aforementioned matter as at the date of this Annual Report.</p>	No

Name of Director	Mr. Hew Koon Chan ("Mr. Hew")	Mr. Zaffary Bin Ab Rashid ("Mr. Zaffary")
<b>Disclosure applicable to the appointment of Director only.</b>		
Any prior experience as a director of an issuer listed on the Exchange?  If yes, please provide details of prior experience.  If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Yes  Mr Hew has been a Director of the Company since 19 May 2017.  Mr Hew is currently a Director of Resources Global Development Limited and Oiltek International Limited.  Mr Hew was also previously an independent director on several companies listed on SGX, namely, DeClout Pte Ltd (formerly known as DeClout Limited); ecoWise Holdings Limited; Far East Group Limited; Nordic Group Limited; and Roxy-Pacific Holdings Limited.	Yes  Mr Zaffary has been a Director of the Company since 19 May 2017.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.

## DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of shopper360 Limited (the "**Company**") and its subsidiaries (the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 May 2023.

In the opinion of the directors:

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 115 to 170 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2023 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 of Singapore (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS (I)**"); and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### Directors

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

Chew Sue Ann  
Margaret Au-Yong @ Moh Chuan  
Hew Koon Chan  
Zaffary Bin Ab Rashid  
James Ling Wan Chye  
Raja Singham A/L S.Sukumara Singham

### Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### Directors' interest in shares or debentures

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

Name of Director and Companies in which interest are held	Number of ordinary shares Shareholdings registered in her own name			
	Direct interest*		Deemed interest	
	At 1.6.2022	At 31.5.2023	At 1.6.2022	At 31.5.2023
<b>Company</b>				
Chew Sue Ann	325,000	325,000	43,235,250	43,235,250
James Ling Wan Chye	325,000	325,000	-	-
<b>Immediate and ultimate holding company</b>				
Rekaweb.Com Sdn. Bhd. Chew Sue Ann	12,750	12,750	-	-

\* The direct interest of Ms Chew Sue Ann and Mr James Ling Wan Chye for the aggregated number of shares of 325,000 in the Company are held jointly through a nominee, Morgan Stanley Asia (Singapore) Securities Pte. Ltd..

The deemed interest of Ms Chew Sue Ann in the shares of the Company are by virtue of her shareholdings in Rewakweb.Com Sdn. Bhd., which in turn holds 43,235,250 shares in the Company. The directors' interest in the ordinary shares and share options of the Company as at 21 June 2023 were the same as those as at 31 May 2023.



### Share options

The shopper360 Limited's Performance Shares Plan ("PSP") is administered by the Remuneration Committee of the Company, comprising Margaret Au-Yong @ Moh Chuan, Hew Koon Chan and Zaffary Bin Ab Rashid. A member of the Remuneration Committee who is also a participant of the PSP must not be involved in its deliberation in respect of the awards granted or to be granted to him.

a) Options to take up unissued shares

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

b) Options exercised

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

c) Unissued shares under option

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

### Audit Committee

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

Hew Koon Chan (Chairman, Lead Independent Director)  
Raja Singham A/L S.Sukumara Singham (Independent Director)  
Margaret Au-Yong @ Moh Chuan (Independent Director)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act. Their functions are detailed in the Corporate Governance Report section of the 2023 Annual Report.

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

The Audit Committee also reviewed the following:

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

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

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

### Independent auditor

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

On behalf of the directors

Chew Sue Ann  
Director

Hew Koon Chan  
Director

29 August 2023

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHOPPER360 LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of shopper360 Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 115 to 170, which comprise the statements of financial position of the Group and of the Company as at 31 May 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 May 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

### Impairment assessment on goodwill

As at 31 May 2023, included in the Group's intangible assets is goodwill with carrying amount of RM2,007,651 (2022: RM2,007,651). Goodwill has been allocated to a cash-generating unit ("CGU") as disclosed in Note 12 to the financial statements. Management has performed impairment assessment to determine the recoverable amount of the CGU based on its value-in-use.

Impairment assessment of goodwill is considered a key audit matter as the computation of value-in-use involves estimations and assumptions to be made by management. The key estimations relate to forecast revenue growth rates, gross margins and discount rate applied to future cash flow projections. Details are disclosed in Note 2(x) and Note 12 to the financial statements.

#### Our procedures to address the key audit matter

We obtained an understanding of management's impairment assessment process.

We assessed the key estimates applied and management's consideration of the current business conditions in the value-in-use calculations by comparing the cash flow projections to historical data and existing contracts, purchase orders or quotations. We also compared current year actual results to prior year forecast where relevant, to assess the reasonableness and reliability of management estimations. We assessed the sensitivity of the key estimates on the impairment assessment based on reasonably possible changes in the key estimates. We involved our internal valuation specialists in assessing the reasonableness of the discount rate used.

We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

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

### Key Audit Matters (cont'd)

#### Disposal of investment in associated company

On 13 April 2023, the Group disposed its investment in an associated company and recorded a gain on disposal of RM11,815,322 (Note 4). The Group received cash amounting to RM3,954,528 and 4,915 units of cumulative, fully and compulsorily convertible non-participating preference shares ("CCCPS") in an investee company valued at RM9,742,041 as consideration for the disposal. Management has determined the fair value of the Group's interest in the CCCPS for measurement purposes and measured the CCCPS at its fair value at the end of the financial year (Note 16) by considering the nature and terms of the CCCPS as documented in the agreements and by reference to the valuation report and financial information of the investee company. As the disposal of the investment in associated company was a significant transaction that has occurred during the financial year, the accounting for the gain on disposal and the carrying value of the CCCPS involved significant auditor attention in the audit and was determined to be a key audit matter.

#### Our procedures to address the key audit matter

We reviewed the various agreements supporting the disposal of the investment in associated company to assess the accounting for the disposal. We verified the cash consideration received by the Group, the existence and ownership of the CCCPS received by the Group and reviewed Management's assessment of the classification and fair value of the CCCPS received by the Group at the date of disposal. We evaluated the reasonableness of Management's determination of the fair value of the CCCPS as at 31 May 2023 by discussing the appropriateness of Management's valuation basis with our internal valuation specialist and comparing the valuation basis to the nature and terms of the CCCPS, relevant agreements, valuation report and financial information of the investee company. We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

### Other Information

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

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

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

### Responsibilities of Management and Directors for the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Foong Chooi Chin.

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

29 August 2023

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 MAY 2023

	Note	Group	
		2023 RM	2022 RM
Revenue	3	169,463,245	152,157,777
Cost of sales		(134,755,665)	(117,275,064)
Gross profit		34,707,580	34,882,713
Other income	4	12,448,329	851,080
<b>Expenses</b>			
Administrative expenses		(33,610,050)	(27,916,964)
Other operating expenses		(10,246)	(25,288)
(Allowance)/reversal of impairment losses on trade receivables and contract assets (net)		(298,697)	146,952
Finance costs	5	(297,076)	(146,739)
Share of results of associated companies		(226,412)	(276,447)
Share of results of joint venture		(111,506)	-
<b>Profit before tax</b>	6	12,601,922	7,515,307
Tax expense	8	(941,408)	(2,798,998)
<b>Profit for the year</b>		11,660,514	4,716,309
<b>Other comprehensive (loss)/income, net of tax:</b>			
<i>Item that is or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation		(197,348)	(144,970)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Financial assets at fair value through other comprehensive income - fair value (loss)/gain - equity instruments		(286,506)	2,156,392
Currency translation differences arising from consolidation		(182,230)	(92,067)
<b>Other comprehensive (loss)/income for the year, net of tax</b>		(666,084)	1,919,355
<b>Total comprehensive income for the year</b>		10,994,430	6,635,664
<b>Profit attributable to:</b>			
Equity holders of the Company		11,555,522	3,728,814
Non-controlling interest		104,992	987,495
<b>Profit for the year</b>		11,660,514	4,716,309
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		11,071,668	5,740,236
Non-controlling interest		(77,238)	895,428
		10,994,430	6,635,664
<b>Earnings per share (sen per share) - Basic and diluted</b>	9	10.62	3.43

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

# STATEMENTS OF FINANCIAL POSITION

## AT 31 MAY 2023

Note	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10	1,774,190	1,909,565	-
Right-of-use assets	11	3,529,012	2,294,029	-
Intangible assets	12	2,308,900	2,316,127	-
Investment in subsidiaries	13	-	-	37,013,629
Investment in associated companies	14	535,714	2,643,374	-
Joint venture	15	890,569	1,002,075	1,002,075
Financial assets at fair value through profit or loss	16	12,122,041	2,380,000	-
Financial assets at fair value through other comprehensive income	17	3,870,986	4,838,458	-
Deferred tax assets	24	903,431	48,241	-
<b>Total non-current assets</b>		<b>25,934,843</b>	<b>17,431,869</b>	<b>38,015,704</b>
<b>Current assets</b>				
Inventories	18	819,844	796,730	-
Financial assets at fair value through profit or loss	16	858,151	50,020	-
Trade and other receivables	19	39,265,302	35,615,771	7,572,151
Contract assets	20	10,693,641	12,177,006	-
Tax recoverable		733,276	720,704	-
Cash and cash equivalents	21	21,629,433	24,510,320	1,025,837
<b>Total current assets</b>		<b>73,999,647</b>	<b>73,870,551</b>	<b>12,276,811</b>
<b>Total assets</b>		<b>99,934,490</b>	<b>91,302,420</b>	<b>50,292,515</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	22	51,850,444	51,850,444	51,850,444
Treasury shares	22	(1,769,029)	(1,769,029)	(1,769,029)
Capital reserve	23(a)	(1,354,855)	(1,354,855)	-
Merger reserve	23(b)	(17,453,646)	(17,453,646)	-
Fair value reserve	23(c)	1,869,886	2,156,392	-
Currency translation reserve		(620,617)	(423,269)	-
Retained earnings/(accumulated losses)		37,143,770	26,812,751	(119,405)
Equity attributable to equity holders of the Company, total		69,665,953	59,818,788	49,962,010
Non-controlling interest		1,566,732	2,193,072	-
<b>Total equity</b>		<b>71,232,685</b>	<b>62,011,860</b>	<b>49,962,010</b>
<b>Non-current liabilities</b>				
Lease liabilities	11	1,695,807	1,025,246	-
Deferred tax liabilities	24	55,523	777,390	-
<b>Total non-current liabilities</b>		<b>1,751,330</b>	<b>1,802,636</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	25	18,204,060	15,701,539	330,505
Contract liabilities	20	3,527,289	3,929,931	-
Borrowings	26	3,166,060	4,976,688	-
Lease liabilities	11	1,568,836	1,074,699	-
Tax payable		484,230	1,805,067	-
<b>Total current liabilities</b>		<b>26,950,475</b>	<b>27,487,924</b>	<b>330,505</b>
<b>Total liabilities</b>		<b>28,701,805</b>	<b>29,290,560</b>	<b>330,505</b>
<b>Total equity and liabilities</b>		<b>99,934,490</b>	<b>91,302,420</b>	<b>50,292,515</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 MAY 2023

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

Note

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MAY 2023

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

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MAY 2023

Note	Share capital RM	Treasury shares RM	Accumulated losses RM	Total equity RM
<b>Company</b>				
At 1 June 2022	51,850,444	(1,769,029)	(1,829,910)	48,251,505
Profit and total comprehensive income for the year	-	-	2,935,008	2,935,008
Dividends	-	-	(1,224,503)	(1,224,503)
<b>At 31 May 2023</b>	<b>51,850,444</b>	<b>(1,769,029)</b>	<b>(119,405)</b>	<b>49,962,010</b>
At 1 June 2021	51,850,444	(1,769,029)	(379,193)	49,702,222
Profit and total comprehensive income for the year	-	-	1,574,328	1,574,328
Dividends	-	-	(3,025,045)	(3,025,045)
At 31 May 2022	51,850,444	(1,769,029)	(1,829,910)	48,251,505

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MAY 2023

	Note	Group	
		2023 RM	2022 RM
<b>Cash flows from operating activities</b>			
Profit before tax		12,601,922	7,515,307
Adjustments for:			
Amortisation for club membership		7,227	7,226
Allowance/(reversal) of impairment losses on trade receivables and contract assets (net)		298,697	(146,952)
Depreciation of property, plant and equipment		980,007	1,025,117
Depreciation of right-of-use assets		1,591,357	1,743,136
Interest income		(172,136)	(158,986)
Interest expenses		297,076	146,739
Inventories written off		175,843	176,581
Gain on disposal of property, plant and equipment		(3,044)	-
Gain on disposal of investment in associated company		(11,815,322)	-
Gain on termination of leases		(4,099)	(10,732)
Property, plant and equipment written off		5,950	7,917
Share of results of associated companies		226,412	276,447
Share of results of joint venture		111,506	-
Unrealised foreign exchange loss/(gains)		39,861	(127,021)
Operating cash flow before movement in working capital		4,341,257	10,454,779
Inventories		(198,957)	(676,497)
Trade and other receivables and contract assets		(2,464,862)	(8,137,844)
Trade and other payables and contract liabilities		2,085,798	1,933,967
Currency translation adjustments		(364,230)	(206,325)
Cash generated from operations		3,399,006	3,368,080
Income tax paid		(3,170,909)	(2,181,208)
<b>Net cash generated from operating activities</b>		<b>228,097</b>	<b>1,186,872</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(857,693)	(1,370,721)
Addition of right-of-use assets		-	(33,710)
Advance to an associated company		-	(1,000,000)
Interest received		172,136	158,986
Investment in associated companies		-	(2,000,000)
Incorporation of joint venture		-	(1,002,075)
Proceeds from disposal of property, plant and equipment		8,056	1,291
Proceeds from disposal of investment in associated company (Note 16(b))		3,954,528	-
(Placement)/redemption of financial assets at fair value through profit or loss		(808,131)	2,075,315
Purchase of financial assets at fair value through profit or loss		-	(1,000,000)
<b>Net cash generated from/(used in) investing activities</b>		<b>2,468,896</b>	<b>(4,170,914)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(1,656,710)	(1,841,640)
Proceeds from short-term loans		36,332,806	12,039,764
Repayments of short-term loans		(38,143,434)	(7,063,076)
Dividends paid to owners of the Company		(1,224,503)	(3,025,045)
Dividends paid to non-controlling interest		(549,102)	-
Repayment to non-controlling interest		-	(187,487)
Interest paid		(297,076)	(146,739)
<b>Net cash used in financing activities</b>		<b>(5,538,019)</b>	<b>(224,223)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,841,026)</b>	<b>(3,208,265)</b>
Cash and cash equivalents at beginning of the financial year		24,510,320	27,591,564
Effects of exchange rate changes on cash and cash equivalents		(39,861)	127,021
<b>Cash and cash equivalents at end of the financial year</b>	21	<b>21,629,433</b>	<b>24,510,320</b>

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

### CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

For the financial year ended 31 May 2023

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MAY 2023

These notes form an integral part of and should be read in conjunction with the accompanying 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 principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

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

### 2 Summary of significant accounting policies

#### a) Basis of preparation

The financial statements of the Group are expressed in Ringgit Malaysia (“**RM**”) except when otherwise indicated. The financial statements of the Group have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) (“**SFRS(I)**”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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

#### *Use of estimates and judgements*

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

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within next financial year are disclosed in Note 2(x) to the financial statements.

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

#### *New and revised standards that are adopted*

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations (“**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/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or financial position of the Group and the Company.

#### *New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 May 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

### 2 Summary of significant accounting policies (cont’d)

#### b) Revenue recognition

##### *Advertising and marketing*

The Group secures media space from retail partners, installs and maintains in-store digital and non-digital advertising mediums for its customers. Revenue from in-store advertising and digital marketing are recognised over the period of the advertisement based on the number of days which the customers simultaneously receive and consume the benefits from the services provided by the Group. The Group bills the customer in accordance with the terms of the contract, i.e. on the first day of each booking cycle. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. A contract liability is recognised when the Group has not yet performed under the contract but bills customers in advance or receives advanced payments from the customer. The Group also provides banner and poster printing services upon request of customers. The Group transfers control and recognises a sale at the point in time when they deliver products to their customers with no unfulfilled obligation that could affect the customer’s acceptance of the products and that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group organises and manages its customers’ in-store sampling, promotional booths and events. Revenue is recognised over time as the customers simultaneously receive and consume the benefits provided by the Group’s performance as the Group performs and it has an enforceable right to payment for performance completed to date. Revenue recognised over time is measured by reference to the Group’s progress towards completion of the contract works based on the proportion of contract costs incurred to date to the estimated total costs and this generally coincides with the period of the events. A contract asset is recognised when the Group has performed under the contract but has not yet been billed to the customers. A contract liability is recognised when the Group has not yet performed the services under the contract but receives advanced payments from the customers. Customers are required to pay within 90 days from the invoice date. No element of financing is deemed present.

##### *Sales execution and distribution*

The Group provides manpower and manages the retail field force human resources functions for its customers. Revenue from field force management is recognised over time as performance obligation is satisfied by reference to the Group’s progress towards completion of the services, using the input method based on the proportion of contract costs incurred to date to the estimated total costs. Revenue is recognised over time as the customers simultaneously receive and consume the benefits provided by the Group’s performance as the Group performs and it has an enforceable right to payment for performance completed to date. A contract asset is recognised over the period in which the services are performed, representing the entity’s right to consideration for the services performed to date which have not yet been billed to the customers. A contract liability is recognised when the Group has not yet performed the services under the contract but receives advanced payments from the customer. Customers are required to pay within 30 to 90 days from the invoice date. No element of financing is deemed present.

The Group transfers control and recognises a sale of goods when they deliver fast-moving consumer goods to their customers. Revenue from these sales is recognised based on the price specified in the contract. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

##### *Rental income*

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

##### *Interest income*

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

##### *Dividend income*

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

## 2 Summary of significant accounting policies (cont'd)

### c) Subsidiaries

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

In the Company's statement of financial position, investment in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

### d) Basis of consolidation

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

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

#### *Business combinations involving entities under common control*

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

Under this method, the Company has been treated as the holding company of the subsidiaries for the financial years presented rather than from the completion of the Restructuring Exercise. Accordingly, the results of the Group included the results of the subsidiaries for the entire periods under review. Such manner of presentation reflects the economic substance of the companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established.

Pursuant to this:

- Assets and liabilities are reflected at their existing carrying amounts;
- No adjustments are made to reflect the fair values on the date of combination or recognise any new assets or liabilities;
- No additional goodwill is recognised as a result of the combination; and
- Any difference between the consideration paid by the Company and the shares 'acquired' is reflected within the equity of the Group as merger reserve.

#### *Business combination using acquisition method*

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

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

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(f). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

## 2 Summary of significant accounting policies (cont'd)

### d) Basis of consolidation (cont'd)

#### *Business combination using acquisition method (cont'd)*

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

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

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

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

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

### e) Associated companies and joint venture

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more but not exceeding 50% of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in associated companies and joint venture are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investment in associated companies and joint venture are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate or joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence or joint control ceases.



## 2 Summary of significant accounting policies (cont'd)

### e) Associated companies and joint venture (cont'd)

Distributions received from associated companies and joint venture are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company and joint venture equals or exceeds its interest in the associated company and joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company and joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associated companies and joint ventures. The Group determines at the end of each reporting period whether there is objective evidence that the investments in associated companies or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in profit or loss.

Where a group entity transacts with an associate or joint venture of the Group, unrealised gains are eliminated to the extent of the Group's interest in the relevant associate or joint venture. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred.

In the Company's financial statements, investment in associated companies or joint venture is carried at cost less accumulated impairment loss. On disposal of investment in associated company or joint venture, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

### f) Goodwill

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

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

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

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

The Group policy for goodwill arising on the acquisition of an associate or joint venture is described in Note 2(e).

### g) Property, plant and equipment

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

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

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

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

## 2 Summary of significant accounting policies (cont'd)

### g) Property, plant and equipment (cont'd)

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

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

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

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

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

### h) Intangible assets (other than goodwill)

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

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

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

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

#### Club memberships

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

### i) Impairment of non-financial assets excluding goodwill

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

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

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

## 2 Summary of significant accounting policies (cont'd)

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

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

### j) Inventories

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

### k) Financial assets

#### Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

#### Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

## 2 Summary of significant accounting policies (cont'd)

### k) Financial assets (cont'd)

#### Subsequent measurement

##### Debt instruments

Debt instruments include cash and cash equivalents, trade receivables and other receivables (excluding prepayments). These are subsequently measured at amortised cost based on the Group's business model for managing the asset and cash flow characteristic of the asset.

##### Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

##### Other instruments

The Group subsequently measures all its equity investments and CCCPS at their fair values. The Group's investments in short-term funds are classified as FVTPL. A hybrid contract that comprises an equity investment with an embedded derivative that is not separated is also accounted and classified in its entirety, as FVTPL. Movements in fair values of equity investments and other financial assets classified as FVTPL are recognised in profit or loss in the period in which the changes arise and presented in "other income".

For equity investments which are not held for trading or not a contingent consideration recognised by an acquirer in a business combination, the Group may make an irrevocable election (on an investment by investment basis) to designate equity investments as at FVOCI.

The Group has designated certain of its equity investments that are not held for trading as at FVOCI at initial recognition. Gains and losses arising from changes in fair value of these equity investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income and accumulated in fair value reserve and will never be reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss except for equity investment designated at FVOCI which would be recognised in other comprehensive income. Fair value reserve relating to the disposed equity investment designated at FVOCI would be transferred to retained earnings upon disposal. Dividends from equity investments are recognised in profit or loss and presented in "other income". Equity investments classified as FVOCI are not subject to impairment assessment.

#### Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

## 2 Summary of significant accounting policies (cont'd)

### k) Impairment (cont'd)

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

#### Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### l) Cash and cash equivalents

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

### m) Financial liabilities

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

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

### n) Provisions for other liabilities

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

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

### o) Share capital

#### Ordinary shares

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

## 2 Summary of significant accounting policies (cont'd)

### o) Share capital (cont'd)

#### Treasury shares

When any entity within the Group purchases the Company's ordinary shares ("**treasury shares**"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of the capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

### p) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

## 2 Summary of significant accounting policies (cont'd)

### p) Leases (cont'd)

#### *Right-of-use assets (cont'd)*

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The estimated useful lives are as follows:

	<b>Years</b>
Office spaces and stores	1 - 5
Warehouses	2 - 3
Motor vehicles	5

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group applies SFRS(I) 1-36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(i).

As a practical expedient, SFRS(I) 16 Leases permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient of its leases of office spaces, stores and warehouses.

### q) Employee benefits

#### *Defined contribution plans*

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

#### *Employee leave entitlements*

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

### r) Borrowing costs

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

### s) Income taxes

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

## 2 Summary of significant accounting policies (cont'd)

### s) Income taxes (cont'd)

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

### t) Foreign currencies

#### *Functional and presentation currency*

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

#### *Transactions and balances*

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

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

#### *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

## 2 Summary of significant accounting policies (cont'd)

### t) Foreign currencies (cont'd)

*Translation of Group entities' financial statements (cont'd)*

- (i) Assets and liabilities are translated at the closing rates at the date of the statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

### u) Dividend

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

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

### v) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

### w) Segment reporting

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

### x) Critical accounting judgements and key sources of estimation uncertainty

#### **Critical judgements in applying the entity's accounting policies**

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

#### *Investment in associated companies*

Management considered the contractual terms in the shareholders agreement and the Group's representation on the board of Instanture Holdings Sdn. Bhd.. Management has determined that it has significant influence on Instanture Holdings Sdn. Bhd. even though the Group's shareholding is 10.18% (2022: 10.18%). Accordingly, this investment has been classified as an associated company (Note 14).

#### **Key sources of estimation uncertainty**

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

## 2 Summary of significant accounting policies (cont'd)

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

#### **Key sources of estimation uncertainty (cont'd)**

#### *Impairment of non-financial assets*

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

When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of goodwill and the carrying amount of the goodwill are disclosed in Note 12 to the financial statements. The carrying amounts of property, plant and equipment, right-of-use assets and club memberships are disclosed respectively in Notes 10, 11 and 12 to the financial statements.

#### *Fair value estimation of unquoted equity investments and CCCPS*

The fair value of equity investments that are not quoted in an active market are determined by using valuation techniques, such as discounted cash flows and recent comparable transactions. For valuation of CCCPS, management considered the nature and terms of the CCCPS as set out in the agreements and the valuation report and financial information of the investee company. The valuation techniques used to determine fair values are periodically reviewed by management.

Management may use significant unobservable inputs such as projected cash flows of the investee company which include discount rate that reflects current market assessments of the time value of money and the risks specific to the investee company. Although management believes that the assumptions concerning the business environment and estimate of future cash flows are appropriate, changes in estimates and assumptions could result in changes in the carrying values of these financial assets. The carrying amounts of the Group's investments are disclosed in Notes 16 and 17.

#### *Allowance for expected credit losses of trade receivables and contract assets*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will assess the historical credit loss experience by considering current and forecast economic conditions.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 29(b).

The carrying amount of the Group's trade receivables and contract assets as at 31 May 2023 is RM36,055,248 and RM10,693,641 (2022: RM31,324,978 and RM12,177,006) respectively.

#### *Income taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations, the amount and timing of future taxable income and deductibility of certain expenditure. Accordingly, there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and Company recognises liabilities for expected tax issues based on reasonable estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group and Company's income tax payables/recoverable and deferred tax liabilities/assets at the end of the reporting date are presented on the Statements of Financial Position and Note 24 to the financial statements.

**3 Revenue**

	Group	
	2023 RM	2022 RM
Advertising and marketing	39,854,672	41,620,140
Sales execution and distribution	129,599,873	110,537,637
Others	8,700	-
	<b>169,463,245</b>	152,157,777
<i>Timing of revenue recognition</i>		
At a point in time	7,397,914	9,440,462
Over time	162,065,331	142,717,315
	<b>169,463,245</b>	152,157,777

The Group applies the practical expedient in SFRS(I) 15 and does not disclose information about its remaining performance obligation if:

- The performance obligation is part of a contract that has an original expected duration of one year or less; or
- The Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

**4 Other income**

	Group	
	2023 RM	2022 RM
Gain on foreign exchange	-	260,016
Gain on disposal of property, plant and equipment	3,044	-
Gain on disposal of investment in associated company	11,815,322	-
Gain on termination of leases	4,099	10,732
Interest income	172,136	158,986
Rental income	13,414	16,000
Government grant	53,332	239,849
Miscellaneous income	386,982	165,497
	<b>12,448,329</b>	851,080

**5 Finance costs**

	Group	
	2023 RM	2022 RM
Interest expense		
- Lease liabilities (Note 11)	186,228	127,784
- Short-term loans	3,231	4,025
- Revolving credit	107,617	14,930
	<b>297,076</b>	146,739

**6 Profit before tax**

	Group	
	2023 RM	2022 RM
Profit before tax is arrived at after charging/(crediting):		
Audit fees payable/paid to:		
- Auditor of the Company	260,382	214,798
- Other auditors*	164,121	172,698
Fees for non-audit services payable/paid to:		
- Auditor of the Company	16,252	15,635
- Other auditors*	47,919	42,580
Amortisation for club memberships	7,227	7,226
Commission	306,191	410,792
Depreciation of property, plant and equipment (Note 10)	980,007	1,025,117
Depreciation of right-of-use assets (Note 11)	1,591,357	1,743,136
Bad debts written off	125,097	23,964
Allowance/(reversal) of impairment losses on trade receivables (Note 29(b))	173,600	(170,916)
Inventories written off	175,843	176,581
Loss on foreign exchange	252,411	-
Rental expense (Note 11)	372,006	251,723
Staff costs (Note 7)	130,950,547	109,567,186
Supermarket fees	3,612,744	5,301,795
Printing and design	1,012,636	813,627
Property, plant and equipment written off	5,950	7,917
Public performance fees	1,220,034	1,388,890

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

**7 Staff costs**

	Group	
	2023 RM	2022 RM
Salaries, allowances, bonuses and commissions	113,825,485	94,915,952
Contributions to defined contribution plans	13,265,499	11,354,860
Other benefits	3,859,563	3,296,374
	<b>130,950,547</b>	109,567,186

**8 Tax expense**

	Group	
	2023 RM	2022 RM
Tax expense attributable to profits is made up of:		
Current income tax		
- Current year	1,870,345	2,502,017
- (Over)/under provision in respect of previous financial years	(31,746)	261,949
Deferred tax (Note 24)		
- Current year	(130,900)	(15,209)
- Adjustment in respect of previous financial years	(766,291)	50,241
	<b>941,408</b>	<b>2,798,998</b>

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the respective domestic rates of income tax due to the following factors:

	Group	
	2023 RM	2022 RM
Profit before tax	12,601,922	7,515,307
Tax at domestic rates applicable to profit in countries where the Group operates	3,078,838	1,803,674
Expenses not deductible for tax purposes	644,958	457,453
Income not subject to tax	(2,868,569)	(39,868)
(Over)/under provision of current tax in prior years	(31,746)	261,949
Adjustment in respect of deferred tax in prior years	(766,291)	50,241
Deferred tax assets not recognised	973,170	572,040
Utilisation of previously unrecognised deferred tax assets	(88,937)	(305,602)
Others	(15)	(889)
	<b>941,408</b>	<b>2,798,998</b>

The above tax reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The statutory income tax rate applicable to the Company is 17% (2022: 17%).

Pursuant to the relevant laws and regulations in Malaysia, the major subsidiaries of the Group incorporated in Malaysia are required to pay Malaysia corporate income tax at a rate of 24% (2022: 24%).

**8 Tax expense (cont'd)**

The tax credit/(charge) relating to each component of other comprehensive income is as follows:

	Before tax RM	Tax credit/ (charge) RM	After tax RM
<b>Group 2023</b>			
Fair value loss on financial assets at fair value through other comprehensive income	(967,472)	680,966	(286,506)
<b>2022</b>			
Fair value gain on financial assets at fair value through other comprehensive income	2,837,358	(680,966)	2,156,392

**9 Earnings per share**

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data.

	Group	
	2023 RM	2022 RM
Net profit attributable to equity holders of the Company	11,555,522	3,728,814
Weighted average number of ordinary shares for purpose of earnings per share	108,803,600	108,803,600
Earnings per share (sen per share)		
- Basic and diluted	10.62	3.43

There were no dilutive equity instruments for 2023 and 2022.

**10 Property, plant and equipment**

	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Office renovation RM	Total RM
<b>Group 2023 Cost</b>					
At 1.6.2022	6,267,210	2,235,709	810,163	3,058,049	12,371,131
Additions	683,619	53,856	–	120,218	857,693
Disposal	(20,542)	–	(55,660)	–	(76,202)
Write-off	(477,253)	–	–	–	(477,253)
Currency translation differences	(2,900)	(3,620)	–	(3,159)	(9,679)
At 31.5.2023	<b>6,450,134</b>	<b>2,285,945</b>	<b>754,503</b>	<b>3,175,108</b>	<b>12,665,690</b>
<b>Accumulated depreciation</b>					
At 1.6.2022	5,123,792	2,049,376	721,636	2,566,762	10,461,566
Depreciation charge	732,302	75,935	45,451	126,319	980,007
Disposal	(19,321)	–	(51,868)	–	(71,189)
Write-off	(471,303)	–	–	–	(471,303)
Currency translation differences	(2,235)	(3,060)	–	(2,286)	(7,581)
At 31.5.2023	<b>5,363,235</b>	<b>2,122,251</b>	<b>715,219</b>	<b>2,690,795</b>	<b>10,891,500</b>
<b>Net carrying value</b>					
At 31.5.2023	<b>1,086,899</b>	<b>163,694</b>	<b>39,284</b>	<b>484,313</b>	<b>1,774,190</b>
<b>2022 Cost</b>					
At 1.6.2021	5,843,154	2,216,323	882,205	2,617,488	11,559,170
Additions	826,575	100,584	–	443,562	1,370,721
Disposal	(7,748)	–	–	–	(7,748)
Write-off	(390,835)	(77,355)	(72,042)	–	(540,232)
Currency translation differences	(3,936)	(3,843)	–	(3,001)	(10,780)
At 31.5.2022	6,267,210	2,235,709	810,163	3,058,049	12,371,131
<b>Accumulated depreciation</b>					
At 1.6.2021	4,792,853	2,000,385	746,286	2,443,273	9,982,797
Depreciation charge	723,627	128,840	47,391	125,260	1,025,117
Disposal	(6,457)	–	–	–	(6,457)
Write-off	(382,946)	(77,328)	(72,041)	–	(532,315)
Currency translation differences	(3,285)	(2,521)	–	(1,771)	(7,576)
At 31.5.2022	5,123,792	2,049,376	721,636	2,566,762	10,461,566
<b>Net carrying value</b>					
At 31.5.2022	1,143,418	186,333	88,527	491,287	1,909,565

**11 Right-of-use assets and lease liabilities****The Group as a lessee**Nature of the Group's leasing activities

The Group's leasing activities comprise the following:

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

No restrictions are imposed on dividends of further leasing.

The maturity analysis of the lease liabilities is disclosed in Note 29(b).

Information about leases for which the Group is a lessee is presented below:

**Amounts recognised in Statements of Financial Position**

	Group	
	2023 RM	2022 RM
<u>Carrying amounts of right-of-use assets</u>		
Office spaces and stores		
- Immediate and ultimate holding company	<b>702,128</b>	–
- Non-related parties	<b>683,842</b>	670,918
Warehouses	<b>1,443,686</b>	640,841
Motor vehicles	<b>699,356</b>	982,270
	<b>3,529,012</b>	2,294,029
<u>Carrying amounts of lease liabilities</u>		
Current		
- Immediate and ultimate holding company	<b>350,541</b>	–
- Non-related parties	<b>1,218,295</b>	1,074,699
	<b>1,568,836</b>	1,074,699
Non-current		
- Immediate and ultimate holding company	<b>374,798</b>	–
- Non-related parties	<b>1,321,009</b>	1,025,246
	<b>1,695,807</b>	1,025,246
Early termination on right-of-use assets	<b>101,466</b>	103,564
Additions to right-of-use assets	<b>2,926,973</b>	1,427,286



**11 Right-of-use assets and lease liability (cont'd)****The Group as a lessee (cont'd)****Amounts recognised in Profit or Loss**

	Group	
	2023 RM	2022 RM
<u>Depreciation charge for the year</u>		
Office spaces and stores	793,749	1,051,171
Warehouses	514,694	431,622
Motor vehicles	282,914	260,343
Total (Note 6)	<b>1,591,357</b>	1,743,136
<u>Lease expense not included in the measurement of lease liabilities</u>		
Lease expense - short-term leases	372,006	244,523
Lease expense - low value assets leases	-	7,200
Total (Note 6)	<b>372,006</b>	251,723
Interest expense on lease liabilities (Note 5)	<b>186,228</b>	127,784

During the current financial year, total Group's cash flow for leases amounted to RM2,214,944 (2022: RM2,221,147).

**Future cash outflows which are not capitalised in lease liabilities***Extension options*

The leases of certain office spaces and stores contain extension options, for which the related lease payments had not been included in the lease liabilities as the Group are not reasonably certain to extend the lease. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group.

**12 Intangible assets****Group  
2023  
Cost**

At 1.6.2022 and at 31.5.2023

**Accumulated amortisation and impairment**

At 1.6.2022

Amortisation

At 31.5.2023

**Net carrying value**

At 31.5.2023

2022

Cost

At 1.6.2021 and at 31.5.2022

Accumulated amortisation and impairment

At 1.6.2021

Amortisation

At 31.5.2022

Net carrying value

At 31.5.2022

*Amortisation expense*

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

*Impairment test for goodwill*

Goodwill acquired through business combination has been allocated to a cash-generating unit ("CGU") for impairment testing.

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

	Group	
	2023 RM	2022 RM
Advertising and marketing - Tristar Synergy Sdn. Bhd.	<b>2,007,651</b>	2,007,651

	Goodwill RM	Club memberships RM	Total RM
	<b>2,007,651</b>	<b>495,997</b>	<b>2,503,648</b>
	-	187,521	187,521
	-	7,227	7,227
	-	<b>194,748</b>	<b>194,748</b>
	<b>2,007,651</b>	<b>301,249</b>	<b>2,308,900</b>
	2,007,651	495,997	2,503,648
	-	180,295	180,295
	-	7,226	7,226
	-	187,521	187,521
	2,007,651	308,476	2,316,127

**12 Intangible assets (cont'd)**

*Impairment test for goodwill (cont'd)*

*Key assumptions used in value-in-use calculation*

The recoverable amount of the CGU is determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rate, revenue growth rates and gross margins during the period. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The revenue growth rates are estimated based on secured and expected orders. Gross margins are estimated based on past performances and expected trends and developments in the market including consideration of the current business condition.

The Group's value-in-use calculation was computed based on the cash flow forecasts derived from the most recent financial budgets approved by management covering a three-year period. Estimated growth rate for extrapolation of cash flows beyond the three-year period was assumed to be 2.5% (2022: 2.5%).

Revenue is estimated to grow at a compound average annual growth rate of 9% during the period 2024 to 2026 (2022: 14% during the period 2023 to 2025). The pre-tax rate used to discount the forecast cash flows from the CGU is 20.8% (2022: 19.3%).

*Sensitivity to changes in assumptions*

These key inputs and assumptions were estimated by management based on prevailing market, economic and other conditions at the end of the reporting period, and based on management's estimations of the expected orders.

With regards to the assessment of value-in-use for the CGU, assuming if the compound average annual growth rate decreased by 2% and with other assumptions being consistent with the forecast in the value-in-use calculation, there will be no impairment on goodwill.

**13 Investment in subsidiaries**

Unquoted equity shares, at cost

Company	
2023 RM	2022 RM
37,013,629	37,013,629

**13 Investment in subsidiaries (cont'd)**

**(a) Details of subsidiaries held by the Company are:**

Name of subsidiary	Principal place of business	Principal business activities	Proportion of ownership interest	
			2023 %	2022 %
<i>Held by the Company</i>				
shopper360 Sdn. Bhd. <sup>(1)</sup>	Malaysia	Investment holding	100	100
ShopperPlus Singapore Pte Ltd <sup>(2)</sup>	Singapore	Providing in store media advertising, sampling and event management, digital marketing and field force management	100	100
ShopperPlus Myanmar Co., Ltd <sup>(3)</sup>	Myanmar	Providing consulting and management services in the consumer sector, in store advertising, sampling activities, digital marketing, brand and creative consultancy	60	60
<i>Held by shopper360 Sdn. Bhd.</i>				
Pos Ad Sdn. Bhd. <sup>(1)</sup>	Malaysia	Providing advertising media services	100	100
Jump Retail Sdn. Bhd. <sup>(1)</sup>	Malaysia	Retail specialist in field operations management	100	100
Gazelle Activation Sdn. Bhd. <sup>(1)</sup>	Malaysia	Providing event management, advertising media services, digital marketing, brand activation and promotion	100	100
ShopperPlus Sdn. Bhd. <sup>(1)</sup>	Malaysia	Providing digital mobile marketing solutions and services	100	100

## 13 Investment in subsidiaries (cont'd)

## (a) Details of subsidiaries held by the Company are (cont'd):

Name of subsidiary	Principal place of business	Principal business activities	Proportion of ownership interest	
			2023 %	2022 %
<i>Held by shopper360 Sdn. Bhd. (cont'd)</i>				
Tristar Synergy Sdn. Bhd. <sup>(1)</sup>	Malaysia	Providing project and event management, outsourcing manpower, digital marketing, subletting of property, brand activation and promotion	100	100
Retail Galaxy Sdn. Bhd. <sup>(1)</sup>	Malaysia	Retail specialist in field operations management	100	100
Marvel Distribution Sdn. Bhd. <sup>(1)</sup>	Malaysia	Trading of fast moving consumer goods	100	100
Agensi Pekerjaan S360 Recruitment Sdn. Bhd. (formerly known as Shoppercliq Sdn. Bhd.) <sup>(1)</sup>	Malaysia	Dormant	100	100
SHE Distribution Sdn. Bhd. <sup>(1)</sup>	Malaysia	Dormant	100	100

<sup>(1)</sup> Audited by Baker Tilly Monteiro Heng PLT, an independent member firm of the Baker Tilly International network

<sup>(2)</sup> Audited by Baker Tilly TFW LLP

<sup>(3)</sup> Audited by May & Partners Company Limited

## (b) Significant restrictions

Cash and cash equivalents of RM5,762,200 (2022: RM9,249,325) are held in Myanmar and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported from the country.

## 13 Investment in subsidiaries (cont'd)

## (c) Summarised financial information of subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary that has NCI that is considered by management to be material to the Group:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interests held by NCI	
		2023 %	2022 %
ShopperPlus Myanmar Co., Ltd	Myanmar	40	40

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

*Summarised Statement of Financial Position*

	ShopperPlus Myanmar Co., Ltd	
	2023 RM	2022 RM
Non-current assets	53,866	53,885
Current assets	6,722,999	10,636,006
Current liabilities	(2,860,035)	(5,207,211)
Net assets	3,916,830	5,482,680
Net assets attributable to NCI	1,566,732	2,193,072

*Summarised Statement of Comprehensive Income*

	ShopperPlus Myanmar Co., Ltd	
	2023 RM	2022 RM
Revenue	3,961,426	7,267,413
Profit before tax	530,183	3,257,839
Profit after tax	262,478	2,468,725
Other comprehensive loss	(455,574)	(230,156)
Total comprehensive (loss)/income	(193,096)	2,238,569
Total comprehensive (loss)/income allocated to NCI	(77,238)	895,428

*Summarised Cash Flows*

	ShopperPlus Myanmar Co., Ltd	
	2023 RM	2022 RM
Cash flows (used in)/generated from operating activities	(1,367,145)	3,587,767
Cash flows used in investing activities	(34,758)	(6,957)
Cash flows used in financing activities	(1,433,047)	-
Net (decrease)/increase in cash and cash equivalents	(2,834,950)	3,580,810

**14 Investment in associated companies**

The following information relates to associated companies of the Group:

	Group	
	2023 RM	2022 RM
Carrying amount	535,714	2,643,374

The following information relates to associated companies of the Group:

Name of company	Principal place of business/ Country of incorporation	Principal activity	Group's effective equity interest held	
			2023 %	2022 %
<i>Held through subsidiary</i>				
<i>Unquoted equity shares</i>				
Instanture Holdings Sdn. Bhd.*	Malaysia	Investment holding company	10.2	10.2
Troopers Innovation Sdn. Bhd.#	Malaysia	Digital manpower solutions	–	21.5
<i>Subsidiary held by</i>				
<i>Instanture Holdings Sdn. Bhd.</i>				
Boostorder Sdn Bhd*	Malaysia	Cross platform business to business commerce solutions provider	10.2	10.2

\* Audited by other firms of auditors.

# The investment in this associated company was disposed on 13 April 2023, refer to Note 16(b) for details.

The associated companies are measured using the equity method of accounting. The activities of the associated company are strategic to the Group.

Aggregate information (based on the Group's share of those results) about the Group's investments in associated companies that are individually immaterial are as follows:

	Group	
	2023 RM	2022 RM
Loss after tax	(226,412)	(276,447)
Total comprehensive loss	(226,412)	(276,447)

**15 Joint venture**

The Group's interest in a joint venture is summarised below:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<i>Carrying amount:</i> Avinity Analytics Pte. Ltd. and its subsidiary	890,569	1,002,075	1,002,075	1,002,075

The following information relates to joint venture of the Group:

Name of company	Principal place of business/ Country of incorporation	Principal activity	Group's ownership interest held	
			2023 %	2022 %
<i>Held by Company</i>				
<i>Unquoted equity shares</i>				
Avinity Analytics Pte. Ltd.*	Singapore	Dormant	40	40
<i>Subsidiary held by</i>				
<i>Avinity Analytics Pte. Ltd.</i>				
Avinity Analytics Sdn Bhd.#	Malaysia	Providing data analytics, data science, machine learning and artificial intelligence to retail, e-commerce and marketing related businesses	40	40

\* Not audited

# Audited by other firms of auditors.

The carrying amount of the joint venture comprises the Group's share of net assets based on proportion of equity interest of 25% and the equity interest of 15% with the corresponding Call Option and Put Option carried at fair values at 31 May 2023. Under the Call Option agreement, the holder of the Call Option shall be entitled to buy and to call from the Company 121,125 ordinary shares in Avinity ("Call shares") at the option price of RM1,500,000 payable as consideration for the Call shares subject to terms and conditions in the agreement. The option is exercisable from the date not later than the 5th anniversary from the date the Company first registered as a shareholder of Avinity. Under the Put Option agreement, the Company shall be entitled to sell and to put 121,125 ordinary shares in Avinity ("Put shares") to the holder of the Call Option at the option price of RM1,500,000 payable as consideration for the Put shares subject to terms and conditions in the agreement. The Put Option is exercisable from the date which falls on or after 5th anniversary from the date the Company first registered as a shareholder and expiring on the date of the Company ceases to be a shareholder of Avinity. The Call shares and Put shares respectively represents 15% of the Company's interest in Avinity. Management evaluated that the Put Option serves as a protection feature for the Group that gives a safety net for return of their 15% investment at RM1,500,000 while retaining the 25% equity interest in Avinity upon exercising the option.

Aggregate information (based on the Group's share of those results) about the Group's investments in joint venture that is individually immaterial are as follows:

	Group and Company	
	2023 RM	2022 RM
Loss after tax	(111,506)	–
Total comprehensive loss	(111,506)	–

**16 Financial assets at fair value through profit or loss**

	Group	
	2023 RM	2022 RM
<i>Non-current</i>		
(a) Unquoted equity investment	<b>2,380,000</b>	2,380,000
(b) CCCPS	<b>9,742,041</b>	–
	<b>12,122,041</b>	2,380,000
<i>Current</i>		
(c) Investments in short-term fund	<b>858,151</b>	50,020

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

Included in the equity investment is a put option which enables the Group to sell the shares back anytime to the Founding Shareholders of the investee or any third party approved by the Founding Shareholders at the higher of the market value of the ordinary shares, the subscription price paid by the Group or in the event the shareholders have resolved that the investee company finances its operations by issuing new ordinary shares, the value of the new ordinary shares at the pre-money valuation of the investee company at that point in time. This investment is a hybrid contract which is measured in its entirety at fair value.

(b) CCCPS represents the Group's interest in a cumulative, fully and compulsorily convertible non-participating preference shares ("CCCPS") of BetterPlace Safety Solutions 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 customers, 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 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.

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

**17 Financial assets at fair value through other comprehensive income**

	Group	
	2023 RM	2022 RM
<i>Equity investments designated at FVOCI</i>		
Unquoted equity investments	<b>3,870,986</b>	4,838,458

Unquoted equity investments represent interests in companies in Malaysia which are engaged in the business to business e-commerce/e-procurement and trading related activities. These investments in equity shares made by the Group 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.

**18 Inventories**

	Group	
	2023 RM	2022 RM
Finished goods	<b>819,844</b>	796,730

In 2023, changes in finished goods included as cost of sales amounted to RM2,372,966 (2022: RM2,463,215).

**19 Trade and other receivables**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<i>Current</i>				
Trade receivables	<b>36,359,033</b>	31,455,357	–	–
- Third parties				
Less allowance for impairment	<b>(303,785)</b>	(130,379)	–	–
- Third parties				
	<b>36,055,248</b>	31,324,978	–	–
Deposits	<b>666,636</b>	714,840	–	–
Prepayments	<b>1,592,554</b>	1,906,802	<b>69,279</b>	75,665
Staff loan	<b>21,720</b>	79,841	–	–
Sundry receivables	<b>929,144</b>	395,732	<b>672</b>	33,866
Amounts due from subsidiaries	–	–	<b>7,502,200</b>	9,394,831
Amount due from associated companies	–	1,193,578	–	–
	<b>3,210,054</b>	4,290,793	<b>7,572,151</b>	9,504,362
	<b>39,265,302</b>	35,615,771	<b>7,572,151</b>	9,504,362

Amounts due from subsidiaries and associated companies are unsecured, non-trade in nature, interest-free and repayable on demand.

**20 Contract assets and contract liabilities**

The Group receives payments from customers based on billing terms as established in contracts. Contract assets mainly relate to the Group's rights to consideration for sales execution and distribution services delivered but not billed at the reporting date. Contract liabilities relate to advance consideration received from customers, billings in excess of revenue recognised to-date and deferred revenue mainly from advertising and marketing. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under its contracts.

The following table provides information about contract assets and contract liabilities from contracts with customers.

	Group		
	2023 RM	2022 RM	1.6.2021 RM
Trade receivables from contracts with customers	<b>36,055,248</b>	31,324,978	28,988,405
Contract assets	<b>10,693,641</b>	12,177,006	6,496,897
Contract liabilities	<b>3,527,289</b>	3,929,931	3,591,226

**20 Contract assets and contract liabilities (cont'd)**

Significant changes in the contract assets and the contract liabilities balances during the financial year are as follows:

	Contract assets		Contract liabilities	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	-	-	3,040,834	2,984,940
Increases due to advances received, excluding amounts recognised as revenue during the financial year	-	-	2,638,192	3,323,645
Contract asset reclassified to trade receivables	12,177,006	6,496,897	-	-
Services performed ahead of billings	10,693,641	12,177,006	-	-

**21 Cash and cash equivalents**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Bank and cash balances	21,629,433	22,910,320	4,704,660	1,025,837
Short-term deposits	-	1,600,000	-	-
Cash and cash equivalents	21,629,433	24,510,320	4,704,660	1,025,837

During the previous financial year, the short-term treasury money market deposits placed with a financial institution bore interest ranging from 1.80% to 1.85% per annum.

**22 Share capital and Treasury shares**

Share capital

	Group and Company			
	2023		2022	
	Number of ordinary shares	Issued share capital RM	Number of ordinary shares	Issued share capital RM
Issued and paid up: At the beginning/end of the year	114,400,000	51,850,444	114,400,000	51,850,444

All issued shares are fully paid ordinary shares with no par value.

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

Treasury shares

	Group and Company			
	2023		2022	
	Number of ordinary shares	Issued share capital RM	Number of ordinary shares	Issued share capital RM
At the beginning/end of the year	5,596,400	1,769,029	5,596,400	1,769,029

**23 Reserves**

(a) Capital reserve

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

(b) Merger reserve

Merger reserve represents the difference between the consideration paid by the Company and the share capital of the subsidiary acquired under common control.

(c) Fair value reserve

Fair value reserve represents the fair value gain for the unquoted equity investments as disclosed in Note 17 to the financial statements.

**24 Deferred tax (assets)/liabilities**

	Group	
	2023 RM	2022 RM
Deferred tax assets	(903,431)	(48,241)
Deferred tax liabilities	55,523	777,390
	(847,908)	729,149
Balance at beginning of the year	729,149	12,222
Tax (credited)/charged to:		
- Profit or loss (Note 8)	(897,191)	35,032
- Other comprehensive income (Note 8)	(680,966)	680,966
Currency translation differences	1,100	929
Balance at end of the year	(847,908)	729,149

**24 Deferred tax (assets)/liabilities (cont'd)**

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

	Property, plant and equipment RM	Deferred income RM	Accrued expenses RM	Right-of- use assets RM	Fair value gains RM	Total RM
<b>Group</b>						
Balance at 1 June 2021	20,880	(8,259)	–	(399)	–	12,222
Charge/(credit) to profit or loss for the year	112,606	(78,127)	–	553	–	35,032
Charge to other comprehensive income for the year	–	–	–	–	680,966	680,966
Currency translation differences	929	–	–	–	–	929
Balance at 31 May 2022	134,415	(86,386)	–	154	680,966	729,149
Charge/(credit) to profit or loss for the year	129,448	(96,143)	(914,307)	(16,189)	–	(897,191)
Credit to other comprehensive income for the year	–	–	–	–	(680,966)	(680,966)
Currency translation differences	1,100	–	–	–	–	1,100
<b>Balance at 31 May 2023</b>	<b>264,963</b>	<b>(182,529)</b>	<b>(914,307)</b>	<b>(16,035)</b>	<b>–</b>	<b>(847,908)</b>

**Unrecognised deferred tax assets**

Deferred tax asset has not been recognised in respect of the following deductible temporary differences:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Tax losses	<b>16,749,000</b>	12,868,000	<b>2,057,000</b>	1,373,000
Capital allowances	<b>260,000</b>	275,000	–	–
Property, plant and equipment	<b>213,000</b>	381,000	–	–
Deferred income	<b>1,326,000</b>	1,175,000	–	–
Accrued expenses	<b>561,000</b>	524,000	–	–
	<b>19,109,000</b>	15,223,000	<b>2,057,000</b>	1,373,000

Deferred tax asset totalling RM4,436,000 (2022: RM3,552,000) has not been recognised with respect of the above as it is not probable that future taxable profits will be available and/or sufficient to allow the related tax benefits to be realised.

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Malaysia Income Tax Act 1967 and guidelines issued by the tax authority.

In Malaysia, with effect from year of assessment 2019, unutilised tax losses in a year of assessment can only be carried forward for a maximum period of 10 (2022: 10) consecutive years of assessment. Accumulated unutilised tax loss brought forward from year of assessment 2019 can be utilised for another 10 years (2022: 10 years) of assessment and will be disregarded in year of assessment 2029 (2022: 2029). The Group's tax losses at 31 May 2023 of RM14,602,000 (2022: RM11,403,000) could be carried forward till between 2029 to 2033 (2022: 2029 to 2032).

As at 31 May 2023, the Company and a subsidiary have unrecognised unutilised tax losses of approximately RM2,147,000 (2022: RM1,465,000) that are available for carry forward to set off against future taxable profits subject to agreement by the tax authority and compliance with relevant provisions of the tax legislation in Singapore. No deferred tax asset has been recognised in respect of the losses as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised.

**25 Trade and other payables**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables	<b>2,436,491</b>	2,352,646	–	–
Other payables	<b>6,061,771</b>	4,624,462	<b>1,615</b>	3,003
Deposits	<b>135,955</b>	331,482	–	–
Accrued operating expenses	<b>9,306,819</b>	7,952,169	<b>328,890</b>	291,395
Amount due to immediate and ultimate holding company	<b>8,000</b>	199,836	–	–
Amount due to non-controlling interest	<b>255,024</b>	240,944	–	–
	<b>18,204,060</b>	15,701,539	<b>330,505</b>	294,398

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

**26 Borrowings**

	Group	
	2023 RM	2022 RM
<i>Current</i>		
Short-term loan (a)	<b>2,566,060</b>	3,976,688
Revolving credit I (b)	–	1,000,000
Revolving credit II (c)	<b>600,000</b>	–
	<b>3,166,060</b>	4,976,688

## (a) Short-term loan:

As of 31 May 2023, the Group has a short-term loan facility from a licensed bank of RM2,566,060 (2022: RM3,976,688). Interest rate for the short-term loan is at a floating rate of 3.98% (2022: 2.67%) at 31 May 2023 and it has a 120 days tenure. The short-term loan is secured by way of the following:

- (i) guarantees executed by Shopper360 Sdn. Bhd. (the "Guarantor A") for RM9,000,000 (2022:RM5,000,000); and
- (ii) guarantees executed by Pos Ad Sdn. Bhd. (the "Guarantor B") for RM9,000,000 (2022:RM5,000,000).

## (b) Revolving credit I:

During the previous financial year, the Group had a revolving credit facility from a licensed bank of RM1,000,000. Interest rate for the revolving credit was at a floating rate of 2.49% and it had a 120 days tenure. The revolving credit was secured by way of the following:

- (i) guarantees executed by Shopper360 Sdn. Bhd. (the "Guarantor A") for RM5,000,000; and
- (ii) guarantees executed by Pos Ad Sdn. Bhd. (the "Guarantor B") for RM5,000,000.

## (c) Revolving credit II:

As of 31 May 2023, the Group has a revolving credit facility from a licensed bank of RM600,000. Interest rate for the revolving credit is at a floating rate of 3.98% at 31 May 2023 and it is repayable on demand. The revolving credit is secured by way of the following:

- (i) guarantees executed by Shopper360 Sdn. Bhd. (the "Guarantor A") for RM3,000,000; and
- (ii) guarantees executed by Pos Ad Sdn. Bhd. (the "Guarantor B") for RM3,000,000.

**27 Dividends**

Ordinary dividends:

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

Final single tier tax exempted dividend of SGD0.009 per share, on the 108,803,600 ordinary shares, was declared on 28 September 2021 and paid on 22 October 2021 in respect of the financial year ended 31 May 2021

Group	
2023 RM	2022 RM
<b>1,224,503</b>	–
–	3,025,045

The directors have proposed a final exempt dividend for the financial year ended 31 May 2023 of RM0.01696 (SGD0.0050) per share amounting to a total of RM1,845,309 (SGD544,018). These financial statements do not reflect this dividend payable, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 May 2024.

**28 Related party transactions**

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

	Group	
	2023 RM	2022 RM
<b>With immediate and ultimate holding company</b>		
Payment of lease liabilities and interest expense	<b>(386,400)</b>	(525,466)
Additions of new leases contracted	<b>1,053,191</b>	154,786
Dividends paid	<b>(486,580)</b>	(1,202,061)
<b>With associated companies:</b>		
Rental income	<b>10,000</b>	16,000
Service fee expenses	–	(124,714)
Advance to an associated company	–	(1,000,000)
Interest income on advances to an associated company	<b>41,260</b>	19,726
<b>With joint venture:</b>		
IT service retainer fees expenses	<b>(152,640)</b>	(12,720)

(b) Key management personnel compensation

Total key management personnel compensation including remuneration received/receivable by directors of the Company is analysed as follows:

	Group	
	2023 RM	2022 RM
Salaries, allowances, bonuses	<b>3,957,673</b>	3,732,553
Contributions to defined contribution plans	<b>691,143</b>	648,606
Fees and other benefits	<b>235,043</b>	227,808
Benefit in kind	<b>80,507</b>	38,078
	<b>4,964,366</b>	4,647,045

**29 Financial instruments****(a) Categories of financial instruments**

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<i>Financial assets</i>				
Financial assets at fair value through profit or loss	<b>12,980,192</b>	2,430,020	–	–
Financial assets at fair value through other comprehensive income	<b>3,870,986</b>	4,838,458	–	–
Financial assets at amortised cost	<b>59,302,181</b>	58,219,289	<b>12,207,532</b>	10,454,534
Derivatives at fair value	<b>750,000</b>	750,000	<b>750,000</b>	750,000
	<b>76,903,359</b>	66,237,767	<b>12,957,532</b>	11,204,534
<i>Financial liabilities</i>				
At amortised cost	<b>24,019,229</b>	22,108,233	<b>330,505</b>	294,398

**(b) Financial risk management**

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

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

**Foreign currency risk**

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

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

<i>Denominated in:</i>	USD RM	SGD RM	MMK RM
<b>Group 2023</b>			
Trade and other receivables	4,241	–	–
Cash and cash equivalents	713,378	4,709,747	–
Intra-group receivable	–	–	878,275
Trade and other payables	(255,024)	(330,505)	–
<b>Net financial assets denominated in foreign currencies</b>	<b>462,595</b>	<b>4,379,242</b>	<b>878,275</b>



## 29 Financial instruments (cont'd)

**(b) Financial risk management (cont'd)****Foreign currency risk (cont'd)**

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

<b>Denominated in:</b>	<b>USD RM</b>	<b>SGD RM</b>	<b>MMK RM</b>
Group			
2022			
Trade and other receivables	1,175,290	-	-
Cash and cash equivalents	2,849,822	1,477,430	-
Intra-group receivable	-	-	832,352
Trade and other payables	(240,944)	(294,398)	-
Net financial assets denominated in foreign currencies	3,784,168	1,183,032	832,352
Company			
2023			
Cash and cash equivalents		4,704,660	-
Trade and other payables		(330,505)	-
Amount due from subsidiary		-	878,275
Net financial assets denominated in foreign currencies		<b>4,374,155</b>	<b>878,275</b>
2022			
Cash and cash equivalents		1,025,837	-
Trade and other payables		(294,398)	-
Amount due from subsidiary		-	832,352
Net financial assets denominated in foreign currencies		731,439	832,352

## 29 Financial instruments (cont'd)

**(b) Financial risk management (cont'd)****Foreign currency risk (cont'd)**

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

	<b>Group Increase/(decrease) in profit after tax</b>	
	<b>2023 RM</b>	2022 RM
USD against RM		
- Strengthened 10% (2022: 10%)	<b>35,000</b>	283,836
- Weakened 10% (2022: 10%)	<b>(35,000)</b>	(283,836)
SGD against RM		
- Strengthened 10% (2022: 10%)	<b>363,000</b>	95,030
- Weakened 10% (2022: 10%)	<b>(363,000)</b>	(95,030)
SGD against MMK		
- Strengthened 10% (2022: 10%)	<b>73,000</b>	69,000
- Weakened 10% (2022: 10%)	<b>(73,000)</b>	(69,000)
SGD against RM		
- Strengthened 10% (2022: 10%)	<b>363,000</b>	61,000
- Weakened 10% (2022: 10%)	<b>(363,000)</b>	(61,000)
SGD against MMK		
- Strengthened 10% (2022: 10%)	<b>73,000</b>	69,000
- Weakened 10% (2022: 10%)	<b>(73,000)</b>	(69,000)

**Interest rate risk**

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

## 29 Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the directors based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the directors.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position.

The Group does not have significant concentration of credit risk except that the Group's trade receivables comprise 2 debtors (2022: 2 debtors) that individually represented 12% to 24% (2022: 23% to 28%) of the trade receivables. As at the end of the reporting period, 97% (2022: 92%) of the Group's trade receivables are all due from debtors located in Malaysia.

The Company has no significant concentration of credit risk except for the amounts due from subsidiaries as disclosed in Note 19.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

#### Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

## 29 Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

#### Credit risk (cont'd)

##### Significant increase in credit risk (cont'd)

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

##### Definition of default

The Group has determined the default events on a financial asset to be when there is evidence that the borrower is experiencing liquidity issues or when there is a breach of contract, such as a default of payment.

The Group considers the above as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

**29 Financial instruments (cont'd)****(b) Financial risk management (cont'd)****Credit risk (cont'd)***Estimation techniques and significant assumptions*

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

*Trade receivables and contract assets*

The Group has applied the simplified approach by using a provision matrix to measure the expected credit loss ("ECL") allowance for trade receivables and contract assets. Under the simplified approach, for trade receivables and contract assets that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions affecting the ability of the customers to settle the receivables. The Group has considered the impact of the liquidity of its trade receivables and in particular, whether there are significant decline in the repayment ability of its debtors. There has been no change in the estimation techniques or significant assumptions made during the current financial year. The Group's trade receivables and contract assets are substantially in the category of not past due to 30 days where credit loss experience is insignificant.

The movements in the allowance for impairment loss on trade receivables and contract assets are as follows:

<b>Group</b>	<b>Trade receivables RM</b>
Balance at 1 June 2021	304,538
Loss allowance reversed:	
Lifetime ECL	
- Simplified approach	(170,916)
Currency translation differences	(3,243)
Balance at 31 May 2022	130,379
Loss allowance made:	
Lifetime ECL	
- Simplified approach	173,600
Currency translation differences	(194)
<b>Balance at 31 May 2023</b>	<b>303,785</b>

**29 Financial instruments (cont'd)****(b) Financial risk management (cont'd)****Credit risk (cont'd)***Credit quality of financial assets*

<b>Group 2023</b>	<b>12-month or lifetime ECL</b>	<b>Gross carrying amount RM</b>	<b>Loss allowance RM</b>	<b>Net carrying amount RM</b>
Trade receivables	Lifetime	36,359,033	(303,785)	36,055,248
Contract assets	Lifetime	10,693,641	-	10,693,641
Other receivables	12-month	950,864	-	950,864
Deposits	12-month	666,636	-	666,636
Cash and cash equivalents	Not applicable (Exposure limited)	21,629,433	-	21,629,433
<b>2022</b>				
Trade receivables	Lifetime	31,455,537	(130,379)	31,324,978
Contract assets	Lifetime	12,177,006	-	12,177,006
Other receivables	12-month	475,573	-	475,573
Deposits	12-month	714,840	-	714,840
Amount due from associated companies	Lifetime	1,193,578	-	1,193,578
Cash and cash equivalents	Not applicable (Exposure limited)	24,510,320	-	24,510,320
<b>Company 2023</b>				
Other receivables	12-month	672	-	672
Amounts due from subsidiaries	12-month	7,502,200	-	7,502,200
Cash and cash equivalents	Not applicable (Exposure limited)	4,704,660	-	4,704,660
<b>2022</b>				
Other receivables	12-month	33,866	-	33,866
Amounts due from subsidiaries	12-month	9,394,831	-	9,394,831
Cash and cash equivalents	Not applicable (Exposure limited)	1,025,837	-	1,025,837

**29 Financial instruments (cont'd)****(b) Financial risk management (cont'd)****Credit risk (cont'd)***Amounts due from subsidiaries*

For the amounts due from subsidiaries where impairment loss allowance is measured using 12-month ECL, the Company assessed the latest performance and financial position of the respective counterparties and the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. In managing its liquidity, management monitors and reviews the Group's and the Company's forecasts of liquidity reserves (comprise cash and cash equivalents and available credit facilities) based on expected cash flows of the respective operating companies of the Group.

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

	Repayable on demand or within 1 year RM	Within 2 to 5 years RM	More than 5 years RM	Total RM
<b>Group 2023</b>				
Trade and other payables	17,588,526	–	–	17,588,526
Borrowings	3,170,996	–	–	3,170,996
Lease liabilities	1,703,198	1,762,576	–	3,465,774
	<b>22,462,720</b>	<b>1,762,576</b>	<b>–</b>	<b>24,225,296</b>
<b>2022</b>				
Trade and other payables	15,031,600	–	–	15,031,600
Borrowings	4,987,560	–	–	4,987,560
Lease liabilities	1,156,860	1,037,413	56,995	2,251,268
	<b>21,176,020</b>	<b>1,037,413</b>	<b>56,995</b>	<b>22,270,428</b>
<b>Company 2023</b>				
Trade and other payables	<b>330,505</b>	–	–	<b>330,505</b>
<b>2022</b>				
Trade and other payables	294,398	–	–	294,398

**30 Fair values of assets and liabilities****(a) Fair value hierarchy**

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

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

There has been no transfer between Level 1, Level 2 and Level 3 during the financial years ended 31 May 2023 and 2022.

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Recurring fair value measurements</b>				
<b>Group 2023</b>				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss				
- Unquoted equity investments	–	–	2,380,000	2,380,000
- CCCPS	–	–	9,742,041	9,742,041
- Short-term fund investments	858,151	–	–	858,151
Financial assets at FVOCI				
- Unquoted equity investments	–	–	3,870,986	3,870,986
<b>Total financial assets</b>	<b>858,151</b>	<b>–</b>	<b>15,993,027</b>	<b>16,851,178</b>
<b>2022</b>				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss				
- Unquoted equity investments	–	–	2,380,000	2,380,000
- Short-term fund investments	50,020	–	–	50,020
Financial assets at FVOCI				
- Unquoted equity investments	–	–	4,838,458	4,838,458
Total financial assets	50,020	–	7,218,458	7,268,478

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

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

**30 Fair values of assets and liabilities (cont'd)****(d) Determination of fair values**

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

*Unquoted equity investments*

During the current financial year, 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.

The fair value of the unquoted equity investment that is designated as FVOCI is measured by reference to the most recent equity transactions that have occurred in the investee company and considering the price that would be received to sell the investment.

These fair value measurements are categorised in Level 3 of the fair value hierarchy.

At 31 May 2022, the fair value of the unquoted equity investment that is classified at fair value through profit or loss was determined based on discounted cash flow method and a discount rate used of 15% as there were no recent transacted prices of the investee company's equity in the previous financial year. The cash flow forecasts were estimated by investee's management based on prevailing market, economic and other conditions at the end of the reporting period, and based on estimations of an expected 3% annual growth. This fair value measurement is categorised in Level 3 of the fair value hierarchy. A lower % of growth from the estimated 3% would result in a lower fair value of the investment.

In the previous financial year, the fair value of the unquoted equity investment that is classified as FVOCI was measured using a transaction price from the most recent equity transaction that had occurred in the investee company.

*CCCPS*

The fair value of the CCCPS that is classified as financial asset at fair value through profit or loss is determined by management by reference to the Agreements (Note 16), the nature and terms of the CCCPS, and with consideration of the valuation report and financial information of the investee company. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

*Short-term fund investments*

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

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

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

	Unquoted equity investments		CCCPS	
	2023 RM	2022 RM	2023 RM	2022 RM
Balance at beginning of financial year	7,218,458	3,381,100	-	-
(Loss)/gain recognised in other comprehensive income	(967,472)	2,837,358	-	-
Additions	-	1,000,000	9,742,041	-
Balance at end of financial year	6,250,986	7,218,458	9,742,041	-
Total (loss)/gain for the period included in:				
<u>Other comprehensive income:</u>				
- Net fair value (loss)/gain on financial assets at fair value through other comprehensive income	(286,506)	2,156,392	-	-

**30 Fair values of assets and liabilities (cont'd)****(f) Valuation process applied by the Group**

The measurement of fair values of unquoted equity investments and CCCPS within Level 3 fair value hierarchy is performed by the Director of Corporate Finance and Strategy and the Group's finance department on a yearly basis. The valuation papers and changes in fair value measurements are analysed and reported to the board of directors. Significant valuation issues are reported to the Audit Committee.

**31 Segment information**

The Group is organised into business units based on its business segments purposes. The reportable segments are advertising and marketing, sales execution and distribution and others which are described below. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

- (i) Advertising and marketing segment provides digital and non-digital in-store advertising mediums in retail chains establishment to its clients. This segment also provides creative campaign development and mobile marketing services through its proprietary loyalty mobile application platform. In addition, this segment provides in-store promoter services such as sampling and events management for product launches, roadshows, seminars and annual dinners. This segment also provides marketing programmes, marketing intelligence and analysis and consumer relationship management services.
- (ii) Sales execution and distribution segment provides merchandiser, sales force and supervisory, and talent management services. This segment also includes sale of fast-moving consumer goods.
- (iii) Others segment provides management and corporate services to its subsidiaries and others. It also derives dividend from its subsidiaries.

**31 Segment information (cont'd)**

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

**2023****Segment revenue**

	Advertising and marketing RM	Sales execution and distribution RM	Others RM	Eliminations RM	Consolidation total RM
Sales to external customers	39,854,672	129,599,873	8,700	-	169,463,245
Intersegment sales	314,022	144,832	8,761,529	(9,220,383)	-
Total revenue	40,168,694	129,744,705	8,770,229	(9,220,383)	169,463,245
Tax expense/(credit)	413,779	533,772	(6,143)	-	941,408
Segment profit	231,365	1,323,107	10,106,042	-	11,660,514
Depreciation and amortisation	692,173	1,364,496	521,922	-	2,578,591
Property, plant and equipment written off	222	-	5,728	-	5,950
Allowance of impairment losses on trade receivables and contract assets (net)	19,813	278,884	-	-	298,697
Interest income	(429,280)	(73,328)	(252,423)	582,895	(172,136)
Interest expenses	230,232	421,724	228,015	(582,895)	297,076
Inventories written off	-	175,843	-	-	175,843
Gain on disposal of investment in associated company	-	-	(11,815,322)	-	(11,815,322)
Gain on disposal of property, plant and equipment	(3,044)	-	-	-	(3,044)
Gain on termination of leases	(4,099)	-	-	-	(4,099)
Share of results of associated companies	-	-	226,412	-	226,412
Share of results of joint venture	-	-	111,506	-	111,506
<b>Assets and liabilities:</b>					
Total segment assets	40,442,728	46,233,510	115,752,655	(102,494,403)	99,934,490
Segment assets include:					
Additions to non-current assets	1,688,497	1,017,057	1,079,112	-	3,784,666
Joint venture	-	-	890,569	-	890,569
Investment in associated companies	-	-	535,714	-	535,714
Total segment liabilities	(20,858,616)	(25,533,327)	(8,944,157)	26,634,295	(28,701,805)

**31 Segment information (cont'd)**

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

**2022****Segment revenue**

	Advertising and marketing RM	Sales execution and distribution RM	Others RM	Eliminations RM	Consolidation total RM
Sales to external customers	41,620,140	110,537,637	-	-	152,157,777
Intersegment sales	717,505	225,016	7,517,059	(8,459,580)	-
Total revenue	42,337,645	110,762,653	7,517,059	(8,459,580)	152,157,777
Tax expense	1,079,654	1,317,792	401,552	-	2,798,998
Segment profit/(loss)	4,302,222	1,876,984	(1,462,897)	-	4,716,309
Depreciation and amortisation	955,480	1,222,667	597,332	-	2,775,479
Property, plant and equipment written off	7,175	-	742	-	7,917
Reversal of impairment losses on trade receivables and contract assets (net)	(41,191)	(105,761)	-	-	(146,952)
Interest income	(247,852)	(110,493)	(71,565)	270,924	(158,986)
Interest expenses	145,408	181,874	90,381	(270,924)	146,739
Inventories written off	-	176,581	-	-	176,581
Gain on termination of leases	(927)	(9,805)	-	-	(10,732)
Share of results of associated companies	-	-	276,447	-	276,447
<b>Assets and liabilities:</b>					
Total segment assets	41,565,371	47,800,460	107,626,609	(105,690,020)	91,302,420
Segment assets include:					
Additions to non-current assets	195,223	2,386,633	216,151	-	2,798,007
Joint venture	-	-	1,002,075	-	1,002,075
Investment in associated companies	-	-	2,643,374	-	2,643,374
Total segment liabilities	(20,514,051)	(27,923,216)	(10,880,016)	30,026,723	(29,290,560)

**31 Segment information (cont'd)***Segment results*

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

*Segment assets*

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

*Segment liabilities*

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

*Geographical information*

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

*Information about major customers*

Revenue is derived from 1 (2022: 1) external customer who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

		Group	
Attributable segments		2023 RM	2022 RM
Customer 1	Advertising and marketing	12,355,664	15,848,158
	Sales execution and distribution	16,645,394	14,550,058
		<b>29,001,058</b>	<b>30,398,216</b>

**32 Capital management**

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

The capital structure of the Group mainly consists of equity and the Group's overall strategy remains unchanged from financial year ended 31 May 2022.

**33 Subsequent events**

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

As of the reporting date, the potential financial impact of the dilution of the Group's stake in MDSB cannot be reliably determined as the process of legal due diligence is still ongoing and the terms of the share subscription agreements have yet to be finalised.

**34 Authorisation of financial statements**

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 May 2023 were authorised for issue in accordance with a resolution of the directors dated 29 August 2023.

## STATISTICS OF SHAREHOLDINGS

### AS AT 16 AUGUST 2023

NUMBER OF SHARES ISSUED (EXCLUDING TREASURY SHARES)	: 108,803,600
ISSUED AND FULLY PAID-UP CAPITAL	: 51,850,444
NUMBER OF TREASURY SHARES	: 5,596,400 (5.14%)
NUMBER OF SUBSIDIARY HOLDINGS	: NIL
CLASS OF SHARES	: ORDINARY SHARES
VOTING RIGHTS	: ONE VOTE PER SHARE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1-99	0	0.00	0	0.00
100-1,000	10	7.41	4,700	0.00
1,001- 10,000	25	18.52	187,900	0.17
10,001-1,000,000	89	65.92	10,865,000	9.99
1,000,001 and above	11	8.15	97,746,000	89.84
<b>TOTAL</b>	<b>135</b>	<b>100.00</b>	<b>108,803,600</b>	<b>100.00</b>

**SUBSTANTIAL SHAREHOLDERS**

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

NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
REKAWEB.COM SDN BHD <sup>(1)</sup>	43,235,250	39.74		
KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	23,207,750	21.33		
YAP PHAIK KWAI <sup>(2)</sup>	210,000	0.19	43,235,250	39.74

Notes:

<sup>(1)</sup> The Shares are held through a nominee, Morgan Stanley Asia (Singapore) Securities Pte Ltd.

<sup>(2)</sup> Yap Phaik Kwai holds 87.25% of issued share capital of Rekaweb.Com Sdn. Bhd. ("RKW") and is deemed interested in the Shares held by RKW by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore. The direct interest shares are held through a nominee, Morgan Stanley Asia (Singapore) Securities Pte Ltd.

**SHAREHOLDINGS HELD IN HANDS OF PUBLIC**

Based on information available to the Company as at 16 August 2023, approximately 30.92% of the issued ordinary shares of the Company was held by the public as defined in the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("Catalist Rules"). Therefore, the Company has complied with Rule 723 of the Catalist Rules.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2023 Annual General Meeting (“AGM”) of SHOPPER360 LIMITED (the “Company”) will be held at Boardroom, 600 North Bridge Road, #05-01 Parkview Square, Singapore 188778 on Wednesday, 27 September 2023 at 2.00 p.m. to transact the following business:-

## TOP TWENTY SHAREHOLDERS AS AT 16 AUGUST 2023

NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	44,969,750	41.33
KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	23,207,750	21.33
PHILLIP SECURITIES PTE LTD	7,544,100	6.93
UOB KAY HIAN PTE LTD	4,871,500	4.48
RAFFLES NOMINEES (PTE) LIMITED	3,873,900	3.56
DBS NOMINEES PTE LTD	2,831,400	2.60
ANGELINA OOI GAIK CHENG	2,475,000	2.28
CHOOT EWE HIN	2,450,000	2.25
OOI LOON KUM	2,450,000	2.25
LEE CHEE SENG	1,925,400	1.77
CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,147,200	1.06
MAYBANK SECURITIES PTE. LTD.	840,500	0.77
OCBC SECURITIES PRIVATE LTD	582,500	0.53
ABN AMRO CLEARING BANK N.V.	531,700	0.49
AW SIAO SIANG (HU XIAOXIANG)	529,400	0.49
ONG POH LIM @ ONG PAO LIM	496,300	0.46
NG CHEE KIONG	387,300	0.35
JAMES ALVIN LOW YIEW HOCK	376,600	0.35
ANG HAO YAO (HONG HAOYAO)	358,000	0.33
OSC INVESTMENTS CAPITAL PRIVATE LIMITED	350,000	0.32
	<b>102,198,300</b>	<b>93.93</b>

## AS ORDINARY BUSINESS

- To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 May 2023 (“FY2023”) together with the Auditors’ Report thereon. **(Resolution 1)**
- To re-elect the following directors of the Company (“Directors”) retiring pursuant to the Constitution of the Company (“Constitution”) and who, being eligible, offered themselves for re-election as a Director:
  - Mr. Zaffary Bin Ab Rashid (Retiring under Regulation 112) **(Resolution 2)**  
[See Explanatory Note (i)]
  - Mr. Hew Koon Chan (Retiring under Regulation 112) **(Resolution 3)**  
[See Explanatory Note (ii)]
- To approve the payment of Directors’ fees of S\$76,800 for the financial year ending 31 May 2024, to be paid quarterly in arrears (FY2023: S\$72,980). **(Resolution 4)**
- To re-appoint Messrs Baker Tilly TFW LLP as the Independent Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**
- To declare and approve the payment of a final tax-exempt (one-tier) dividend of S\$0.005 per ordinary share of the Company for FY2023. **(Resolution 6)**
- To transact any other ordinary business which may be properly transacted at an AGM of the Company.

## AS SPECIAL BUSINESS

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

- Authority to allot and issue shares in the capital of the Company** **(Resolution 7)**  
 “That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “Act”), the Constitution and Rule 806 of the Listing Manual Section B: Rules of Catalist (the “Catalist Rules”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors be and are hereby authorised to:-
  - (i) allot and issue shares in the capital of the Company (the “Shares”) whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, the “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

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



(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force,

provided that:-

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to the existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:-

(i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time this Resolution is passed;

(ii) (where applicable) new Shares arising from the exercise of share options or vesting of share awards, provided that such share options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or sub-division of Shares,

adjustments in accordance with sub-paragraph (2)(i) or sub-paragraph (2)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, the Catalist Rules (including supplemental measures hereto) for the time being in force (unless such compliance has been waived by the SGX-ST), and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (iii)]

#### 8. Authority to grant share awards, and to allot and issue Shares under the "shopper360 Performance Share Plan" (Resolution 8)

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

[See Explanatory Note (iv)]

#### By Order of the Board

Chua Kern  
Company Secretary  
Singapore, 11 September 2023

#### Explanatory Notes:

(i) Mr. Zaffary Bin Ab Rashid will, upon re-election as a Director, remain as a Non-Independent Non Executive Director and a member of the Nominating Committee and Remuneration Committee.

Further detailed information on Mr. Zaffary Bin Ab Rashid can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Company's FY2023 Annual Report.

(ii) Mr. Hew Koon Chan will, upon re-election as a Director, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee. There are no relationships (including family relationships) between Mr. Hew Koon Chan and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board considers Mr. Hew Koon Chan to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Further detailed information on Mr. Hew Koon Chan can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Company's FY2023 Annual Report.

(iii) Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors to allot and issue shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 7 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any), with a sub-limit of fifty per centum (50%) for share issued other than on a *pro-rata* basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to shareholders with registered addresses in Singapore.

For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities outstanding or subsisting at the time of the passing of this Resolution; (ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.

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

**Notes:**

The Company's AGM will be held in a wholly physical format at Boardroom, 600 North Bridge Road, #05-01 Parkview Square, Singapore 188778 on Wednesday, 27 September 2023 at 2.00 p.m. for considering and, if thought fit, passing the resolutions set out in the Notice of AGM. There will be no option for shareholders to participate virtually.

Copies of the Notice of AGM and the Proxy Form will be sent by post to members and published on the Company's corporate website at the URL <https://shopper360.com.my/announcements> and the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. For Shareholders who prefer to receive a printed copy of the FY2023 Annual Report, please email to the Company at [main@zicoholdings.com](mailto:main@zicoholdings.com).

Shareholders should take note of the following arrangements for the AGM:

**(a) Participation in the AGM**

Shareholders, including investors who hold the Company's shares (a) using their contribution pursuant to the Central Provident Fund Investment Scheme ("**CPF Investors**"); and (b) purchased under the Supplementary Retirement Scheme ("**SRS Investors**") (CPF Investors and SRS Investors shall collectively be known as, the "**Investors**"), may participate in the AGM by:-

- (i) attending the AGM in person;
- (ii) submitting questions in relation to any agenda item in this notice of AGM in advance of, or at the AGM; and/or
- (iii) attending the AGM by (1) themselves; or (2) through duly appointed proxy(ies).

Details of the steps for registration, asking of questions and voting at the AGM by Shareholders, are set out in items (b) to (e) below.

**(b) Register in person to attend the AGM**

Shareholders, including the Investors, and (where applicable) duly appointed proxies can attend the AGM in person.

To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Registration will commence one (1) hour before the AGM. Every attendee is required to bring along his/her NRIC/passport to enable the Company to verify his/her identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

*For Shareholders who hold shares through relevant intermediaries (as defined under Section 181 of the Companies Act 1967 of Singapore) ("**Relevant Intermediary Investors**"), please refer to item (e) for the procedures to attend and vote at the AGM.*

Shareholders are advised not to attend the AGM if they are feeling unwell.

**(c) Submitting Questions in relation to the AGM Agenda**

Shareholders and Investors who have questions in relation to any agenda item in this Notice of AGM can ask questions at the AGM or submit their questions to the Company in advance, by **Tuesday, 19 September 2023, 9.00 a.m.**, through any of the following means:-

- (i) by email, to [ir@shopper360.com.my](mailto:ir@shopper360.com.my); or
- (ii) by post, to be deposited at Company's Share Registrar at B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896;

Shareholders and Investors (including the Relevant Intermediary Investors) must identify themselves when posting questions through email or mail by providing the following details:

- (i) Full Name;
- (ii) Contact Telephone Number (optional);
- (iii) Email Address; and

- (iv) The manner in which you hold shares (if you hold shares directly, please provide your Central Depository (Pte) Limited account number; otherwise, please state if you hold your shares through CPF or SRS, or are a Relevant Intermediary Investors).

Shareholders and Investors (including the Relevant Intermediary Investors) are encouraged to submit their questions by email. The Company will address all substantial and relevant questions through an announcement on SGXNet and the Company's website at the URL <https://shopper360.com.my/announcements> by **Friday, 22 September 2023, 2.00 p.m.** Where substantially similar questions are received, such questions will be consolidated and consequently not all questions may be individually addressed.

Substantial and relevant questions which are submitted after the cut-off time and before Tuesday, 26 September 2023, 2.00 p.m. will be consolidated and addressed at the AGM. The Company will publish the minutes of the AGM, which will include the responses from the Board and management of the Company on the substantial and relevant questions received from Shareholders and Investors (including the Relevant Intermediary Investors) via an announcement on SGXNet and the Company's website within one (1) month after the AGM.

**(d) Voting at the AGM**

*For Relevant Intermediary Investors, please refer to item (e) for the procedures to vote at the AGM.*

*For CPF Investors or SRS Investors, please refer to item (f) for the procedures to vote at the AGM.*

Shareholders will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf.

Duly completed Proxy Forms must be submitted through any of the following:

- (i) by email, to [main@zicoholdings.com](mailto:main@zicoholdings.com) or
- (ii) by post, to be deposited with the Company's Share Registrar at B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896,

in either case, by **2.00 p.m. on 24 September 2023** (being not less than seventy-two (72) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument appointing proxy(ies) can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the SGXNet and the Company's corporate website at the URL <https://shopper360.com.my/announcements>, and subsequently, to complete and sign the Proxy Form before submitting it by (a) post to the address provided above, or (b) scanning and sending it to the email address provided above.

Completion and submission of the instrument appointing a proxy(ies) by a shareholder will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of a proxy(ies) for the AGM shall be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies), to the AGM.

Please refer to the detailed instructions set out in the Proxy Form.

**(e) Voting at the AGM by Relevant Intermediary Investors**

Relevant Intermediary Investors who wish to appoint the proxy(ies) to vote at the AGM should not make use of the Proxy Form and should instead approach their respective relevant intermediaries as soon as possible for the proxy(ies) appointment or by **2.00 p.m. on 18 September 2023**, being at least seven (7) working days before the AGM.

**(f) Voting at the AGM by CPF Investors or SRS Investors**

CPF Investors or SRS Investors who wish to vote may:-

- (i) vote at the AGM if they are appointed as proxies by their respective CPF agent banks or SRS operators, and should contact their respective CPF agent banks or SRS operators if they have any queries regarding their appointment as proxies; or
- (ii) appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF agent banks or SRS operators to submit their votes by **2.00 p.m. on 18 September 2023**, being at least seven (7) working days before the AGM, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman to vote on their behalf.

## Personal Data Privacy

“**Personal data**” in this notice of AGM has the same meaning as “personal data” in the Personal Data Protection Act 2012 of Singapore, which includes his/her name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

## NOTICE OF RECORD AND PAYMENT DATES

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of shopper360 Limited (the “**Company**”) will be closed at 5.00 p.m. (Singapore time) on **9 October 2023** (the “**Record Date**”) for the purpose of determining the entitlements of the Company’s shareholders (“**Shareholders**”) to a first and final tax-exempt (one-tier) cash dividend of S\$0.005 per ordinary share in the capital of the Company (“**Share**”) in respect of the financial year ended 31 May 2023 (the “**Dividend**”).

Shareholders whose securities accounts with The Central Depository (Pte) Limited (“**CDP**”) are credited with Shares or whose names appear in the Register of Members of the Company, as at 5.00 p.m. on the Record Date will be entitled to the Dividend on the basis of the number of Shares standing to the credit of their securities accounts with CDP or the number of Shares held by them as stated in the Register of Members of the Company, as the case may be.

Duly completed and stamped registrable transfers in respect of the Shares received by the Company’s Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to 5.00 p.m. on the Record Date will be registered to determine Shareholders’ entitlements to the Dividend. The Dividend, if approved by the Shareholders at the Annual General Meeting of the Company to be held on 27 September 2023 shall be paid on or about **20 October 2023**.

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

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

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

## SHOPPER360 LIMITED

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

# ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this form)

### IMPORTANT

- The Annual General Meeting (“**AGM**”) will be held in a wholly physical format at Boardroom, 600 North Bridge Road, #05-01 Parkview Square, Singapore 188778, 27 September 2023 at 2.00 p.m.. There will be no option to participate virtually.
- Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
- Investors who hold Company’s shares through relevant intermediaries (including CPF/SRS investors) who wish to vote should approach their relevant intermediaries (including their respective CPF Agent Banks or SRS Operators) to submit their voting instructions at least seven (7) working days before the date of the AGM.
- This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- Please read the notes to this Proxy Form.

### PERSONAL DATA PRIVACY

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 September 2023.

\*I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No./  
Company Registration No.) of \_\_\_\_\_

(Address)

being a \*member/members of SHOPPER360 LIMITED (the “**Company**”, and together with its subsidiaries, the “**Group**”), hereby appoint:-

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

\*and/or

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

or failing \*him/her/them, the Chairman of the Annual General Meeting of the Company (the “**AGM**”) as \*my/our \*proxy/proxies to attend, speak and vote on \*my/our behalf at the AGM of the Company to be held at Boardroom, 600 North Bridge Road, #05-01 Parkview Square, Singapore 188778 on Wednesday, 27 September 2023 at 2.00 p.m. and at any adjournment thereof. \*I/We direct our \*my/our \*proxy/proxies to vote for or against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion.

All resolutions put to the vote at the AGM shall be decided by way of poll.

**If you wish to exercise all your votes “For” or “Against”, or “Abstain” the relevant resolutions, please mark an “X” in the appropriate box provided. Alternatively, please indicate the number of votes “For” or “Against”, or “Abstain” for each Resolution in the boxes provided as appropriate. If you mark an “X” in the abstain box for a particular Resolution, you are directing your proxy, not to vote on that Resolution.**

No.	Resolution relating to:	By way of poll		
		For	Against	Abstain
<b>AS ORDINARY BUSINESS</b>				
1.	Adoption of the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 May 2023 (“ <b>FY2023</b> ”), together with the Auditor’s Report thereon			
2.	Re-election of Mr Zaffary bin Ab Rashid as a director of the Company (“ <b>Director</b> ”) retiring under Regulation 112 of the Constitution of the Company			
3.	Re-election of Mr Hew Koon Chan as a Director retiring under Regulation 112 of the Constitution of the Company			
4.	Approval of the payment of Directors’ Fees of S\$76,800 for the financial year ended 31 May 2024, to be paid quarterly in arrears (FY2023: S\$72,980)			
5.	Re-appointment of Messrs Baker Tilly TFW LLP as the Independent Auditors of the Company and to authorise the Directors to fix their remuneration			
6.	Approval of the payment of a final tax-exempt (one-tier) dividend of S\$0.005 per ordinary share of the Company for FY2023			
<b>AS SPECIAL BUSINESS</b>				
7.	Authority for Directors to allot and issue new shares pursuant to Section 161 of the Companies Act 1967 of Singapore			
8.	Authority to grant share awards, and to allot and issue shares under the shopper360 Performance Share Plan			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

\_\_\_\_\_  
Signature(s) of Member(s) or,  
Common Seal of Corporate Member  
\* Delete as appropriate

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

#### NOTES TO PROXY FORM:

1. Please insert the total number of shares in the capital of the Company (“Shares”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing proxy(ies) shall be deemed to relate to all the Shares held by you.
2. The instrument appointing the proxy(ies), duly executed, must be submitted through any of the following means to the Company in the following manner:-
  - (a) if sent by post, be lodged at the office of the Company’s Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
  - (b) if submitted by email, be received by the Company’s Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,in either case, **by 2.00 p.m. on 24 September 2023** (being not less than seventy-two (72) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.
3. Completion and submission of the instrument appointing a proxy or proxies by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of a proxy or proxies for the Meeting shall be deemed to be revoked if the shareholder attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies, to the AGM.
4. This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.
  - (a) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised.
  - (b) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
5. A shareholder of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. Where a shareholder appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. A proxy need not be a member of the Company.
6. A shareholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one (1) proxy to attend and vote instead of the shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such shareholder. Where such shareholder appoints more than one (1) proxy, the appointments shall be invalid unless the shareholder specifies the number of Shares in relation to which each proxy has been appointed. “Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
7. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
8. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators. This proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 2.00 p.m. on 18 September 2023).

#### General:

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

#### Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms as set out in the Notice of Annual General Meeting dated 11 September 2023.



Company Registration Number  
201634929Z

Incorporated in the Republic of Singapore on  
27 December 2016

shopper360 group of companies



International



Affiliate



Non-Affiliate



[www.shopper360.com.my](http://www.shopper360.com.my)