

SHOPPER360 LIMITED

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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

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

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

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PART 1 – INFORMATION REQUIRED FOR FULL-YEAR RESULTS ANNOUNCEMENT

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Increase/ (Decrease) %
	FY2021 ⁽¹⁾ (RM) (Unaudited)	FY2020 ⁽²⁾ (RM) (Audited)	
Revenue	153,133,232	162,678,099	(6)
Cost of sales	(115,034,362)	(122,947,311)	(6)
Gross profit	38,098,870	39,730,788	(4)
Other income	894,384	641,775	39
Administrative expenses	(28,915,832)	(32,333,006)	(11)
Other operating expenses	(82,416)	(10,296)	NM
Reversal of/(impairment losses) on trade receivables and contract assets (net)	232,375	(804,858)	NM
Finance costs	(118,699)	(175,602)	(32)
Share of results of associated company	(39,533)	(5,977)	NM
Profit before tax	10,069,149	7,042,824	43
Tax expense	(3,506,321)	(3,409,938)	3
Profit for the year	6,562,828	3,632,886	81
Other comprehensive (loss)/income			
Item that is or may be reclassified subsequently to profit or loss:			
- currency translation differences arising from consolidation	(389,568)	64,197	NM
Item that will not be reclassified subsequently to profit or loss:			
- currency translation differences arising from consolidation	(272,283)	41,665	NM
Other comprehensive (loss)/income for the year, net of tax	(661,851)	105,862	NM
Total comprehensive income for the year	5,900,977	3,738,748	58
Profit attributable to:			
Equity holders of the Company	5,815,826	2,963,984	96
Non-controlling interest	747,002	668,902	12
Profit for the year	6,562,828	3,632,886	81
Total comprehensive income attributable to:			
Equity holders of the Company	5,426,258	3,028,181	79
Non-controlling interest	474,719	710,567	(33)
Total comprehensive income for the year	5,900,977	3,738,748	58

Notes:

(1) "FY2021": Financial year ended 31 May 2021.

(2) "FY2020": Financial year ended 31 May 2020.

(3) NM: Not meaningful.

1(a)(ii) Notes to combined statements of profit or loss and other comprehensive income

The Group's net profit was arrived after crediting / (charging) the following:

	Group		
	FY2021	FY2020	Increase/ (Decrease)
	(RM) (Unaudited)	(RM) (Audited)	%
Gain/(loss) on foreign exchange ⁽¹⁾	174,314	(222,597)	NM
Interest income	167,846	287,719	(42)
Finance costs			
- Lease liabilities	(118,699)	(174,254)	(32)
- Others	-	(1,348)	(100)
Amortisation for club membership	(7,315)	(8,279)	(12)
Gain on disposal of intangible assets ⁽²⁾	23,558	-	NM
Impairment loss on intangible assets ⁽³⁾	(80,278)	-	NM
Bad debts written off ⁽⁴⁾	(42,002)	(89,047)	(53)
Reversal of/(allowance for) impairment of trade receivables and contract assets ⁽⁵⁾	274,377	(715,811)	NM
Gain on disposal of property, plant and equipment ⁽⁶⁾	67,447	48,777	38
Property, plant and equipment written off	(2,138)	(10,296)	(79)
Depreciation of property, plant and equipment ⁽⁷⁾	(1,821,284)	(2,072,288)	(12)
Depreciation of right-of-use assets ⁽⁸⁾	(1,475,783)	(1,345,011)	10
Gain on termination of leases ⁽⁹⁾	33,879	-	NM
Government grant ⁽¹⁰⁾	217,956	175,198	24
Adjustment for (under)/over provision of tax in respect of prior years ⁽¹¹⁾			
- Income tax	(159,457)	(32,136)	NM
- Deferred tax	(19,064)	1,084	NM

NM: Not meaningful

Notes:

- (1) Gain on foreign exchange for FY2021 was mainly due to the strengthening of United States Dollar (invoice currency of an oversea subsidiary of the Group) against the currency of Myanmar Kyat, and loss on foreign exchange loss for FY2020 was mainly due to the weakening of Malaysian Ringgit (reporting currency of the Group) against the currency of Myanmar Kyat.
- (2) Gain on disposal of intangible assets relates to disposal of club membership in FY2021.
- (3) Impairment loss on club membership in FY2021 (nil in FY2020) relates to the club membership that was subsequently disposed of in FY2021.
- (4) Bad debts written off mainly relates to the uncollectible doubtful debts of the In-store Advertising and Digital Marketing segment, due to outlet closures and client's financial difficulties.
- (5) Reversal of impairment of overdue trade receivables and contract assets in FY2021 was attributable to debtor repayments in FY2021.
- (6) Gain on disposal of property, plant and equipment relates to disposal of motor vehicles.
- (7) The decrease was mainly due to certain office equipment that were fully depreciated in the year.
- (8) The increase was in line with the additions of right-of-use assets relating to motor vehicles and office premises in FY2021.
- (9) Gain on termination of leases relates to derecognition of the underlying right-of-use assets and lease liabilities.
- (10) Government grant relates to wage support from the Singapore government under job support scheme.
- (11) The under provision of income tax in respect of prior years was mainly due to under provision of non-deductible expenses, while the under provision of deferred tax expense was mainly due under provision of deductible temporary differences.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31 May 2021 (RM) (Unaudited)	As at 31 May 2020 (RM) (Audited)	As at 31 May 2021 (RM) (Unaudited)	As at 31 May 2020 (RM) (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	1,576,373	2,597,738	-	-
Right-of-use assets	2,713,049	1,956,807	-	-
Intangible assets	2,323,353	2,481,388	-	-
Investment in subsidiaries	-	-	37,013,629	37,013,629
Investment in associated company	919,821	959,354	-	-
Financial asset at fair value through profit or loss	1,380,000	-	-	-
Financial assets at fair value through other comprehensive income	2,001,100	-	-	-
Trade and other receivables	-	76,596	-	-
Deferred tax assets	14,889	79,238	-	-
Total non-current assets	10,928,585	8,151,121	37,013,629	37,013,629
Current assets				
Inventories	296,814	-	-	-
Financial assets at fair value through profit or loss	2,125,335	1,067,590	-	-
Trade and other receivables	32,011,084	33,229,975	12,423,406	8,364,249
Contract assets	6,496,897	5,882,880	-	-
Cash and cash equivalents	27,591,564	22,054,397	538,515	2,050,179
Tax recoverable	1,052,757	2,480,457	-	-
Total current assets	69,574,451	64,715,299	12,961,921	10,414,428
Total assets	80,503,036	72,866,420	49,975,550	47,428,057
EQUITY AND LIABILITIES				
Equity				
Share capital	51,850,444	51,850,444	51,850,444	51,850,444
Treasury shares	(1,769,029)	(910,382)	(1,769,029)	(910,382)
Capital reserve	(1,354,855)	(1,354,855)	-	-
Merger reserve	(17,453,646)	(17,453,646)	-	-
Currency translation reserve	(278,299)	111,269	-	-
Retained earnings/(Accumulated losses)	26,108,982	20,293,156	(379,193)	(3,840,118)
Equity attributable to equity holders of the Company, total	57,103,597	52,535,986	49,702,222	47,099,944
Non-controlling interest	1,297,644	822,925	-	-
Total equity	58,401,241	53,358,911	49,702,222	47,099,944
Non-current liabilities				
Lease liabilities	1,026,011	898,033	-	-
Deferred tax liabilities	27,111	4,566	-	-
Total non-current liabilities	1,053,122	902,599	-	-
Current liabilities				
Trade and other payables	14,265,862	14,033,627	273,328	328,113
Contract liabilities	3,591,226	2,407,551	-	-
Lease liabilities	1,636,294	1,163,505	-	-
Tax payable	1,555,291	1,000,227	-	-
Total current liabilities	21,048,673	18,604,910	273,328	328,113
Total liabilities	22,101,795	19,507,509	273,328	328,113
Total equity and liabilities	80,503,036	72,866,420	49,975,550	47,428,057

1(b)(ii) Aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

As at 31 May 2021 (RM)		As at 31 May 2020 (RM)	
Secured	Unsecured	Secured	Unsecured
312,628	-	45,890	-

Amount repayable after one year

As at 31 May 2021 (RM)		As at 31 May 2020 (RM)	
Secured	Unsecured	Secured	Unsecured
587,482	-	99,010	-

Details of any collateral

The Group's borrowings (recognised under lease liabilities) are secured against certain property, plant and equipment with net carrying value of approximately RM1,016,904.

1(c) A statement of cash flows (for the group), together with a comparative statement, for the corresponding period of the immediately preceding financial year.

	Group	
	FY2021	FY2020
	(RM)	(RM)
	(Unaudited)	(Audited)
Cash flows from operating activities		
Profit before tax	10,069,149	7,042,824
<u>Adjustments for:-</u>		
Amortisation for club membership	7,315	8,279
(Reversal of)/impairment losses on trade receivables and contract assets (net)	(232,375)	804,858
Impairment loss on intangible asset	80,278	-
Depreciation of property, plant and equipment	1,821,284	2,072,288
Depreciation of right-of-use assets	1,475,783	1,345,011
Interest income	(167,846)	(287,719)
Interest expenses	118,699	175,602
Property, plant and equipment written off	2,138	10,296
Gain on disposal of property, plant and equipment	(67,447)	(48,777)
Gain on disposal of intangible assets	(23,558)	-
Gain on termination of leases	(33,879)	-
Share of results of associated company	39,533	5,977
Unrealised foreign exchange (gain)/losses	(294,576)	56,918
Operating cash flow before movement in working capital	12,794,498	11,185,557
Inventories	(296,814)	-
Trade and other receivables, and contract assets	913,845	4,906,914
Trade and other payables, and contract liabilities	1,501,624	(8,249,720)
Currency translation adjustments	(644,566)	114,006
Cash generated from operations	14,268,587	7,956,757
Tax paid	(1,436,663)	(2,276,683)
Net cash from operating activities	12,831,924	5,680,074
Cash flows from investing activities		
Purchases of property, plant and equipment	(842,050)	(809,348)
Addition of right-of-use assets	(119,091)	-
Interest received	167,846	287,719
Proceeds from disposal of property, plant and equipment	90,450	137,600
Proceed from disposal of intangible asset	94,000	-
Placement of financial assets at fair value through profit or loss	(1,057,745)	(1,018,143)
Purchase of financial asset at fair value through profit or loss	(1,380,000)	-
Purchase of financial assets at fair value through other comprehensive income	(2,001,100)	-
Net cash used in investing activities	(5,047,690)	(1,402,172)
Cash flow from financing activities		
Repayment of lease liabilities	(1,478,583)	(1,253,574)
Dividends paid to owners of the Company/subsidiaries	-	(983,190)
Purchase of treasury shares	(858,647)	(910,382)
Repayment to non-controlling interest	(85,714)	(87,191)
Interest paid	(118,699)	(174,254)
Net cash used in financing activities	(2,541,643)	(3,408,591)
Net increase in cash and cash equivalents	5,242,591	869,311
Cash and cash equivalents at beginning of financial year	22,054,397	21,242,006
Effect of exchange rate changes on cash and cash equivalents	294,576	(56,920)
Cash and cash equivalents at end of the financial year	27,591,564	22,054,397

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital RM	Treasury shares RM	Capital reserve RM	Merger 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 2020	51,850,444	(910,382)	(1,354,855)	(17,453,646)	111,269	20,293,156	52,535,986	822,925	53,358,911
Profit for the year	-	-	-	-	-	5,815,826	5,815,826	747,002	6,562,828
Other comprehensive (loss)/income									
Currency translation differences arising from consolidation	-	-	-	-	(389,568)	-	(389,568)	(272,283)	(661,851)
Other comprehensive loss for the financial year, net of tax	-	-	-	-	(389,568)	-	(389,568)	(272,283)	(661,851)
Total comprehensive (loss)/income for the year	-	-	-	-	(389,568)	5,815,826	5,426,258	474,719	5,900,977
<i>Transactions with owners recognised directly in equity</i>									
Purchase of treasury shares	-	(858,647)	-	-	-	-	(858,647)	-	(858,647)
Dividends paid	-	-	-	-	-	-	-	-	-
At 31 May 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

Group	Share capital RM	Treasury shares RM	Capital reserve RM	Merger 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 2019	51,850,444	-	(1,354,855)	(17,453,646)	47,072	18,312,362	51,401,377	112,358	51,513,735
Profit for the year	-	-	-	-	-	2,963,984	2,963,984	668,902	3,632,886
Other comprehensive income									
Currency translation differences arising from consolidation	-	-	-	-	64,197	-	64,197	41,665	105,862
Other comprehensive income for the financial year, net of tax	-	-	-	-	64,197	-	64,197	41,665	105,862
Total comprehensive income for the year	-	-	-	-	64,197	2,963,984	3,028,181	710,567	3,738,748
<i>Transactions with owners recognised directly in equity</i>									
Purchase of treasury shares	-	(910,382)	-	-	-	-	(910,382)	-	(910,382)
Dividends paid	-	-	-	-	-	(983,190)	(983,190)	-	(983,190)
At 31 May 2020	51,850,444	(910,382)	(1,354,855)	(17,453,646)	111,269	20,293,156	52,535,986	822,925	53,358,911

Company	Share capital (RM)	Treasury shares (RM)	Accumulated losses (RM)	Total equity (RM)
At 1 June 2020	51,850,444	(910,382)	(3,840,118)	47,099,944
Profit and total comprehensive income for the financial year	-	-	3,460,925	3,460,925
Purchase of treasury shares	-	(858,647)	-	(858,647)
At 31 May 2021	<u>51,850,444</u>	<u>(1,769,029)</u>	<u>(379,193)</u>	<u>49,702,222</u>
At 1 June 2019	51,850,444	-	(4,043,544)	47,806,900
Profit and total comprehensive income for the financial year	-	-	1,186,616	1,186,616
Purchase of treasury shares	-	(910,382)	-	(910,382)
Dividends	-	-	(983,190)	(983,190)
At 31 May 2020	<u>51,850,444</u>	<u>(910,382)</u>	<u>(3,840,118)</u>	<u>47,099,944</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercises of share options or warrants, conversion of other issues of equity securities, issues of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

	Number of shares	Issued and paid-up share capital (RM)
As at 30 November 2020 and 31 May 2021	<u>114,400,000</u>	<u>51,850,444</u>

There were no changes in the Company's share capital since the last reported financial period.

State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

shopper360 Performance Share Plan

The Company had, on 26 May 2017, approved the shopper360 Performance Share Plan ("PSP"). As at the date of this announcement, the Company has not granted any awards under the PSP.

The Company did not have any outstanding options, convertibles and subsidiary holdings as at 31 May 2021 and 31 May 2020.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of treasury shares	Percentage of the aggregate number of treasury shares held against the total number of shares outstanding (excluding treasury shares and subsidiary holdings)
As at 31 May 2020	2,717,700	2.4%
Additions from 1 June 2020 to 31 May 2021	2,878,700	
As at 31 May 2021	5,596,400	5.1%

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year.

	At 31 May 2021	At 31 May 2020
Total number of issued shares excluding treasury shares	108,803,600	111,682,300

There were a total 5,596,400 treasury shares held as at 31 May 2021 (31 May 2020: 2,717,700).

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**
- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest audited financial statements of the Company and the Group for the financial year ended 31 May 2020 are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year reported on, which are consistent with the audited financial statements for the financial year ended 31 May 2020, except for the adoption of all applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and SFRS(I) Interpretations ("**SFRS(I) INT**") which are effective for the current financial year. The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to paragraph 4 above.

- 6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	FY2021	FY2020
Profit attributable to owners of the Company (RM)	5,815,826	2,963,984
Weighted average number of ordinary shares in issue	109,981,889	113,142,844
Basic and diluted earnings per share (RM cents)	5.29	2.62

- 7. Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the (a) Current financial period reported on; and (b) Immediately preceding financial year.**

	Group		Company	
	As at 31 May 2021	As at 31 May 2020	As at 31 May 2021	As at 31 May 2020
Net asset value (" NAV ") (RM)	57,103,597	52,535,986	49,702,222	47,099,944
Number of ordinary shares (excluding treasury shares)	108,803,600	111,682,300	108,803,600	111,682,300
NAV per ordinary share (RM cents)	52.48	47.04	45.68	42.17

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

REVIEW OF THE GROUP'S PERFORMANCE

shopper360 Limited (the “**Company**”, and together with its subsidiary, 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 categorized into three main segments, namely (i) In-store Advertising and Digital Marketing; (ii) Field Force Management; (iii) Sampling Activities and Events Management; and (iv) Others.

Revenue

Revenue decreased by 6% or RM9.6 million, from RM162.7 million in FY2020 to RM153.1 million in FY2021 due mainly to the following: -

- (i) Revenue from In-store Advertising and Digital Marketing segment decreased by approximately RM2.7 million or 9% in FY2021, mainly attributable to decline in business derived from the Malaysia market due to Covid-19 pandemic lockdown and more cautious advertising expenditure by customers and also the unstable political situation in Myanmar. This is partially offset by revenue growth from the Singapore market.
- (ii) Revenue from Field Force Management segment decreased by approximately RM3.0 million or 3% in FY2021, mainly due to non-renewal of contracts by some clients amounting to RM12.2 million and partially offset by new customers and expansion of additional services for existing customers as they expanded their business scope and coverage.
- (iii) Revenue from Sampling Activities and Events Management segment decreased by approximately RM4.0 million or 17% in FY2021. The decrease was caused by the Covid-19 pandemic where operations were affected for the financial year.

Cost of Sales

Cost of sales decreased by 6% or RM7.9 million, from RM122.9 million in FY2020 to RM115.0 million in FY2021, in line with the decrease in revenue.

Gross Profit and Gross Profit Margin

Gross profit decreased by approximately RM1.6 million or 4%, from RM39.7 million in FY2020 to RM38.1 million in FY2021, with a slight improvement in gross profit margin from 24.4% in FY2020 to 24.9% in FY2021 mainly due to a higher gross margin from Sampling Activities and Events Management segment.

Other Income

Other income increased by approximately RM0.3 million or 39%, from RM0.6 million in FY2020 to RM0.9 million in FY2021, due to gain on disposal of property, plant and equipment, gain on unrealised foreign exchange and wage support from the Singapore government under the job support scheme.

Administrative Expenses

Administrative expenses decreased by approximately RM3.4 million or 11%, from RM32.3 million in FY2020 to RM28.9 million in FY2021. The decrease was mainly attributable to the Group implementing tighter costs control measures, considering the difficult environment caused by the Covid-19 pandemic during FY2021, as the Group optimised overhead expenses either through reducing or delaying expenses including business development, staff hiring and other overhead expenses.

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

Reversal of impairment of trade receivables and contract assets was RM0.2 million in FY2021 (FY2020: Allowance for impairment of RM0.8 million) mainly due to reversal of prior year impairment loss on overdue trade receivables and contract assets, conforming with debtor repayments in FY2021.

Finance Costs

Finance costs decreased by RM60,000, from RM0.2 million in FY2020 to RM0.1 million in FY2021, mainly due to the reduction in finance cost on lease liabilities in line with the termination of several right-of-use assets in FY2021.

Share of Results of Associated Company

Share of results of equity-accounted associate relates to losses incurred by Instanture Holdings Sdn Bhd and its subsidiary, Boostorder Sdn Bhd, which is 11% owned by the Company. It increased from RM6,000 in FY2020 to RM40,000 in FY2021, mainly due to higher salaries and wages incurred to support the business growth.

Profit Before Tax

As a result of the above, profit before tax increased by approximately RM3.0 million or 43%, from RM7.0 million in FY2020 to RM10.1 million in FY2021.

Tax Expense

Tax expense increased by approximately RM0.1 million or 3%, from RM3.4 million in FY2020 to RM3.5 million in FY2021, mainly due to the increase in income tax provision of RM0.7 million, partially offset by the decrease in deferred tax provision of RM0.6 million.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current Assets

The Group's non-current assets increased by RM2.8 million, from RM8.2 million as at 31 May 2020 to RM10.9 million as at 31 May 2021. The increase was mainly due to increase in (i) right-of-use assets of RM0.8 million, (ii) financial assets at fair value through profit or loss of RM1.4 million, (iii) financial assets at fair value through other comprehensive income of RM2.0 million, partially offset by decrease in (i) property, plant and equipment of RM1.0 million, and (ii) intangible assets of RM0.2 million.

Right-of-use assets increased by RM0.8 million, mainly due to addition in right-of-use assets of RM2.8 million, partially offset by termination of leases of RM0.5 million and depreciation charge of RM1.5 million.

Financial assets at fair value through profit or loss of RM1.4 million as at 31 May 2021 (31 May 2020: Nil) relates to investments in unquoted shares of PB Grocery Group Sdn Bhd, which the Group completed the acquisition on 20 April 2021.

Financial assets at fair value through other comprehensive income of RM2.0 million as at 31 May 2021 (31 May 2020: Nil) relates to investments in unquoted shares of Tenderin Sdn Bhd (which the Group completed the acquisition on 4 May 2021) and Mango Fintech Sdn Bhd.

Property, plant and equipment decreased by RM1.0 million, mainly due to depreciation charge of RM1.8 million, partially offset by addition in property, plant and equipment of RM0.8 million.

Intangible assets decreased by RM0.2 million, mainly due to disposal of club membership of RM70,000, impairment loss of RM80,000 and amortisation charge of RM7,000.

Current Assets

The Group's current assets increased by RM4.9 million, from RM64.7 million as at 31 May 2020 to RM69.6 million as at 31 May 2021, mainly due to increase in (i) financials asset at fair value through profit or loss of RM1.1 million, (ii) inventories of RM0.3 million, (iii) contract assets of RM0.6 million, (iv) cash and cash equivalents of RM5.5 million, partially offset by the decrease in (i) trade and other receivables of RM1.2 million, and (ii) tax recoverable of RM1.4 million.

Financials asset at fair value through profit or loss increased by RM1.1 million as at 31 May 2021 (as compared to 31 May 2020), due to placement of short-term cash investments with financial institutions.

Inventories of RM0.3 million as at 31 May 2021 (31 May 2020: Nil) relates to trading goods of a new business, consisting of fast-moving consumer products under the operation of a new subsidiary company incorporated during FY2021, namely Marvel Distribution Sdn Bhd.

Contract assets increased by RM0.6 million as at 31 May 2021 (as compared to 31 May 2020), mainly due to increase in provision of revenue relating to unbilled services rendered.

Trade and other receivables decreased by RM1.2 million as at 31 May 2021 (as compared to 31 May 2020), mainly due to collection from trade debtors.

Tax recoverable decreased by RM1.4 million as at 31 May 2021 (as compared to 31 May 2020), mainly due to tax refund of tax installments overpaid in prior years.

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.

Non-current Liabilities

The Group's non-current liabilities increased by RM0.2 million, from RM0.9 million as at 31 May 2020 to RM1.1 million as at 31 May 2021, mainly due to addition of lease liabilities (which mainly relates to motor vehicles under hire purchase facilities, rental of office and warehouse), partially offset by repayment of lease liabilities.

Current Liabilities

The Group's current liabilities increased by RM2.4 million, from RM18.6 million as at 31 May 2020 to RM21.0 million as at 31 May 2021, due to increase in (i) trade and other payables of RM0.2 million, (ii) contract liabilities of RM1.2 million, (iii) lease liabilities of RM0.5 million, and (iv) tax payable of RM0.5 million.

Trade and other payables increased by RM0.2 million (as compared to 31 May 2020), mainly due to provision of bonuses as at 31 May 2021.

Contract liabilities increased by RM1.2 million as at 31 May 2021 (as compared to 31 May 2020), mainly due to higher advance billing from the Group to clients.

Lease liabilities increased by RM0.5 million as at 31 May 2021 as compared to 31 May 2020), was mainly due to addition of lease liabilities of RM2.7 million (which mainly relates to motor vehicles

under hire purchase facilities, rental of office and warehouse), partially offset by repayment of lease liabilities of RM2.1 million and finance cost on lease liabilities of RM0.1 million.

Tax payable increased by RM0.5 million, mainly due to taxable profits generated by a subsidiary in FY2021.

Equity

The Group's equity increased by RM5.0 million or 9%, from RM53.4 million as at 31 May 2020 to RM58.4 million as at 31 May 2021, mainly due to an increase in retained earnings of RM5.8 million and non-controlling interest of RM0.5 million, partially offset by treasury shares purchased during FY2021 of RM0.9 million and movement of currency translation differences of RM0.4 million.

Working Capital

The Group reported a positive net working capital of RM48.5 million as at 31 May 2021, as compared to RM46.1 million as at 31 May 2020.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Net cash generated from operating activities in FY2021 was RM12.8 million, due to operating cash flow before changes in working capital of RM12.8 million, changes in working capital of RM1.5 million, and payment of income tax expense of RM1.4 million. Changes in working capital were due to (i) decrease in trade and other receivables, and contract assets of RM0.9 million, (ii) increase in trade and other payables, and contract liabilities of RM1.5 million, partially offset by (iii) increase in inventories of RM 0.3 million, and (iv) increase in currency translation adjustments of RM0.6 million.

Net cash used in investing activities in FY2021 was RM5.0 million, mainly due to purchase of property, plant and equipment of RM0.8 million, addition of right-of-use assets of RM0.1 million, placement of financial assets at fair value through profit or loss of RM1.1 million, purchase of financial asset at fair value through profit or loss of RM1.4 million, purchase of financial assets at fair value through other comprehensive income of RM2.0 million, partially offset by interest received from bank of RM0.2 million and proceed from disposal of property, plant and equipment, and intangible asset of RM90,000 and RM94,000 respectively.

Net cash used in financing activities of RM2.5 million mainly relates to repayment of lease liabilities of RM1.5 million, purchase of treasury shares of RM0.9 million, and interest paid of RM0.1 million.

As a result of the above, net cash and cash equivalents increased by RM5.2 million in FY2021.

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

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

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

The Covid-19 pandemic has stretched longer than expected when Malaysia went into its third lockdown in June 2021 when COVID infections spiked to between 8,000 to 9,000 a day in late May 2021. Pressures mounted for the Malaysian Prime Minister Muhyiddin to either resume parliamentary meetings to better manage the pandemic or resign from his post. A call to end the emergency order prompted the incumbent government to create a National Recovery Plan which described a re-opening of the economy in phases as soon as critical numbers of daily COVID-19 cases drop below 4,000, as well as 40 per cent of the population to be vaccinated, before social restrictions are lifted and schools to reopen¹. Without freedom to move around

and schools being closed, the Group remain cautious towards the performance of our businesses as we are human capital dependent and working parents are struggling to balance both parenting and working from home due to parental duties. On the other hand, since the Group is considered essential services to the grocery retailers, it is able to continue day-to-day operations with manageable hindrances (longer travel time from outlet to outlet) and sporadic closure of stores when Covid-19 infections are discovered.

The Group remains hopeful that the rate of vaccinations in Malaysia will speed up and this in turn will allow the resumption of non-essential activities that will help in reviving the country's economy. The Group will then be able to proceed with working projects such as filming corporate videos for clients, executing outdoor advertising for its network of retailers, and conducting outdoor roadshows and events which are currently put on hold due to the current movement control order. Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed said the Malaysian economy was on a solid recovery trajectory before May 2021 with a much-improved real gross domestic product (GDP) growth performance in the first quarter and a strong rebound in a number of economic indicators. He believes that Malaysia may see a strong GDP recovery in the fourth quarter of 2021 once the country goes into Phase 3 (40 per cent of the population being inoculated with two doses and daily cases falling below 4,000 with intensive care units (ICU) usage no longer being at a critical level).²

The Group continues to remain prudent and stringent on our expenditure and focus on cash collection. The Group will continue to invest in new strategic business opportunities that will be ready to rebound once the economy recovers from the current lockdown. The Group will continue to work closely with our investee companies and collaborate on how to win new business opportunities together through leveraging of each other's ecosystems.

Myanmar remains a challenge as it is not only fighting a pandemic but also a political upheaval since the military took over on 1st February 2021. The Group continues to mobilize staff to upkeep advertisements placed in grocery retailers, as Fast-Moving Consumer Goods ("FMCG") brands are still investing in in-store media in Myanmar. However, the Group needs to remain agile and flexible with clients as their commitment with the Group on advertising and activation spending are sometimes postponed whenever there are tensions in certain townships, preventing staff from servicing an outlet or two in conflict areas. Shopper360 will not be pulling out of the Myanmar market in spite of the current conflict as we believe it is important to supply our services to brands in Myanmar as well as supply jobs during this difficult time. We wait in expectancy for peace and stability to be reinstated.

Singapore remains the most advanced in containing the Covid-19 infections with daily updates of their progress in containment and management. The government is setting up testing areas in affected clusters, and mobilizing private clinics to vaccinate their population in order to speed up the vaccination process. At the time of writing, Singapore has already vaccinated 44% of their population.³ We continue to push growth in this region in the area of shopper marketing and in-store advertising services with FairPrice Group.

Shopper360 will continue to deploy its capital to invest in digital start-ups, fund existing business growth, and offer new but complementary services. We will harness opportunities provided by our investee companies in the e-commerce segment as well as add-value to their businesses by connecting them with our strong retail and FMCG customer base. We are also developing a second generation of leaders within the organization to take on new and existing businesses so that the senior management team can focus on future growth expansion and innovation.

Source:

¹ <https://www.malaymail.com/news/malaysia/2021/06/23/with-schools-to-close-till-sept-education-advocates-urge-govt-to-bridge-int/1984233>

² <https://www.theedgemarkets.com/article/mustapa-malaysia-may-see-strong-gdp-recovery-4q2021>

³ <https://graphics.reuters.com/world-coronavirus-tracker-and-maps/countries-and-territories/singapore/>

11. Dividend

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

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (S\$ cents)	0.90
Tax rate	Tax exempt

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

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

No.

(c) Date payable

The date payable is to be advised, subject to shareholders' approval at the Company's annual general meeting for the financial year ended 31 May 2021, to be convened on or before 30 September 2021.

(d) Books closure date

To be announced by the Company in due course.

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

Not applicable.

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

The Group does not have a general mandate from shareholders for IPTs.

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

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

PART 2 – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENT

15. Segmented revenue and results for business or geographical (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

a. Business segments

FY2021	In-store advertising and digital marketing RM	Field force management RM	Sampling activities and events management RM	Investment holding and others RM	Eliminations RM	Total RM
Segment revenue						
Sales to external customers	29,314,431	104,027,658	19,613,835	177,308	-	153,133,232
Intersegment sales	157,210	12,879	203,516	9,193,889	(9,567,494)	-
Total revenue	<u>29,471,641</u>	<u>104,040,537</u>	<u>19,817,351</u>	<u>9,371,197</u>	<u>(9,567,494)</u>	<u>153,133,232</u>
Tax expense	547,157	1,518,424	1,191,312	249,428	-	3,506,321
Segment profit/(loss)	1,501,112	4,161,702	2,233,946	(1,333,932)	-	<u>6,562,828</u>
Other significant non-cash expense:						
Depreciation and amortisation	1,039,850	987,100	461,740	815,692	-	3,304,382
Property, plant and equipment written off (Reversal of)/impairment losses on trade receivables and contract assets (net)	2,119	-	18	1	-	2,138
Interest income	98,191	(174,506)	(156,060)	-	-	(232,375)
Interest expenses	(163,885)	(40,347)	(43,463)	(69,865)	149,714	(167,846)
Gain on disposal of property, plant and equipment	136,759	70,422	26,162	35,070	(149,714)	118,699
Gain on disposal of intangible asset	7,553	-	(75,000)	-	-	(67,447)
Impairment loss on intangible asset	(23,558)	-	-	-	-	(23,558)
Gain on termination of leases	80,278	-	-	-	-	80,278
Share of results of associated company	(25,887)	(4,300)	(3,692)	-	-	(33,879)
	-	-	-	39,533	-	39,533
Asset and liabilities						
Total segment assets	27,078,650	34,943,013	14,299,222	105,080,063	(100,897,912)	<u>80,503,036</u>
Segment assets include:						
Additions to non-current assets	376,494	1,657,902	677,905	906,116	-	3,618,417
Investment in associated company	-	-	-	919,821	-	919,821
Total segment liabilities	<u>(14,806,367)</u>	<u>(11,574,076)</u>	<u>(6,755,255)</u>	<u>(14,577,097)</u>	<u>25,611,000</u>	<u>(22,101,795)</u>

FY2020	In-store advertising and digital marketing RM	Field force management RM	Sampling activities and events management RM	Investment holding RM	Eliminations RM	Total RM
Segment revenue						
Sales to external customers	32,051,416	106,986,682	23,640,001	-	-	162,678,099
Intersegment sales	53,107	-	1,336,087	11,592,136	(12,981,330)	-
Total revenue	<u>32,104,523</u>	<u>106,986,682</u>	<u>24,976,088</u>	<u>11,592,136</u>	<u>(12,981,330)</u>	<u>162,678,099</u>
Tax expense	1,066,163	1,624,196	502,221	217,358	-	3,409,938
Segment (loss)/profit	(1,911,995)	5,273,545	405,071	(133,735)	-	<u>3,632,886</u>
Other significant non-cash expense:						
Depreciation and amortisation	1,478,114	896,419	570,862	480,183	-	3,425,578
Property, plant and equipment written off	6,659	987	2,245	405	-	10,296
Impairment losses on trade receivables and contract assets	46,763	561,267	196,828	-	-	804,858
Interest income	(414,778)	(133,269)	(24,551)	(91,366)	376,245	(287,719)
Interest expenses	310,309	162,093	60,782	18,663	(376,245)	175,602
Gain on disposal of property, plant and equipment	(31,460)	-	-	(17,317)	-	(48,777)
Share of results of associated company	-	-	-	5,977	-	5,977
Asset and liabilities						
Total segment assets	29,271,462	31,848,250	11,753,846	96,439,056	(96,446,194)	<u>72,866,420</u>
Segment assets include:						
Additions to non-current assets	58,836	263,698	144,557	421,032	-	888,123
Investment in associated company	-	-	-	959,354	-	959,354
Total segment liabilities	(18,299,245)	(9,893,068)	(4,340,506)	(8,229,696)	21,255,006	<u>(19,507,509)</u>

b. Geographical segments

The Group operates mainly in Malaysia with revenue generated from customers in Malaysia. Only marginal 7.8% of the Group's revenue was generated from outside Malaysia. Therefore, an analysis of assets and profits of the Group by geographical distribution has not been included.

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

Please refer to paragraph 8 for details.

17. A breakdown of sales

	Group		Increase/ (Decrease) %
	FY2021 RM	FY2020 RM	
Sales reported for:			
(a) First half of the financial year	75,936,058	87,150,209	(13)
(b) Second half of the financial year	<u>77,197,174</u>	<u>75,527,890</u>	2
	<u><u>153,133,232</u></u>	<u><u>162,678,099</u></u>	(6)
Profit attributed to owners of the Company reported for:			
(a) First half of the financial year	2,964,818	3,147,906	(6)
(b) Second half of the financial year	<u>2,851,008</u>	<u>(183,922)</u>	NM
	<u><u>5,815,826</u></u>	<u><u>2,963,984</u></u>	96

NM: Not meaningful.

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

	FY2021 RM	FY2020 RM
(a) Ordinary (Final)	3,037,071	-
(b) Preference	<u>-</u>	<u>-</u>
	<u><u>3,037,071</u></u>	<u><u>-</u></u>

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chew Sue Ann	42	Daughter of Yap Phaik Kwai, the controlling shareholder of the Company, and spouse of James Ling Wan Chye, Executive Director of the Company	Executive Chairman and Group Managing Director since date of incorporation of the Company. Responsible for overseeing operation of the Group.	-
James Ling Wan Chye	43	Son-in-law of Yap Phaik Kwai, the controlling shareholder of the Company, and spouse of Chew Sue Ann, Executive Chairman and Group Managing Director	Director of Corporate Finance and Strategy Responsible for overseeing corporate finance and human resource functions of the Group, as well as executing key strategic initiative of the Group.	-

20. Disclosure pursuant to Rule 706A

Following are the changes to the companies within the Group that occurred during FY2021, pursuant to Rule 706(A) of the Catalist Rules:

Incorporation of new subsidiaries

- | | | | |
|-----|----------------------------------|---|--|
| (1) | Name of subsidiary | : | Marvel Distribution Sdn. Bhd. |
| | Country of incorporation | : | Malaysia |
| | Issued and paid-up share capital | : | RM50,000, comprising fifty thousand (50,000) share |
| | Principal activity | : | Providing marketing, sales and distribution service, including warehousing, inventory management and logistic and business support |
| | Interest held by the Group | : | 100% |
| (2) | Name of subsidiary | : | Shoppercliq Sdn. Bhd |
| | Country of incorporation | : | Malaysia |
| | Issued and paid-up share capital | : | RM10, comprising ten (10) share |
| | Principal activity | : | Providing digital marketing solutions and services, social commerce management tools, including delivery fulfilment |
| | Interest held by the Group | : | 100% |
| (3) | Name of subsidiary | : | She Distribution Sdn. Bhd. |
| | Country of incorporation | : | Malaysia |
| | Issued and paid-up share capital | : | RM1, comprising one (1) share |
| | Principal activity | : | Providing marketing, sales and distribution service, including warehousing, inventory management and logistic and business support |
| | Interest held by the Group | : | 100% |

The incorporations are funded by the Group's internal resources and are not expected to have any material impact on the earnings per share and the net tangible assets per share of the Company and the Group for the financial year ended 31 May 2021.

None of the Directors and controlling shareholders of the Company or their respective associates have any interest, directly or indirect (other than through their respective shareholdings (if any) in the Company), in the Incorporations.

BY ORDER OF THE BOARD

Chew Sue Ann
Executive Chairman and Group Managing Director

28 July 2021