



a) **Given that there are synergies within the group to provide integrated solutions to the clients, how does the current structure of different operating subsidiaries with their own CEOs encourage collaboration between the operating subsidiaries?**

- We have developed over the years, a corporate culture that champions collaboration. Essentially, in our Group's core values, they are:
 - Forward Thinking, Forward Doing
 - Be Expert
 - **Collaboration**
 - Enjoy & Respect

Whilst the group may have different CEOs heading different segments of our business, we drive and embody a culture of collaboration across all our operating companies through the adoption of a single set of core value across the Group. We also ensure we provide an environment that help drive this value deeper in our people through adopting an open office space where everyone from different operating companies are invited to discuss and work on projects together. We also reward our team members who exemplify and live up to these values through a quarterly staff Brand Value Award.

- We set the tone of collaboration by way of shares ownership

All of our operating CEOs participated in the IPO through subscription of the IPO shares which are held in moratorium for three years. Hence, they not only drive their individual operating companies' value but also work towards driving the profitability of the Group. Their participation by way of shares ownership inculcates a stronger and more lasting sense of identification with the group, collaboration and synergistic partnership as they are essentially a shareholder as well and their vision and mission will be aligned to those of the Group.

- Incentives aside, our CEOs and Senior Management meets regularly (at least once a month) to tap into the available expertise within the Group to help deliver a more holistic solution to our clients. Besides that, any potential work that requires the solution of another subsidiary is promptly updated at the group meetings or earlier through various communication channels. This is evidenced in one of our customers, Nestle, in not just one but all 3 segments of our business and this partnership is fostered through collaboration via all our operating companies.

b) **How does the group ensure that all the subsidiaries engaging clients by offering a "one-stop" shopper marketing services (as a group) rather than individual shopper marketing services?**

See above point 2 & 3

c) **With different CEOs leading different operating subsidiaries, how does the group ensure that the operating subsidiaries all share the values and culture of Shopper360?**

Answer in point (a)

d) **Apart from the top 3 customers, what is the management's strategy to increase the contribution from other customers so that the group builds up a strong and stable customer base?**

The aim for the Group is to reduce concentration risk with any single client. Our strategy includes: geographical expansion (expanding into new markets with new clients), growing our new offerings (shopper+ and gazelle) and



working on new products/innovation; digital, tech, automation etc. We aim to widen the breadth and depth of our offerings.

- e) **Specifically, Customer 1 (shown on page 111) has engaged the group for its In-store advertising and digital marketing, field force management and sampling activities and events management services while Customer 2 and Customer 3 only used the group's field force management services. What are the efforts by the group to cross-sell different services to the current customers?**

Customers from different industry requires different marketing approach. For our customers, we aim to work with them to provide the best fit rather than a **"take all"** approach. This means that while we have a one-stop solution, we are also open to partnerships with our customers with just one or two of our offerings and focus on delivering the best results for them. We believe with this flexibility in our approach it will help in winning more businesses and sustaining our relationship for the longer run.

Furthermore, our sales team is constantly cross selling every one of our services to their set of customers. The sales team members are incentivised to remind our customer that if they want other solutions that they are not already buying from us, we can definitely provide a proposal to them.

- f) **While the in-store shopping experience may still be superior to e-commerce now, what are the group's long term strategic plans to tap into the growth of online shopping/e-commerce? Has the board carried out any scenario planning where retail sales stagnate or fall?**

Our long-term strategy for the Group is to help our customers sell smarter to their end consumers, by deploying the online to offline (O2O) strategy and omnichannel execution. To this end, the group is actively working with our customers to engage with consumers and shoppers at every digital front via our agency, ShopperPlus Sdn Bhd, whose mandate is to drive innovation in the retail space by marrying technology, insights, content, creative and marketing services. The Group has also recently invested (11%) in a start-up, Instanture Sdn Bhd, that specializes in business to business (B2B) sales ordering and inventory management and allows for the testing of B2B2C models. The investment allows the Group to scale up its digital offerings on B2B application through integration of the Group's proprietary merchandising management software for its existing client, and seize the growing business opportunities in software services, e-commerce and retail industry, thus enabling the Group to add to new revenue streams.

- g) **What is the strategy for the group to enter the new markets?**

The Group is positive about the outlook for shopper marketing services in the SEA region. We are currently offering our shopper marketing services in Singapore & Myanmar and we have acquired customers through our strong credentials and customer relationships stemming from Malaysia. Marketing talents who have worked with us before and have moved to other parts of the region. Through them, we have been given inroads into Singapore and Myanmar.

Besides that, the Group plans to establish its presence in Myanmar through a joint-venture and has signed a non-binding MOU with Pahtama Group Co. Ltd, incorporated in the Republic of the Union of Myanmar.

We are confident that with our expertise and deep knowledge of shopper marketing, we will be able to expand to South East Asia, bringing with us over 30 years of industry insights, know-how and positive brand imagery.



- h) Would the group also offer a “one-stop” shopper marketing services comprising of all three segments, namely (i) in-store advertising and digital marketing; (ii) field force management; and (iii) sampling activities and events management in the new markets?**

Yes, that is the vision for our business, starting first with Myanmar, as it provides for us a first mover advantage and a population that is double the size of Malaysia, and a GDP growth rate of 6.3% last year.