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UEN No: S99SS0111B
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Issuer: shopper360 Limited

Stock code: 1F0

Meeting details:

Date: 25 September 2025

Time: 2.00 p.m.

Venue: Olive Ballroom, 1st Floor, Metropolitan YMCA Singapore, 60 Stevens Road, Singapore 257854

Q1. For the financial year ended 31 May 2025, the group reported revenue of RM184.2 million, up 2% from RM180.7 million. Gross profit decreased by RM8.4 million, or 22%, from RM37.8 million to RM29.4 million. Gross profit margin was significantly lower at 15.9% in FY2025 (2024: 20.9%). Prior to the pandemic, the group's average gross profit margin for FY2018- FY2019 was 26.6%.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

	Note	Group	
		2025 RM	2024 RM
Revenue	3	184,246,472	180,679,566
Cost of sales		(154,893,090)	(142,865,155)
Gross profit		29,353,382	37,814,411

(Source: company annual report; emphasis added)

Revenue from the Sales Execution and Distribution segment rose RM10.4 million or 7.3% in FY2025, driven by expanded services for existing customers. Revenue from Advertising and Marketing fell RM6.8 million or 17.4% primarily due to the boycott movement towards global brands linked to geopolitical tensions which led to cautious expenditure by clients, and the cessation of operations in shopperplus Myanmar on 31 January 2025.

- (i) Can management provide a detailed breakdown to show gross margins across its business units of advertising, marketing, sales execution and distribution activities individually, and identify the key drivers impacting margins?**

Management has attributed the decline in gross profit margin to changes in service mix and higher cost structures. Staff costs increased by over RM10 million or 7.3% from RM138.8 million to RM149.0 million while revenue increased by only 2%.

- (ii) How is management restructuring its cost base to address the disproportionate increase in staff costs relative to revenue, and what productivity metrics or efficiency initiatives are being implemented to ensure scalability and operating leverage?**
- (iii) How successful has the group been in delivering growth in its higher-margin service lines, and is the board satisfied with the pace and scale of progress achieved?**

(iv) What are management's operational and financial priorities for the next 18 to 24 months to rebuild gross profit margins to 26% and higher?

Q2. Since the financial year ended 31 May 2022, the group streamlined its segment reporting from four to three core segments:

- Advertising and marketing (consolidating "In-store advertising and digital marketing" with "Sampling activities and events management")
- Sales execution and distribution (previously "Field force management")
- Others

(i) Given recent corporate developments, how strategically important is distribution in the group's long-term plans?

(ii) Has the board conducted a review of past investments into Marvel Distribution, PB Grocery, Troopers Innovation, Boostorder, Lapasar etc and have these investments create long-term sustainable shareholder value? Does management's involvement in these investments potentially divert attention from the core business? Would management's time be better allocated towards driving growth and optimising operations in the core business?

30 Segment information (cont'd)

The segment information provided to management for the reportable segments are as follows:

	Advertising and marketing RM	Sales execution and distribution RM	Others RM	Eliminations RM	Consolidation total RM
2025 Segment revenue					
Sales to external customers	32,364,631	151,881,841	–	–	184,246,472
Intersegment sales	1,998,333	28,820	7,880,912	(9,908,065)	–
Total revenue	34,362,964	151,910,661	7,880,912	(9,908,065)	184,246,472
Tax (credit)/expense	(412,448)	1,360,020	606,194	–	1,553,766
Segment (loss)/profit	(4,519,483)	4,100,032	(13,413,151)	–	(13,832,602)
2024 Segment revenue					
Sales to external customers	39,167,504	141,512,062	–	–	180,679,566
Intersegment sales	1,185,212	65,250	8,269,489	(9,519,951)	–
Total revenue	40,352,716	141,577,312	8,269,489	(9,519,951)	180,679,566
Tax expense	447,690	1,544,305	191,342	–	2,183,337
Segment profit	328,747	1,080,036	576,900	–	1,985,683

(Source: company annual report; emphasis added¹)

(iii) Would management consider reinstating standalone reporting for advertising, marketing and field force management to enhance transparency, improve benchmarking against peers, and allow investors to better evaluate capital allocation effectiveness across these activities?

¹ Year-on-year segment results have been materially affected by corporate developments. These include the impairment of RM(8.7) million in financial assets relating to BetterPlace Safety Solutions, and the gain from the dilution of Marvel Distribution Sdn Bhd in 2024.

Would the audit committee review the potential benefits of standalone reporting for improved shareholder insights into management's capital allocation and business performance?

- (iv) Separately, can management provide an update on the progress made by shopperplus Singapore, which has been operating for nearly 2 years? How does the sale of a major Singapore supermarket chain to Macrovalue affect the group's strategy and growth trajectory in Singapore?**

Q3. Mr Carl Thong Chia Lin was appointed as independent director of the company on 29 November 2024. The director will be retiring pursuant to Regulation 116 of the company's constitution and will be seeking his re-election at the annual general meeting.

CHANGE - ANNOUNCEMENT OF APPOINTMENT::APPOINTMENT OF INDEPENDENT DIRECTOR

Date Of Appointment

29/11/2024

Name Of Person

Carl Thong Chia Lin

Age

56

Country Of Principal Residence

Singapore

The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)

The Board of Directors (the "Board"), having considered the recommendations of the Nominating Committee ("NC") and assessed the professional qualifications, academic qualifications and working experience of Dr. Carl Thong Chia Lin ("Dr. Thong"), approve the appointment of Dr. Thong as an Independent Director of the Company.

The Board considers Dr. Thong to be independent for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "Catalist Rules").

The NC is of the view that Dr. Thong has the ability to devote sufficient time and resources as an Independent Director of the Company notwithstanding his multiple directorships, taking into consideration the following: (a) all the companies which Dr. Thong holds directorships in has its own chief executive officer or general manager to run the day-to-day operations. Dr. Thong's contribution in these companies is to provide strategic views and business development advisory; and (b) Dr. Thong 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.

(Source: <https://links.sgx.com/1.0.0/corporate-announcements/CHJGNNGXW68I014G/0a8902e4ddd4abca22fa3fe7b03be54c5429efbf462770c57c0422c3fc14f3b2>; emphasis added)

- (i) **Can the board provide greater clarity on the rationale, selection criteria and search and nomination process that led to the appointment of the new independent director, as required under the SGX appointment announcement template?**

It is observed that the director has two principal commitments as managing director and serves as director/chairman of over 30 other entities. Prior to his appointment to the board, Mr Carl Thong Chia Lin has no experience serving as a director on a SGX-listed company.

- (ii) **To facilitate shareholders' informed decision making, can the director share his knowledge and experience in retail, and explain how his skills strengthen the board's collective expertise while actively supporting the company's long-term strategy and enhancing the board's effectiveness?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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