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Issuer: shopper360 Limited

Stock code: 1F0

Meeting details:

Date: 28 September 2021

Time: 2.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. Would the board/management provide shareholders with greater clarity on the following operational matters? Specifically:

- (i) **Field force management:** The segment contributed approximately 68% of the group's total revenue in FY2021 (FY2020: 66%). The segment was categorised as an 'essential' service which enabled the group to continue to fulfill its responsibilities to its clients during the Movement Control Order.

3 Revenue

	Group	
	2021 RM	2020 RM
In-store advertising and digital marketing	29,314,430	32,051,416
Field force management	104,027,658	106,986,682
Sampling activities and events management	19,613,836	23,640,001
Sales of goods	177,308	-
	153,133,232	162,678,099

Given that supermarkets reported strong sales during the pandemic, did the volume of business under the field force management increase substantially? If so, can management help shareholders understand if revenue under field force management should have increased correspondingly with the volume?

In addition, are there opportunities to extend the field force management operations to other markets, such as Singapore or Myanmar?

- (ii) **Marvel:** For FY2021, the group recognised RM177,308 in sales of goods. This should be attributable to the Marvel Distribution Sdn Bhd ("Marvel") which is the group's new marketing & distribution arm. Marvel delivers products directly to general trade retailers while-on-the-move with our very own van sales team. **Can management elaborate further on the competitive advantage of Marvel? Does Marvel leverage data analytics to improve its operations? Will the group be taking on significant inventory risks in the distribution business?** In Note 17 (page 119 – Inventories), it was stated that changes in finished goods included as cost of sales amounted to RM393,178 (2020: Nil) although the group recognised just RM177,308 in revenue from sales of goods.
- (iii) **Sampling activities and events management:** Can management elaborate further on the challenges faced by the group in the sampling activities and events management segment in view of the restrictions under the existing safe distancing management measures? How is management addressing these challenges?
- (iv) **Myanmar:** Can management help shareholders better understand the situation on the ground in Myanmar? What is the size of its team in Myanmar? What additional measures has management taken to protect its employees in Myanmar?

Q2. On pages 16-29, the company showcased the group's business activities which included in-store advertising, creative specialist, contest fulfillment, gamification and others. In addition, from pages 32 to 37, shareholders can see the highlights of the group from June 2020 to May 2021. This includes examples of the group's capabilities, such as the use of augmented reality, digital mediums (LED video banners, mini digital screens, video banner and e-paper) and digital contests.

- (i) **Can management elaborate further on the growth opportunities for the group in online/digital marketing? How well placed is the group to capture these opportunities as more and more consumers make purchases online?**
- (ii) **What is the size and capability of the group's digital marketing team?**
- (iii) **Can management share its digital roadmap/strategy?**
- (iv) **What are some of the successes of the group's gamification activities? Is management able to quantify the reach of its gamification activities?**
- (v) **Is management also leveraging analytics to provide customer insights, business intelligence and other value-add services to its customers?**

Q3. During the financial year, the group made two investments into start-up companies, PB Grocery Group (RM1.38 million; Note 15 – Financial assets at fair value through profit or loss) and Lapasar Sdn Bhd (formerly known as Tenderin Sdn Bhd) (RM2.00 million; Note 16 – Financial assets at fair value through other comprehensive income).

- (i) **Can the audit committee help shareholders understand the reasons for the different accounting treatment of these two investments?**
- (ii) **What roles did the independent directors play in the acquisitions of these companies? In the board approval process, what is the level of due diligence (including commercial due diligence) carried out by the directors?**
- (iii) **What is the board's experience in valuing start-up companies? What guidance has the board provided to management to ensure that the company does not overpay for its acquisition?**

In addition, it is noted that Rekaweb.com Sdn Bhd ("RKW"), being the controlling shareholder of the company, was an investor in PB Grocery Group prior to the company's investment. Ms Chew Sue Ann (executive chairman and group managing director of the company) is a shareholder of RKW.

- (iv) **Can the company clarify if RKW, the controlling shareholder, is actively involved in the retail space in Malaysia outside of the group's activities? Would that lead to potential conflicts of interest?**
- (v) **In addition, given that RKW is a shareholder of PB Grocery Group and that Ms Chew Sue Ann is a shareholder of RKW, how was the company introduced to PB Grocery Group? Who led the negotiations for the company? What was the role played by the executive director in the company's investment in PB Grocery Group? Did the executive director recuse herself from the deliberations?**

[^]On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

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

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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[^] Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation
 (<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)