SHOPPER360 LIMITED
(Incorporated in the Republic of Singapore on 27 December 2016)
(Company Registration Number: 201634929Z)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2017

*This announcement 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**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

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.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone: (65) 6636 4201.

Background

shopper360 Limited (the "**Company**", and together with its subsidiary, the "**Group**") was 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 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; and (iii) sampling activities and events management.

The Company was incorporated in the Republic of Singapore on 27 December 2016.

The Group was formed pursuant to a restructuring exercise (the "**Restructuring Exercise**") undertaken as part of its corporate re-organisation, which involved the rationalisation of its corporate and shareholding structure for the purposes of the Company's listing on Catalist. Please refer to the Company's offer document dated 21 June 2017 (registered by the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore on 21 June 2017) ("**Offer Document**") in respect of the initial public offering of the Company ("**IPO**"), for further details on the Restructuring Exercise. Pursuant to the IPO, the Company issued and allotted 18,000,0000 new shares ("**New Shares**") at S$0.29 each, with a resultant post-IPO issued and paid-up share capital of 114,400,000 shares.

For the purpose of this announcement, the financial results of the Group for the financial year ended 31 May 2017 ("**FY2017**") have been prepared on the assumption that the Group's structure pursuant to the Restructuring Exercise had been in place since 1 June 2016.

PART 1 – INFORMATION REQUIRED FOR HALF-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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	1H FY2018[1]	**1H FY2017[2]**	**Increase/ (Decrease)**
	RM	**RM**	**%**
	(Unaudited)	**(Unaudited)**	
Continuing operations			
Revenue	68,755,577	64,785,270	6%
Cost of sales	(49,475,818)	(45,129,361)	10%
Gross profit	**19,279,759**	**19,655,909**	**-2%**
Other income	145,641	254,360	-43%
Research and development	(132,068)	(219,238)	-40%
Administrative expenses	(12,984,291)	(11,634,529)	12%
Finance costs	(20,582)	(6,519)	216%
Other operating expenses	(14,454)	(103,617)	-86%
Profit before tax	**6,274,005**	**7,946,366**	**-21%**
Tax expense	(1,659,074)	(2,076,000)	-20%
Profit from continuing operations	**4,614,931**	**5,870,366**	**-21%**
Loss from discontinued operation[3], net of tax	-	(1,419,855)	-100%
Profit for the period	**4,614,931**	**4,450,511**	**4%**
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- fair value gain	-	146,995	-100%
- reclassification to profit or loss	-	177,274	-100%
Other comprehensive income for the period	**-**	**324,269**	
Total comprehensive income for the period	**4,614,931**	**4,774,780**	**-3%**
Profit attributable to:			
Equity holders of the Company	4,614,931	3,527,543	31%
Non-controlling interests	-	922,968	-100%
Profit for the period	**4,614,931**	**4,450,511**	**4%**
Total comprehensive income attributable to:			
Equity holders of the Company	4,614,931	3,851,812	20%
Non-controlling interests	-	922,968	-100%
	4,614,931	**4,774,780**	**-3%**

NM: Not meaningful

Notes:

(1) "1H FY2018": Half year financial period from 1 June 2017 to 30 November 2017.
(2) "1H FY2017": Half year financial period from 1 June 2016 to 30 November 2016.
(3) Discontinued operation relates to Paragon Premiums Sdn. Bhd. which was disposed of in November 2016.

1(a)(ii) Notes to consolidated statement of comprehensive income

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

	Group		
	1H FY2018 RM (Unaudited)	**1H FY2017 RM (Unaudited)**	**Increase/ (Decrease) %**
Dividend income from available-for-sales financial assets	-	14,100	-100%
Gain on disposal of property, plant and equipment, net	-	39,810	-100%
Loss on disposal of available-for-sale financial assets reclassification from fair value reserve	-	(103,110)	-100%
Waiver of debt – third parties	3,302	-	*NM*
Interest income	121,686	172,001	-29%
Finance costs	(20,582)	(6,519)	216%
Amortisation for club membership	(4,140)	(4,140)	-
Bad debts written off	(1,330)	-	*NM*
Depreciation of property, plant and equipment	(826,656)	(715,547)	16%
Loss on disposal of investment in subsidiary company	-	(1,227,935)	-100%
Listing expenses	38,783	-	*NM*
Rental expense	(799,204)	(649,825)	23%
Staff costs	(41,743,152)	(41,684,265)	0.1%
Property, plant and equipment written off	(14,454)	(810)	1684%
Adjustment for over provision of tax in respect of prior periods			
- Deferred tax	-	221,872	-100%

NM: Not meaningful

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.

STATEMENTS OF FINANCIAL POSTION

	Group		Company	
	As at 30 November 2017 RM	As at 31 May 2017 RM	As at 30 November 2017 RM	As at 31 May 2017 RM
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	4,987,650	5,622,200	-	-
Intangible assets	2,502,085	2,506,225	-	-
Investment in subsidiary	-	-	36,773,746	-
Available-for-sale investment	1,100,000	-	-	-
Trade and other receivables	188,312	200,036	-	-
Total non-current assets	8,778,047	8,328,461	36,773,746	-
Current assets				
Inventories	4,304	-	-	-
Financial assets at fair value through profit or loss	14,466	24,231	-	-
Trade and other receivables	39,208,574	40,192,963	8,753,373	538,935
Cash and cash equivalents	13,186,276	7,511,886	2,421,641	3
Tax recoverable	751,735	1,607,740	-	-
Total current assets	53,165,355	49,336,820	11,175,014	538,938
Total assets	61,943,402	57,665,281	47,948,760	538,938
EQUITY AND LIABILITIES				
Equity				
Share capital	51,850,444	38,550,103	51,850,444	3
Capital reserve	(1,354,855)(1)	(1,354,855)(1)	-	-
Merger reserve	(17,453,646)(2)	(19,230,000)(2)	-	-
Retained earnings	13,801,345	10,318,559	(4,009,995)(3)	(4,144,724)(3)
Total equity	46,843,288	28,283,807	47,840,449	(4,144,721)
Non-current liabilities				
Borrowings	42,486	62,650	-	-
Deferred tax liabilities	117,007	117,006	-	-
Total non-current liabilities	159,493	179,656	-	-
Current liabilities				
Trade and other payables	14,859,372	28,716,082	108,311	4,683,659
Borrowings	50,281	77,581	-	-
Tax payable	30,968	408,155	-	-
Total current liabilities	14,940,621	29,201,818	108,311	4,683,659
Total liabilities	15,100,114	29,381,474	108,311	4,683,659
Total equity and liabilities	61,943,402	57,665,281	47,948,760	538,938

Notes:

(1) The negative capital reserve relates to the acquisition of the balance of 51% of Tristar Synergy Sdn. Bhd. ("**Tristar Synergy**") in May 2017.

(2) The negative merger reserve substantially relates to the difference between the consideration paid by shopper360 Sdn. Bhd. and the equity of Pos Ad Sdn. Bhd. acquired in relation to the Restructuring Exercise. The acquisition of shopper360 Sdn. Bhd. by the Company is completed subsequent to 31 May 2017.

(3) The accumulated losses at the Company's level was due to listing expenses incurred in connection with the IPO.

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 30 November 2017 (RM)		As at 31 May 2017 (RM)	
Secured	**Unsecured**	**Secured**	**Unsecured**
50,281	-	77,581	-

Amount repayable after one year

As at 30 November 2017 (RM)		As at 31 May 2017 (RM)	
Secured	**Unsecured**	**Secured**	**Unsecured**
42,486	-	62,650	-

Details of any collateral

As at the end of the financial periods, the total borrowings of the Group are secured by way of:

- Motor vehicle under finance lease arrangements.

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.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Group	
	1H FY2018	1H FY2017
	RM	RM
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before tax from continuing operations	6,274,005	7,946,366
Loss before tax from discontinued operation	-	(1,419,855)
Adjustments for :-		
Amortisation for club membership	4,140	4,140
Depreciation	826,656	725,928
Dividend income	-	(14,100)
Interest income	(121,686)	(172,001)
Interest expenses	20,582	6,519
Gain on disposal of property, plant and equipment, net	-	(39,810)
Loss on disposal of investment in subsidiary company	-	1,227,935
Gain on disposal of available-for-sale financial assets and reclassification from fair value reserve	-	103,110
Property, plant and equipment written off	14,454	812
Operating cash flow before working capital changes	7,018,151	8,369,044
Inventories	(4,304)	(332,048)
Receivables	990,181	(4,687,270)
Payables	(4,177,547)	1,228,312
Cash flows generated from operations	3,826,481	4,578,038
Income tax paid	(1,180,256)	(1,998,556)
Net cash from operating activities	**2,646,225**	**2,579,482**
Cash flow from investing activities		
Purchases of property, plant and equipment	(206,560)	(1,803,053)
Proceeds from disposal of property, plant and equipment	-	128,404
Proceeds from disposal of available-for-sale financial assets	-	381,385
Disposal of discontinued operation, net of cash disposed of	-	(225,364)
Acquisition of available-for-sale investment	(1,100,000)	-
Dividends received	-	14,100
Interest received	121,686	172,001
Redemption of financial assets at fair value through profit or loss	9,765	1,221,803
Payment of contingent consideration for business combination [(1)]	-	(1,000,000)
Net cash used in investing activities	**(1,175,109)**	**(1,110,724)**
Cash flow from financing activities		
Repayment of borrowings	(41,532)	(43,179)
Dividends paid to owners of the Company	(7,932,145)	(13,056,300)
Dividends paid to non-controlling interest	(765,000)	(510,000)
Repayment of amount due to director	(2,007,960)	-
Repayment of amount due to immediate and ultimate holding company	(106,202)	-
Proceeds from issuance of new shares, net of IPO expenses	15,076,695	-
Interest paid	(20,582)	(6,519)
Net cash generated from/(used in) financing activities	**4,203,274**	**(13,615,998)**
Net increase/(decrease) in cash and cash equivalents	**5,674,390**	**(12,147,240)**
Cash and cash equivalents at beginning of the period	**7,511,886**	**20,445,778**
Cash and cash equivalents at end of the period	**13,186,276**	**8,298,538**

Note:

(1) Relates to balance payment for the acquisition of 49% of Tristar Synergy in August 2015.

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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	**Share capital RM**	**Fair value reserve RM**	**Capital reserve RM**	**Merger reserve RM**	**Retained earnings RM**	**Equity attributable to equity holders of the Company RM**	**Non-controlling interests RM**	**Total RM**
At 1 June 2016	14,670,100	98,809	-	-	20,986,053	35,754,962	2,069,909	37,824,871
Profit for the period	-	-	-	-	3,527,543	3,527,543	922,968	4,450,511
Other comprehensive income								
Fair value gain on available-for-sale financial assets	-	146,995	-	-	-	146,995	-	146,995
Fair value on available-for-sale financial assets disposed reclassified to profit or loss	-	177,274	-	-	-	177,274	-	177,274
Other comprehensive loss for the financial period, net of tax	-	324,269	-	-	-	324,269	-	324,269
Total comprehensive income for the period	-	324,269	-	-	3,527,543	3,851,812	922,968	4,774,780
Disposal of interest in subsidiary	-	-	-	-	-	-	(239,194)	(239,194)
Dividends	-	-	-	-	(6,014,700)	(6,014,700)	(510,000)	(6,524,700)
At 30 November 2016	**14,670,100**	**423,078**	**-**	**-**	**18,498,896**	**33,592,074**	**2,243,683**	**35,835,757**
At 1 June 2017	38,550,103	-	(1,354,855)	(19,230,000)	10,318,559	28,283,807	-	28,283,807
Profit and total comprehensive income for the period	-	-	-	-	4,614,931	4,614,931	-	4,614,931
Transactions with owners recognised directly in equity								
Adjustment pursuant to the Restructuring Exercise	(1,776,354)	-	-	1,776,354	-	-	-	-
Issuance of new shares pursuant to the IPO	16,182,000	-	-	-	-	16,182,000	-	16,182,000
Capitalisation of listing expenses	(1,105,305)	-	-	-	-	(1,105,305)	-	(1,105,305)
Dividends	-	-	-	-	(1,132,145)	(1,132,145)	-	(1,132,145)
At 30 November 2017	**51,850,444**	-	**(1,354,855)**	**(17,453,646)**	**13,801,345**	**46,843,288**	-	**46,843,288**

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. (continued)

STATEMENT OF CHANGES IN EQUITY

Company	**Share capital (RM)**	**Accumulated losses (RM)**	**Total (RM)**
At 1 June 2017	3	(4,144,724)	(4,144,721)
Issue of shares pursuant to the Restructuring Exercise	36,773,746	-	36,773,746
Issue of new shares pursuant to the IPO	16,182,000	-	16,182,000
Capitalisation of listing expenses	(1,105,305)	-	(1,105,305)
Dividends	-	(1,132,145)	(1,132,145)
Profit and total comprehensive income for the financial period	-	1,266,874	1,266,874
At 30 November 2017	51,850,444	(4,009,995)	47,840,449

There is no comparative statement for the corresponding period of the immediately preceding financial year (i.e. from 1 June 2016 to 30 November 2016) as the Company was only incorporated on 27 December 2016.

1(d)(ii) Details of any changes in the company's share capital arising from rights issues, bonus issues, 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. State the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, 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. 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 shares	**Issued and paid-up share capital (RM)**
Issued and paid up share capital as at date of incorporation of the Company on 27 December 2016, and as at 31 May 2017	1	3
Issuance of new shares on 8 June 2017 pursuant to the Restructuring Exercise (before the Share Split)	385,599	36,773,746
	385,600	36,773,749
Resultant issued and paid up share capital subsequent to the Share Split, before the IPO	96,400,000	36,773,749

Issuance of New Shares on 30 June 2017 pursuant to the IPO	18,000,000	16,182,000[1]
Resultant issued and paid up share capital after the IPO, and as at 30 November 2017	114,400,000	51,850,444[2]

Notes:

(1) Relates to the gross proceeds raised from the IPO of S$5.22 million (equivalent to RM16,182,000, based on an exchange rate of RM3.10 to S$1.00).

(2) Includes the capitalised listing expenses of S$354,698 (equivalent to RM1,105,305, based on an exchange rate of RM3.12 to S$1.00).

shopper360 Performance Share Plan

The Company had, on 28 September 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, treasury shares and subsidiary holdings as at 30 November 2017. There are no comparative figures as at 30 November 2016 as the Company was incorporated on 27 December 2016.

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.

	As at 30 November 2017	**As at 31 May 2017**
Total number of issued shares excluding treasury shares	114,400,000	1[1]

Note:

(1) As set out in section 1(d)(ii) above, pursuant to the Restructuring Exercise (including a share split exercise) and the issuance and allotment of the New Shares pursuant to the IPO, the resultant issued and paid up share capital of the Company was 114,400,000 shares.

There were no treasury shares as at 30 November 2017 and 31 May 2017.

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

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

1(d)(v) A statement showing all sales, transfers, disposals, 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.

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 financial results for the financial period under review have been prepared using the same accounting policies and methods of computation as presented in the Group's most recently audited financial statements for the financial year ended 31 May 2017.

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.**

The Group and the Company have adopted the new and revised Financial Reporting Standards in Singapore ("FRSs") and Interpretations of FRS ("INT FRSs") that are relevant to its operations and effective for the current financial period. The adoption of these new FRSs and INT-FRSs did not have any material effect on the current financial results or position of the Group and the Company.

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.**

	1H FY2018	**1H FY2017**
Profit attributable to equity holders of the Company (RM)	4,614,931	3,527,543
Weighted average number of ordinary shares	114,400,000	114,400,000
Basic and diluted earnings per share (RM cents)	4.03	3.08

Basic and diluted earnings per share for 1H FY2017 are calculated based on net profit attributable to equity holders of the Company divided by the total number of ordinary shares, adjusted for the Restructuring Exercise and the issuance and allotment of the New Shares pursuant to the IPO (as detailed in section 1(d)(ii) above). The basic and diluted earnings per share were the same as there were no potentially dilutive ordinary shares in existence during the financial periods.

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 30 November 2017	**As at 31 May 2017**	**As at 30 November 2017**	**As at 31 May 2017**
Net asset value ("**NAV**") (RM)	46,843,288	43,360,502[(1)]	47,840,449	10,931,974[(1)]
Number of ordinary shares	114,400,000	114,400,000	114,400,000	114,400,000

NAV per ordinary share (RM cents)	40.95	37.90	41.82	9.56

Note:

(1) Adjusted for capitalisation of listing expenses of RM 1,105,305 and gross proceeds of approximately RM 16,182,000 (equivalent to S$5,220,000 based on an exchange rate of RM3.10:S$1.00) raised from the IPO.

NAV per share of the Group and the Company as at 31 May 2017 are calculated based on the NAV divided by the total number of ordinary shares in issue, adjusted for the Restructuring Exercise and the issuance and allotment of the New Shares pursuant to the IPO (as detailed in section 1(d)(ii) above).

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

Revenue

Revenue for 1H FY2018 increased by 6% or RM 4.0 million, from RM 64.8 million in 1H FY2017 to RM 68.8 million in 1H FY2018. The increase was primarily attributable to the increase in revenue contributions from In-store Advertising and Digital Marketing, and Field Force Management segments, due to new projects from existing customers and new customers.

Cost of sales

Cost of sales increased by 10% or RM 4.4 million, from RM 45.1 million in 1H FY2017 to RM 49.5 million in 1H FY2018. The increase was due to increased business activities as revenue increased by 6%.

Gross Profit

Gross profit decreased by approximately RM 0.4 million or 2%, from RM 19.7 million in 1H FY2017 to RM 19.3 million in 1H FY2018. Gross profit margin declined from 30% in 1H FY2017 to 28% in 1H FY2018, largely due to increased revenue from projects that derived lower margins.

Other Income

Other income decreased by RM 0.1 million or 43%, from RM 0.2 million in 1H FY2017 to RM 0.1 million in 1H FY2018. Other income in 1H FY2017 consists of a gain on disposal of property plant and equipment of RM 0.04 million and dividends income of RM 0.01 million, both of which did not recur in 1H FY2018. Further, there was a decline in interest income from deposits and management fee, from RM 0.2 million in 1H FY2017 to RM 0.1 million in 1H FY2018.

Research and development

Research and development decreased by approximately RM 0.1 million or 40%, from RM 0.2 million in 1H FY2017 to RM 0.1 million in 1H FY2018. Higher research and development costs were incurred in 1H FY2017 as the Group developed its proprietary software, whereas in 1H FY2018, the Group focused on the maintenance and improvement of the proprietary software.

Administrative Expenses

Administrative expenses increased by approximately RM 1.4 million or 12%, from RM 11.6 million in 1H FY2017 to RM 13.0 million in 1H FY2018. The increase was mainly due to higher expenses incurred by the Company as a listed entity in 1H FY2018, such as continuing sponsorship fees, audit fees, directors' fees, and other administrative expenses like depreciation. The increase in depreciation was due to office renovation cost incurred in the second half of FY2017.

Finance Costs

Finance costs increased marginally by RM 0.01 million, from RM 0.01 million in 1H FY2017 to RM 0.02 in 1H FY2018.

Other Operating Expense

Other operating expenses decreased marginally by approximately RM 0.09 million, from RM 0.1 million in 1H FY2017 to RM 0.01 million in 1H FY2018, mainly due to one-time loss on disposal of available-for-sale financial assets of RM 0.1 million in 1H FY2017.

Loss from discontinued operation, net of tax

Loss from discontinued operation, net of tax, of RM 1.4 million in 1H FY2017 relates mainly to the loss on disposal of subsidiary, Paragon Premiums Sdn Bhd. There were no such item in 1H FY2018.

Profit for the period

Profit for the period increased marginally by RM 0.1 million or 4%, from RM 4.5 million in 1H FY2017 to RM 4.6 million in 1H FY2018.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased by RM 0.5 million or 6%, from RM 8.3 million as at 31 May 2017 to RM 8.8 million as at 30 November 2017, mainly due to the investment in Instanture Holdings Sdn Bhd of RM 1.1 million in November 2017 (classified as an available-for-sale investment), partially offset by depreciation in property, plant and equipment.

Current assets

The Group's current assets increased by RM 3.9 million or 8%, from RM 49.3 million as at 31 May 2017 to RM 53.2 million as at 30 November 2017. This was mainly due to the increase in cash and cash equivalents, partially offset by decrease in trade and other receivables and tax recoverable.

The increase in cash and cash equivalents of RM 5.7 million was primarily due to issuance of new shares pursuant to the IPO, partially offset by dividends paid to equity holders of the Company for FY2017 and investment in Instanture Holding Sdn Bhd.

The Group recorded a positive net working capital of RM 38.3 million as at 30 November 2017, as compared to RM 20.1 million as at 31 May 2017.

Equity

The Group's equity increased by RM 18.5 million or 65%, from RM 28.3 million as at 31 May 2017 to RM 46.8 million as at 30 November 2017, mainly due to issuance of new shares pursuant to the IPO and increase in retained earnings.

Current liabilities

The Group's current liabilities decreased by RM 14.3 million or 49%, from RM 29.2 million as at 31 May 2017 to RM 14.9 million as at 30 November 2017, mainly due to payment of dividends of RM 7.6 million for FY2017, payment of the remaining listing expenses incurred for the IPO and release of deferred income of RM 1.1 million, which relate to pre-billings to customers.

Non-current liabilities

The Group's non-current liabilities decreased marginally by RM 0.02 million or 11%, from RM 0.18 million as at 31 May 2017 to RM 0.16 million as at 30 November 2017 due to decrease in finance lease liabilities in relation to motor vehicles.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Net cash generated from operating activities in 1H FY2018 was RM 2.6 million, due to operating cash flow before changes in working capital of RM 7.0 million and changes in working capital of RM 3.2 million. Changes in working capital were due to (i) decrease in trade and other receivables of RM 1 million; and (ii) decrease in trade and other payables of RM 4.2 million.

Net cash used in investing activities amounted to RM 1.2 million in 1H FY2018, which mainly relates to (i) investment Instanture Holding Sdn Bhd of RM 1.1 million; (ii) purchase of property, plant and equipment of RM 0.2 million; and (iii) interest received from bank of RM 0.1 million.

Net cash generated from financing activities of RM 4.2 million mainly relates to (i) dividend payments of RM 8.7 million; (ii) repayment of amount due to director and shareholders of RM 2.1 million; and (iii) partially offset by proceeds received from the issuance of new shares pursuant to the IPO of RM 15.1 million.

As a result of the above, net cash and cash equivalents increased by RM 5.7 million in 1H FY2018.

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 Group experienced a 31% growth in terms of profit attributable to equity holders of the Company, for 1H FY2018 as compared to 1H FY2017.The Group is pleased with its results. The Group continues to secure new projects for its Malaysian and regional operations and, barring unforeseen circumstances, remains cautiously optimistic about its performance for the financial year ending 31 May 2018.

Pos Ad Sdn. Bhd. (a wholly-owned subsidiary of the Company) had recently been awarded the media concession rights for one of the largest petrol-mart chain in Malaysia and thus expanded the Group's in-store advertising network coverage in Malaysia. For our sampling activities and events management segment, we have expanded our sampling activities beyond fast moving consumer goods ("**FMCG**") and in-store sampling into out-of-store sales promoters for one of the largest telecommunication companies in Malaysia. Additionally, we have also secured approximately 40% additional sampling/promotion activities for our clients within this segment which would be executed in the coming months.

On the regional front, the Company had, in November 2017, entered into a joint venture agreement with Pahtama Group Co, Ltd. ("**Pahtama Group**"), one of the largest and fastest growing distribution companies in the FMCG sector in Myanmar, to provide marketing services in the retail and consumer goods industries in Myanmar. Our Myanmar business is off to a good start with us being awarded the in-store advertising concession rights for the largest modern retail group in Myanmar, thus making a seamless entry for sampling and promoter activities for our FMCG customers in Myanmar.

We have also expanded our digital marketing services offerings in Singapore with our appointment as the creative agency for Burger King Singapore. With the traction and the rapid expansion of our offerings both in Malaysia and in the region, we are positive on the outlook for the Group in the coming months.

The Group is also working on digitizing its offerings via:

- strategic investment in sales ordering system, Boostorder, to ramp up the Group's digital capability in sales merchandising. Instanture Holdings Sdn Bhd which wholly owns Boostorder Sdn Bhd, a cross border platform business to business **("B2B")** commerce solutions provider, processes RM10 million worth of B2B transactions monthly and helps 12,000 distributors manage and fulfill orders of more than 40,000 products / stock keeping units (SKUs) listed on its platform. This enables the Group to strengthen its service by offering end-to-end merchandising and sales services to our group of clients in the field force management segment;

- providing a business intelligence tool that allows us to ramp up our data analytics capabilities, which enable our clients to extract and utilize the data we collected on their behalf, for more insightful and informed decision at the retail floor. This allows us to drive a new form of revenue stream within our merchandising unit and increases our participation in clients' decision making at the retail front; and

- the addition of digital media to our advertising channels which enables us to continue to target shoppers not just from inside a store but also online, thus closing the marketing gap between online and offline (physical retail space).

Finally, from an industry outlook, Retail Group Malaysia (a retail consulting firm in Malaysia), in a quarterly gauge of retail activities, noted that the retail sales in Malaysia is likely to grow by 6% in 2018. However, this performance highly depends on the general election in Malaysia in 2018, external economic demand and the performance of the Malaysia Ringgit(1).

FMCG companies are emphasizing their sales growth to come from sales promotional activities, product innovation and e-commerce. Retailers are focusing more on the customer journey and making their in-store experience as positive and seamless as possible, thus positioning the Group to be able to provide solutions to encourage recurring sales and walk-ins through advertising to shoppers and consumers in store, convenience channels and malls, and one-on-one customer facing events and roadshows(2).

The Group continues to provide ease to our clients in meeting their marketing and sales needs through a one-stop shop (from insight, tech, creative, digital and in-store media, merchandising and promoter services) for brands, whether retailer or consumer goods, to sell smarter to consumers.

Notes:
(1) Source: http://www.theasianshopper.com/retail/malaysia/malaysia-retail-sector-expecting-growth-in-2018
(2) Source: http://www.theasianshopper.com/insight/top-2018-retail-predictions

11. Dividend

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

No dividend has been declared or recommended for 1H FY2018.

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to the effect.

No dividend has been declared/recommended for the financial period ended 30 November 2017.

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

There were no interested person transactions of S$100,000 or more for 1H FY2018.

The Group does not have a general mandate for interested person transactions.

14. Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual Section B: Rules Of Catalist

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention, which may render the unaudited consolidated financial results of the Group for the half year ended 30 November 2017 to be false or misleading in any material aspects.

15. 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 all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

16. Use of IPO proceeds

The Company received net proceeds from the IPO of approximately S$ 5.22 million (the "**Net Proceeds**"). As at the date of this announcement, the Net Proceeds have been utilized as follows:

	Allocation of Net Proceeds (as disclosed in the Offer Document) (S$'000)	Net Proceeds utilized as at the date of this announcement (S$'000)	Balance of Net Proceeds as at the date of this announcement (S$'000)
Expansion of (i) our service offerings; (ii) our network of customers and retail partners; and (iii) expansion into new geographical locations such as Myanmar and Singapore	2,300	-	2,300
Acquisition, strategic alliances and/or joint ventures	600	-	600
General working capital purposes	536	(536)	-
Listing expense to be borne by the Company	1,784	(1,784)	-
Total	5,220	(2,320)	2,900

BY ORDER OF THE BOARD

Chew Sue Ann
Executive Chairman and Group Managing Director
12 January 2018