

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 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.

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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 18,000,000 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**”) and the comparative results of the Group for the financial year ended 31 May 2016 (“**FY2016**”) have been prepared on the assumption that the Group’s structure pursuant to the Restructuring Exercise had been in place since 1 June 2015.

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.

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Group		Increase/ (Decrease) %
	FY2017 RM (Unaudited)	FY2016 RM (Audited)	
Continuing operations			
Revenue	132,452,140	113,519,924	17
Cost of sales	(90,392,342)	(78,761,301)	15
Gross profit	42,059,798	34,758,623	21
Other income	818,634	5,277,256 ⁽¹⁾	(85)
Research and development	(366,359)	(1,013,727)	(64)
Administrative expenses	(29,874,048)	(21,639,478)	38
Finance costs	(11,669)	(25,570)	(54)
Other operating expenses	(35,172)	(71,673)	(51)
Profit before tax	12,591,184	17,285,431	(27)
Tax expense	(4,219,693)	(3,595,308)	17
Profit from continuing operations	8,371,491	13,690,123	(39)
(Loss)/Profit from discontinued operation ⁽²⁾ , net of tax	(1,419,855)	408,425	(448)
Profit for the year	6,951,636	14,098,548	(51)
Other comprehensive income/(loss): <i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Available-for-sale financial assets			
- fair value gain/(loss)	324,269	(242,666)	NM
- reclassification to profit or loss	(423,078)	-	NM
Other comprehensive loss for the year	(98,809)	(242,666)	(59)
Total comprehensive income for the year	6,852,827	13,855,882	(51)
Profit attributable to:			
Equity holders of the Company	5,147,206	13,305,851	(61)
Non-controlling interests	1,804,430	792,697	128
Profit for the year	6,951,636	14,098,548	(51)
Total comprehensive income attributable to:			
Equity holders of the Company	5,048,397	13,063,185	(61)
Non-controlling interests	1,804,430	792,697	128
Total comprehensive income for the year	6,852,827	13,855,882	(51)

NM: Not meaningful

Notes:

- (1) Includes a one-time gain on disposal of properties of RM4.7 million.
- (2) Discontinued operation relates to Paragon Premiums Sdn. Bhd. which was disposed of in November 2016.

1(a)(ii) Notes to combined statements of comprehensive income

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

	Group		Increase/ (Decrease) %
	FY2017 RM (Unaudited)	FY2016 RM (Audited)	
Dividend income from available-for-sales financial assets	14,100	314,476	(96)
Gain on disposal of property, plant and equipment, net	37,786	4,555,566	(99)
Gain on disposal of available-for-sale financial assets and reclassification from fair value reserve	455,131	-	NM
Insurance compensation on property, plant and equipment	-	75,772	(100)
Waiver of debt – third parties	-	60,133	(100)
Interest income	227,474	227,128	NM
Finance costs	(11,669)	(25,570)	(54)
Amortisation for club membership	(8,279)	(8,279)	-
Bad debts written off	(34,016)	-	NM
Depreciation of property, plant and equipment	(1,574,664)	(1,110,481)	42
Loss on disposal of investment in subsidiary company	(1,227,935)	-	NM
Listing expenses	(3,917,878)	-	NM
Fee to professional advisor	(1,300,000)	-	NM
Rental expense	(1,425,579)	(836,164)	70
Staff costs	(84,765,859)	(73,411,889)	15
Property, plant and equipment written off	(1,161)	(70,486)	(98)
Acquisition-related cost incurred	-	(18,583)	(100)
Adjustment for over or (under) provision of tax in respect of prior years			
- Income tax	4,582	(27,761)	NM
- Deferred tax	183,471	180,653	2

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.

COMBINED STATEMENTS OF FINANCIAL POSITION

	Group		Company⁽¹⁾
	As at 31 May 2017 RM (Unaudited)	As at 31 May 2016 RM (Audited)	As at 31 May 2017 RM (Unaudited)
ASSETS			
Non-current assets			
Property, plant and equipment	5,622,200	5,331,724	-
Intangible assets	2,506,225	2,514,504	-
Available-for-sale financial assets	-	983,740	-
Trade and other receivables	200,036	450,800	-
Total non-current assets	8,328,461	9,280,768	-
Current assets			
Inventories	-	142,779	-
Financial assets at fair value through profit or loss	24,231	1,248,626	-
Trade and other receivables	40,192,963	32,330,550	538,935
Cash and cash equivalents	7,511,886	20,445,778	3
Tax recoverable	1,607,740	1,070,833	-
Total current assets	49,336,820	55,238,566	538,938
Total assets	57,665,281	64,519,334	538,938
EQUITY AND LIABILITIES			
Equity			
Share capital	38,550,103	14,670,100	3
Fair value reserve	-	98,809	-
Capital reserve	(1,354,855) ⁽²⁾	-	-
Merger reserve	(19,230,000) ⁽³⁾	-	-
Retained earnings	10,318,559	20,986,053	(4,144,724) ⁽⁴⁾
Equity attributable to equity holders of the Company, total	28,283,807	35,754,962	(4,144,721)
Non-controlling interests	-	2,069,909	-
Total equity	28,283,807	37,824,871	(4,144,721)
Non-current liabilities			
Borrowings	62,650	131,110	-
Deferred tax liabilities	117,006	235,716	-
Total non-current liabilities	179,656	366,826	-
Current liabilities			
Trade and other payables	28,716,082	25,649,743	3,302,988
Due to subsidiary	-	-	1,380,671
Borrowings	77,581	83,903	-
Tax payable	408,155	593,991	-
Total current liabilities	29,201,818	26,327,637	4,683,659
Total liabilities	29,381,474	26,694,463	4,683,659
Total equity and liabilities	57,665,281	64,519,334	538,938

Notes:

- (1) There is no comparative statement as at the end of the immediately preceding financial year (as at 31 May 2016) for the Company as the Company was incorporated on 27 December 2016.
- (2) The negative capital reserve relates to the acquisition of the balance of 51% of Tristar Synergy Sdn. Bhd. ("**Tristar Synergy**") in May 2017.
- (3) The negative merger reserve 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.
- (4) 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 31 May 2017 (RM)		As at 31 May 2016 (RM)	
Secured	Unsecured	Secured	Unsecured
77,581	-	83,903	-

Amount repayable after one year

As at 31 May 2017 (RM)		As at 31 May 2016 (RM)	
Secured	Unsecured	Secured	Unsecured
62,650	-	131,110	-

Details of any collateral

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

- Motor vehicles 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.

COMBINED STATEMENTS OF CASH FLOWS

	Group	
	FY2017	FY2016
	RM (Unaudited)	RM (Audited)
Cash flows from operating activities		
Profit before tax from continuing operations	12,591,184	17,285,431
(Loss)/Profit before tax from discontinued operation	(1,419,855)	510,998
Adjustments for :-		
Amortisation for club membership	8,279	8,279
Depreciation	1,574,664	1,122,018
Dividend income	(14,100)	(314,476)
Interest income	(227,474)	(227,128)
Interest expenses	11,669	25,570
Gain on disposal of property, plant and equipment, net	(37,786)	(4,555,566)
Fee to professional advisor	1,300,000	-
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	(455,131)	-
Property, plant and equipment written off	1,161	70,486
Operating cash flow before working capital changes	14,560,546	13,925,612
Inventories	(332,048)	(112,796)
Receivables	(9,689,070)	(1,877,744)
Payables	4,887,700	1,800,267
Cash flows generated from operations	9,427,128	13,735,339
Income tax paid	(5,073,326)	(4,089,232)
Net cash from operating activities	4,353,802	9,646,107
Cash flow from investing activities		
Purchases of property, plant and equipment	(2,212,094)	(3,754,585)
Proceeds from disposal of property, plant and equipment	317,985	7,230,795
Proceeds from disposal of available-for-sale financial assets	1,395,757	-
Disposal of discontinued operation, net of cash disposed of	(225,364)	-
Acquisition of a subsidiary, net of cash acquired	-	(370,293)
Dividends received	14,100	314,476
Interest received	227,474	227,128
Capital repayment from investment in quoted security	-	192,548
Redemption of financial assets at fair value through profit or loss	1,221,428	5,154,605
Payment of contingent consideration for business combination ⁽¹⁾	(1,000,000)	-
Net cash (used in)/generated from investing activities	(260,714)	8,994,674
Cash flow from financing activities		
Repayment of borrowings	(84,014)	(401,187)
Dividends paid to owners of the Company	(16,056,300)	(6,000,030)
Dividends paid to non-controlling interest	(1,275,000)	-
Proceeds from issuance of ordinary shares	400,003	-
Interest paid	(11,669)	(2,485)
Net cash used in financing activities	(17,026,980)	(6,403,702)
Net (decrease)/increase in cash and cash equivalents	(12,933,892)	12,237,079
Cash and cash equivalents at beginning of the year	20,445,778	8,208,699
Cash and cash equivalents at end of the year	7,511,886	20,445,778

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.

COMBINED 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 year	-	-	-	-	5,147,206	5,147,206	1,804,430	6,951,636
Other comprehensive loss								
Fair value gain on available-for-sale financial assets	-	324,269	-	-	-	324,269	-	324,269
Fair value on available-for-sale financial assets disposed reclassified to profit or loss	-	(423,078)	-	-	-	(423,078)	-	(423,078)
Other comprehensive loss for the financial year, net of tax	-	(98,809)	-	-	-	(98,809)	-	(98,809)
Total comprehensive income for the year	-	(98,809)	-	-	5,147,206	5,048,397	1,804,430	6,852,827
<i>Transactions with owners recognised directly in equity</i>								
Issuance of share	3	-	-	-	-	3	-	3
Disposal of a subsidiary	-	-	-	-	-	-	(239,194)	(239,194)
Adjustment pursuant to the Restructuring Exercise	(14,670,000)	-	-	(19,230,000)	-	(33,900,000)	-	(33,900,000)
Issuance of shares pursuant to the Restructuring Exercise	38,550,000	-	-	-	-	38,550,000	-	38,550,000
Dividends	-	-	-	-	(15,814,700)	(15,814,700)	(2,040,000)	(17,854,700)
<i>Changes in ownership interest in a subsidiary</i>								
Acquisition of non-controlling interests without a change in control	-	-	(1,354,855)	-	-	(1,354,855)	(1,595,145)	(2,950,000)
At 31 May 2017	38,550,103	-	(1,354,855)	(19,230,000)	10,318,559	28,283,807	-	28,283,807

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)

COMBINED 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 2015	14,670,100	341,475	-	-	20,721,832	35,733,407	244,359	35,977,766
Profit for the year	-	-	-	-	13,305,851	13,305,851	792,697	14,098,548
Other comprehensive loss								
Fair value loss on available-for-sale financial assets	-	(242,666)	-	-	-	(242,666)	-	(242,666)
Other comprehensive loss for the financial year, net of tax	-	(242,666)	-	-	-	(242,666)	-	(242,666)
Total comprehensive income for the year	-	(242,666)	-	-	13,305,851	13,063,185	792,697	13,855,882
Acquisition of a subsidiary	-	-	-	-	-	-	1,032,853	1,032,853
Dividends	-	-	-	-	(13,041,630)	(13,041,630)	-	(13,041,630)
At 31 May 2016	14,670,100	98,809	-	-	20,986,053	35,754,962	2,069,909	37,824,871

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 date of incorporation ⁽¹⁾	3	-	3
Loss and total comprehensive loss for the financial period	-	(4,144,724)	(4,144,724)
At 31 May 2017	3	(4,144,724)	(4,144,721)

Note:-

(1) On 27 December 2016 (date of incorporation), 1 share of RM 3 was issued and paid for the purpose of incorporation of the Company.

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
	<u>385,600</u>	<u>36,773,749</u>
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	<u>114,400,000</u>	<u>51,850,444⁽²⁾</u>

Note:

(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 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, treasury shares and subsidiary holdings as at 31 May 2017. There are no comparative figures as at 31 May 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.

	At 31 May 2017	At 31 May 2016
Total number of issued shares excluding treasury shares	<u>1⁽¹⁾</u>	<u>NA⁽²⁾</u>

Notes:

(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 IPO, the resultant issued and paid up share capital of the Company was 114,400,000 shares. The Company did not have any treasury shares as at 31 May 2017.

(2) Not applicable as the Company was incorporated on 27 December 2016.

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 year 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 2016.

The financial statements have been accounted for using the principles of merger accounting where financial statement items of the merged entities for the reporting periods in which the common control combination occurs are included in the combined financial statement of the Group, as if the combination had occurred from the date when the merged entities first came under the control of the same shareholders.

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 adopted the new and revised Financial Reporting Standards ("FRS") which are effective for FY2017. The adoption of the new and revised FRS did not result in any material impact on the Group's and Company's financial statements.

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.

	FY2017 (RM)	FY2016 (RM)
Profit attributable to equity holders of the Company	5,147,206	13,305,851
Total number of ordinary shares	114,400,000	114,400,000
Basic and diluted earnings per share (RM cents)	<u>4.50</u>	<u>11.63</u>

Basic and diluted earnings per share for 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). For FY2017, the basic and diluted earnings per share were the same as there were no potentially dilutive ordinary shares in existence during the financial year.

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 ⁽¹⁾
	As at 31 May 2017 (RM)	As at 31 May 2016 (RM)	As at 31 May 2017 (RM)
Net asset value ("NAV")	43,360,502 ⁽²⁾	35,754,962	10,931,974 ⁽²⁾
Number of ordinary shares	114,400,000	114,400,000	114,400,000
NAV per ordinary share (RM cents)	<u>37.90</u>	<u>31.25</u>	<u>9.56</u>

Notes:

- (1) There is no comparative statement as at the end of the immediately preceding financial year (as at 31 May 2016) for the Company as the Company was incorporated on 27 December 2016.
- (2) 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 as at 31 May 2017 and 31 May 2016, 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 increased by 17% or RM 19.0 million, from RM 113.5 million in FY2016 to RM 132.5 million in FY2017, due mainly to revenue contributions from all business segments.

Revenue from our Field Force Management segment increased by approximately RM 7.7 million or 11% in FY2017, as our customers required additional field force management services to support their increased sales and distribution efforts.

Revenue from our Sampling Activities and Events Management segment increased by approximately RM 9.4 million or 106%. This was mainly attributable to full year revenue contribution from Tristar Synergy in FY2017, as the Group acquired 49% of Tristar Synergy in August 2015, resulting in full year revenue contribution from Tristar Synergy to the Group in FY2017, as compared to nine months revenue contribution from Tristar Synergy to the Group in FY2016. The Group acquired the balance 51% of Tristar Synergy in May 2017.

Revenue from the In-store Advertising and Digital Marketing segment increased by approximately RM1.7 million or 5% in FY2017. The increase was mainly attributable to higher sales efficiency from sales team arising from implementation of a flatter reporting structure and the adoption of an improved sales incentive scheme for sales staffs.

Cost of sales

Cost of sales increased by 15% or RM 11.6 million, from RM 78.8 million in FY2016 to RM 90.4 million in FY2017. The increase was mainly attributable to the increase in staff cost of RM 10.1 million and transportation cost of RM 0.9 million. The increase in cost of sales was in line with the increase in revenue.

Gross Profit

Gross profit increased by approximately RM 7.3 million or 21%, from RM 34.8 million in FY2016 to RM 42.1 million in FY2017, with gross profit margin improving slightly from 31% in FY2016 to 32% in FY2017.

Other Income

Other income decreased by RM 4.5 million or 85%, from RM 5.3 million in FY2016 to RM 0.8 million in FY2017. Other income in FY2017 relates largely to a gain on disposal of available-for-sale financial assets of RM 0.46 million and interest income from deposits of RM 0.20 million. Other income in FY2016 relates largely to a one-time gain on disposal of property of RM 4.7 million and dividends income from available-for-sale financial assets of RM 0.3 million.

Research and development

Research and development decreased by approximately RM 0.6 million or 64%, from RM 1.0 million in FY2016 to RM 0.4 million in FY2017. Higher research and development costs were incurred in FY2016 as the Group developed its proprietary software, whereas in FY2017, the Group focused on the maintenance and improvement of the proprietary software.

Administrative Expenses

Administrative expense increased by approximately RM 8.2 million or 38%, from RM 21.6 million in FY2016 to RM 29.9 million in FY2017. The increase was mainly due to (i) listing expenses of RM 3.9 million and fees paid to a professional advisor of RM 1.3 million, both incurred in connection with the IPO; (ii) an increase in rental expenses of RM 0.6 million as Pos Ad Sdn Bhd had incurred rental expenses in FY2017 subsequent to its disposal of property in FY2016, (iii) loss on disposal of investment in Paragon Premium Sdn. Bhd. of RM 1.2 million; and (iv) an increase in staff costs of approximately RM 2.2 million due to an increase in headcount for our Sampling Activities and Events Management segment in FY2017.

Finance Cost

Finance costs decreased marginally by RM 0.02 million, from RM 0.03 million in FY2016 to RM 0.01 million in FY2017.

Other Operating Expense

Other operating expenses decreased marginally by approximately RM 0.03 million, from RM 0.07 million in FY2016 to RM 0.04 million in FY2017.

Profit before tax

As a result of the above, profit before tax decreased by approximately RM 4.7 million or 27%, from RM 17.3 million in FY2016 to RM 12.6 million in FY2017.

Loss from discontinued operation, net of tax

Loss from discontinued operation, net of tax, amounted to RM 1.4 million in FY2017 as compared to a profit, net of tax, of approximately RM 0.4 million in FY2016. Loss from discontinued operation relates mainly to the loss on disposal of the subsidiary, Paragon Premiums Sdn. Bhd. amounted to RM 1.2 million in FY2017.

Profit for the year

On a normalized basis, if excluding gains recorded and losses incurred in FY2016 and FY2017 which were not in the Group's ordinary course of business, comprising (i) the one-off gain on disposal of properties of RM 4.7 million and dividend income from available-for-sale financial asset of RM 0.3 million, in FY2016; (ii) the one-off expenses incurred in respect of the IPO (comprising both listing expenses of RM 3.9 million and fees paid to a professional adviser of RM1.3 million) in FY2017; and (iii) the one-off gain from disposal of available-for-sale financial assets of RM 0.5 million in FY2017, the Group's normalized profit after tax of RM 13.4 million in FY2017, would have been 53% above that of RM8.8 million in FY2016.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by RM 1.0 million or 11%, from RM 9.3 million as at 31 May 2016 to RM 8.3 million as at 31 May 2017, mainly due to the disposal of available-for sale financial assets of RM 1.0 million and a decrease of trade and other receivables of RM 0.3 million, and partially offset by an increase in property, plant and equipment of RM 0.3 million. The available-for-sale financial assets relate to the Group's holdings of equity securities quoted on the Bursa Malaysia and the London Stock Exchange. Trade and other receivables decreased from RM 0.5 million as at 31 May 2016 to RM 0.2 million as at 31 May 2017, mainly due to repayment of staff loan of RM 0.3 million.

Current assets

The Group's current assets decreased by RM 5.9 million or 11%, from RM 55.2 million as at 31 May 2016 to RM 49.3 million as at 31 May 2017. This was mainly due to the decrease in cash and cash equivalents and financial assets at fair value through profit or loss, and partially offset by increase in trade and other receivables as in line with increase from operating activities.

The decrease in cash and cash equivalents of RM12.9 million and financial assets at fair value through profit or loss of RM1.2 million was primarily due to dividends paid to equity holders of the Company and non-controlling interests of RM17.3 million.

The Group recorded a positive net working capital of RM 20.1 million as at 31 May 2017.

Equity

The Group's equity decreased by RM 9.5 million or 25%, from RM 37.8 million as at 31 May 2016 to RM 28.3 million as at 31 May 2017, mainly due to the Restructuring Exercise. Merger reserves relates to the completion of the acquisition of Pos Ad Sdn. Bhd. by the Group. Capital reserve relates to acquisition of the remaining 51% shareholding interests in Tristar Synergy. The decrease was also due to dividends declared to equity owners and non-controlling interest of the Group of RM 17.9 million.

Current liabilities

The Group's current liabilities increased by RM 2.9 million or 11%, from RM 26.3 million as at 31 May 2016 to RM 29.2 million as at 31 May 2017, mainly due to the increase in trade and other payables of RM3.1 million, which is in line with the increase in cost of sales.

Non-current liabilities

The Group's non-current liabilities decreased by RM 0.2 million or 51%, from RM 0.4 million as at 31 May 2016 to RM 0.2 million as at 31 May 2017 due to decrease in deferred tax liabilities and finance lease liabilities (in relation to motor vehicles).

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Net cash generated from operating activities in FY2017 was RM 4.4 million, due to operating cash flow before changes in working capital of RM 14.6 million and changes in working capital of RM 5.1 million. Changes in working capital were due to (i) decrease in inventories of RM 0.3 million; (ii) decrease in trade and other receivables of RM 9.7 million; and (iii) increase in trade and other payables of RM 4.9 million.

Net cash used in investing activities amounted to RM 0.3 million in FY2017, which mainly relates to (i) purchase of property, plant and equipment of RM 2.2 million; (ii) proceeds from disposal of available-for-sale financial assets of RM 1.4 million; (iii) redemption of financial assets at fair value through profit or loss of RM 1.2 million; and (iv) payment of the balance of contingent consideration for the acquisition of 49% of Tristar Synergy of RM 1.0 million.

Net cash used in financing activities of RM 17.0 million mainly relates to dividend payments of RM 17.3 million, partially offset by proceeds received from the issuance of new shares of RM 0.4 million.

As a result of the above, net cash and cash equivalents decreased by RM 12.9 million in FY2017.

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 challenging economic landscape in Malaysia will likely result in brand owners of the fast-moving consumer goods (“**FMCG**”) being more inclined towards adopting more shopper-focused activities in-store to drive sales of their products either through hypermarkets or smaller format grocery stores, as well as through digital channels. If so, this will present an opportunity to the Group to assist these FMCG to conduct more in-store marketing and promotional activities.*

The Group will continue to focus on expanding its portfolio of clients and scope of services, besides improving work flow processes, manpower utilisation and information technology applications to increase productivity and efficiency.

Suitable opportunities are being explored to expand the business through acquisitions, joint ventures or strategic alliances with partners who can strengthen our market position regionally and value-add to our existing businesses.

** It was stated in the 2016 annual report of Nestle (Malaysia) Berhad (“Nestle Malaysia”, a key customer of the Group) that Nestle Malaysia had reported a record high turnover for financial year ended 31 December 2016 despite a soft F&B market in Malaysia – growth driven by product innovations, strong marketing and trade promotions.*

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)	0.30
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?

NIL

(c) Date payable

Subject to shareholders’ approval at the AGM, the date payable is to be advised.

(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.

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.**

No general mandate for IPT has been obtained from the Company’s shareholders. Save for the Restructuring Exercise and IPTs disclosed in the Offer Document of the Company dated 21 June 2017, there were no additional IPT of S\$100,000 and above during FY2017.

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.

15. **Use of IPO proceeds**

The Company received gross proceeds from the IPO of approximately S\$ 5.22 million (the “**Gross Proceeds**”). As at the date of this announcement, the Gross Proceeds have been utilized as follows:

	Allocation of Gross Proceeds (as disclosed in the Offer Document) (S\$’000)	Gross Proceeds utilized as at the date of this announcement (S\$’000)	Balance of Gross 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 expenses to be borne by the Company	1,784	(1,052)	732
Total	5,220	(1,052)	4,168

PART 2 – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENT

16. 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

FY2017	In-store advertising and digital marketing RM	Field Force Management RM	Sampling activities and events management RM	Others RM	Eliminations RM	Total RM
Segment revenue						
Sales to external customers	34,416,116	79,652,053	18,296,023	87,948	-	132,452,140
Intersegment sales	134,963	34,327	132,556	4,467,778	(4,769,624)	-
Total revenue	<u>34,551,079</u>	<u>79,686,380</u>	<u>18,428,579</u>	<u>4,555,726</u>	<u>(4,769,624)</u>	<u>132,452,140</u>
Segment profit/(loss) - continuing operations	8,928,072	3,844,955	3,595,394	6,258,512	(14,255,442)	8,371,491
Loss from discontinued operation	-	-	-	-	-	<u>(1,419,855)</u>
						<u>6,951,636</u>
Other significant non-cash expense:						
Depreciation and amortisation	808,895	435,571	188,996	139,100	-	1,572,562
Property, plant and equipment written off	1,156	-	-	5	-	1,161
Fee to professional advisor	-	-	-	1,300,000	-	1,300,000
	<u>810,051</u>	<u>435,571</u>	<u>188,996</u>	<u>1,439,105</u>	<u>-</u>	<u>2,873,723</u>
Asset and Liabilities						
Total Segment assets	37,486,614	24,784,950	7,840,206	52,766,340	(65,212,829)	<u>57,665,281</u>
Segment assets include:						
Addition to non-current assets	<u>1,003,194</u>	<u>599,695</u>	<u>153,371</u>	<u>444,947</u>	<u>-</u>	<u>2,201,207</u>
Total Segment Liabilities	(21,996,211)	(12,218,617)	(4,712,469)	(17,824,052)	27,369,875	<u>(29,381,474)</u>

FY2016	In-store advertising and digital marketing RM	Field Force Management RM	Sampling activities and events management RM	Others RM	Eliminations RM	Total RM
Segment revenue						
Sales to external customers	32,697,538	71,933,598	8,888,788	-	-	113,519,924
Intersegment sales	160,434	-	524,363	264,924	(949,721)	-
Total revenue	<u>32,857,972</u>	<u>71,933,598</u>	<u>9,413,151</u>	<u>264,924</u>	<u>(949,721)</u>	<u>113,519,924</u>
Segment profit/(loss) - continuing operations	6,256,897	3,649,181	1,507,141	2,433,171	(156,267)	13,690,123
Profit from discontinued operation	-	-	-	-	-	<u>408,425</u>
						<u>14,098,548</u>
Other significant non-cash expense:						
Depreciation and amortisation	826,587	156,093	136,080	-	-	1,118,760
Property, plant and equipment written off	70,343	143	-	-	-	70,486
	<u>896,930</u>	<u>156,236</u>	<u>136,080</u>	<u>-</u>	<u>-</u>	<u>1,189,246</u>
Asset and Liabilities						
Total segment assets	42,908,052	23,305,294	10,166,362	3,477,115	(15,337,489)	<u>64,519,334</u>
Segment assets include:						
Addition to non-current assets	<u>1,946,846</u>	<u>1,102,189</u>	<u>387,756</u>	<u>467,794</u>	<u>-</u>	<u>3,904,585</u>
Total segment Liabilities	(20,232,211)	(12,083,916)	(4,844,591)	(3,543,343)	14,009,598	<u>(26,694,463)</u>

b. Geographical segments

The Group operates only in Malaysia with revenue generated from customers in Malaysia. Accordingly, an analysis of assets and profits of the Group by geographical distribution has not been included.

17. 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.

18. A breakdown of sales

	Group		Increase/ (Decrease) %
	FY2017 RM	FY2016 RM	
Sales reported for:			
(a) First half of the financial year	64,785,270	52,597,921	23
(b) Second half of the financial year	67,666,870	60,922,003	11
	<u>132,452,140</u>	<u>113,519,924</u>	17
Profit attributed to owners of the Company reported for:			
(a) First half of the financial year	3,527,543	2,471,307	43
(b) Second half of the financial year	1,619,663	10,834,544	(85)
	<u>5,147,206</u>	<u>13,305,851</u>	(61)

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

	FY2017 RM	FY2016 RM
Ordinary	<u>18,929,540</u>	<u>13,041,630</u>

20. 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	38	Daughter of Yap Phaik Kwai, the controlling shareholder of the Company	Executive Chairman and Group Managing Director since 27 December 2016 (date of incorporation of the Company). Responsible for overseeing operation of the Group.	-

BY ORDER OF THE BOARD

Chew Sue Ann
Executive Chairman and Group Managing Director

27 July 2017