

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 2019

This announcement has been prepared by the shopper360 Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “Sponsor”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist.

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 incorporated in the Republic of Singapore on 27 December 2016 and was listed on Catalist of the SGX-ST 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 have more than 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 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.

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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		Increase/ (Decrease) %
	FY2019 ⁽¹⁾ (RM) (Unaudited)	FY2018 ⁽²⁾ (RM) (Audited)	
Revenue	161,085,002	142,376,618	13
Cost of sales	(118,517,661)	(104,379,605)	14
Gross profit	42,567,341	37,997,013	12
Other income	374,567	286,310	31
Administrative expense	(34,505,403)	(28,596,357)	21
Other operating expense	(518,952)	(304,696)	70
Finance costs	(10,012)	(41,508)	(76)
Share of result of associate	(134,669)	-	NM
Profit before tax	7,772,872	9,340,762	(17)
Tax expense	(2,368,961)	(3,627,977)	(35)
Profit for the year	5,403,911	5,712,785	(5)
Other comprehensive income/(loss)			
Item that is or may be reclassified subsequently to profit or loss:			
- currency translation differences arising from consolidation	88,058	(9,589)	NM
Other comprehensive income/(loss) for the year, net of tax	88,058	(9,589)	NM
Total comprehensive income for the year	5,491,969	5,703,196	(4)
Profit attributable to:			
Equity holders of the Company	5,185,187	6,010,468	(14)
Non-controlling interests	218,724	(297,683)	NM
Profit for the year	5,403,911	5,712,785	(5)
Total comprehensive income attributable to:			
Equity holders of the Company	5,238,012	6,004,715	(13)
Non-controlling interests	253,957	(301,519)	NM
Total comprehensive income for the year	5,491,969	5,703,196	(4)

NM: Not meaningful

Notes:

- (1) "FY2019": Financial year ended 31 May 2019.
(2) "FY2018": Financial year ended 31 May 2018.

1(a)(ii) Notes to combined statements of profit or loss and other comprehensive income

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

	Group		Increase/ (Decrease) %
	FY2019 (RM) (Unaudited)	FY2018 (RM) (Audited)	
Loss from realised foreign exchange	(22,991)	(63,713)	(64)
Loss from unrealised foreign exchange	(24,581)	(228,891)	(89)
Waiver of debt – third parties	-	3,302	(100)
Interest income	282,607	233,649	21
Finance costs	(10,012)	(41,508)	(76)
Amortisation for club membership	(8,279)	(8,279)	-
Bad debts written off	-	(10,011)	(100)
Impairment loss on trade receivables	(647,503)	-	NM
Property, plant and equipment written off	(5,401)	(23,011)	(77)
Depreciation of properties, plant and equipment	(2,080,338)	(1,611,351)	29
Adjustment for over/(under) provision of tax in respect of prior years			
- Income tax	78,217	(1,341,091)	NM
- Deferred tax	29,145	951,187	(97)

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.

	Group		Company	
	As at 31 May 2019 (RM) (Unaudited)	As at 31 May 2018 (RM) (Audited)	As at 31 May 2019 (RM) (Unaudited)	As at 31 May 2018 (RM) (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	4,149,414	4,760,536	-	-
Intangible assets	2,489,667	2,497,946	-	-
Investment in subsidiaries	-	-	37,013,629	36,891,829
Available-for-sale financial assets	-	1,100,000	-	-
Investment in associate	965,331	-	-	-
Trade and other receivables	156,596	176,560	-	-
Deferred tax assets	740,401	735,120	-	-
Total non-current assets	8,501,409	9,270,162	37,013,629	36,891,829
Current assets				
Financial assets at fair value through profit or loss	49,447	14,707	-	-
Trade and other receivables	37,382,521	32,842,257	10,439,646	9,378,625
Contract assets	7,325,682	7,851,593	-	-
Cash and cash equivalents	21,242,006	19,026,236	713,686	1,482,512
Tax recoverable	2,563,587	1,182,427	-	-
Total current assets	68,563,243	60,917,220	11,153,332	10,861,137
Total assets	77,064,652	70,187,382	48,166,961	47,752,966
EQUITY AND LIABILITIES				
Equity				
Share capital	51,850,444	51,850,444	51,850,444	51,850,444
Capital reserve	(1,354,855)	(1,354,855)	-	-
Merger reserve	(17,453,646)	(17,453,646)	-	-
Currency translation reserve	47,072	(5,753)	-	-
Retained earnings	18,312,362	15,196,882	(4,043,544)	(4,451,359)
Equity attributable to equity holders of the Company, total	51,401,377	48,233,072	47,806,900	47,399,085
Non-controlling interests	112,358	(222,799)	-	-
Total equity	51,513,735	48,010,273	47,806,900	47,399,085
Non-current liabilities				
Borrowings	145,129	19,611	-	-
Deferred tax liabilities	13,283	52,988	-	-
Total non-current liabilities	158,412	72,599	-	-
Current liabilities				
Trade and other payables	21,114,310	17,130,965	360,061	353,881
Contract liabilities	3,626,007	4,321,448	-	-
Borrowings	49,640	43,039	-	-
Tax payable	602,548	609,058	-	-
Total current liabilities	25,392,505	22,104,510	360,061	353,881
Total liabilities	25,550,917	22,177,109	360,061	353,881
Total equity and liabilities	77,064,652	70,187,382	48,166,961	47,752,966

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 2019 (RM)		As at 31 May 2018 (RM)	
Secured	Unsecured	Secured	Unsecured
49,640	-	43,039	-

Amount repayable after one year

As at 31 May 2018 (RM)		As at 31 May 2018 (RM)	
Secured	Unsecured	Secured	Unsecured
145,129	-	19,611	-

Details of any collateral

The Group's borrowings are secured against certain property, plant and equipment with net carrying value of approximately RM181,475.

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.

	Group	
	FY2019 (RM) (Unaudited)	FY2018 (RM) (Audited)
Cash flows from operating activities		
Profit before tax	7,772,872	9,340,762
<u>Adjustments for:-</u>		
Amortisation for club membership	8,279	8,279
Bad debts written off	-	10,011
Impairment loss on trade receivables	647,503	-
Depreciation of property, plant and equipment	2,080,338	1,611,351
Interest income	(282,607)	(233,649)
Interest expenses	10,012	41,508
Property, plant and equipment written off	5,401	23,011
Unrealised foreign exchange loss	24,581	228,891
Share of loss of associate	134,669	-
Operating cash flow before working capital changes	<u>10,401,048</u>	<u>11,030,164</u>
Trade and other receivables, and contract assets	(4,641,892)	(487,422)
Trade and other payables, and contract liabilities	2,822,325	389,197
Currency translation adjustments	97,645	(12,622)
Cash generated from operations	<u>8,679,126</u>	<u>10,919,317</u>
Tax paid	(3,801,617)	(3,800,899)
Net cash from operating activities	<u>4,877,509</u>	<u>7,118,418</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,284,204)	(769,665)
Acquisition of available-for-sale investment	-	(1,100,000)
Interest received	282,607	233,649
(Placement)/redemption of financial assets at fair value through profit or loss	(34,740)	9,524
Net cash used in investing activities	<u>(1,036,337)</u>	<u>(1,626,492)</u>
Cash flow from financing activities		
Repayment of borrowings	(67,881)	(77,581)
Capital contribution from non-controlling interest in a subsidiary	81,200	78,720
Dividends paid to owners of the Company/subsidiaries	(2,069,707)	(7,932,145)
Dividends paid to non-controlling interest	-	(765,000)
Advance from a key management personnel	-	2,000,000
Repayment of amount due to a key management personnel	-	(2,007,960)
Advance from non-controlling interest	468,651	42,514
Repayment of amount due to immediate and ultimate holding company	(3,072)	(122,420)
Proceeds from issuance of share capital, net of share issue expenses	-	15,076,695
Interest paid	(10,012)	(41,508)
Net cash (used in)/from financing activities	<u>(1,600,821)</u>	<u>6,251,315</u>
Net increase in cash and cash equivalents	2,240,351	11,743,241
Cash and cash equivalents at beginning of financial year	19,026,236	7,511,886
Effect of exchange rate changes on cash and cash equivalents	(24,581)	(228,891)
Cash and cash equivalents at end of the financial year	<u>21,242,006</u>	<u>19,026,236</u>

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.

Group	Share capital (RM)	Capital reserve (RM)	Merger reserve (RM)	Currency translation reserve (RM)	Retained earnings (RM)	Equity attributable to equity holders of the Company (RM)	Non-controlling interests (RM)	Total equity (RM)
At 1 June 2018	51,850,444	(1,354,855)	(17,453,646)	(5,753)	15,196,882	48,233,072	(222,799)	48,010,273
Profit for the year	-	-	-	-	5,185,187	5,185,187	218,724	5,403,911
Other comprehensive income								
Currency translation differences on consolidation	-	-	-	52,825	-	52,825	35,233	88,058
Other comprehensive income for the financial year, net of tax	-	-	-	52,825	-	52,825	35,233	88,058
Total comprehensive income for the year	-	-	-	52,825	5,185,187	5,238,012	253,957	5,491,969
<i>Transactions with owners recognised directly in equity</i>								
Capital contribution from non-controlling interest	-	-	-	-	-	-	81,200	81,200
Dividends paid	-	-	-	-	(2,069,707)	(2,069,707)	-	(2,069,707)
At 31 May 2019	51,850,444	(1,354,855)	(17,453,646)	47,072	18,312,362	51,401,377	112,358	51,513,735

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)

Group	Share capital (RM)	Capital reserve (RM)	Merger reserve (RM)	Currency translation reserve (RM)	Retained earnings (RM)	Equity attributable to equity holders of the Company (RM)	Non- controlling interests (RM)	Total equity (RM)
At 1 June 2017	38,550,103	(1,354,855)	(19,230,000)	-	10,318,559	28,283,807	-	28,283,807
Profit for the year	-	-	-	-	6,010,468	6,010,468	(297,683)	5,712,785
Other comprehensive loss								
Currency translation differences arising from consolidation	-	-	-	(5,753)	-	(5,753)	(3,836)	(9,589)
Other comprehensive loss for the financial year, net of tax	-	-	-	(5,753)	-	(5,753)	(3,836)	(9,589)
Total comprehensive (loss)/income for the year	-	-	-	(5,753)	6,010,468	6,004,715	(301,519)	5,703,196
<i>Transactions with owners recognised directly in equity</i>								
Adjustment pursuant to the Restructuring Exercise	(38,550,100)	-	1,776,354	-	-	(36,773,746)	-	(36,773,746)
Issuance of shares pursuant to the Restructuring Exercise	36,773,746	-	-	-	-	36,773,746	-	36,773,746
Issuance of new shares pursuant to the IPO	16,182,000	-	-	-	-	16,182,000	-	16,182,000
Capitalisation of share issue expenses	(1,105,305)	-	-	-	-	(1,105,305)	-	(1,105,305)
Capital contribution from non-controlling interest in a subsidiary	-	-	-	-	-	-	78,720	78,720
Dividends paid	-	-	-	-	(1,132,145)	(1,132,145)	-	(1,132,145)
At 31 May 2018	51,850,444	(1,354,855)	(17,453,646)	(5,753)	15,196,882	48,233,072	(222,799)	48,010,273

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)

Company	Share capital (RM)	Retained earnings (RM)	Total equity (RM)
At 1 June 2017	3	(4,144,724)	(4,144,721)
Profit and total comprehensive income for the financial year	-	825,510	825,510
Issuance of shares, representing transactions with owners recognised directly in equity	51,850,441	-	51,850,441
Dividends	-	(1,132,145)	(1,132,145)
At 31 May 2018	51,850,444	(4,451,359)	47,399,085
At 1 June 2018	51,850,444	(4,451,359)	47,399,085
Profit and total comprehensive income for the financial year	-	2,477,522	2,477,522
Dividends	-	(2,069,707)	(2,069,707)
At 31 May 2019	51,850,444	(4,043,544)	47,806,900

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)
As at 31 May 2018, 30 November 2018 and 31 May 2019	114,400,000	51,850,444

There were no changes in the Company's share capital since the last reported financial period.

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 2019 and 31 May 2018.

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 2019	At 31 May 2018
Total number of issued shares excluding treasury shares	<u>114,400,000</u>	<u>114,400,000</u>

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.

Singapore-incorporated companies listed on the SGX-ST are required to apply a new financial reporting framework identical to the International Financial Reporting Standards known as Singapore Financial Reporting Standards (International) (“SFRS(I)”), for annual periods beginning on or after 1 January 2018. The Group has adopted SFRS(I) on 1 June 2018 and has prepared its first set of financial information under SFRS(I) for the financial year ended 31 May 2019.

Other than the adoption of the new framework and the new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from the current financial year beginning on 1 June 2019, the Group has applied the same accounting policies and methods of computation as in the most recently audited financial statements for the financial year ended 31 May 2018. The adoption of the new financial reporting framework, new SFRS(I)s, amendments and interpretations of SFRS(I)s has no material impact on the financial performance and financial position of the Group.

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.**

Please refer to item 4 above.

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.**

	FY2019	FY2018
Profit attributable to owners of the Company (RM)	5,185,187	6,010,468
Weighted average number of ordinary shares in issue	114,400,000	114,400,000
Basic and diluted earnings per share (RM cents)	4.53	5.25

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 31 May 2019	As at 31 May 2018	As at 31 May 2019	As at 31 May 2018
Net asset value ("NAV") (RM)	51,401,377	48,233,072	47,806,900	47,399,085
Number of ordinary shares	114,400,000	114,400,000	114,400,000	114,400,000
NAV per ordinary share (RM cents)	44.93	42.16	41.79	41.43

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 13% or RM18.7 million, from RM142.4 million in FY2018 to RM161.1 million in FY2019 due mainly to the following:-

- (i) revenue from Sampling Activities and Events Management segment increased by approximately RM8.6 million or 54% in FY2019. The increase was attributable to higher sampling activities by customers in driving their sales, as well as increase in new events and roadshows undertaken by Gazelle Activation.

- (ii) revenue from Field Force Management segment increased by approximately RM6.6 million or 7% in FY2019, mainly contributed by new customers amounting to RM6.1 million, and additional field force management service required by existing customers as they expand their business scope and coverage.
- (iii) revenue from In-store Advertising and Digital Marketing segment increased by approximately RM3.6 million or 10% in FY2019, mainly contributed by new business in Myanmar, as well as new retail consultancy and contest management offerings in FY2019. The increase was partially offset by lower media and media production revenue as a result of the cautious economic outlook during FY2019.

Cost of Sales

Cost of sales increased by 14% or RM14.1 million, from RM104.4 million in FY2018 to RM118.5 million in FY2019. The increase in cost of sales was mainly attributable to higher people investment and operating cost of RM5.9 million to support the business growth in the Field Force Management segment. The increase in cost of sales was in line with the increase in revenue.

Gross Profit

Gross profit increased by approximately RM4.6 million or 12%, from RM38.0 million in FY2018 to RM42.6 million in FY2019, with a slight decline in gross profit margin from 26.7% in FY2018 to 26.4% in FY2019. This was due to a change in revenue mix in the In-store Advertising and Digital Marketing segment as a result of lower revenue from the higher gross margin media business, being replaced by new retail consultancy and contest management revenue, which had lower profit margins. The decrease was partially offset by the increased gross profit in Sampling Activities and Events Management segment.

Other Income

Other income increased by approximately RM0.1 million or 31%, from RM0.3 million in FY2018 to RM0.4 million, due to increase in interest income from deposits.

Administrative Expenses

Administrative expenses increased by approximately RM5.9 million or 21%, from RM28.6 million in FY2018 to RM34.5 million in FY2019. The increase was mainly due to (i) expenses incurred by the three new subsidiaries, namely ShopperPlus Myanmar Co., Ltd (RM2.0 million), Retail Galaxy Sdn. Bhd. (RM1.3 million) and ShopperPlus Singapore Pte. Ltd. (RM0.6 million); (ii) increase in depreciation of property, plant and equipment due to replacement of computer and motor vehicles of RM1.5 million; and (iii) increase in rental expenses of RM0.3 million.

Other Operating Expenses

Other operating expenses increased by approximately RM0.2 million or 70%, from RM0.3 million in FY2018 to RM0.5 million in FY2019, mainly due to impairment loss on long outstanding trade receivables of RM0.5 million in FY2019 (FY2018: Nil), partially offset by lower foreign exchange loss incurred in FY2019, due mainly to the strengthening of Malaysia Ringgit (which is the reporting currency of the Group) against the United States Dollar.

Finance Cost

Finance costs decreased by RM0.03 million or 76%, from RM0.04 million in FY2018 to RM0.01 million in FY2019, mainly due to interest expense on advances from a director of the subsidiary in FY2018.

Share of result of associate

Share of result of associate amounted to approximately RM0.1 million in FY2019 (FY2018: Nil). This relates to losses incurred by Instanture Holdings Sdn. Bhd. and its subsidiary, Boostorder Sdn. Bhd. (the “**Instanture Group**”), which is 11% owned by the Company. In FY2018, the Instanture Group was accounted for by the Group as an available-for-sale financial asset, and was classified as an associate in FY2019. Please refer to the section on “Review of the Group’s Financial Position – Non-current Assets”, for further information on the accounting treatment of the Group’s investment in the Instanture Group.

Profit Before Tax

As a result of the above, profit before tax decreased by approximately RM1.5 million or 17%, from RM9.3 million in FY2018 to RM7.8 million in FY2019.

REVIEW OF THE GROUP’S FINANCIAL POSITION

Non-current Assets

The Group’s non-current assets decreased by RM0.8 million, from RM9.3 million as at 31 May 2018 to RM8.5 million as at 31 May 2019. This was mainly due to decrease in (i) property, plant and equipment of RM0.7 million; (ii) available-for-sale financial assets of RM1.1 million; and (iii) trade and other receivables of RM0.01 million, partially offset by increase in investment in associate of RM1.0 million.

Property, plant and equipment decreased by RM0.7 million, mainly due to depreciation charge for FY2019.

Available-for-sale financial assets of RM1.1 million as at 31 May 2018 relates to the Company’s investment in the Instanture Group. During FY2019, there was an increase in the Group’s involvement in and transactions with the Instanture Group. As such, the Group’s 11% shareholding in the Instanture Group qualifies for a classification as an investment in associate as at 31 May 2019.

Current Assets

The Group’s current assets increased by RM7.7 million, from RM60.9 million as at 31 May 2018 to RM68.6 million as at 31 May 2019, mainly due to the increase in cash and cash equivalents of RM2.2 million, trade and other receivables of RM4.5 million, and tax recoverable of RM1.4 million, partially offset by the decrease in contract assets of RM0.5 million.

Trade and other receivables increased by RM4.5 million, mainly due to increase in revenue, as well as contribution from the new subsidiary, ShopperPlus Myanmar Co., Ltd.

Contract assets decreased by RM0.6 million, mainly due to decrease in provision of revenue relating to unbilled services rendered.

Tax recoverable increased by RM1.4 million, mainly due to tax installments paid during the year.

Please refer to the section on review of the Group’s cash flow statement for explanations on the increase in cash and cash equivalents of the Group.

Non-current Liabilities

The Group’s non-current liabilities increased by RM0.1 million, from RM0.1 million as at 31 May 2018 to RM0.2 million as at 31 May 2019, due to increase in borrowings on finance lease liabilities which relates to motor vehicles, partially offset by reduction in deferred tax liabilities.

Current Liabilities

The Group's current liabilities increased by RM3.3 million, from RM22.1 million as at 31 May 2018 to RM25.4 million as at 31 May 2019, mainly due to increase in other payables as a result of provision for employees' bonuses.

Equity

The Group's equity attributable to equity holders of the Company increased from RM48.2 million as at 31 May 2018 to RM51.4 million as at 31 May 2019, mainly due to an increase in retained earnings of RM3.1 million, attributable to profit for the year of RM5.4 million, offset by dividend distribution of RM2.1 million.

Working Capital

The Group reported a positive net working capital of RM43.2 million as at 31 May 2019, as compared to RM38.8 million as at 31 May 2018.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Net cash generated from operating activities in FY2019 was RM4.9 million, due to operating cash flow before changes in working capital of RM10.4 million, changes in working capital of RM1.7 million, and payment of income tax expense of RM3.8 million. Changes in working capital were due to increase in trade and other receivables, and contract assets of RM4.6 million and increase in trade and other payables, and contract liabilities of RM2.8 million.

Net cash used in investing activities in FY2019 was RM1.0 million, mainly due to purchase of property, plant and equipment of RM1.3 million, partially offset by interest received from bank of RM0.3 million.

Net cash used in financing activities of RM1.6 million mainly relates to dividend payments of RM2.1 million, partially offset by capital contribution from non-controlling interest in a subsidiary of RM0.1 million, and advance from non-controlling interest of RM0.5 million.

As a result of the above, net cash and cash equivalents increased by RM2.2 million in FY2019.

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 continues to experience opportunities to drive deeper partnerships with our customers to assist in reaching out to more distribution channels and shopping touchpoints through our 360 services, whether it be in in-store advertising, merchandising, activation and in-store sampling.

For In-Store Advertising and Digital Marketing, the closure of Giant and Cold storage stores⁽¹⁾ will impact lower advertising revenue in the short term. However, the remaining stores which are being remodeled and refurbished to enhance customer experience will result in better store performance in the long term, therefore driving advertisers to continue their advertising expenditure at Giant and Cold Storage.

Nielsen research Q1 2019 consumer confidence data⁽²⁾ reveals that while consumer confidence index is stable, it has not translated to an increase in consumers' intent to spend. The economy continues to be the top concern for Malaysians as two in three persons believe that Malaysia is in

recession. Therefore, shopper360 continues to be cautious in its spending and hiring of staff, and is continuously looking at improving operating efficiencies through automation via software and technology.

The other segments such as field force management, events and sampling activation, continue to experience stiff competition yet these segments are experiencing growth and further opportunities to expand, even amongst existing customers working with shopper360. Shopper360 continues to leverage on its group strength and strong legacy in the shopper marketing field.

Regionally in Myanmar and Singapore, the Group continues to experience growth and efforts to scale up are underway.

Sources:

¹<https://www.edgeprop.my/content/1564317/dairy-farm-shuts-down-least-six-giant-and-cold-storage-stores-malaysia-report>

²<https://www.nielsen.com/my/en/insights/article/2019/consumer-confidence-stable-in-q1-2019/>

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)	0.28
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?

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (S\$' cents)	0.60
Tax rate	Tax exempt

(c) Date payable

The date payable is to be advised, subject to shareholders' approval at the Company's 2019 annual general meeting to be convened in September 2019.

(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 and the reason(s) for the decision.

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.

There were no interested person transactions of S\$100,000 or more for FY2019.

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

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 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 11 January 2019 (S\$'000)	Net Proceeds utilized from 12 January up to 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	(1,246)	(1,020)	34
Acquisition, strategic alliance and/or joint ventures	600	(598)	(2)	-
General working capital purposes	536	(536)	-	-
Listing expense to be borne by the Company	1,784	(1,784)	-	-
Total	5,220	(4,164)	(1,022)	34

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

FY2019	In-store advertising and digital marketing RM	Field force management RM	Sampling activities and events management RM	Investment holding RM	Eliminations RM	Total RM
Segment revenue						
Sales to external customers	38,921,209	97,587,305	24,576,488	-	-	161,085,002
Intersegment sales	18,509	209,438	2,206,852	11,020,712	(13,455,511)	-
Total revenue	<u>38,939,718</u>	<u>97,796,743</u>	<u>26,783,340</u>	<u>11,020,712</u>	<u>(13,455,511)</u>	<u>161,085,002</u>
Tax expense	371,337	1,251,383	600,825	145,416	-	2,368,961
Segment (loss)/profit	(515,774)	4,717,405	1,342,022	(139,742)	-	<u>5,403,911</u>
Other significant non-cash expense:						
Depreciation and amortisation	1,053,227	524,178	182,749	328,463	-	2,088,617
Property, plant and equipment written off	2,127	462	2,807	5	-	5,401
Impairment loss on trade receivables	486,368	-	161,135	-	-	647,503
	<u>1,541,722</u>	<u>524,640</u>	<u>346,691</u>	<u>328,468</u>	<u>-</u>	<u>2,741,521</u>
Asset and liabilities						
Total segment assets	36,212,610	31,183,268	12,224,054	98,068,611	(100,623,891)	<u>77,064,652</u>
Segment assets include:						
Additions to non-current assets	685,042	295,556	83,250	420,356	-	<u>1,484,204</u>
Total segment liabilities	(21,656,346)	(12,748,776)	(6,078,764)	(10,612,646)	25,545,615	<u>(25,550,917)</u>

FY2018	In-store advertising and digital marketing RM	Field force management RM	Sampling activities and events management RM	Investment holding RM	Eliminations RM	Total RM
Segment revenue						
Sales to external customers	35,369,020	91,031,439	15,976,159	-	-	142,376,618
Intersegment sales	-	49,852	1,452,055	8,614,208	(10,116,115)	-
Total revenue	<u>35,369,020</u>	<u>91,081,291</u>	<u>17,428,214</u>	<u>8,614,208</u>	<u>(10,116,115)</u>	<u>142,376,618</u>
Tax expense	1,475,556	1,586,175	462,655	103,591	-	3,627,977
Segment profit/(loss)	1,699,888	4,241,427	374,504	(603,034)	-	<u>5,712,785</u>
Other significant non-cash expense:						
Depreciation and amortisation	851,198	377,871	190,927	199,634	-	1,619,630
Property, plant and equipment written off	14,142	5,483	3,382	4	-	23,011
	<u>865,340</u>	<u>383,354</u>	<u>194,309</u>	<u>199,638</u>	<u>-</u>	<u>1,642,641</u>
Asset and liabilities						
Total segment assets	32,813,689	29,462,576	11,842,826	98,310,653	(102,242,362)	<u>70,187,382</u>
Segment assets include:						
Addition to non-current assets	337,672	153,144	203,344	75,505	-	<u>769,665</u>
Total segment liabilities	(16,166,686)	(13,415,174)	(8,363,025)	(11,755,297)	27,523,073	<u>(22,177,109)</u>

b. Geographical segments

The Group operates mainly in Malaysia with revenue generated from customers in Malaysia. Only marginal 4.2% from outside Malaysia. Therefore, 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) %
	FY2019 RM	FY2018 RM	
Sales reported for:			
(a) First half of the financial year	77,485,154	68,755,577	13
(b) Second half of the financial year	83,599,848	73,621,041	14
	<u>161,085,002</u>	<u>142,376,618</u>	13
Profit attributed to owners of the Company reported for:			
(a) First half of the financial year	2,887,145	4,614,931	(37)
(b) Second half of the financial year	2,298,042	1,395,537	65
	<u>5,185,187</u>	<u>6,010,468</u>	(14)

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:**

	FY2019 RM	FY2018 RM
(a) Ordinary (Final)	2,069,707 ⁽¹⁾	1,132,145
(b) Preference	-	-
	<u>2,069,707</u>	<u>1,132,145</u>

Note:

- (1) Subject to shareholders' approval at the forthcoming annual general meeting of the Company in September 2019.

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	40	Daughter of Yap Phaik Kwai, the controlling shareholder of the Company, and spouse of James Ling Wan Chye, Executive Director of the Company	Executive Chairman and Group Managing Director since date of incorporation of the Company. Responsible for overseeing operation of the Group.	-
James Ling Wan Chye	41	Son-in-law of Yap Phaik Kwai, the controlling shareholder of the Company, and spouse of Chew Sue Ann, Executive Chairman and Group Managing Director	Executive Director – Corporate Finance and Strategy since 8 January 2018. Responsible for overseeing corporate finance and human resource functions of the Group, as well as executing key strategic initiative of the Group.	-

BY ORDER OF THE BOARD

Chew Sue Ann
Executive Chairman and Group Managing Director

30 July 2019