

PROPOSED INVESTMENT IN INSTANTURE HOLDINGS SDN. BHD.

1. INTRODUCTION

- 1.1 The board of directors (“**Board**” or “**Directors**”) of shopper360 Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that, on 11 October 2017, shopper360 Sdn. Bhd. (“**SSB**”), a wholly-owned subsidiary of the Company, had, together with 14 other investors unrelated to the Group (“**Other Investors**”, who together with SSB, the “**Investors**”), entered into an allotment cum shareholders’ agreement (the “**Agreement**”) with Instanture Holdings Sdn Bhd (“**Instanture**”) and its existing shareholders (“**Instanture Existing Shareholders**”). Pursuant to the Agreement the Investors agreed to subscribe for an aggregate of 2,500,000 new shares in the capital of Instanture (“**New Instanture Shares**”) for an aggregate consideration of RM2,500,000 (the “**Proposed Subscription**”). The Proposed Subscription included, among others, SSB’s subscription of 275,110 New Instanture Shares (the “**SSB Subscription Shares**”, and the Proposed Subscription by SSB, the “**SSB Investment**”), representing approximately 11.0% of the enlarged issued and paid-up capital of Instanture immediately after the Proposed Subscription (“**Instanture Enlarged Share Capital**”), for a consideration of RM1,100,000 (“**SSB Subscription Price**”).
- 1.2 Upon completion of the Proposed Subscription, the Instanture Existing Shareholders, the Other Investors and SSB will hold approximately 75.0%, 14.0% and 11.0% of Instanture Enlarged Share Capital respectively.

2. INFORMATION ON INSTANTURE AND ITS SUBSIDIARY

Instanture, a private company limited by shares, was incorporated in Malaysia under the Companies Act 2016 of Malaysia (“**Companies Act**”) in August 2017. As at the date of this announcement, Instanture has an issued and paid-up capital of RM1,000 comprising 1,000 ordinary shares, and is owned by Chuah Teong Kee (70.0%), Khoo Ta Kang (15.0%), Instanture Shareholding Sdn Bhd (7.5%), Lee Ser Ek (5.0%) and Nik Adli Hakimi Nik Mohamad Shukri (2.5%).

Instanture is an investment holding company and owns the entire issued and paid-up share capital of Boostorder Sdn Bhd (“**Boostorder**”, and together with Instanture, the “**Target Group**”).

Boostorder, a private company limited by shares, was incorporated in Malaysia under the Companies Act in November 2016. As at the date of this announcement, Boostorder has an issued and paid-up capital of RM20,000 comprising 20,000 ordinary shares.

Boostorder is a cross platform business to business (“**B2B**”) commerce solutions provider. Its solutions provide clients with digital capabilities to accelerate product deployment, promote

sales and enhance retail experience. B2B retailers can easily place orders via mobile devices using Boostorder's solutions, allowing purchases to be made anytime and anywhere. B2B suppliers can leverage on Boostorder's solutions to execute promotions and sales campaigns to reach out to their targeted customers directly. Boostorder's clients can also receive real time updates on their inventory status, thereby optimizing the management of their inventory and sales orders.

Based on the management accounts of the Target Group, each of the book value and the net tangible assets value of the Target Group as at 30 September 2017 amounted to a deficit of approximately RM66,300. No independent valuation was conducted on the Target Group for the purposes of the Proposed Subscription.

3. SALIENT TERMS OF The PROPOSED SUBSCRIPTION

3.1 SSB Subscription Price

The SSB Subscription Price of RM1,100,000 was arrived at on a willing-buyer and willing-seller basis, after taking into consideration, among others, the earnings and growth prospects of the Target Group as well as the operational and business synergies between the Group and the Target Group. Subject to the satisfaction of the conditions set out in paragraph 3.4 below, the SSB Subscription Price shall be payable by SSB within seven days from the signing of the Agreement.

The SSB Subscription Price shall be entirely satisfied by cash and funded through the Group's internal sources.

3.2 The New Instanture Shares

The New Instanture Shares shall be free from encumbrances and shall rank equally to the existing shares of Instanture, including without limitation, voting and distribution rights.

3.3 Utilisation of proceeds from the Proposed Subscription

Pursuant to the Agreement, the total proceeds from the Proposed Subscription shall be utilised by the Target Group for general working capital purposes.

3.4 Obligations of parties to the Agreement

Upon the execution of the Agreement, Instanture's obligations under the Agreement will be, *amongst others*, to deliver to the Investors:

- (a) a certified copy of the resolution of the board of directors of Instanture approving the entry into and performance of the Agreement;
- (b) a certified resolution of the Existing Instanture Shareholders authorising, among others, the allotment and issuance of the New Instanture Shares to the Investors and the entry into and performance of the Agreement pursuant to section 76 of the Companies Act; and

- (c) a certified true copy of the resolutions of the board of directors of Instanture appointing SSB's nominee (being, Ms Chow Siew Bee, the financial controller of the Group) as a director of Instanture, among others.

Upon the execution of the Agreement, SSB's obligations to Instanture will be, among others, to procure and deliver to Instanture its directors and shareholders' resolutions authorizing the entry into and performance of the Agreement.

4. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

Based on the latest audited financial statements of the Group for the financial year ended 31 May 2017, the relative figures for the SSB Investment computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited, Section B: Rules of Catalist ("**Catalist Rules**") is less than 5%. Accordingly, the Proposed Subscription constitutes a "non-disclosable transaction" under Chapter 10 of the Catalist Rules.

5. RATIONALE FOR THE SSB INVESTMENT

The Board believes that the SSB Investment is in the best interest of the Company and its shareholders, taking into account the following considerations, that the SSB Investment:

- (a) is in line with the Group's plans and strategies to expand its service offerings to customers by introducing new innovative technology, in particular, to provide a holistic digital solution to existing retail partners and future clients;
- (b) will allow the Group to scale up its digital and technology offerings on B2B application thus adding value to the Group's existing proprietary software and existing customer base as well as an offering that can be bundled to acquire new customers for the Group;
- (c) will allow the Group to tap on the experience of the management team of the Target Group in the technology and software development to enhance the Group's digital and technical capabilities; and
- (d) will also allow the Group to seize the growing business opportunities in Malaysia as well as regionally, in the software services, e-commerce and retail industry, thus enabling the Group to create new revenue streams.

6. FINANCIAL EFFECT

Save for the possible positive impact on the Group's customer acquisition arising from the synergistic benefits of the SSB Investment as mentioned in paragraph 5 above, the SSB Investment is not expected to have any material impact on the earnings per share or the net asset value per share of the Company for the current financial year ending 31 May 2018.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective shareholdings in the Company (if any), none of the Directors and controlling shareholders of the Company has any interests, direct or indirect, in the Proposed Subscription.

8. CAUTIONARY STATEMENT

Shareholders of the Company (“**Shareholders**”) and potential investors should exercise caution when trading in the shares of the Company in relation to this announcement as there is no certainty that the Proposed Subscription will be completed. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

9. FURTHER ANNOUNCEMENTS

The Company will make the relevant update announcements in compliance with the Catalist Rules on material progress of the Proposed Subscription (if any).

10. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscription, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By order of the Board

Chew Sue Ann
Executive Chairman and Group Managing Director
11 October 2017

*This announcement has been prepared by shopper360 Limited and its contents have been reviewed by the Company’s sponsor (the “**Sponsor**”), ZICO Capital Pte. Ltd., for compliance with the 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.