

**SHOPPER360 LIMITED**  
(Incorporated in Singapore)  
(Company Registration No.: 201634929Z)

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**ENTRY INTO A JOINT VENTURE AGREEMENT WITH PAHTAMA GROUP CO., LTD.**

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**1. INTRODUCTION**

- 1.1 The board of directors ("**Board**" or "**Directors**") of shopper360 Limited (the "**Company**") refers to the announcement dated 27 September 2017 (the "**Announcement**") in relation to the non-binding memorandum of undertaking entered into by the Company and Pahtama Group Co., Ltd. ("**PG**") for the incorporation of a new joint venture company ("**JV Co**") in the Republic of the Union of Myanmar ("**Myanmar**").
- 1.2 Further to the Announcement, the Board wishes to announce that the Company has entered into a definitive joint venture agreement with PG on 15 November 2017 (the "**JVA**").

*Unless otherwise defined, capitalised terms used herein shall bear the same meaning as ascribed to them in the Announcement.*

**2. DETAILS OF THE JOINT VENTURE**

**2.1 Business of the JV Co**

As set out in the Announcement, the JV Co is established for the purposes of providing marketing services in the retail and consumer goods industries in Myanmar, which shall include but is not limited to, the business as currently conducted by the Company in Malaysia ("**JV Co Business**").

**2.2 Capitalisation and shareholding proportion of the JV Co**

Pursuant to the JVA, the capitalisation and shareholding proportion of the JV Co on incorporation of the JV Co ("**Establishment Date**") shall be as follows:

	<b>Number of ordinary shares in the JV Co to be allotted and issued on Establishment Date</b>	<b>Shareholding Proportion in the JV Co as at Establishment Date</b>	<b>Capital Contribution</b>
The Company	30,000 ordinary shares	60.0%	US\$30,000
PG	20,000 ordinary shares	40.0%	US\$20,000
<b>TOTAL</b>	50,000 ordinary shares	100.0%	US\$50,000

The Company and PG shall make their respective contributions above in one lump sum.

**2.3 Board of directors of the JV Co**

Pursuant to the JVA, the board of directors of the JV Co shall consist of three directors, whereby two of them shall be nominated by the Company and one of them shall be nominated by PG.

## 2.4 Obligations of the Parties to the JVA

The Company shall, through itself or its nominees (if required), make or procure the making of, the following contributions:

- (a) in-store advertising and digital marketing;
- (b) field force management;
- (c) sampling activities and events management;
- (d) other related services such as management services, media reselling, shopper technology, trade and business-to-business marketing platforms; and
- (e) the operation and management of the JV Co Business.

If the Company seconds or transfers any employee to the JV Co, it shall inform PG of the details of such arrangement.

PG shall *inter alia*:

- (a) to the extent permitted under the agreements with their principals, grant the JV Co a right of first and last offer to outsource all of PG's and its subsidiaries' and/or affiliates' marketing, advertising and promotional (collectively, "**MAP**") opportunities and/or projects to the JV Co;
- (b) contribute its clientele and customer profiles for purposes of the conduct of the JV Co Business by the JV Co; and
- (c) introduce the JV Co to its affiliate City Mart Holdings Company Limited ("**CMHL**") and to use its best endeavours to procure the grant of an exclusive concession by CMHL to the JV Co to conduct in-store media reselling in all stores operating under the name of "City Mart".

In respect of the above contributions by PG, the Company and PG acknowledge (i) that the agreements with certain of PG's principals prohibits the outsourcing of such activities and (ii) for all other business, PG has an obligation to achieve the best terms when agreeing an outsourcing agreement and so PG will outsource to the JV Co provided only that the JV Co is offering competitive terms in the market. In such event, PG shall use its best endeavours to amend and/or modify such agreements in order to provide, and/or otherwise procure, such MAP opportunities and/or projects to the JV Co unless such principals or clients has specified that it does not wish for MAP services to be provided by the JV Co.

## 2.5 Reserved Matters

The terms of the JVA sets out certain customary matters which require the unanimous approval of all the shareholders or all of the board of directors of the JV Co, prior to them being carried out by the JV Co.

## 2.6 Non-Compete Obligations

- (a) *Prohibition from carrying on business in competition with the JV Co Business*

So long as the Company or PG or its affiliates remains a shareholder in the JV Co and for the Restricted Period thereafter, that Party shall not in any Relevant Capacity directly or indirectly:

- (i) carry on any business similar to or in competition with the JV Co Business, except that PG may continue to provide MAP services to its principals as an ancillary service to its core business (and not as its core business) in the situation as described in paragraph 2.4 above; or
- (ii) invest or hold more than five per cent. (5%) interest in any company or business that carries on any business similar to or in competition with the JV Co Business.

(b) *Prohibition from performing certain activities*

Each of the Company and PG agrees and undertakes to the JV Co and the other party that it will not, while it or any of its affiliates remains a shareholder of the JV Co and for the Restricted Period thereafter, in any Relevant Capacity directly or indirectly do or permit any of the following to be done in Myanmar up to and including the date it ceases to be a shareholder of the JV Co without the prior written consent of the other party:

- (i) solicit or entice away or attempt to solicit or entice away from the JV Co the customer of any person, firm or company or organisation who shall at any time within 12 months prior thereto has been a customer, supplier, client or agent of the JV Co or in the habit of dealing with the JV Co;
- (ii) solicit or entice away or attempt to solicit or entice away from the JV Co any person who is a director (other than a director appointed by that shareholder), officer, manager or employee of the JV Co or any of its subsidiaries whether or not such person would commit a breach of his contract of employment by reason of leaving such employer;
- (iii) either solely or jointly with or in partnership or be concerned as a director in any company or on behalf of any other person directly or indirectly in Myanmar carry on or be engaged or interested in any business in competition with the JV Co Business or any business proposed to be carried on by the JV Co or assist with technical advice in relation to any such business within Myanmar, except that PG may continue to provide MAP services to its principals as an ancillary service to its core business (and not as its core business) in the situation as described in paragraph 2.4 above; and
- (iv) cause or permit or suffer any of its subsidiaries or any other person directly or indirectly controlled by it to do any of the acts specified in paragraphs 2.6(a) and (b),

provided that if the JV Co ceases to operate in Myanmar, the undertakings will immediately lapse.

For purposes of paragraph 2.6(b), "**Restricted Capacity**" shall mean for its own account or for that of any person, firm or company and whether through a holding company, subsidiary, sister company or affiliates of any of the foregoing, or as principal, partner, director, consultant, or agent; and "**Restricted Period**" means the period commencing from the date on which the relevant party ceases to be a shareholder in the JV Co and ending on the date falling 1.5 years after the last in time of the JV Co's customer contracts has been fulfilled, discharged or terminated (as the case may be).

### **3. RATIONALE FOR THE PROPOSED JOINT VENTURE**

The Board is of the view that the Proposed Joint Venture (i) is in line with the Company's plans to capitalise on its know-how, relationships and positive brand image, as well as its extensive industry experience and expertise, to expand its operations locally and into new geographical locations (as disclosed in the Company's offer document dated 21 June 2017 in respect of its initial public offering); and (ii) will allow the Company to seize the growing business opportunities in Myanmar by providing marketing services in the retail and consumer goods industries in Myanmar.

### **4. FINANCIAL EFFECTS**

The Proposed Joint Venture is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 31 May 2018.

### **5. RELATIVE FIGURES FOR THE PROPOSED JOINT VENTURE**

Based on the latest audited financial statements of the Group for the financial year ended 31 May 2017, the relative figures for the Proposed Joint Venture 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 Joint Venture constitutes a "non-disclosable transaction" under Chapter 10 of the Catalist Rules.

### **6. 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 Joint Venture.

### **7. 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 Joint Venture 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.

### **8. FURTHER ANNOUNCEMENTS**

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

### **9. 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 Joint Venture, 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  
15 November 2017

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*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 Catalyst. 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.*