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

MEMORANDUM OF UNDERSTANDING IN RESPECT OF PROPOSED JOINT VENTURE WITH PAHTAMA GROUP CO., LTD

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1. INTRODUCTION

1.1 The board of directors ("**Board**" or "**Directors**") of shopper 360 Limited (the "**Company**") wishes to announce that the Company had, on 26 September 2017 entered into a non-binding memorandum of understanding (the "**MOU**") with 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**"). The Company and PG shall collectively be known herein as the "**Parties**", and each a "**Party**". The JV Co will engage in the business of providing marketing services in the retail and consumer goods industries (which shall include, but is not limited to, the business as currently conducted by the Company in Malaysia) in Myanmar ("**Proposed Joint Venture**").

1.2 The MOU is intended to serve as a framework to the preparation of a definitive agreement to be entered into between the Parties, including a joint-venture agreement (the "**JVA**"). Terms in the MOU may be amended, modified and/or altered following discussions and negotiations between the Parties and nothing in the MOU is intended to be legally binding or to create legally binding relations between the Parties except for certain specified clauses (relating to, *amongst others*, exclusivity provisions).

1.3 PG was established in 1997 in Myanmar, with its head office located in Yangon. Accordingly to PG's corporate website, PG is one of the largest and fastest growing distribution companies in fast moving consumer goods sector in Myanmar and is currently the exclusive distributor for the products of many multi-national companies. None of the directors and shareholders of PG is related to the Directors or the substantial shareholders of the Company and their respective associates.

2. THE MOU

2.1 The JV Co

(a) <u>Shareholding Structure</u>

Pursuant to the MOU, subject to applicable Myanmar laws and requirements, the shareholding of the JV Co shall be held in the following proportion:

(i) the Company: 60% of the total share capital of the JV Co; and

(ii) PG: 40% of the total share capital of the JC Co,

provided that such shareholding proportion may be adjusted following discussions between the Parties in relation to each Party's contribution to the JV Co as described in sub-paragraph (b) below.

(b) Contribution of Parties

The Company shall contribute, in the form of services including:

(i) in-store advertising and digital marketing;

(ii) field force management;

(iii) sampling activities and events management; and

(iv) other related services such as media reselling, shopper technology, trade and business-to-business marketing platforms.

PG shall, *amongst others*:

(i) 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 and its subsidiaries and/or affiliates' marketing, advertising and promotional opportunities and/or projects to the JV Co;

(ii) contribute its clientele and customer profiles for purposes of the conduct of the Proposed Joint Venture by the JV Co; and

(iii) use its best endeavours to procure the grant of an exclusive concession by its affiliate, City Mart Holdings Company Limited ("**CMHL**"), to the JV Co to conduct in-store media reselling in all stores operating under the name of "City Mart".

The Parties agree that details of each Party's scope of contribution to the JV Co shall be discussed and agreed in the JVA and that each Party's shareholding proportion in the JV Co may be adjusted pursuant to the contributions to be made by each Party to the JV Co.

2.2 Condition Precedents

The Proposed Joint Venture is conditional upon the fulfilment or waiver, as the case may be, of the salient conditions precedent set out below:

(i) the completion of due diligence on PG ("**Due Diligence**") and the results of such Due Diligence being satisfactory to the Company in its sole and absolute discretion;

(ii) the approvals of the respective board of directors of the Parties being obtained for the Proposed Joint Venture;

(iii) all consents and approvals as may be necessary to be obtained for and in connection with the Proposed Joint Venture and such consents and approvals remaining in full force and effect and not being revoked; and

(iv) the due execution of definitive agreements relating to the Proposed Joint Venture, including but not limited to the JVA.

2.3 Directors and Management

Pursuant to the MOU, the Company shall manage the operations of the JV Co and there shall be five directors in the JV Co, of which three directors shall be nominated by the Company and two directors shall be nominated by PG.

2.4 Exclusivity

The Parties undertake that each Party shall not, directly or indirectly:

(i) solicit or entertain any approach, expression of interest, offer or proposal from;

(ii) enter into or continue with any discussions or negotiations with;

(iii) enter into any agreement, arrangement or understanding with; or

(iv) announce or communicate any intention to do any of the foregoing to or with,

any person other than the other Party in connection with any proposal concerning the Proposed Joint Venture ("**Exclusivity**"). The Exclusivity shall be binding upon the Parties and shall survive the termination of the MOU. The period of Exclusivity shall be nine months from the date of the MOU.

2.5 Termination and Long-Stop Date

The MOU shall terminate:

(i) upon the entry into the JVA;

(ii) on the date falling one year after the date of the MOU; or

(iii) by mutual consent of the Parties in writing.

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.

The MOU 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.

4. INTEREST 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.

5. 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 the MOU is non-binding and may or may not lead to the entry into any formalised agreements, contracts, cooperation or partnership agreements. 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.

6. FURTHER ANNOUNCEMENTS

The Company will make the relevant update announcements in compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist on material progress of the implementation of the MOU (if any).

7. 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
27 September 2017

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*This announcement has been prepared by shopper 360 Limited (the "**Company**") 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.