

APPENDIX DATED 11 JULY 2018

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of EuroSports Global Limited (the "**Company**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix to the purchaser, transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), this being the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this Appendix.

This Appendix has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Mr Eric Wong, Director, Investment Banking, Singapore. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Tel: +65 6337 5115.



EUROSPORTS GLOBAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201230284Z)

**APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 11
JULY 2018 IN RELATION TO
THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

CONTENTS

DEFINITIONS	1
1. INTRODUCTION.....	3
2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE	3
3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS.....	15
4. SHARES BOUGHT BY THE COMPANY IN THE PAST TWELVE MONTHS.....	16
5. TAX IMPLICATIONS.....	16
6. DIRECTORS' RECOMMENDATION	16
7. DIRECTORS' RESPONSIBILITY STATEMENT	16
8. DOCUMENTS FOR INSPECTION	16

DEFINITIONS

For the purposes of this Appendix, the following definitions apply throughout where the context admits:

<i>"2017 AGM"</i>	:	The AGM that was held on 28 July 2017
<i>"2018 AGM"</i>	:	The AGM scheduled to be held on 27 July 2018
<i>"ACRA"</i>	:	The Accounting and Corporate Regulatory Authority of Singapore
<i>"AGM"</i>	:	The annual general meeting of the Company
<i>"Appendix"</i>	:	This letter to Shareholders dated 11 July 2018 in relation to the proposed renewal of the Share Purchase Mandate
<i>"Board"</i>	:	The board of Directors of the Company
<i>"Catalist"</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>"Catalist Rules"</i>	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
<i>"CDP"</i>	:	The Central Depository (Pte) Limited
<i>"Companies Act"</i>	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
<i>"Company"</i>	:	EuroSports Global Limited
<i>"Constitution"</i>	:	The memorandum of association and articles of association of the Company, as may be amended or modified from time to time
<i>"Directors"</i>	:	The directors of the Company as at the date of this Appendix
<i>"EPS"</i>	:	Earnings per Share
<i>"Group"</i>	:	The Company and its subsidiaries
<i>"Latest Practicable Date"</i>	:	28 June 2018, being the latest practicable date prior to the printing of this Appendix
<i>"Market Day"</i>	:	A day on which the SGX-ST is open for trading in securities
<i>"NTA"</i>	:	Net tangible assets
<i>"Securities Account"</i>	:	The securities accounts maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<i>"Securities and Futures Act"</i>	:	Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified or supplemented from time to time
<i>"SGX-ST"</i>	:	Singapore Exchange Securities Trading Limited

DEFINITIONS

"Share Purchase"	:	The purchase or acquisition by the Company of its own Shares pursuant to the Share Purchase Mandate
"Share Purchase Mandate"	:	The general mandate to enable the Company to purchase or otherwise acquire its issued Shares
"Share(s)"	:	Ordinary share(s) in the capital of the Company
"Shareholders"	:	Registered holders of Shares except that where the registered holder is CDP, the term " Shareholders " shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
"subsidiaries"	:	Has the meaning ascribed to it in section 5 of the Companies Act
"Substantial Shareholder"	:	A person who has an interest or interests in one or more voting Shares in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified or supplemented from time to time
"S\$" and "cents"	:	Singapore dollars and cents, respectively
"%"	:	percentage or per centum

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act. The term "**treasury shares**" and "**subsidiary holdings**" shall have the meaning ascribed to it in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and the neuter genders and *vice versa*. References to persons shall, where applicable, include corporations and limited liability partnerships.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the Catalist Rules, the Take-over Code or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Companies Act, the Catalist Rules, the Take-over Code or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and dates in this Appendix is made by reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts listed and the totals thereof are due to rounding. Accordingly, figure shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

EUROSPORTS GLOBAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201230284Z)

Directors:

Mr. Melvin Goh (*Executive Chairman and Chief Executive Officer*)
Mr. Andy Goh (*Executive Director and Deputy Chief Executive Officer*)
Mr. Ng Tiak Soon (*Non-Executive and Lead Independent Director*)
Mr. Tan Siok Sing (*Non-Executive Independent Director*)
Mr. Lim Kim Quee (*Non-Executive Independent Director*)

Registered Office:

24 Leng Kee Road
#01-03
Singapore 159096

11 JULY 2018

To: The Shareholders of
EUROSPORTS GLOBAL LIMITED

Dear Sir/Madam

RENEWAL OF SHARE PURCHASE MANDATE

1. INTRODUCTION

- 1.1 We refer to the notice of the 2018 AGM dated 11 July 2018 ("**Notice**") to the Shareholders of the Company accompanying the annual report convening the 2018 AGM to be held on 27 July 2018 and Resolution No. 7 under the heading "Special Business" set out in the Notice.
- 1.2 At the 2017 AGM, Shareholders had approved the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire the Shares. The Share Purchase Mandate will expire on the date of the forthcoming 2018 AGM, being 27 July 2018. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the forthcoming 2018 AGM, to take effect until the conclusion of the next following AGM.
- 1.3 This Appendix has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Rationale for the Share Purchase Mandate

The rationale for the Company to undertake the purchase or acquisition of its Shares, as previously stated in paragraph 2.1 of the Company's appendix to Shareholders dated 12 July 2017, is as follows:

- (a) in line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising return to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner;

- (b) in managing its business, the Group strives to increase Shareholders' value by improving, *inter alia*, the return on equity and a Share Purchase is one way by which the return on equity may be enhanced;
- (c) Share Purchases may help mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence;
- (d) insofar as it is permitted by law, the Share Purchase Mandate will permit the Directors to undertake Shares Purchases which will enable the Directors to utilise the Shares which are purchased or acquired and held as treasury shares to satisfy the Company's obligation to furnish Shares to participants under the EuroSports Employee Share Option Scheme and/or the EuroSports Performance Share Plan, thus giving the Company greater flexibility to select the method of providing Shares to its employees which would be most beneficial to the Company and its Shareholders;
- (e) all things being equal, purchases or acquisitions of Shares pursuant to the Share Purchase Mandate will result in a lower number of issued Shares being used for the purpose of computing EPS, if the purchased Shares are subsequently cancelled or during the period such Shares are held as treasury shares. Therefore, Share Purchases under the Share Purchase Mandate will improve the Company's EPS, which in turn is expected to have a positive impact on the fundamental value of the Shares;
- (f) Shares purchased under the Share Purchase Mandate will enable the Directors to utilise the Shares which are purchased or acquired and held as treasury shares to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, which may be less dilutive than if new Shares were issued for this purpose; and
- (g) the Share Purchase Mandate will provide the Company the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The purchase or acquisition of Shares will only be undertaken if it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position and listing status of the Company and/or the Group as a whole.

2.2 **Authority and Limits of the Share Purchase Mandate**

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate, if renewed at the 2018 AGM, are the same as previously approved at the 2017 AGM and are summarised below:

2.2.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the 2018 AGM on which the resolution authorising the proposed renewal of the Share Purchase Mandate is passed. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

Purely for illustration purposes, on the basis of 265,000,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2018 AGM, not more than 26,500,000 Shares, representing 10% of 265,000,000 Shares may be purchased by the Company pursuant to the Share Purchase Mandate.

2.2.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2018 AGM at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in general meeting.

The Share Purchase Mandate may be renewed at each AGM or other general meetings of the Company.

2.2.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchase(s) ("**Market Purchase**"), transacted on the SGX-ST through the ready market or the special trading counter on SGX-ST trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) ("**Off-Market Purchase**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase pursuant to an equal access scheme must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and
 - (bb) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed Share Purchases;
- (4) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the Share Purchases, if made, could affect the Company's equity securities on the SGX-ST;
- (6) details of any Share Purchases made by the Company in the previous 12 months (whether Market Purchase or Off-Market Share Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Share Purchases, where relevant, and the total consideration paid for the Share Purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.2.4 Maximum Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase, or acquisition (the "**Maximum Price**").

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on Catalist immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.3 Status of Purchased Shares

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

2.4 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.4.1 Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

2.4.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares and any purported exercise of such right is void. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury shares into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.4.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Catalist Rules, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares held by it stating the following:-

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.5 Source of Funds

The Company intends to use internal sources of funds, external borrowings or a combination of internal resources and external borrowings to finance the purchases or acquisition of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in such a manner and to such an extent that the liquidity and capital adequacy position and listing status of the Company and/or the Group would be materially affected.

2.6 Solvency Test

Under the Companies Act, any Share Purchases may only be made if the Company is solvent. It is an offence for a Director or manager of the Company to approve or authorise the Share Purchases, knowing that the Company is not solvent. For this purpose, a company is solvent if at the date of the payment referred to in Section 76F(1) of the Companies Act:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if -
 - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

2.7 Financial Effects

The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the Group and the Company will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effect on the audited financial statements of the Group and the Company will depend, *inter alia*, on the factors set out below:

2.7.1 Purchase or Acquisition out of Profits and/or Capital

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

2.7.2 Number of Shares Acquired or Purchased

Based on 265,000,000 issued Shares as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2018 AGM, the exercise in full of the Share Purchase Mandate, on the Latest Practicable Date, would result in the purchase or acquisition of 26,500,000 Shares, representing 10% of 265,000,000 Shares.

2.7.3 Maximum Price Paid for Shares Acquired or Purchased

In the case of Market Purchase by the Company and assuming that the Company purchases or acquires 26,500,000 Shares at the Maximum Price of S\$0.21 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalyst immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 26,500,000 Shares is S\$5.565 million (excluding brokerage, commission, applicable goods and services tax and other related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 26,500,000 Shares at the Maximum Price of S\$0.24 per Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalyst immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 26,500,000 Shares is S\$6.360 million (excluding brokerage, commission, applicable goods and services tax and other related expenses).

2.7.4 Illustrative Financial Effects

For illustrative purposes only, based on the basis of the assumptions set out above, and based on audited financial statements of the Company and the Group for the financial year ended 31 March 2018, and further assuming that (i) Share Purchases are made to the extent aforesaid; (ii) such Share Purchases are funded wholly by internal resources within the Group; and (iii) the Company had purchased 26,500,000 Shares on 1 April 2017 by way of Share Purchases made entirely out of capital, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and Group for the financial year ended 31 March 2018 would have been as follows:

(A) Market Purchases made entirely out of capital

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase		Before Share Purchase	After Market Purchase	
		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
As at 31 March 2018	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	18,469	12,904	18,469	18,469	12,904	18,469
Reserves	(9,885)	(9,885)	(9,885)	(11,203)	(11,203)	(11,203)
Treasury Shares	-	-	(5,565)	-	-	(5,565)
Total Shareholders' Funds ⁽¹⁾	8,584	3,019	3,019	7,266	1,701	1,701
NTA ⁽²⁾	8,584	3,019	3,019	7,266	1,701	1,701
Current Assets	53,359	47,794	47,794	5,277	(288)	(288)
Current Liabilities	48,643	48,643	48,643	108	108	108
Total Borrowings	26,443	26,443	26,443	-	-	-
Cash and Cash Equivalents	4,357	(1,208)	(1,208)	16	(5,549)	(5,549)
Net Loss Attributable to Shareholders	(3,905)	(3,905)	(3,905)	(5,138)	(5,138)	(5,138)
Number of Shares (in '000)	265,000	238,500	238,500	265,000	238,500	238,500
Issued and Paid-up Capital	18,469	12,904	18,469	18,469	12,904	18,469
Financial Ratios						
NTA per Share (cents) ⁽³⁾	3.24	1.27	1.27	2.74	0.71	0.71
Gearing Ratio (times) ⁽⁴⁾	3.08	8.76	8.76	-	-	-
Current Ratio (times) ⁽⁵⁾	1.10	0.98	0.98	48.86	(2.67)	(2.67)
EPS (cents)	(1.47)	(1.64)	(1.64)	(1.94)	(2.15)	(2.15)

(B) Off-Market Purchases made entirely out of capital

	GROUP			COMPANY		
	Before Share Purchase	After Off-Market Purchase		Before Share Purchase	After Off-Market Purchase	
		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
As at 31 March 2018	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	18,469	12,109	18,469	18,469	12,109	18,469
Reserves	(9,885)	(9,885)	(9,885)	(11,203)	(11,203)	(11,203)
Treasury Shares	-	-	(6,360)	-	-	(6,360)
Total Shareholders' Funds ⁽¹⁾	8,584	2,224	2,224	7,266	906	906
NTA ⁽²⁾	8,584	2,224	2,224	7,266	906	906
Current Assets	53,359	46,999	46,999	5,277	(1,083)	(1,083)
Current Liabilities	48,643	48,643	48,643	108	108	108
Total Borrowings	26,443	26,443	26,443	-	-	-
Cash and Cash Equivalents	4,357	(2,003)	(2,003)	16	(6,344)	(6,344)
Net Loss Attributable to Shareholders	(3,905)	(3,905)	(3,905)	(5,138)	(5,138)	(5,138)
Number of Shares (in '000)	265,000	238,500	238,500	265,000	238,500	238,500
Issued and Paid-up Capital	18,469	12,109	18,469	18,469	12,109	18,469
Financial Ratios						
NTA per Share (cents) ⁽³⁾	3.24	0.93	0.93	2.74	0.38	0.38
Gearing Ratio (times) ⁽⁴⁾	3.08	11.89	11.89	-	-	-
Current Ratio (times) ⁽⁵⁾	1.10	0.97	0.97	48.86	(10.03)	(10.03)
EPS (cents)	(1.47)	(1.64)	(1.64)	(1.94)	(2.15)	(2.15)

Notes:

- Total shareholders' funds exclude minority interests.
- NTA refers to net assets less intangible assets and minority interests.
- NTA per Share is computed based on the NTA (i.e., net assets less intangible assets and minority interests) divided by the number of Shares issued.
- Gearing ratio equals to total borrowings divided by shareholders' funds.
- Current ratio equals to current assets divided by current liabilities.

Shareholders should note that the financial effects, based on the respective aforementioned assumptions, are for illustrative purposes only. In particular, it is important to note that it is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Purchase Mandate on the NTA per Share and EPS as the resultant effect would depend on the factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. The above analysis is based on historical numbers as at 31 March 2018, and is not necessarily representative of future financial performance.

It should also be noted that purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interest of the Company, and the purchases or acquisitions of Shares may not be carried out to the full 10% as mandated. Further, the Directors would emphasise that they do not propose to carry out Share Purchase to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or results in the Company being delisted from the SGX-ST. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution.

2.8 **Catalist Rules**

The Catalist Rules specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8D to the Catalist Rules) must include, *inter alia*, the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and subsidiary holdings, and the number of treasury shares held after the purchase.

The Catalist Rules does not expressly prohibit any purchase or acquisition of its own shares by a listed company during any particular time or times. However, as the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalist Rules.

In particular, the Company would not purchase or acquire any Share through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s half-year and full-year results of the financial year.

Rule 723 of the Catalist Rules requires a listed company to ensure that at least 10% of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) must be held by public shareholders. As at the Latest Practicable Date, approximately 71,446,200 of the issued Shares are held by public shareholders, representing approximately 26.96% of the total number of issued Shares. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on Catalist, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.9 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of effective control (as defined in the Take-over Code), or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

2.9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will be presumed to be acting in concert:

- (a) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts, which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and

- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its issued Shares, the voting rights of such Directors and the persons acting in concert with them would increase to 30% or more, or in the event that such Directors and the persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and the persons acting in concert with them would increase by more than 1% in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholders holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholders would increase by more than 1% in any period of six months. Such a Shareholder need not abstain from voting in respect of the Ordinary Resolution authorising the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a takeover offer would arise by reason of any Share Purchases by the Company.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholding interests of the Directors and the Substantial Shareholders are set out below:

	Before Shares Purchases				After Shares Purchases ⁽²⁾
	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest ⁽¹⁾		Total Interest ⁽³⁾
Directors			No. of Shares	%	%
Melvin Goh	66,829,200	52,409,000	119,238,200	45.00	50.00
Andy Goh	59,815,600	14,500,000	74,315,600	28.04	31.16
Ng Tiak Soon	-	-	-	-	-
Tan Siok Sing	-	-	-	-	-
Lim Kim Quee	-	-	-	-	-
Substantial Shareholders					
Melvin Goh	66,829,200	52,409,000	119,238,200	45.00	50.00
Andy Goh	59,815,600	14,500,000	74,315,600	28.04	31.16

Notes:

- (1) As a percentage of the total number of issued Shares as at the Latest Practicable Date comprising 265,000,000 Shares.
- (2) Assuming that the Company purchases the maximum number of 26,500,000 Shares under the Share Purchase Mandate.
- (3) As a percentage of the total number of issued Shares comprising 238,500,000 Shares assuming that the Company has acquired or purchased a maximum of 26,500,000 Shares under the Share Purchase Mandate.

Melvin Goh and Andy Goh are siblings and are deemed under the Take-over Code to be parties acting in concert with each other. As at the Latest Practicable Date, Melvin Goh and Andy Goh have an aggregate interest in 193,553,800 Shares, which is equivalent to 73.04% of the total voting rights of the Company. As their aggregated interest is more than 50% of the total voting rights of the Company, the Share Purchase Mandate, even if exercised in full, will not result in either Melvin Goh or Andy Goh incurring an obligation to make a general offer under Rule 14 and Appendix 2 of the Take-over Code.

Based on the above information, as at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer in the event that the Company purchases the maximum number of 26,500,000 Shares under the Share Purchase Mandate.

Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Substantial Shareholder who may become obligated to make a mandatory offer in the event that the Company purchases the maximum number of 26,500,000 Shares under the Share Purchase Mandate.

Save as disclosed in this Appendix, the Directors and the Substantial Shareholders of the Company do not have any interest, whether direct or indirect, in the Shares.

4. SHARES BOUGHT BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not made any Share Purchases in the last 12 months preceding the Latest Practicable Date.

5. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company or to who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

6. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the renewal of the Share Purchase Mandate to be proposed at the 2018 AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in the Appendix 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 the Appendix in its proper form and context.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company's registered office at 24 Leng Kee Road #01-03 Singapore 159096 during normal business hours from the date hereof up to and including the date of the 2018 AGM:

- (a) the Constitution; and
- (b) the annual report of the Company for the financial year ended 31 March 2018.

Yours faithfully
For and on behalf of the Board of Directors of
EUROSPORTS GLOBAL LIMITED

Melvin Goh
Executive Chairman and Chief Executive Officer