

EUROSPORTS GLOBAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 201230284Z)

DISCLOSURE OF FUNDRAISING BY WHOLLY-OWNED SUBSIDIARY

1. INTRODUCTION

- 1.1 In accordance with Rule 703(1) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the Board of Directors (the “**Board**”) of EuroSports Global Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to disclose that the Company has on the date of this Announcement approved the fundraising by EuroSports Technologies Pte. Ltd., a wholly-owned subsidiary of the Company (“**EST**”), of up to US\$10,000,000 (the “**EST Fundraising**”).
- 1.2 The rationale for the EST Fundraising is to raise funds for the general working capital purposes (such as operating expenses and development expenses) of EST.
- 1.3 The EST Fundraising shall be carried out by the issuance of various convertible loan agreements (each, an “**EST Convertible Loan Agreement**”) by EST to various investors.

2. EST FUNDRAISING

- 2.1 Under the terms of each EST Convertible Loan Agreement, the loan made to EST (the “**Convertible Loan**”) is convertible into shares in the capital of EST (“**EST Shares**”) upon the occurrence of certain events as further described and illustrated in paragraph 2.2 below. The Convertible Loan is an interest-free unsecured loan, and becomes repayable by EST if not first converted, upon the earlier of:
- (a) 3 years from the date of the EST Convertible Loan Agreement; or
 - (b) the occurrence of a dissolution event of EST, including any liquidation, dissolution or winding up of EST.
- 2.2 Under the terms of each EST Convertible Loan Agreement, the Convertible Loan shall be convertible into EST Shares as follows:
- (a) Upon a further equity fundraising round of not less than US\$5,000,000 occurring after 6 months from the date of the EST Convertible Loan Agreement (a “**Next Equity Financing**”), the Convertible Loan shall be convertible into EST Shares at a conversion price of the lower of:
 - (i) the lowest price per share of the Next Equity Financing after applying a 25% discount; and
 - (ii) the price per share calculated by taking the valuation cap of US\$100,000,000 (the “**Valuation Cap**”) divided by the total number of EST Shares in issue at the time of conversion.

For illustrative purposes only, on the basis of the current total number of issued EST Shares of 2,000,000 EST Shares, and assuming that EST is valued at the Valuation Cap at the time of the Next Equity Financing, the total number of conversion shares to be issued will be approximately 266,667 EST Shares, representing 11.76% of the post-conversion issued share capital of EST.

- (b) Upon a change of control or an initial public offering of EST (a “**Corporate Transaction**”), the Convertible Loan shall be convertible into EST Shares at a conversion price of the price per share equal to the fair market value of an ordinary share in the capital of EST at the time of the Corporate Transaction, as determined by reference to the purchase price or offer price payable in connection with such Corporate Transaction.

For illustrative purposes only, on the basis of the current total number of issued EST Shares of 2,000,000 EST Shares, and assuming that EST is valued at the Valuation Cap at the time of the Corporate Transaction, the total number of conversion shares to be issued will be approximately 200,000 EST Shares, representing 9.09% of the post-conversion issued share capital of EST.

- 2.3 The EST Fundraising is made by EST pursuant to the exemptions under Sections 272B, 274 and/or 275 of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by EST in connection with the EST Fundraising.

- 2.4 As EST is not a principal subsidiary (as defined under the Catalist Rules) of the Company, the approval of the shareholders of the Company is not being sought for the EST Fundraising under Rule 805(2) of the Catalist Rules.

3. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors (other than in his capacity as a Director or shareholder of the Company, as the case may be) and controlling shareholders (other than by virtue of their shareholding in the Company) of the Company has any interest, direct or indirect, in the above transaction.

4. **FINANCIAL EFFECTS**

Assuming that EST does not undertake any further Next Equity Financing or Corporate Transaction, the EST Fundraising is not expected to have any material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 31 March 2020.

Upon the occurrence of a Next Equity Financing and/or Corporate Transaction, the Company will assess the financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group at such time when the respective corporate action(s) materialise and definitive details are available.

5. **FURTHER ANNOUNCEMENTS**

The Company will release the appropriate announcements upon the completion of the EST Fundraising as well as any material developments from time to time.

6. **CAUTIONARY NOTE**

There is no guarantee that the EST Fundraising will be carried out up to the specified limit, and accordingly, shareholders of the Company should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

EuroSports Global Limited
Goh Kim San
Executive Chairman and Chief Executive Officer

21 November 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST. 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.

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