

EUROSPORTS GLOBAL LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 201230284Z)

SALE OF 3,500,000 TREASURY SHARES (“SALE SHARES”) IN THE CAPITAL OF THE COMPANY VIA A SALE AND PURCHASE AGREEMENT AT S\$0.20 FOR EACH SALE SHARE

1. INTRODUCTION

- 1.1 The Board of Directors of Eurosports Global Limited (the “**Company**”) wishes to announce that the Company had on 11 November 2020 entered into a sale and purchase agreement (“**SPA**”) with Hui Sheng Worldwide Limited (“**Purchaser**”), pursuant to which the Company had agreed to sell, and the Purchaser agreed to purchase 3,500,000 ordinary shares held by the Company as treasury shares (“**Sale Shares**”) at a price of S\$0.20 per Sale Share for an aggregate consideration of S\$700,000 (“**Purchase Consideration**”).
- 1.2 The sale price of S\$0.20 for each Sale Share represents a premium of approximately 10.68% to the volume weighted average price of S\$0.1807 for trades done on Catalist, being the full preceding market day of 10 November 2020 up to the time of trading halt on the market day of 11 November 2020 on which the SPA was signed.
- 1.3 The sale and purchase of the Sale Shares was completed on the same date as the SPA. Under the terms of the SPA, the Sale Shares are to be sold and transferred to the Purchaser free from all claims, charges, liens and other encumbrances whatsoever and shall rank, *pari passu*, in all respects with the existing Shares save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date of which falls on or before the Completion Date. “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- 1.4 Immediately prior to the completion of the sale and purchase of the Sale Shares (“**Completion**”), the Company had an issued share capital of approximately S\$17.6 million comprising 260,158,800 Shares (excluding treasury shares) and 4,841,200 Shares held by the Company as treasury shares. Following Completion, the Company’s issued share capital will change to approximately S\$18.3 million comprising 263,658,800 Shares (excluding treasury shares) and 1,341,200 Shares held by the Company as treasury shares. Following the sale of the Sale Shares, the percentage of number of treasury shares against the total number of ordinary shares outstanding (“**Shares**”) in the Company will be reduced approximately from 1.86% to 0.51%¹. The value of the treasury shares is S\$647,500².

Notes:

¹ The percentages of number of treasury shares against the total number of ordinary shares outstanding of the Company before and after the sale is based on 260,158,800 shares and 263,658,800 shares, respectively.

² Calculated based on last dealt price of the Company’s shares on 11 November 2020.

1.5 The sale of the Sale Shares was undertaken pursuant to Section 272B of the Securities and Futures Act (Chapter 289). As such, no prospectus or offer information statement was lodged with the Monetary Authority of Singapore in connection with the sale of the Sale Shares.

2. INFORMATION ON THE PURCHASER

2.1 The Purchaser is a company incorporated in British Virgin Islands and engaged in private investments.

2.2 The sole shareholder of the Purchaser is Acey Caye Inc (“**Acey Caye**”), and Acey Caye in turn is solely owned by YOUW Rui Xiong, Alvin (“**Alvin**”).

2.3 The Purchaser was introduced to the Company by Lucas Ng, an employee of the Group to the Group’s Executive Chairman and Chief Executive Officer at a social event attended by both parties. No placement agent was appointed in connection with the sale of the Sale Shares to the Purchaser. The Company understands that the Purchaser have entered into the SPA purely for financial investment purposes.

2.4 Following the completion of the Sale Shares, the Purchaser will have a shareholding interest of 3,500,000 shares or 1.33% of the Company’s Shares (excluding treasury shares).

2.5 To the best knowledge of the Company:

- (a) as at the date of this announcement, the Purchaser does not hold, directly or indirectly, any Shares, and is not related to any of the Directors or substantial shareholders and their respective associates; and
- (b) the Purchaser and its shareholders and directors (as named in paragraphs 2.2 above) are not persons specified in Rule 812(1) of Section B: Catalyst Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited.

3. RATIONALE OF THE PROPOSED PLACEMENT AND USE OF PROCEEDS

3.1 The sale of the Sale Shares was undertaken by the Company to strengthen its financial position and will be allocated for general working capital purposes. Based on the aggregate Purchase Consideration of S\$700,000, the sale of the Sale Shares allowed the Company to raise net cash proceeds (after deducting expenses of approximately S\$6,600) of approximately S\$693,400 (the “**Net Proceeds**”). The Net Proceeds will be utilised for general working capital purposes. The working capital of the Group and its subsidiaries (the “**Group**”) as at 30 September 2020 is S\$6,325,000 and the Company intends to further strengthen the Group’s financial position with sales of the Sales Shares.

3.2 Pending the deployment of the Net Proceeds for the purposes mentioned above, such Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Board may, in its absolute discretion, deem appropriate in the interests of the Group.

- 3.3 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such funds are materially disbursed, and whether the use of Net Proceeds is in accordance with the stated use. The Company will also provide a status report on the utilisation of such Net Proceeds in the Company's interim and full-year financial statements and annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcements and status report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the sale of the Sale Shares, other than through their shareholdings in the Company.

5. CONFIRMATION BY THE BOARD

The Board is of the opinion that, as at the date of this announcement:

- (a) after taking into consideration the Group's present internal resources and present bank facilities available to the Group, the Group has sufficient working capital to meet its present requirements. Notwithstanding the above, the purpose of the sale of the Sale Shares is to strengthen the Group's financial position and the funds raised will be allocated for general working capital purposes, as disclosed in paragraph 3 of this announcement; and
- (b) after taking into consideration the Group's present internal resources, present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

6. DOCUMENTS FOR INSPECTION

The SPA may be inspected at the registered office of the Company at 24 Leng Kee Road #01-03 Singapore 159096 during normal business hours for a period of three (3) months commencing from the date of this announcement.

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 sale of the Sale Shares, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the 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 the announcement in its proper form and context.

By Order of the Board

Goh Kim San

Executive Chairman and Chief Executive Officer

11 November 2020

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 Catalist.

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.

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, Telephone: +65 63375115.