

NON-BINDING MEMORANDUM OF UNDERSTANDING

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of EuroSports Global Limited (the “**Company**”) wishes to announce that the Company has on 15 February 2017 entered into a non-binding memorandum of understanding (the “**MOU**”) with Mr. Siu Tat Man (“**Mr. Siu**”, and together with the Company, the “**Parties**”), in relation to the Company’s proposed acquisition of ordinary shares in the issued and paid up share capital of SS Ventures Limited, a company incorporated in Hong Kong (“**SS Ventures**” or the “**Target**”) (the “**Proposed Acquisition**”).

The MOU is not intended to be legally binding between the Parties, except for certain provisions relating to, *inter alia*, expenses, exclusivity, confidentiality, governing law and dispute resolution. As such, the Proposed Acquisition remains subject to the entry into definitive agreements between the Company and Mr Siu and such other persons as directed by him (the “**Vendors**”), including a conditional sale and purchase agreement, for the Proposed Acquisition (the “**Definitive Agreement**”). The Parties will use their respective best endeavours to negotiate in good faith and sign the Definitive Agreement within 30 days from the date of the MOU.

2. INFORMATION ON THE TARGET

SS Ventures is principally engaged in the development, improvement and maintenance of a comprehensive and user friendly online solution for taxi hailing services. It aims to provide a safe platform that efficiently connects passengers with government licensed taxis. At present, SS Ventures is the operator of “Fly Taxi” or “飛的”, a mobile application for taxi-hailing services in Hong Kong. It is also the owner of all the intellectual property relating to “Fly Taxi”. The “Fly Taxi” mobile application is being regularly enhanced and developed to meet the changing consumer demands in the market.

As at the date of this announcement, the Target is wholly-owned by Mr. Siu. Mr. Siu does not have any shareholding interests (direct or indirect) in the Company, and is not related to any of the Company’s Directors, chief executive officer, or controlling shareholder, or their respective associates.

3. RATIONALE FOR THE PROPOSED ACQUISITION

At present, the Group specialises in the business of distribution of ultra-luxury automobiles and luxury automobiles, provision of after-sales services, and short-term rental of supercars and supercar sharing club. Taking into consideration the rapid growth of the ride-hailing services industry globally, the Company intends to tap on the opportunities arising from the demand for mobile applications that provide seamless connection between passengers and transportation providers. The Company believes that the Proposed Acquisition represents a natural extension of our automotive and rental businesses, where the Group could derive synergistic benefits from the Target with the use of information technology in its existing business. In view of the foregoing, the Company aims to achieve business growth and

profitability improvement in its luxury business segments through the potential creation of products and services that are driven by new technology and know-how.

4. SALIENT TERMS OF THE MOU

4.1 Background of the Proposed Acquisition and Purchase Consideration

The Proposed Acquisition shall be carried out in four stages, pursuant to which the details of each stage are set out below:

(a) Stage 1 of the Proposed Acquisition

On or within 30 days from the date of the MOU, the Company will enter into the Definitive Agreement to purchase a certain number of shares in the Target from the Vendors (the “**First Tranche Vendor Shares**”), representing 10.00% of the issued and paid up share capital of the Target at a purchase consideration of USD 3.00 million (the “**First Tranche Consideration**”).

The First Tranche Consideration shall be satisfied by the issue and allotment of new ordinary voting shares in the share capital of the Company (the “**First Tranche Purchaser Shares**”) to the Vendors at an agreed issue price. The First Tranche Purchaser Shares shall represent approximately 6.66% of the existing issued and paid-up share capital of the Company and approximately 6.24% of the enlarged issued and paid-up share capital of the Company (comprising the aggregate of the existing issued and paid-up share capital of the Company and the First Tranche Purchaser Shares).

(b) Stage 2 of the Proposed Acquisition

On or within six (6) months of the date of the Definitive Agreement, upon the occurrence of all (and not part thereof) of the following events:

- (i) the implementation and commencement of revenue generation from location-based advertising and marketing to users of “Fly Taxi”; and
- (ii) the completion of a minimum equity investment of USD 0.75 million by way of issue and allotment of new ordinary voting shares in the Target to a bona fide third party independent investor, based on a pre-money valuation of the Target of not less than USD 30.00 million,

the Company shall purchase a certain number of shares in the Target from the Vendors (the “**Second Tranche Vendor Shares**”), representing an additional 10.00% of the issued and paid up share capital of the Target as at the date of the Definitive Agreement, at a purchase consideration of USD 5.00 million (the “**Second Tranche Consideration**”). The Second Tranche Consideration shall be satisfied by the issue and allotment of new ordinary voting shares in the share capital of the Company (the “**Second Tranche Purchaser Shares**”) to the Vendors at an agreed issue price.

(c) Stage 3 of the Proposed Acquisition

On or within 12 months of the date of the Definitive Agreement, upon the execution of agreements, letters and/or documents in respect of a partnership, alliance, joint

venture and/or other arrangement in such manner that is satisfactory to the Company (acting reasonably), for the geographical expansion of “Fly Taxi” into two (2) additional cities, the Company shall have the right but not the obligation to purchase a certain number of shares in the Target from the Vendors (the “**Third Tranche Vendor Shares**”). The number of Third Tranche Vendor Shares shall be determined based on an agreed formula, taking into account (i) a valuation of the Target at USD 75.00 million; (ii) the purchase consideration for the Third Tranche Vendor Shares (the “**Third Tranche Consideration**”); and (iii) the number of shares in the Target as at the date of the Definitive Agreement. The Third Tranche Consideration shall be satisfied by the issue and allotment of new ordinary voting shares in the share capital of the Company (the “**Third Tranche Purchaser Shares**”) to the Vendors at an agreed issue price, which would result in the Vendors holding approximately (but not exceeding) 25.00% of the enlarged issued and paid-up share capital of the Company.

(d) Stage 4 of the Proposed Acquisition

On or within 18 months of the date of the Definitive Agreement, the Company shall have the right but not the obligation to purchase all of the remaining shares in the Target held by the Vendors (the “**Final Option**”) based on a valuation of the Target of USD 100.00 million. The Final Option is to be exercisable and transferable in whole or in part thereof. The purchase consideration shall be satisfied by the Company in cash.

(e) Transfer Restrictions

Upon the completion of the Proposed Acquisition, the aggregate percentage of equity interest held by the Vendors in the share capital of the Company pursuant to the First Tranche Purchaser Shares, the Second Tranche Purchaser Shares and the Third Tranche Purchaser Shares shall not exceed 25.00%. Such shares that are issued and allotted to the Vendors shall also be subject to transfer restrictions under the terms of the Definitive Agreement.

(f) Compliance with Chapter 8 and Chapter 10 of the Catalist Rules

Each stage of the Proposed Acquisition, if undertaken, will be aggregated for the purposes of compliance with Chapter 10 of Section B: Rules of Catalist of the Listing Manual (the “**Catalist Rules**”).

In compliance with Chapter 8 of the Catalist Rules, the Company will not transfer a controlling interest to the Vendors without prior approval of shareholders in a general meeting.

Accordingly, the Proposed Acquisition may be subject to, *inter alia*, the approval of the shareholders of the Company at an extraordinary general meeting to be convened.

The Board wishes to emphasise that the terms of the MOU in relation to the Proposed Acquisition are not intended to be legally binding between the Parties and do not constitute substantive rights and obligations of the Parties. The terms of the Proposed Acquisition are subject to the Definitive Agreement and there is no certainty or assurance as at the date of this announcement that the terms and conditions of the Proposed Acquisition will not differ from that set out in the MOU.

4.2 Conditions Precedent

The Proposed Acquisition is intended to be conditional upon, *inter alia*, the following conditions being fulfilled on or before the date of completion:

- (a) completion of the financial, legal, tax and business due diligence on the Target and its subsidiaries, and the results thereof being satisfactory to the Company;
- (b) compliance with all applicable laws and regulations; and
- (c) all necessary applicable consents, approvals and waivers from all relevant governmental bodies, stock exchange and other regulatory authority for or in connection with the Proposed Acquisition having been obtained by the Company or the Vendors (including, but not limited to, approval of the Singapore Exchange Securities Trading Limited and the Company's Sponsor (as applicable)).

4.3 Costs

The Parties shall be responsible for their respective transactional costs, including but not limited to, the professional fees and other costs and expenses incurred, in relation to all transactions contemplated in the MOU.

4.4 Exclusivity

The Parties shall deal exclusively with each other to negotiate and finalise the Definitive Agreement from the date of the MOU to the earlier of (a) the date on which the Definitive Agreement is entered into by the Parties; (b) such date ending on 30 days from the date of the MOU (both dates inclusive); or (c) such other date that is mutually agreed between the Parties.

4.5 Governing Law and Dispute Resolution

The MOU shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Parties agree that they shall endeavour to amicably resolve all difference; failing which all disputes to be referred to arbitration by one arbitrator by the Singapore International Arbitration Centre under its prevailing rules. The single arbitrator shall be appointed by mutual agreement of the Parties, failing which, shall be appointed by the President of the Singapore International Arbitration Centre.

5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective directorships and shareholdings in the Company.

6. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of Chapter 8 and Chapter 10 of the Catalist Rules, upon the execution of the Definitive Agreement and/or when there are material developments in respect of the Proposed Acquisition.

7. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading the shares in the Company as there is no certainty or assurance as at the date of this announcement that the Definitive Agreement will be entered into, the terms and conditions of the Proposed Acquisition will not differ from that set out in the MOU, or the Proposed Acquisition will be undertaken at all.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

By Order of the Board

EuroSports Global Limited
Melvin Goh
Chief Executive Officer
15 February 2017

*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**") 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 announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 6337 5115.
