

EUROSPORTS GLOBAL LIMITED
(Incorporated in Singapore)
(Registration No. 201230284Z)

PROPOSED DISPOSAL OF PROPERTY BY A SUBSIDIARY

1. **Introduction**

The Board of Directors of EUROSPORTS GLOBAL LIMITED (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its subsidiary EUROSPORTS AUTO PTE LTD of 24 Leng Kee Road, #01-03, Singapore 159096 (“**Vendor**”) has entered a proposed divestment (“**Proposed Divestment**”) for property held by the Vendor.

2. **Property and Purchase Price**

- a. **Purchase Price.** The property of the Proposed Divestment **Nos 7 and 9 CHANG CHARN ROAD SINGAPORE 159636** (together known as “**Property**”) transacted under an Option to Purchase (“**Option**”) that was exercised on 10 May 2018 at a Purchase Price of **S\$16,500,000.00** plus GST, which took into account the Formal Valuation Reports (as defined below) . The purchaser paid an Option Fee of **S\$165,000.00** and upon exercise of Option paid a further **S\$660,000.00** being the balance of the deposit of 5% of the Purchase Price less Option Fee. The Proposed Divestment was transacted at arm’s length and arrived at on a willing-buyer, willing seller basis. The Group is expected to record a net loss of approximately S\$347,000.00 from the Proposed Divestment, after taking into account the net book value of the Property of S\$16,487,000.00 as at 31 March 2017 and estimated expense of S\$360,000.00 (excluding government approval fees and costs).
- b. **Property Description.** The lot areas for Nos 7 and 9 Chang Charn Road are of approximately 930 SqM each, both with a leasehold of 99 years from 1958 from the proprietor the Housing and Development Board (“**HDB**”), and no known encroachment on the properties. Developments in the area comprise a mixture of purpose-built detached factories and warehouses, industrial developments and HDB developments. The Property has a total valuation of **S\$16,600,000.00** based on Formal Valuation Reports dated 15 May 2017 by GB Global Pte Ltd of 140 Paya Lebar Road #10-09 Singapore 409015 (“**Formal Valuation Reports**”).
- c. **Sale of Car.** The Proposed Divestment includes the sale by the Vendor of a specified LAMBORGHINI CAR (“**Car**”) that shall run contemporaneously with the Option for an additional sum of **S\$1,338,000.00**. The sale of the car is subject to the completion of the sale of the Property.
- d. **Conditions.** The Proposed Divestment is subject to such government approvals as required from authorities such as Jurong Town Corporation (“**JTC**”) / Housing & Development Board (“**HDB**”); shareholders approval of the Company.

3. **Rationale for Sale**

The property does not form an integral part of the Group’s business operations, The Board of Directors believes the proceeds from the sale of the property can be deployed to better use.

4. **Uses of Proceeds**

Pending the deployment of funds, the net proceeds may be used to repay existing bank borrowings, deposited with banks and financial institutions and used as working capital.

5. **Shareholder Approval**

The Company will be seeking specific approval from shareholders of the Company (“**Shareholders**”) for the Proposed Divestment, to be set out in a circular to Shareholders (“**Circular**”) and despatched in due course together with a notice of an extraordinary or annual general meeting (“**AGM**”).

6. **Financial Effects of the Sale**

The proforma financial effects of the Group after the Proposed Divestment set out below are for illustrative purposes only and should not be taken as an indication of the actual future financial performance or position of the Group following the Proposed Divestment, nor a projection of the future financial performance or position of the Group after completion of the Proposed Divestment.

The proforma financial effects of the Proposed Divestment are based on the Group's audited financial statements for the financial year ended 31 March 2017 (the figures exclude government approval fees) and are as follows:

	Before the Proposed Divestment	After the Proposed Divestment
NTA (S\$'000)	12,543,000	12,196,000
Number of issued shares	265,000,000	265,000,000
NTA per share (Singapore cents)	4.73	4.60

	Before the Proposed Divestment	After the Proposed Divestment
Net loss after tax (S\$'000)	7,919,999	8,266,999
Number of issued shares	265,000,000	265,000,000
EPS (Singapore cents)	(2.99)	(3.12)

7. **Relative Figures**

Based on the Group's audited financial statements for the financial year ended 31 March 2017, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST in respect of the Sale are as follows (the figures exclude government approval fees):

Rule	Bases of computation	Size of relative figures
1006 (a)	Net asset value of assets being disposed of, compared with the Group's net asset value	131.4% ⁽¹⁾
1006 (b)	Net profits attributable to the assets disposed of, compared with the Group's net profits	Not applicable
1006 (c)	Aggregate value of consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	28.3%
1006 (d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006 (e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

⁽¹⁾ "Net asset" means the total assets less total liabilities. Based on the net asset value of the Property of S\$16.48 million and the Group's net asset value of approximately S\$12.54 million as at 31 March 2017.

Having regard to the above, as the relative figures computed bases set out in Rules 1006(a) of the Listing Manual of the SGX-ST exceed 50%, the Proposed Divestment constitutes a major transaction within the meaning of Rule 1014 of the Listing Manual of the SGX-ST. Accordingly, the Proposed Divestment is subject to the approval of shareholders of the Company.

8. **Directors' and Controlling Shareholders' Interests**

As far as the Directors are aware, none of the Directors, substantial shareholder or Controlling Shareholders (as defined in the Listing Manual of the SGX-ST) of the Company has any interest, direct or indirect, in the Proposed Divestment.

9. **Service Contract**

No person is proposed to be appointed as director of the Company in connection with the Proposed Transaction. Accordingly, no service contract for such appointment is proposed to be entered into between the Company and any such person.

10. **Documents available for inspection**

A copy of the Option to Purchase and the Formal Valuation Reports by GB Global Pte Ltd are available for inspection at the registered office of the Company at 24 Leng Kee Road, #01-03, Singapore 159096 during normal business hours for three (3) months from the date of this announcement.

By Order of the Board
EuroSports Global Limited

Melvin Goh
Chief Executive Officer
11 May 2018

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.