

EUROSPORTS GLOBAL LIMITED
Company Registration Number: 201230284Z
(the “**Company**”)

PROPOSED ACQUISITION OF MAJORITY STAKE IN (I) AUTOINC SPORTS PTE. LTD., (II) AUTOINC LIFESTYLE PTE. LTD. AND (III) BIREL SINGAPORE PTE. LTD.

The board of directors (“**Board**”) of the EuroSports Global Limited (“**Company**”, and together with its subsidiaries, collectively the “**Group**”) wishes to announce that it had on 19 June 2014 entered into a term sheet (“**Term Sheet**”) with Mr Benjamin Solomon Tan (“**Vendor**”) pursuant to which the Company shall acquire from the Vendor (a) such number of ordinary shares in the capital of Autoinc Sports Pte. Ltd. (“**ASPL**”) representing 60% of the issued and paid up capital of ASPL, (b) such number of ordinary shares in the capital of Autoinc Lifestyle Pte. Ltd. (“**ALPL**”) representing 60% of the issued and paid up capital of ALPL, and (c) such number of ordinary shares in the capital of Birel Singapore Pte. Ltd. (“**BSPL**”) representing 60% of the issued and paid up capital of BSPL (collectively, the “**Sale Shares**”; and ASPL, ALPL and BSPL collectively, the “**Target Companies**”) (the “**Proposed Acquisition**”).

The Target Companies are wholly-owned by the Vendor and the business of the Target Companies comprises the following:

- (i) trading of sports and luxury automobiles;
- (ii) provision of maintenance and grooming services for luxury automobiles; and
- (iii) retail of go-karts and provision of maintenance and storage services for go-karts.

The aggregate consideration for the Proposed Acquisition is S\$1,500,000 (“**Consideration**”).

In addition to the Consideration, the Company shall pay to the Vendor the following:

- (a) in the event that the aggregate net profit after tax and minority interest of the Target Companies for the financial period commencing from the completion date and ending 12 months thereafter (“**NPAT**”) shall be not less than S\$800,000 and not more than S\$899,999, an amount equivalent to S\$100,000;
- (b) in the event that the NPAT shall be not less than S\$900,000 and not more than S\$999,999, an amount equivalent to S\$200,000; and
- (c) in the event that the NPAT shall be S\$1,000,000 or more, an amount equivalent to S\$300,000,

(each an “**Earn Out Amount**”).

In the event the NPAT is less than S\$800,000, no further amounts shall be payable by the Company to the Vendor.

The Earn Out Amount shall be satisfied by the issue and allotment of such new ordinary shares in the capital of the Company (“**Earn Out Shares**”) equivalent to the Earn Out Amount divided by an issue

price of S\$0.30295 (being the volume weighted average price of shares in the capital of the Company traded on the date the Term Sheet was executed), any fractions to be disregarded.

The Consideration and the Earn Out Amount were arrived at following arm's length negotiations on a willing buyer willing seller basis and taking into account the revenue, profits, net tangible assets and business prospects of the Target Companies.

The Term Sheet is subject to the parties entering into a definitive agreement providing the details in respect of the matters broadly set out in the Term Sheet (the "**Formal Agreement**") within one (1) month from the date of the Term Sheet (the "**Cut-Off Date**").

The sale and purchase of the Sale Shares is subject to, *inter alia*, the following conditions precedents ("**Conditions Precedent**") being fulfilled and complied with:

- (a) findings of legal, financial and operational due diligence being satisfactory to the Company at its absolute discretion; and
- (b) the receipt and non-withdrawal of the listing and quotation notice of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for, among other things, the listing and quotation of the Earn Out Shares.

The Company will make further announcement(s) via the SGXNET as appropriate when there are material developments to the Proposed Acquisition and/or disclose further details as required under Section B: Rules of Catalist of the SGX-ST Listing Manual .

None of the directors, substantial shareholders or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

By Order of the Board
EuroSports Global Limited
Melvin Goh
Chief Executive Officer
20 June 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch ("**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 Catalist. The Sponsor has not independently verified the contents of this announcement.

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

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