

CHINA SPORTS INTERNATIONAL LIMITED
(UNDER JUDICIAL MANAGEMENT)
(Incorporated in Bermuda)
(Company Registration: 39798)
(the “**Company**”)

IMPLEMENTATION AGREEMENT FOR PROPOSED TRANSFER OF LISTING STATUS

1. INTRODUCTION

- 1.1 The judicial managers of the Company (“**Judicial Managers**”) wish to announce that the Company had entered into an Implementation Agreement (the “**Agreement**”) with Mahabuild Pte. Ltd. (the “**Transferee**”, together with the Company, the “**Parties**”) on 15 November 2019.
- 1.2 The Agreement sets out the terms for the proposed transfer of the Company’s listing status (the “**Transfer**”) to the Transferee by way of a scheme of arrangement (“**Scheme**”). The terms of the Transfer and the Scheme are elaborated further below.
- 1.3 The Company is presently under judicial management and its shares (“**Shares**”) are suspended from trading. One of the Company’s intangible assets is its listing status. The Transfer, if successful, seeks to provide some recovery to shareholders (“**Shareholders**”) and creditors of the Company (“**Creditors**”).

2. THE PROPOSED TRANSFER OF LISTING STATUS

- 2.1. The Transfer is envisaged to result in the listing and admission of the Transferee to Catalist (the “**Listing**”), the sponsor-supervised board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Company’s Shares will, in conjunction with the Transfer and the Listing, be delisted and withdrawn from the Mainboard of the SGX-ST.
- 2.2. The consideration for the Transfer (“**Consideration**”) is S\$3,000,000, which will be satisfied by the issue of new shares in the capital of the Transferee (“**Consideration Shares**”) to the Judicial Managers, which are intended for *inter alia* distribution to Creditors and Shareholders.
- 2.3. Upon completion of the Transfer and, if necessary, the compliance placement of new shares to constitute the requisite public float, the Consideration Shares (together with other Shares issued out of the capital of the Transferee) will be listed on Catalist and shall be freely tradable. If the Company’s assets were liquidated, it is unlikely that there will be any residual value available for distribution to the Shareholders after payment to the Creditors. As such, the Scheme offers potentially better returns for Creditors and Shareholders, as compared to a liquidation scenario.
- 2.4. Completion of the Transfer is subject to various conditions precedent, including but not limited to (i) the in-principle approval(s) of the SGX-ST for the Transfer and the Listing; (ii) the approvals of the Scheme by Shareholders and Creditors; and (iii) the sanction of the Scheme by the High Court of Singapore.
- 2.5. The Parties have committed to an exclusivity period expiring on the date which is 18 months from the date of the Agreement, i.e. 15 May 2021 (the “**Long-Stop Date**”), unless ending earlier with the termination of the Agreement. Either the Company or the Transferee may terminate the Agreement in various circumstances stated in the Agreement, including but not

limited to where the conditions precedent have not been satisfied or waived by the Long-Stop Date.

3. APPLICATION FOR FURTHER EXTENSIONS OF TIME

- 3.1. The Company had previously applied for, and was granted, extensions of time of up to 24 December 2019 to (i) submit a proposal required under Listing Rule 1304(1) to resume trading of the Shares (the "**Resumption Proposal**"); (ii) announce its quarterly/annual financial statements to comply with the requirements under Listing Rules 705(1) and 705(2); (iii) convene its annual general meetings to comply with the requirements under Listing Rule 707(1); and (iv) issue its annual reports to comply with the requirements under Listing Rule 707(2). Further information can be found in the Company's announcement dated 4 July 2019.
- 3.2. In light of the execution of the Agreement and the time required to implement the Transfer and the other transactions envisaged therein, the Company intends to make an application to the SGX-ST for further extensions of time to meet the requirements under the aforementioned listing rules.
- 3.3. Further information on the application, the duration of the time extensions sought, and the outcome of the application, will be announced in due course in a timely manner.

4. INFORMATION ON THE LISTING ASSETS AND THE TRANSFEREE

- 4.1. The Transferee is a private company incorporated in Singapore. The Transferee is intended to be the holding company of various subsidiaries engaged in the construction business (the "**Proforma Listing Group**"). A brief description of the assets and businesses intended by the Transferee to form part of the Proforma Listing Group ("**Listing Assets**") is set in **Schedule 1** to this announcement.
- 4.2. In accordance with the terms of the Agreement, a restructuring exercise would be carried out in anticipation of and in conjunction with the Listing, pursuant to which the Transferee is to acquire the assets and businesses of the companies constituting the Proforma Listing Group, further details of which will be set out in the information memorandum (the "**Information Memorandum**") to be prepared and issued by the Transferee.
- 4.3. Further information on the background of the Transferee will be provided in the Information Memorandum as appropriate and required.

5. SCHEME DOCUMENTS AND INFORMATION MEMORANDUM

The Company intends to in due course issue to Shareholders and Creditors documents containing, *inter alia*, the details and terms of the Scheme, an explanatory statement, and the notices of meetings and proxy forms (the "**Scheme Documents**"). The Transferee is envisaged to, also in due course, despatch its Information Memorandum. These documents should be considered and read carefully by Shareholders and Creditors.

6. INFORMATION RELATING TO OR PROVIDED BY THE TRANSFEREE

Information in this announcement relating to the Transferee and/or the Proforma Listing Group has been provided by the Transferee or its advisers or agents, or extracted or reproduced from published or otherwise publicly available sources. The sole responsibility of the Judicial

Managers has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately and correctly reflected or reproduced in this announcement in its proper form and context. The Judicial Managers have not independently verified the accuracy and correctness of such information, and do not accept any responsibility for any information relating to or opinions expressed by or on behalf of Transferee.

7. FURTHER ANNOUNCEMENTS

Announcements will be released with further information on the above and as and when there are material developments.

8. CAUTIONARY STATEMENT

The Transfer and the Listing are subject to, *inter alia*, the satisfaction of various conditions precedent, and there is no certainty as at this date whether the Transfer and the Listing can or will proceed. Shareholders are accordingly advised to exercise caution, and to refrain from taking any action in relation to their Shares until they or their advisers have considered the information set out in the Scheme Documents, the Information Memorandum and further announcements released by the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, or other professional advisers immediately.

**Submitted by the Judicial Managers
For and On Behalf of the Company**

Andrew Grimmett and Lim Loo Khoon
Deloitte & Touche LLP
15 November 2019

SCHEDULE 1

DESCRIPTION OF THE BUSINESS AND ASSETS OF THE PROFORMA LISTING GROUP

The Proforma Listing Group comprises Shiya Sdn Bhd and its subsidiaries.

Shiya Sdn Bhd is a civil and building contractor and developer, with over 30 years of experience in related fields. It was incorporated in Malaysia under the Companies Act 1965 on 12 October 1983 as a private limited company.

The history of Shiya Sdn Bhd began with the involvement in construction works after obtaining Class 'D' license from Pusat Khidmat Kontraktor (PKK). Several projects were successfully secured from the private sector as well as government agencies such as Jabatan Kerja Raya (JKR), Majlis Perbandaran Johor Bahru (MBJB), Majlis Perbandaran Johor Bahru Tengah (MPJBT), Tenaga Nasional Berhad (TNB) and Syarikat Air Johor (SAJ).

With the rapid growth in the construction industry, Shiya Sdn Bhd was upgraded to a Class 'A' Contractor in 1993. Some of its projects include Johor International Convention Centre (PERSADA), Johor Specialist Hospital and several housing development projects.

To date, Shiya Sdn Bhd has fully completed and delivered the handover of approximately RM855 million worth of projects consisting of various types of building and civil engineering works.