

EUROSPORTS
GLOBAL



A NEW PARADIGM

ANNUAL REPORT 2023

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CORPORATE PROFILE

Established in 1998, EuroSports Global Limited ("**EuroSports**" or the "**Company**", and together with its subsidiaries, the "**Group**") specialises in the distribution of ultra-luxury and luxury automobiles and the provision of after-sales services. The automobile sales business retails new ultra-luxury and luxury automobile brands and pre-owned automobile brands comprising of Lamborghini and Touring Superleggera.

EuroSports Global Limited is the sole authorised dealer for Lamborghini in Singapore since 2002 and Indonesia since 2018; and the exclusive distributor for Touring Superleggera in Singapore, Malaysia, Brunei and Indonesia and non-exclusive distributor in the PRC since October 2012.

Our subsidiary, Scorpio Electric Pte. Ltd., is currently developing a next-generation motorcycle that is fully electric.



CORPORATE VALUES

EUROSPORTS
GLOBAL

We aim to provide personalised and attentive customer service, from the purchasing stage to the post-purchasing stage.

- » *To understand the unique needs of each customer.*
- » *To exceed our customers' expectations in our pre-to post-purchase service delivery.*
- » *To represent the luxury brands we carry with excellence.*
- » *To operate our business with transparency and sound corporate governance.*
- » *To uphold the trust that stakeholders, including business partners, customers, shareholders and employees, have in the Group.*
- » *To be a responsible corporate citizen by contributing towards the community we operate in.*

MAIN CORPORATE STRUCTURE



» EuroSports Auto Pte Ltd

Trading and distribution of automobiles and automobile related parts and accessories

100%

» EuroAutomobile Pte. Ltd.

Trading and distribution of automobile related parts and accessories

100%

» Scorpio Electric Pte. Ltd. ("SEC")

Developing a next-generation motorcycle that is fully electric

73.69%

» Prosper Auto Pte. Ltd.

Trading and distribution of automobiles and automobile related parts and accessories

51%

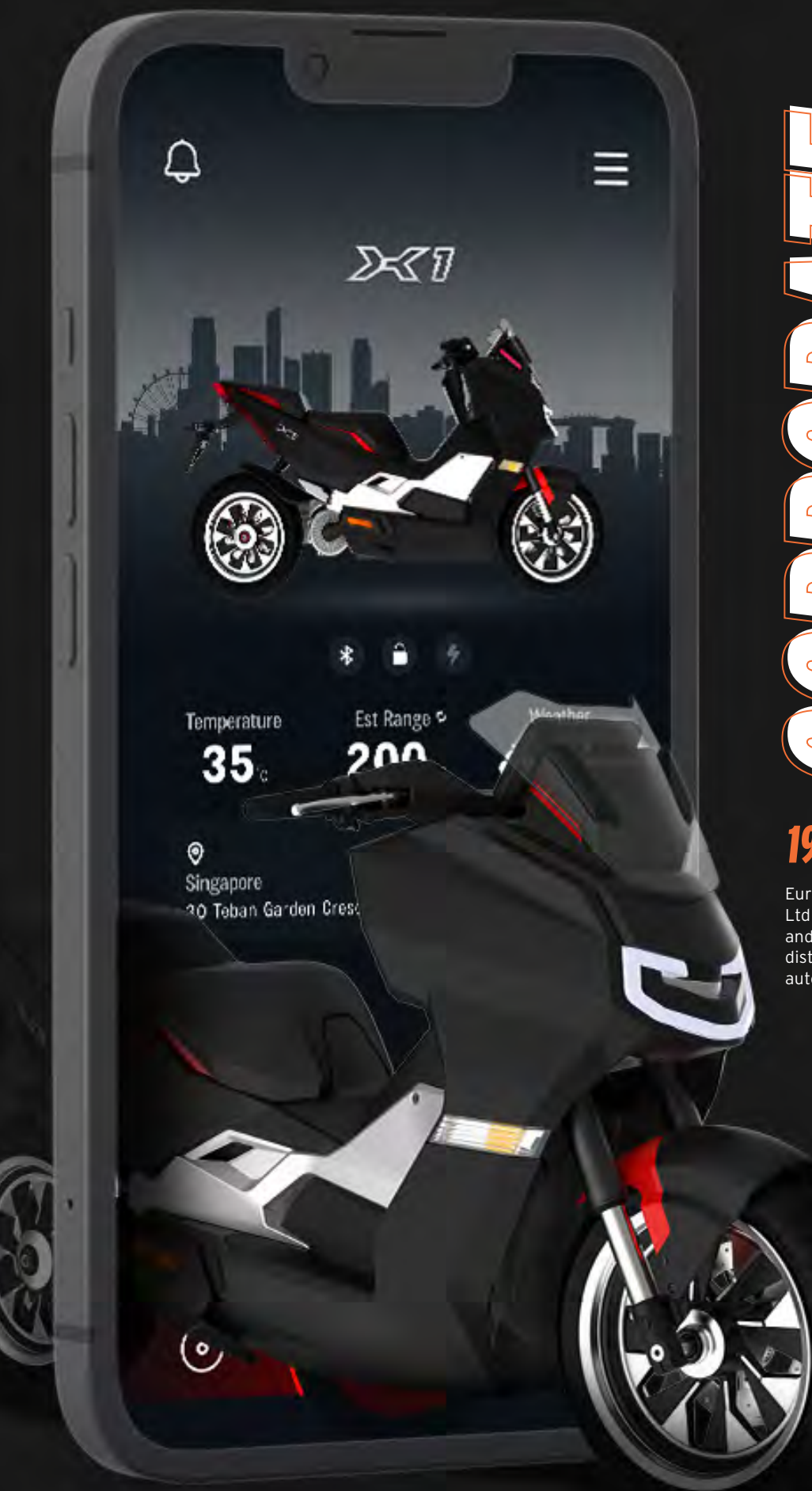
This document has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

This document has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr Mah How Soon, Registered Professional, 36 Robinson Road, #10-06 City House, Singapore 068877, sponsor@rhtgoc.com



CORPORATE MILES



1998

EuroSports Auto Pte Ltd was incorporated and started distributing Lotus automobiles*

1999

Launched Lotus showroom and service centre

2001

Started distribution of Lamborghini automobiles



Launched Lamborghini showroom and service centre

2002

Formally entered into an agreement with the Lamborghini manufacturer to secure the Lamborghini dealership in Singapore



Established Massa Auto (S) Pte. Ltd. (now known as EuroAutomobile Pte. Ltd.) for the purpose of securing the Alfa Romeo distributorship**

NOTE:

*Distribution of Lotus automobiles ceased in FY2020.

**Distribution of Alfa Romeo automobiles ceased in FY2023.

2003

Acquired premises at 30 Teban Gardens Crescent and established showrooms and service centres

2004

Secured the Alfa Romeo distributorship in Singapore and launched showroom and service centre**

Expanded and refurbished Lamborghini showroom and service centre in anticipation of a growth in sales of Lamborghini automobiles

2005

Awarded "Certificate of Achievement for the 2005 Results Obtained in Sales and Service" by the Lamborghini manufacturer

2007

Celebrated the delivery of the 100th Lamborghini in Singapore

2008

Awarded "Best Sales Performance 2008" by the Lamborghini manufacturer

2011

Marked the 10th anniversary of Lamborghini dealership

2012

Secured the following dealership/distributorship:

deLaCour brand of watches, jewellery and accessories (exclusive distributorship) in Singapore, Malaysia, Indonesia, Thailand and Brunei

Pagani automobiles (exclusive dealership) in Singapore and Malaysia***

Touring Superleggera automobiles (exclusive distributorship) in Singapore, Malaysia, Brunei, Indonesia and PRC (non-exclusive distributorship in PRC)

2014

Successfully launched IPO on 17 January 2014

Successfully completed the Sales and Leaseback Arrangement regarding our premises at 30 Teban Gardens Crescent on 17 March 2014

Acquired a 60% stake in a new subsidiary specialising in the trading of pre-owned sports and luxury automobiles in August 2014 and renamed it AutoInc EuroSports Pte. Ltd.

Set up boutique to retail deLaCour watches at Wisma Atria and launched Lamborghini Huracán model

2015

Set up new Lamborghini display and retail store at Suntec City Mall and launched a variant of the Lamborghini Huracán model

2016

Incorporated Ultimate Drive EuroSports Pte. Ltd., a new motoring product catering to supercar enthusiasts

2017

Regional launch of Lamborghini's first SUV model "Urus"

Launch and resurgence of Alfa Romeo's new "Giulia" models**

A wholly-owned subsidiary, Spania GTA Asia Pacific Private Ltd., has changed its name to EuroSports Technologies Pte. Ltd., is developing a next-generation motorcycle that is fully electric

Incorporated Prosper Auto Pte. Ltd. for the purpose of distribution of automobiles and related products overseas

Purchase of "Exquisite Marques Holding Pte. Ltd.", a one-stop shop automobile service and enhancement centre for premium and other luxury car brands

Launched 2 new Lamborghini models - Huracán Performante & Aventador S

2023

EuroSports Technologies Pte. Ltd. changed its name to Scorpio Electric Pte. Ltd., with effect from 21 December 2022.

Scorpio Electric clinched US\$6.75 million in funding at valuation of US\$150 million

2018

Opening of EuroSports' new headquarters and new showroom for Lamborghini and Alfa Romeo**

Disposal of AutoInc EuroSports Pte. Ltd. and Exquisite Marques Holding Pte. Ltd. were completed in December 2018

2019

Disposal of shares in Ultimate Drive EuroSports Pte. Ltd. to fully focus on the core business

EuroSports Technologies Pte. Ltd. received funding to develop next-generation fully electric motorcycles

2020

Marked the successful delivery of the 50th Lamborghini Urus in Singapore

2021

Lamborghini launched the new Huracán EVO RWD virtually for the very first time in EuroSports Auto Pte Ltd's history

EuroSports Technologies Pte. Ltd., raised US\$6.3 million for its Electric Motorcycle Brand

EuroSports Technologies Pte. Ltd. and Strides Transportation Pte. Ltd. entered into a MOU to develop and distribute Smart Electric Motorcycles in Singapore and the Asia Pacific Region****

2022

Lamborghini launched the Huracán STO, a racing-inspired, road legal sports car and Aventador Ultimae, the latest and most powerful variant of the Aventador model range

Scorpio Electric Pte. Ltd. launched pre-orders of the X1, the First Singapore developed Electric Motorcycle



***Distribution of Pagani automobiles ceased in FY2020.

****Lapsed of MOU with Strides Transportation Pte Ltd on 16 Jan 2023.

JOINT LETTER TO OUR SHAREHOLDERS



ANDY GOH

Executive Director
and Deputy CEO

MELVIN GOH

Executive Chairman and CEO

DEAR SHAREHOLDERS,

While the pandemic presented several hurdles in the past financial years, EuroSports made significant strides in implementing our strategy and driving business success. Our resilience and innovation have led to respectable achievements, and it is our pleasure to share some of these milestones with you.

Key Developments in financial year ended 31 March 2023 ("FY2023")

In the past year, we made history with the launch of Singapore's first maxi-scooter electric motorcycle, the Scorpio Electric X1. To usher in a new age of efficient and sustainable mobility solutions, our dedicated team of engineers and designers has been striving relentlessly. As the validation prototype transitions to the production phase, our team will continue to refine both design and technology to ensure the X1 adheres to the excellent requirements of performance, safety and reliability.

We kicked off FY2023 on a high note, SEC, our subsidiary, secured US\$6.75 million in total funding at an impressive valuation of US\$150 million. We are truly humbled to witness

the investment community's confidence in our vision and capabilities. With the funds raised, we now have the necessary resources to manufacture the first batch of X1 pre-production prototypes and expedite our overall business growth.

Moving on to the distribution business segment, we are proud to announce that our Lamborghini Singapore dealership has sold and delivered the first Countach LPI800-4 in the Southeast Asia region. The accomplishment reaffirms our dedication to providing our customers with a diverse lineup of high-performance vehicles tailored to their unique lifestyle, and we are eager to continue building upon our partnership with Lamborghini.

On the flip side, after due consideration, we have relinquished the importation and distribution agreement as the exclusive importer and distributor of Alfa Romeo automobiles in Singapore on 31 March 2023. The Group is of the view that the relinquishment is in the best interests of the Group to restructure its overall business portfolio for long-term sustainable growth. We will focus on our existing Lamborghini automobile distribution business and the development of Scorpio Electric brand electric motorcycles.

Results

While our business was partially affected by the pandemic, our automobile distribution segment has performed well and remains the principal driver of revenue for the company. As a result, it is with great pleasure that we announce that our Group has recorded a 12% increase, equivalent to S\$6.52 million in Group revenue for the financial year.

Sales of Alfa Romeo declined by S\$3.85 million, equivalent to 5% of our Group's total revenue, but our sales of Lamborghini automobiles exhibited substantial growth. With an increase of S\$8.04 million, our Lamborghini sales contributed significantly, amounting to S\$49.99 million or 82.3% of our total revenue.

headwind posed by the recently announced increase in car tax for higher-end vehicles, as outlined in the Singapore Budget 2023, our overarching goal remains unchanged. We aim to offer a diversified portfolio by bringing on board other automobile brands, specifically brands that are providing sustainable mobility solutions as well. In line with this, we are striving to achieve commercial results for our existing brands by negotiating competitive pricing with the brand principals and strengthening our service offerings.

Additionally, our Lamborghini dealership will further expand its product line-up with the arrival of the highly anticipated



... despite this challenge, our overarching goal remains unchanged. Our aim is to offer a diversified portfolio by bringing on board other automobile brands, specifically brands that are providing sustainable mobility solutions as well.

Nevertheless, with SEC building strong momentum towards production, we incurred considerable development expenses, which contributed significantly to the Group's overall losses of S\$4.4 million.

Sustainability

In terms of our sustainability, in order to ensure the sustainable optimization of our business system, we remain committed to integrating sustainability principles across our operations. We prioritize addressing the environmental, social, and governance issues that are most relevant to our stakeholders and our business. This Annual Report serves as our 6th annual communication on our sustainability priorities, performance, and progress.

We anticipate a growing consumer demand for low-carbon vehicles supported by regulatory policies that promote cleaner fuel usage. Our brand partners have made commitments to decarbonize their operations and introduce clean-fuel or electric vehicles to meet this demand. The response to our subsidiary SEC's inaugural electric motorcycle, the X1, has been very encouraging, and we eagerly await the arrival of the first batch of pre-prototype units later this year.

Outlook & Future Plans

In closing, we are excited to share that EuroSports has ambitious plans for the future. Despite the potential

Aventador replacement, the Revuelto, expected in financial year ending 31 March 2024, the Revuelto sets a new benchmark in supercar performance, and we are confident that our discerning customers will be captivated by its allure.

SEC has demonstrated considerable progress. We are in the midst of establishing exclusive sales channels for the company in the Asia Pacific and European regions. During the second half of 2023, we plan to onboard SEC distributors and dealers in over 12 cities across Asia Pacific and Europe, advancing our portfolio of electric 2-wheel mobility. As a company committed to sustainable transportation, we look forward to extending our offerings to additional cities later this year.

FY2023 was marked by many challenges, ranging from the exceptional measures to combat COVID-19, to the continuing supply bottlenecks for semiconductors, to the ever-changing tax structure for automobiles in Singapore. Nonetheless, we defied all these challenges and have sharpened our focus with regard to our business model and our growing portfolio.

On behalf of the Board of Directors, we would like to extend our sincerest gratitude to our shareholders, customers, and team members for their tremendous discipline and unwavering support. Together, let us continue to drive progress and shape the future of sustainable mobility.

BOARD OF DIRECTORS



MELVIN GOH

Executive Chairman & CEO

Mr Melvin Goh is the co-founder of the Group. He was appointed to the Board as Executive Chairman on 12 December 2012 in addition to his role as CEO. He is responsible for overall management, formulating the Group's strategic focus and direction, developing and maintaining relationships with the suppliers and customers as well as overseeing the Group's general operations. Prior to the establishment of the Group's wholly-owned subsidiary, EuroSports Auto Pte Ltd, he was already engaged in the automobile industry as the Managing Director of Gay Hin Enterprise, the family-owned business that sold pre-owned automobiles. He has substantial senior management experience and more than 38 years of automobile industry experience and knowledge.

ANDY GOH

Executive Director & Deputy CEO

Mr Andy Goh is the co-founder of the Group. He was appointed to the Board as Executive Director on 12 December 2012 in addition to his role as Deputy CEO. He assists the CEO in all matters relating to general management and administration. Prior to the establishment of the Group's wholly-owned subsidiary, EuroSports Auto Pte Ltd, he was already engaged in the automobile industry, as the Executive Director of Gay Hin Enterprise, the family-owned business that sold pre-owned automobiles. He has more than 37 years of industry experience and knowledge of the automobile industry.



CALVIN TAN SIOK SING

Lead Independent Director

Mr Calvin Tan Siok Sing was appointed as the Group's Lead Independent Director on 1 November 2022. He has more than 18 years of experience in the financial industry; he held the position of Executive Director in Tsang and Ong Stockbrokers Pte Ltd, which later restructured as Sun Yuan Holdings Pte Ltd (1985 to 2003); Ei-Nets Ltd, subsequently known as E3 Holdings Ltd (2003-2005); and Regalindo Resources Pte Ltd (2005 to 2008). He is currently the Managing Director of Ironman Minerals & Ores Pte Ltd, an energy resources and minerals trading company.

FOO SAY TUN

Independent Director

Mr Foo Say Tun was appointed as the Group's Independent Director on 8 September 2020. He has more than 20 years of experience in the civil litigation, arbitration and corporate law industry. He is an advocate & solicitor of High Court of Malaya and Supreme Court of Singapore. He retired from legal practice in 2013. He obtained Bachelor degree of Laws (Hons) from the University of East Anglia, England in 1990. He was admitted to the Middle Temple, England as a barrister-at-law in 1991 and as an Advocate & Solicitor of the Supreme Court of Singapore in 1995. He is currently an Independent Director of a SGX-ST listed company namely Moneymax Financial Services Limited.

ANTHONY ANG MENG HUAT

Independent Director

Mr Anthony Ang Meng Huat was appointed as the Group's Independent Director on 3 October 2022. He has more than 40 years of management experience in various industries, which covers international marketing, fund management, economic development and investment promotion, manufacturing and consulting. Mr Ang obtained Bachelor of Science (Mechanical Engineering) with First Class Honours from the Imperial College of Science and Technology, United Kingdom and Master of Business Administration from INSEAD, France. He also completed International Directorship Programme from INSEAD, France. He currently serves as Singapore's Non-Resident Ambassador to the Republic of Tunisia and an Independent Director of Heatec Jietong Holdings Ltd and Yong Tai Berhad. He is also the CEO and Chairman of Global Star Acquisition Inc, a NASDAQ listed SPAC.

EUROSPORTS EXECUTIVE TEAM

ROY NG WOON PIEOW

Director, Sales & Customer Service

Roy Ng Woon Pieow joined the Group in July 2016 as Director, Sales & Customer Service. Having worked in the motoring industry for over 18 years, Roy has extensive knowledge in consumer behaviour and is responsible for the strategic leadership of the sales department. In addition, he plays a crucial role in leading his team in ensuring quality customer service and experience across the brands under the EuroSports family. Prior to joining the group, Roy started his career as a Sales Executive in Komocco Motors, before joining Ital Auto Pte Ltd as a Sales Manager. Roy holds a Diploma in Electrical Engineering from Ngee Ann Polytechnic Singapore.

HAZER ONG MEEI HUEY

Group Financial Controller

Hazer Ong Meei Huey joined our Group since August 2018 as Senior Accountant and was promoted to Acting Group Financial Controller in August 2022. In November 2022, she was re-designated to Group Financial Controller. She heads the finance and accounting team, and is responsible for the overall financial planning and financial management of the Group. Prior to joining our Group, Hazer has more 15 years of experience with private limited companies with exposure in multiple industries. Hazer obtained Bachelor of Arts (Honours) in Accounting from University of Bedfordshire.



SCORPIO ELECTRIC

EXECUTIVE TEAM

GOH YI SHUN, JOSHUA

Chief Executive Officer

Joshua Goh is the CEO of SEC since August 2022. He handles all matters relating to the overall management, strategy planning and general administration of the SEC's business. Since Joshua joined the Group in 2017, he has undertaken a variety of roles from strategic planning, business development and general operations. Having been with SEC since 2020 as an executive of the CEO office, Joshua is a leader with a variety of industry experience in automotive, capital markets, corporate finance and restructuring.

JULIAN LEGAZPI

Chief Commercial Officer

Julian Legazpi joined SEC in January 2020 as Chief Commercial Officer. Prior to joining the Group, Julian spent nearly a decade at KTM AG, Europe's largest motorcycle brand. He started his career at KTM opening up new markets in Latin America, Middle East, Africa, and the Asia Pacific region. He served as the Managing Director for KTM Asia, helped grow its assembly operations in Malaysia and China, and eventually led and served as Director for KTM's Asia manufacturing hub in the Philippines. Julian is a Canadian citizen who has completed his Master's degree from the Gustavson School of Business at the University of Victoria, Canada, along with a Bachelor of Business Administration from the Beedie School of Business at Simon Fraser University, Canada.

MUHAMMAD TAUREZA

Head of Engineering and Chief Operating Officer

Dr. Muhammad Taureza joined SEC in October 2020. Prior to joining the Group, he was consulting for Scorpio Electric project in his capacity as Senior Research Engineer with Singapore Institute of Manufacturing Technologies ("SIMTech"), an institute within the Agency for Science, Technology & Research ("A*STAR"), a technology powerhouse and incubator under the Ministry of Trade and Industry. He had been an engineering consultant for many industries including Aerospace (SIA Engineering Company, Fidel Engineering, Windsor Airmotive Asia (subsidiary of Barnes Aerospace)) and Consumer and Industrial Electronics (Molex, Laird Technologies) in his A*STAR career since 2014. Before that, Dr. Taureza held a researcher position at Nanyang Technological University specializing in Design for Manufacturing, Metal and Polymer Material Selection and Processing, Stamping and Forging Tooling, and Finite Element Simulation.

FINANCIAL HIGHLIGHTS

REVENUE

\$ Million

FY2023	60.9
FY2022	54.4

GROSS PROFIT

\$ Million

FY2023	8.1
FY2022	8.8

GROSS PROFIT MARGIN

% Percent

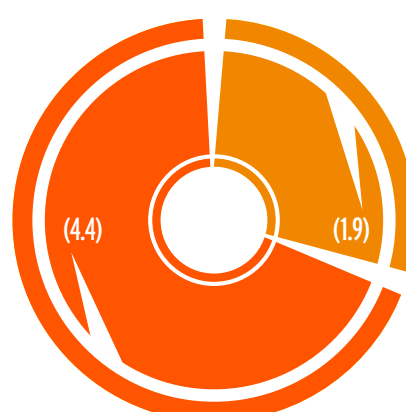
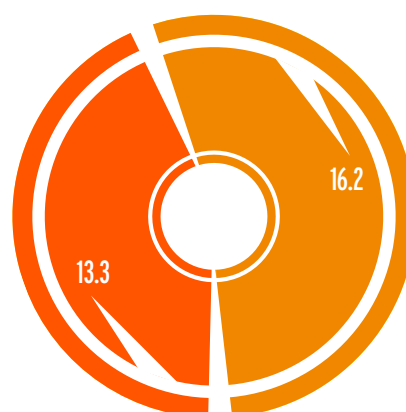
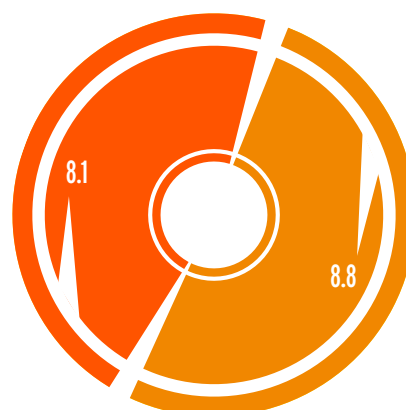
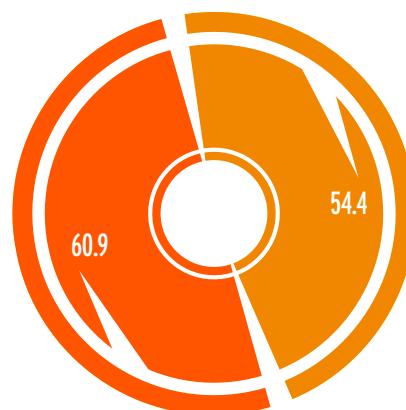
FY2023	13.3%
FY2022	16.2%

LOSS FOR THE YEAR, NET OF TAX

\$ Million

FY2023	(4.4)
FY2022	(1.9)

● FY2023 ● FY2022



OPERATING & FINANCIAL REVIEW



LAMBORGHINI, URUS PERFORMANTE

Revenue

Overall, revenue of the Group has increased by S\$6.52 million or 12.0%, from S\$54.36 million in financial year ended 31 March 2022 (“FY2022”) to S\$60.88 million in financial year ended 31 March 2023 (“FY2023”).

In FY2023, Automobiles Distribution segment continued to be the main revenue contributor of the Group’s total revenue. The revenue from Automobiles Distribution segment has improved by S\$6.47 million or 11.9%, from S\$54.29 million in FY2022 to S\$60.76 million in FY2023. This improvement was mainly due to higher selling price of Lamborghini’s new model automobile. The sales of Lamborghini automobile increased by S\$8.04 million in FY2023, which made up S\$49.99 million or 82.3% (FY2022: S\$41.95 million or 77.2%) of the Group’s total revenue. However, the sales of Alfa Romeo decreased by S\$3.85 million with total revenue of S\$3.05 million or 5.0% (FY2022: S\$6.90 million or 12.7%) of the Group’s total revenue in FY2023. As the Group was unable to achieve commercial viability of Alfa Romeo distributorship due to prevailing market conditions, the Group relinquished its existing importation and distribution agreement as the exclusive importer and distributor of Alfa Romeo automobiles in Singapore on 31 March 2023.

Cost of Sales

Cost of sales of the Group increased by S\$7.23 million or 15.9%, from S\$45.54 million in FY2022 to S\$52.77 million in FY2023. This is in tandem with the increase in revenue.

Gross Profit and Gross Profit Margin

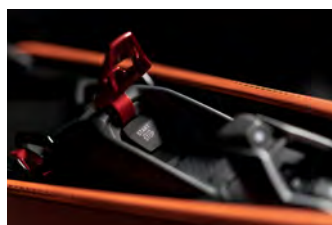
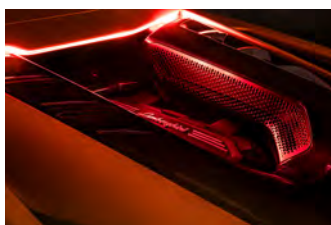
Gross profit however decreased by S\$0.70 million or 8.0%, from S\$8.82 million in FY2022 to S\$8.12 million in FY2023 and gross profit margin of the Group decreased by 2.9 percentage point, from 16.2% in FY2022 to 13.3% in FY2023. Lower gross profit margin was due to sale of automobiles with lower profit margins.

Other Income

Other income of the Group has decreased by S\$1.18 million or 37.1%, from S\$3.18 million in FY2022 to S\$2.00 million in FY2023. The decrease in other income was mainly due to decrease in sales incentives from manufacturers by S\$0.54 million and reduction in other income of S\$0.68 million mainly from reduced storage income and absence of forfeited car deposit in FY2023.



LAMBORGHINI, REVUELTO



Other Gains / (Other losses), Net

Other gains, net of S\$0.25 million was mainly due to foreign exchange gain of S\$0.36 million, offset by loss on disposal of plant and equipment of S\$0.12 million.

Marketing and Distribution Expenses

Marketing and distribution expenses of the Group increased by S\$0.36 million or 17.0%, from S\$2.10 million in FY2022 to S\$2.45 million in FY2023, mainly due to increase in entertainment, advertising and promotions of \$0.29 million, following the easing of COVID-19 restrictions which allowed the management to meet up with customers in person. Besides, there is also an increased in sales commissions and referral fee which is in tandem with increase in revenue by S\$0.12 million.

Administrative Expenses

Administrative expenses of the Group decreased by S\$0.15 million or 1.2%, from S\$12.05 million in FY2022 to S\$11.90 million in FY2023, mainly

due to S\$1.34 million decrease in employee benefits expense, as the Group streamline the operation with the relinquishment of Alfa Romeo Distributorship rights, offset by increase in depreciation by S\$0.22 million, travel & accommodation by S\$0.19 million and consultancy expenses by S\$0.15 million.

Finance Costs

Finance costs of the Group remained relatively stable with a slight decrease of S\$0.02 million as the reduction in financing was met with higher interest rate.

Review of Group's Financial Position

Non-Current Assets

Non-current assets of the Group increased by S\$3.70 million, from S\$9.47 million as at 31 March 2022 to S\$13.17 million as at 31 March 2023, mainly due to increase in right-of-use assets by S\$2.04 million resulted from lease extension and increase in intangible assets by S\$2.23 million, which relates to development cost

of electric motorcycles, offset by decrease in net book value of plant and equipment by S\$0.71 million.

Current Assets

Current assets of the Group decreased by S\$9.79 million, from S\$37.21 million as at 31 March 2022 to S\$27.42 million as at 31 March 2023. This was mainly due to decrease in other non-financial assets by S\$5.03 million as lesser deposit was paid to factory for order of new automobiles, decrease in cash and cash equivalents by S\$6.24 million for investment in development cost of electric motorcycles, increase in working capital and operating losses, offset by increased in inventory level and trade and other receivables by S\$0.92 million and S\$0.56 million respectively.

Equity

Equity comprises share capital, other reserves, accumulated losses and non-controlling interest. The Group equity stood at S\$19.38 million, relatively unchanged from FY2022 due to net contribution of S\$5.57 million by non-

“ ”

In FY2023, Automobiles Distribution segment continued to be the main revenue contributor of the Group's total revenue. The revenue from Automobiles Distribution segment has improved by S\$6.47 million or 11.9%, from S\$54.29 million in FY2022 to S\$60.76 million in FY2023. This improvement was mainly due to higher selling price of Lamborghini's new model automobile.

SCORPIO ELECTRIC, X1



TOURING SUPERLEGGERA, ARESE RH95



TOUR SUPERLEGGERA, AERO 3

controlling interest, offset by loss, net of tax for the year of S\$4.44 million and purchase of treasury shares of S\$1.37 million.

Non-Current Liabilities

Non-current liabilities of the Group increased by S\$1.18 million, from S\$2.82 million as at 31 March 2022 to S\$4.00 million as at 31 March 2023, mainly due to new lease liabilities of S\$2.41 million offset by net repayment of S\$1.23 million loans.

Current Liabilities

Current liabilities of the Group decreased by S\$7.27 million, from S\$24.49 million as at 31 March 2022 to S\$17.22 million as at 31 March 2023, mainly due to decrease in other non-financial liabilities by S\$9.48 million, mainly relating to fulfilment of car orders for deposits collected from customers, offset by increase in lease liabilities by S\$0.62 million.

Review of Group's Cash Flows

Net cash outflows from operating activities amounted to S\$3.91 million in FY2023. This was mainly due to negative operating cash flows before changes in working capital of S\$0.28 million and net working capital outflow of S\$3.63 million.

Net cash used in investing activities amounted to S\$2.85 million in FY2023. This was mainly due to addition to intangible assets of S\$2.23 million and purchase of plant and equipment of S\$0.87 million, offset by cash from disposal of plant and equipment of S\$0.24 million.

Net cash from financing activities amounted to S\$0.52 million in FY2023. This was mainly due to proceeds from issue of share capital to non-controlling interests in a subsidiary of S\$5.54 million, offset by payment of lease liabilities of S\$2.43 million, purchase of treasury shares of S\$1.37 million and net repayment of bank loans of S\$1.01 million.

SUSTAINABILITY REPORT 2023

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ABOUT THIS REPORT

This is the sixth sustainability report from EuroSports Global Limited ("**EuroSports**" or the "**Company**") and its subsidiaries (collectively, the "**Group**"). The report provides an account of the Group's Environmental, Social and Governance ("**ESG**") performance on material topics.

Reporting Period and Scope

The report covers the sustainability performance of our operations in Singapore, where the Group's customers and business activities are mainly located, for the financial year ended 31 March 2023.

Reporting Framework

This report has been prepared with reference to the GRI Standards. We have elected to use the GRI Standards, issued by the Global Reporting Initiative ("**GRI**"), as they are the most widely used and internationally acknowledged standards for sustainability reporting. The report has also been prepared in accordance with the sustainability reporting requirements of Rules 711A and 711B of the Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Reporting Process

We have referred to the latest GRI Standards (GRI Universal Standards 2021) to identify the Group's material ESG impacts. We have selected the relevant disclosures from the topic-specific GRI Standards for reporting based on the identified material topics. In this report, we have adjusted topics and disclosures to align with the GRI Standards 2021.

Report Content

We have referred to GRI's principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability to ensure report quality. Data presented in the report has been extracted from internal information systems and records to ensure consistency, comparability, accuracy and verifiability.

Task Force on Climate Related Financial Disclosures ("**TCFD**") - Comply or Explain

In compliance with Rules 711A and 711B of Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), this Report describes the Group's sustainability practices with reference to the six primary components, on a 'comply or explain' basis. As EuroSports does not fall within the TCFD-identified industries, we have yet to include climate-related disclosures in this report. We are still in the process of setting up our process for collecting and analysing data on our climate-related risks and opportunities and our emissions data, and will continue to monitor and periodically assess the need to include climate-related disclosures in future sustainability reports.

Restatements

We have restated scope 1 and scope 2 emissions data for financial year ended 31 March 2021 ("FY2021") and 31 March 2022 ("FY2022"). While scope 1 data has been updated due to using the emissions factor covering all greenhouse gases for petrol and diesel, scope 2 emissions data has been adjusted with the latest emission factors issued by the Energy Market Authority Singapore.

External Assurance

Our current practice is to rely on internal verification to ensure the accuracy of ESG data. We have not obtained external assurance for this sustainability report. However, our sustainability report has been internally reviewed by independent Internal Auditors to ensure its reliability.

Availability

This report is published as a part of our Annual Report, and is available for download in PDF format on our website at www.eurosportsglobal.com.

Feedback

We welcome stakeholders' questions and feedback on this report. Email your comments or questions to: sustainability@eurosportsglobal.com.

ESG HIGHLIGHTS

ESG Performance Summary			
ESG FACTORS	FY2023	FY2022	FY2021
ENVIRONMENTAL			
Total electricity consumption (kWh)	684,714	769,166	852,275
Total energy consumption (GJ) ¹	3,377	3,797	4,091
Energy intensity (GJ/\$m revenue)	55	69	83
CO ₂ emissions (tCO _{2e}) ²	341	383	416
Emission intensity (tCO _{2e} /\$m revenue)	5.6	7.0	8.5
Officer paper used (Number of sheets) ³	211,236	152,494	N/A
Office paper use intensity (sheets/ \$million revenue)	3,469	2,773	N/A
Water Withdrawn (m ³)	3,194	919	1,627
SOCIAL			
Employees			
Total number of full-time employees	80	76	81
Female employees	16%	28%	31%
New hires	29	20	6
Employee turnover	39%	37%	27%
Number of workplace fatalities	0	0	0
Number of high-consequence work-related injuries	0	0	0
Number of recordable workplace injuries	0	0	0
GOVERNANCE			
Board diversity: % of women directors	0	0	0
Confirmed incidents of corruption	0	0	0
Incidents of non-compliance with the Personal Data Protection Act ("PDPA")	0	0	0
Incidents of significant non-compliance with applicable regulations	0	0	0

Notes

1. Energy data covers purchased electricity, petrol and diesel consumption.
2. Includes Scope-1 and Scope-2 carbon dioxide ("CO₂") emissions. The CO₂ emissions are attributed to electricity, petrol and diesel consumption.
3. We started monitoring paper usage from FY2022.

SUSTAINABILITY APPROACH

As an ultra-luxury car dealership business, our primary focus is on building and nurturing long-term trusted relationships with our customers and brand partners. Our organizational values revolve around placing our customers at the forefront of everything we do. Consequently, we have established a strong culture and reputation for delivering exceptional pre-sales and after-sales service, ensuring that every customer interaction surpasses expectations and upholds the highest quality standards.

We also prioritize creating long-term value for our shareholders and stakeholders through sustained and responsible growth. In order to achieve this, we meticulously analyze, identify, prioritize, and address the most significant economic, social, environmental, and governance issues throughout our operations. This encompasses robust corporate governance, high ethical and integrity standards, data protection, environmental responsibility, and maintaining a friendly and safe workplace.

Reducing global greenhouse gas emissions is a collective responsibility shared by businesses across all industries and sectors. In 2017, we embarked on the electric motorcycle business to actively promote sustainable mobility in the regions where we operate. Our brand, Scorpio Electric, is dedicated to creating visually appealing and intelligent electric motorcycles that establish a symbiotic relationship with users while minimizing the world's carbon footprint. By harmonizing art and technology, we are able to craft high-quality, smart electric motorcycles, ushering in a new era of ultra-luxury, low-carbon transportation.

Sustainability Governance

At EuroSports, the Board of Directors maintains oversight of sustainability and ESG reporting. Under the Board's guidance, the Deputy Chief Executive Officer ("**DCEO**") is responsible for implementing the sustainability strategy. The DCEO leads the Sustainability Management Committee, which is tasked with developing sustainability policies, programs, targets, and monitoring performance. A dedicated sustainability reporting team supports the Sustainability Management Committee by monitoring, collecting and verifying sustainability data.

Our ESG Policies

We pursue policies that enable us to operate with responsibility and make a positive contribution to our business and stakeholders. Some of our policy approaches are described below.

BOARD STATEMENT

At EuroSports, the Board is fully committed to fostering sustainable growth for the Group and driving the development of effective sustainability strategies. In formulating these strategies, the Board takes into account sustainability issues, risks, opportunities, and stakeholder expectations, while also identifying the material ESG factors for sustainability reporting. Additionally, the Board provides oversight of the management and monitoring of these material ESG factors through regular reviews of the Group's sustainability performance.

The Management is responsible for establishing sustainability policies, processes, practices and targets and implement sustainability strategies and monitoring progress.

This sustainability report has been reviewed and endorsed by the Board.

SUSTAINABILITY APPROACH

Sustainability Reporting Policy

EuroSports is committed to providing timely, transparent, and relevant sustainability reporting that meets the guidelines set forth by SGX and the Global Reporting Initiative (GRI) Standards. We believe in accountability for our material ESG impacts and will measure and report these impacts annually. Our reporting will be subject to internal audits to ensure its accuracy and credibility. We will engage in regular dialogue with our stakeholders, keeping them informed about our progress and inviting their feedback to continually improve our sustainability performance and reporting practices. This policy will help us drive sustainable growth, mitigate risks, and enhance our reputation, contributing to the long-term success of the Group.

Environmental Stewardship Policy

EuroSports commits to preserving our planet's natural resources and mitigating our environmental footprint. We will optimise energy use, manage waste responsibly, source sustainable products, and work with stakeholders to promote environmentally friendly practices. Our objective is to ensure a significant percentage of the vehicles we deal with meet relevant emissions and sustainability standards, thereby reducing the greenhouse gas emissions and fuel consumption associated with our operations.

Human Resources Policy

EuroSports is committed to promoting a fair, inclusive, and diverse work environment where every individual is respected and valued. We ensure compliance with all local labor laws and regulations, offering competitive remuneration and benefits packages, and fostering opportunities for career development and growth. Our hiring process is transparent and non-discriminatory, adhering to the principle of equal opportunity regardless of race, gender, religion, age, disability, or sexual orientation. We advocate for work-life balance, and we uphold our responsibility to address any instances of workplace harassment or discrimination promptly and effectively. This policy affirms our commitment to our employees' welfare and our dedication to cultivating a positive, dynamic and engaging work culture at EuroSports.

Occupational Health and Safety Policy

EuroSports prioritises the safety and well-being of our employees above all. We will ensure a safe working environment by adhering to health and safety regulations, conducting regular safety trainings, and implementing preventive measures against potential hazards. Our goal is to create a zero-harm culture that safeguards our staff, customers, and the communities we operate in.

Anti-Corruption Policy

EuroSports has a zero-tolerance approach towards bribery and corruption in all its forms. We will maintain transparent business practices, conduct regular audits, and provide training on ethical behavior to employees. Any violations of this policy will be investigated and dealt with firmly, ensuring we uphold our reputation as a trustworthy organisation.

Personal Data Protection Policy

EuroSports respects the privacy of our customers, employees, and stakeholders. We are committed to managing and protecting personal data responsibly, complying with all applicable data protection laws such as Singapore's Personal Data Protection Act, and employing best practices for data security. We will ensure that personal information collected is relevant and limited to what is necessary for our business purposes and that it is stored securely and disposed of when no longer needed.

STAKEHOLDERS

At EuroSports, we prioritise ongoing engagement and cultivating trusted relationships with our stakeholders. We recognise that our operations can impact various stakeholders, as well as be influenced by their actions. Therefore, we actively engage with a wide range of stakeholders, including customers, business partners, employees, government agencies, media, and the local community.

Our approach is centered around active listening, as we strive to comprehend the concerns, expectations, needs, and desires of our stakeholders. By fostering constructive interactions, we gain valuable insights that enable us to anticipate future market trends and risks. This, in turn, empowers us to make informed business decisions that align with our organisational objectives and the interests of our stakeholders and shareholders.

Of particular significance is our proactive engagement with our customers and brand partners. This collaborative engagement enables us to continuously enhance our product offerings and service quality, ensuring that we meet and exceed their expectations.

The ways we engage with our stakeholders and address their expectations are summarised below.

Stakeholders	Stakeholder Expectations	How We Engage	Outcome in FY2023
Customers	<ul style="list-style-type: none"> Comprehensive product information, including features and specifications. Test drive opportunities. Timely delivery of cars in pristine condition, free from defects or problems. Prompt resolution of complaints. Prompt, reliable and high-quality after-sales service. 	<ul style="list-style-type: none"> Sales and marketing activities, including walk-ins, road shows, and product launch events and promotions. Product briefings, demonstrations at the showroom, and test drives. Post-purchase customer engagement to cultivate a long-term relationship. Customer social events, driving trips, and car clubs and associations. Ongoing digital communication. <p><i>Read more in the chapter on Customers.</i></p>	<ul style="list-style-type: none"> Comprehensive product information provided to customers. Frequent engagement with customers to understand their concerns or complaints before, during and after purchase.
Business Partners - Vehicle Manufacturers or Original Equipment Manufacturers ("OEMs")	<ul style="list-style-type: none"> Long-term partnership. Financial resilience. Logistics capabilities. Sustainable growth in business. An experienced management team and service professionals. Management reputation. Capabilities to deliver the brand promise. 	<ul style="list-style-type: none"> Regular visits and meetings. Product launches and promotions. Trade shows. 	<ul style="list-style-type: none"> Management has regular meetings with business partners and OEMs to be in close communication.

STAKEHOLDERS

Stakeholders	Stakeholder Expectations	How We Engage	Outcome in FY2023
Employees	<ul style="list-style-type: none"> Competitive wages and benefits. Learning and development opportunities. Respect and recognition. Workplace safety, health and well-being. Job satisfaction. 	<ul style="list-style-type: none"> Regular meetings and briefings. Product training. Performance appraisal. <p><i>Read more in the chapter on Employees</i></p>	<ul style="list-style-type: none"> Review employment benefits.
Government & Regulators	<ul style="list-style-type: none"> Regulatory compliance. 	<ul style="list-style-type: none"> Regulatory filings. Responding to request for information. Inspections and audits. 	<ul style="list-style-type: none"> Proper policies and procedures are put in place to ensure compliance with the applicable laws and regulations. \$14.05 million in taxes and levies to the government, compared with \$22.03 million in FY2022.
Community	<ul style="list-style-type: none"> Support for social causes. Responsible corporate citizen. 	<ul style="list-style-type: none"> Charity and fundraising events. <p><i>Read more in the chapter on Community</i></p>	<ul style="list-style-type: none"> Ongoing Student Attachment Programme.
Media	<ul style="list-style-type: none"> Timely information about new product launches and key developments. Exclusive interviews and briefings. 	<ul style="list-style-type: none"> Interviews. Trade shows. Press releases. 	<ul style="list-style-type: none"> Any material information related to the Group is made available to the public via press release or SGXNet on a timely basis.
Investors and Shareholders	<ul style="list-style-type: none"> Good governance. Sustainable business growth. Consistent dividends. Disclosure and transparency. 	<ul style="list-style-type: none"> Annual General Meeting ("AGM"). Dedicated Investor Relations page on the website. Important announcements, including financial performance, on the website. <p><i>Read more in the chapter on Corporate Governance</i></p>	<ul style="list-style-type: none"> Important announcements are communicated to investors and shareholders through an announcement on SGXNet and our company's website. Shareholders are given the opportunity to ask written questions at least 7 calendar days after the publication of the notice of AGM, prior to AGM. EuroSports also encourage shareholders to attend AGM where resolutions will be voted and interact with the Directors and senior management.

Membership of Associations

We actively participate in the activities of relevant trade and industry associations to share knowledge, maximise our networking opportunities and access the latest information regarding industry trends and policies and regulations. Our key association memberships are listed below.

- Motor Traders Association of Singapore
- Hire Purchase Finance and Leasing Association of Singapore
- Singapore Commercial Credit Bureau

MATERIALITY

EuroSports recognises the importance of identifying and managing our most significant ESG impacts, risks, and opportunities. Our sustainability strategy is designed to address these material issues associated with our business operations, in line with the GRI Standards.

Since our first comprehensive materiality assessment in 2017, we have conducted annual reviews of our material ESG topics. Throughout this process, we refer to GRI's materiality standards and the guidance provided by SGX for conducting our assessments. When evaluating our ESG issues, we take into account several factors. These include legislative requirements, sustainability trends specific to the luxury car dealership industry, broader developments within the automobile sector, emerging customer preferences, and the views and expectations of our stakeholders.

Although we operate from rented premises, limiting our control over building energy efficiency improvements, we remain committed to monitoring and reporting on our electricity consumption and associated carbon emissions. While these topics are important, they are not considered material in our assessment.

Engagement with our primary stakeholders is a continuous process, as we actively seek their views and feedback to inform our material ESG issues. Stakeholders such as customers, partners, and regulators play a crucial role in providing insights. These insights are frequently discussed in our management meetings, allowing us to develop appropriate responses and determine the material topics for inclusion in our sustainability reporting.

Our Material ESG Factors

An overview of our material ESG factors discussed in this report is as follows:

Material Factors	Where the Impact Occurs	Management Approach
ENVIRONMENT		
Paper Consumption	In our office, for printing documents and forms.	Reduce, reuse and recycle paper. Digitalisation of processes to reduce paper use.
SOCIAL		
Occupational Health and Safety	Showrooms, workshops and test drives.	Implement systems and processes to ensure safe working practices.
GOVERNANCE		
Anti-Corruption	In our dealings with brand partners, suppliers and stakeholders.	Maintain zero tolerance to corruption, bribery and fraud.
Customer Privacy and Data Protection	In managing customer and employee personal data.	Protect and safeguard all personal data within our possession.
Important topics but not considered material		
Energy Consumption	Electricity used in offices, showrooms and workshops, and fuel consumption in cars for test drives.	Minimise energy consumption within our operations.

CUSTOMERS

Our motto of "Walk in as a Customer, Walk out as a Friend" remains our core guiding principle.

Our customers consist of ultra-high net worth individuals with discerning lifestyle needs, who demand exceptional service, support, and personalised attention. We continually invest in nurturing trusted relationships with each customer, and our teams tirelessly strive to surpass their expectations, resulting in a loyal customer base.

Enhancing the Customer Experience

As a purveyor of luxury supercars, our foremost priority is to provide flawless service and an unparalleled experience to our customers. We extend our support throughout their entire journey, recognising that it extends beyond the mere act of purchase. We actively engage with our customers before, during, and after the sale to ensure their utmost satisfaction. We understand that connoisseurs of luxury brands value and appreciate splendid design, superior driving dynamics, advanced technology, exquisite craftsmanship, and exceptional build quality. Therefore, our service standards align with the utmost quality benchmarks that define the supercars we offer.

Fostering Personal Relationships

We cultivate intimate relationships with our customers by demonstrating genuine care. Regularly, we invite our customers to engaging dialogues over meals and social events we organise throughout the year. These frequent interactions serve as friendly opportunities for our customers to share their feedback on our products and services, which play a vital role in our business development approach. Additionally, we express our care by commemorating important anniversaries and birthdays with thoughtful gestures such as sending flowers or cakes.

Dedicated Customer Service

Our policy mandates that any concerns or issues raised by our customers receive immediate attention from senior management executives, ensuring swift resolutions. Our dedicated Customer Relations Managers undergo extensive training to provide personalised service to each customer.

Round-the-Clock Assistance

We offer 24/7 roadside assistance to our customers, ensuring prompt and efficient support in case of accidents or mechanical issues. Our highly skilled technicians are always ready to provide timely recovery of the vehicles.

Exemplary After-Sales Service

As the exclusive authorised service centre in Singapore for all the automobile brands in our portfolio, we approach after-sales service with utmost seriousness. To guarantee top-quality and reliable after-sales services, including the sale of automobile parts and accessories, we work closely with our brand partners Lamborghini and Touring Superleggera. Our comprehensive range of services encompasses maintenance, cleaning, repair, breakdown assistance, and the sale of genuine automobile parts and accessories. Operated by a team of specialist technicians, mechanics, and service advisers trained by Lamborghini, our factory-authorized Lamborghini service centre ensures impeccable service and unmatched quality.

Authentic Spare Parts

We maintain an ample inventory of genuine spare parts for the models we sell, ensuring that our customers can enjoy the full experience of their cars without any disruptions. Genuine spare parts guarantee optimal performance, quality, and safety for their automobiles.

CUSTOMERS

Our motto of "Walk in as a Customer, Walk out as a Friend" remains our core guiding principle.

Pre-Owned Cars

In addition to selling new models, we maintain a fleet of pre-owned Lamborghini cars that strictly adhere to the Lamborghini Quality Program, guaranteeing the highest standards of quality and reliability.

Training and Education

We consider it crucial for drivers of high-performance supercars to possess the necessary skills to safely enjoy their vehicles on public roads. Hence, we organise training sessions and field trips to educate our customers on the proper handling of their vehicles.

Financing Services

Whether customers choose to lease or purchase a Lamborghini, we offer assistance in finding suitable financing options. Through our partnership with Lamborghini Financial Services, we provide flexible leasing and financing solutions for customers who wish to own a Lamborghini without an outright purchase.

Unwavering Professional Standards

We uphold the highest trade standards by maintaining complete transparency in all our transactions with customers and partners across our business operations.

Customer Privacy and Data Protection

At EuroSports, we are fully committed to safeguarding the privacy and protecting the personal data of our customers. We recognise the importance of maintaining the confidentiality and security of sensitive information. Our commitment to personal data protection is evident in our strict adherence to Singapore's Personal Data Protection Act. We have implemented robust measures and comprehensive safeguards to ensure the integrity and confidentiality of our customers' and employees' data. Our target is to have zero breaches of personal data.

There were no substantiated complaints concerning breaches of customer privacy and losses of customer data during the reporting period.

Ongoing Target	FY2023 Performance
No incidents of non-compliance with PDPA	Zero cases of PDPA non-compliance

ENVIRONMENT

We are committed to conducting our business in an environmentally responsible manner.

Environmental Stewardship

At EuroSports, we remain committed to minimising the environmental impact of our car dealership business. We proactively implement various measures to ensure that our operations remain environmentally sustainable. This includes embracing energy-saving practices, waste reduction, water conservation, and minimising paper use while complying with relevant environmental regulations.

Energy Efficiency

Our energy consumption primarily stems from electricity usage in our showrooms, servicing workshops, offices, and the fuel consumed during test drives. Additionally, certain equipment in our maintenance and repair workshops also contributes to energy consumption.

While we operate within rented properties, limiting our control over building energy management, we strive to save energy wherever possible. At our head office and Leng Kee Road showroom, we have installed energy-efficient LED lights and motion sensors to conserve electricity. Furthermore, we foster environmental awareness among our employees, educating them on effective energy and resource conservation practices, including optimising lighting, air-conditioning, and presentation equipment usage when motion sensors are not available.

Addressing Climate Change

The urgency to combat climate change, as warned by scientists, requires immediate action to mitigate its catastrophic effects. The Paris Agreement, a global climate accord, sets goals to limit the global temperature rise to well below 2 degrees Celsius and strive for a 1.5-degree Celsius increase by 2030 compared to pre-industrial levels. Achieving net-zero emissions by 2050 necessitates deep decarbonization efforts in economies worldwide. Governments and businesses are taking steps towards emissions reduction and a transition to a lower-carbon economy.

We acknowledge that climate mitigation measures will significantly impact the automobile industry. For instance, the International Energy Agency's Roadmap to Net Zero suggests that by 2030, 60% of global car sales should consist of electric vehicles, along with 50% of heavy truck sales, ultimately leading to the absence of new Internal Combustion Engine (ICE) cars from 2035 onwards to achieve net-zero emissions by 2050.

In Singapore, the government aims to have 100% cleaner energy vehicles by 2040. It has implemented measures to promote such vehicles, including the cessation of new registrations of diesel cars and taxis starting from 2025, and requiring all new car and taxi registrations to be of cleaner-energy models by 2030.

Our Scorpio Electric project is strategically positioned to tap into the rising demand for sustainable mobility solutions.

ENVIRONMENT

We are committed to conducting our business in an environmentally responsible manner.

Fuel and Energy Consumption in our Value Chain

Ultra-luxury supercars and sports cars are renowned for their performance, which may result in higher fuel consumption compared to conventional vehicles. As a distributor, we have limited control over the fuel efficiency of these vehicles. However, our brand partner Lamborghini is committed to sustainable manufacturing practices. For example, Automobili Lamborghini has achieved carbon neutrality in its entire production facility and aims to reduce product CO₂ emissions by 50% by 2025. The company also utilises water-based paints for 95% of its color range, and employs a centralised scrubber system to minimise solvent emissions while recovering heat from the production process. Advanced air-misting paint systems allow for significantly reduced paint waste, with around 80% of the paint applied to vehicles compared to approximately 40% in conventional systems.

Carbon Emissions

Although carbon emissions are not considered a material topic for EuroSports, we voluntarily report our emissions as a best practice. Our carbon emissions primarily stem from electricity consumption and motor fuel usage during test drives. We remain committed to minimizing our emissions by adopting energy-saving measures whenever feasible.

Paper Reduction

We actively promote paper reduction within our offices. We encourage employees to use paper judiciously, print on both sides, and prioritise reuse and recycling. Embracing digital communication methods extensively helps us reduce our paper requirements.

In line with our targets, we have transitioned to purchasing only sustainably sourced office paper.

In FY2023, we used 211,236 sheets of office paper which amounted to 3,469 sheets per million dollars in revenue. The paper usage in FY2023 was higher when compared to FY2022 as the Covid pandemic eased and our operations started returning to normal levels. Also, our Scorpio Electric motorcycle operations started gearing for the production phase leading to more paper use. We will monitor paper usage to minimise the amount of paper we use and maximise recycling of used paper.

Scorpio Electric Pte. Ltd. (f.k.a. EuroSports Technologies Pte. Ltd.) - Scorpio Electric

Scorpio Electric is a Singaporean brand dedicated to accelerating the adoption of sustainable mobility and reducing the carbon footprint of its vehicles, predominantly carbon emissions. We have combined art with cutting-edge technology to create premium, stylish and smart electric motorcycles aimed at revolutionising mobility while minimising pollution and emissions.

Negative impacts from climate change have been accelerating, largely due to increasing global greenhouse gas emissions from burning fossil fuels for our energy consumption needs. The World Resources Institute estimates that up to 16% of all global greenhouse gas emissions arise from transportation. We believe that by developing smart electric motorcycles, we will enable emerging markets to transition to a cleaner and higher quality of life through a Singaporean brand.

Ongoing Target	FY2023 Performance
5% reduction as compared to FY2023 performance	3,469 sheets

ENVIRONMENT

We are committed to conducting our business in an environmentally responsible manner.

Sustainability Highlights at our Brand Partner Automobili Lamborghini

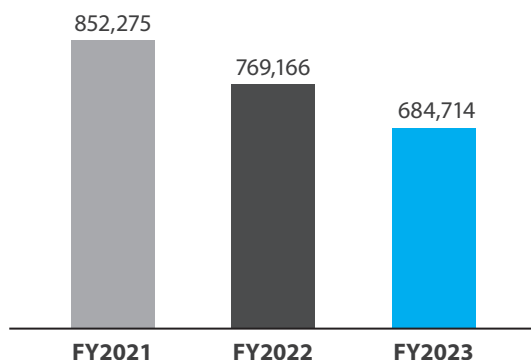
- Lamborghini Revuelto was launched in March 2023 as Lamborghini's first hybrid series production car in 2023, and by the end of 2024 the entire range to be electrified.
- Target to launch first fully-electric Lamborghini in the second half of the decade.
- In July 2022, Lamborghini Squadra Corse obtains ISO 20121 certification: the first sustainable event of the Super Trofeo Europe takes place in Misano
- In April 2022, Automobili Lamborghini received the Green Star Award for the second year in a row. The Green Star Award is a top corporate award in Italy given to companies in recognition for their contribution to green economy.
- Lamborghini received the Green Star 2021 award from by the German Institute for Quality and Finance (ITQF) in collaboration with the Institute for Management and Economic Research (IMWF) of Hamburg – a ranking of the most sustainable companies with regards to their intent of minimising industrial impacts on the environment and society.
- In May 2021, Lamborghini signed an agreement with ÖBB Rail Carg to deliver Urus body shells from the Volkswagen facility in Zwickau, Germany, to Lamborghini headquarters in Sant'Agata Bolognese via a sustainable route which reduces CO₂ emissions by 85%.
- Siàn, Lamborghini's first hybrid super sports car, won in the category Electric Car of the Year at the Top Gear UK's Electric Awards 2021.
- In 2020, Lamborghini launched two recycling and regeneration projects that have since been turning production leftovers into new resources for the community and the environment. In 2021, 51% of production leftovers were reused and recycled.
- Automobili Lamborghini's factory and historic headquarters have been certified carbon-neutral since 2015.
- Lamborghini became the first and only EMAS (Eco-Management and Audit Scheme) certified automotive company in Italy in 2009.
- The first automotive company in Italy to use a district heating system and the emissions saved approximately 1,800 tons of CO₂ every year.
- Target to reduce product CO₂ emissions by 50% by the beginning of 2025.
- 95% of the colours used in the paint shop are water-based and with E-Cube technology, which allows overspray to be captured during the painting process.

ENVIRONMENT

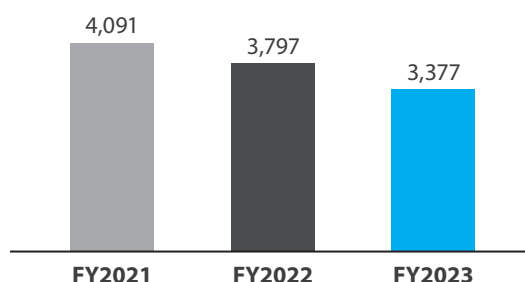
We are committed to conducting our business in an environmentally responsible manner.

Our Environmental Performance

Electricity Consumption (kWh)

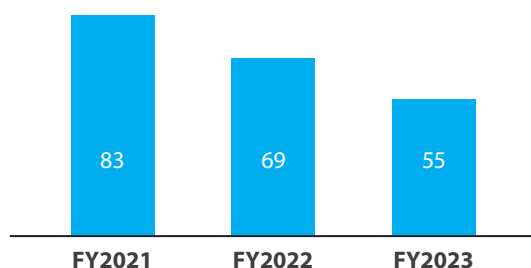


Energy Consumption (GJ)
Electricity, Petrol and Diesel



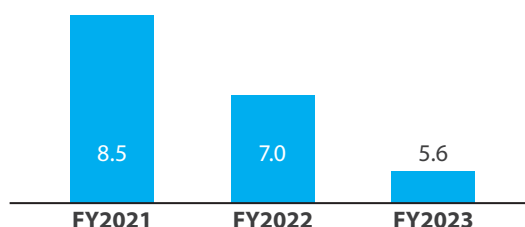
Energy Intensity

● Energy intensity (GJ/\$m revenue)



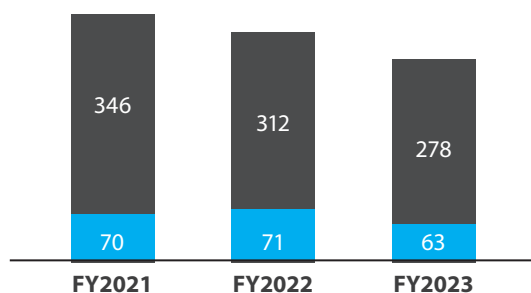
Emission Intensity (GJ/\$m revenue)

● Carbon emissions intensity (tCO_{2e}/\$m revenue)

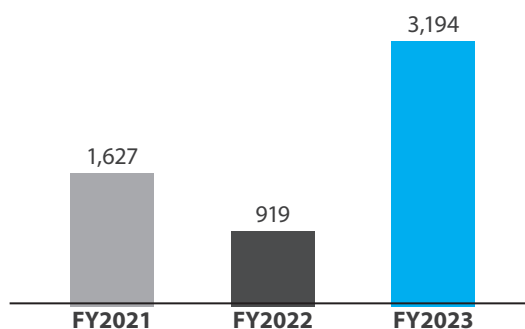


CO₂ Emissions (tCO_{2e})₂

● Scope 1 emissions ● Scope 2 emissions



Water Withdrawn (m³)



PEOPLE

At EuroSports, we are committed to maintaining a safe, friendly, and empowering workplace environment that enables our people to grow, perform and thrive. Our employees share a common passion for ultra-luxury automobiles and lifestyle products, as well as a commitment to delivering the highest quality service. This passion drives them to go the extra mile in building long-term trusted relationships with our customers, forming the very foundation of our business.

To attract and retain top talent, we have fostered an inclusive, empowering, trusting and friendly work culture that supports the growth and success of our employees. We prioritise the wellbeing, health and safety of our workforce, provide professional development opportunities, and promote open communication to ensure that every individual feels heard, valued, and respected.

As of 31 March 2023, we employed 80 full-time employees, with no part-time or temporary staff. All of our employees are based in Singapore. Women represented 16% of our team. During the financial year, we welcomed 29 new employees, including 13 female staff members. Our hiring rate for the financial year was 36%.

Health, Safety, and Well-being

The health, safety, and well-being of our employees are our utmost priorities, with a target of maintaining a zero-accident workplace. We actively promote a safety culture across all our operations, including test drives and our maintenance and repair workshop.

Our workplace safety and health management system are built on the BizSafe framework, a nationally recognized programme designed to enhance workplace safety and health capabilities. The programme comprises a structured five-step process, covering legal obligations awareness, Workplace Safety and Health (WSH) policy, risk assessment and management, risk management audit, WSH management training, and management system audit.

We have implemented comprehensive health and safety measures based on thorough risk assessments to prevent accidents and occupational diseases. Our employees are required to adhere to strict safety procedures in our workshops and use appropriate personal protective equipment. Additionally, they receive first aid training from the Singapore Red Cross to ensure their ability to respond effectively in case of accidents or emergencies.

Regular monitoring of employee health is conducted to protect them from potential occupational hazards. For instance, we arrange annual health screenings for our workshop employees, including hearing checks, as they may be exposed to noise hazards.

Emergency preparedness is ensured through periodic fire safety drills and evacuation exercises. Our showrooms and workshops are equipped with the necessary firefighting and alarm systems.

In line with our health and safety policy, the contractors we engage are required to comply with safety regulations mandated by relevant authorities. However, the presence of contractors or their workers in our workplace is rare.

PEOPLE

To maintain oversight of our health and safety policies and procedures, we have established a Workplace Safety and Health Committee led by the DCEO. The committee includes the Group HR & Admin Manager, our WSH Officer, and representatives from key functions. They regularly review our safety and health policies to ensure compliance with national regulations and industry best practices.

During the reported period, there were no reportable injuries or incidents of occupational diseases. However, in the event of any incident, our policy is to conduct thorough investigations to determine corrective actions and identify improvements needed to mitigate similar risks in the future.

Ongoing Target	FY2023 Performance
No work-related fatalities	No fatalities
No high-consequence work-related injuries	Zero high-consequence work-related injuries
No incidents of recordable work-related injuries	Zero recordable work-related injuries

Training and Development

At EuroSports, we prioritise the continuous growth and development of our employees. We provide comprehensive product and job training, as well as regular briefings and professional development opportunities to enhance their skills and knowledge. In FY2023, relevant employees attended 22 training sessions by our brand partner Lamborghini, covering a range of technical and non-technical topics.

Employee Engagement

Fostering a trusting and friendly work environment is paramount to our employees' well-being. We promote open communication channels between team members and supervisors, encouraging the principles of strong teamwork. Our open-door policy allows employees to directly approach senior management with any concerns or suggestions.

Throughout the year, we organise social events to cultivate positive working relationships. For instance, we traditionally celebrate Christmas and Chinese New Year festivals through company-wide events.

Fair Employment Practices

Our policies firmly uphold fairness and inclusivity in the workplace. We hire, compensate, and promote employees based on qualifications, merit, and performance. Discrimination of any kind is strictly prohibited, and we are pleased to report that there were no confirmed incidents of discrimination during the reporting period.

Performance Management

We maintain a fair and objective approach to assessing employee performance. All permanent employees participate in periodic performance assessments, allowing us to identify individual development needs through regular performance discussions. In FY2023, 100% of permanent employees participated in the performance appraisal process.

PEOPLE

Code of Conduct and Ethics

EuroSports has established a comprehensive Code of Conduct and Ethics that applies to all employees within our organisation and extends to our business partners. The code provides clear guidance on social and ethical behaviour, covering areas such as competition and anti-trust legislation, corruption and bribery, conflicts of interest and whistleblowing policies. Please refer to page 80 of the Annual Report for detailed information.

Employee Turnover

Our strategy centers around building and retaining an engaged workforce, motivated to achieve high performance. We actively monitor employee turnover to enhance our retention strategies.

During FY2023, we saw 31 employees leave, including 2 female employees. The turnover rate for the financial year stood at 39%. While this figure exceeds the national average turnover rate of 29% for the Retail Trade sector in 2022 (Source: Labour Market Survey, Manpower Research and Statistics Department, Ministry of Manpower), we are committed to reviewing and monitoring our retention strategies to ensure our turnover rate remains well below the national average.

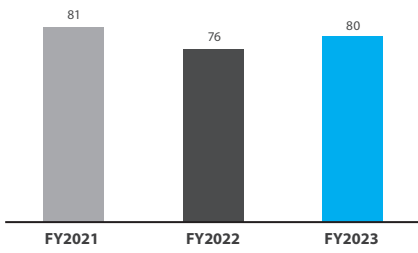
Freedom of Association

We fully respect the right of our employees to freedom of association. Presently, our employees are not part of any collective bargaining agreement. However, they are empowered to directly raise any concerns to management, and we are committed to prompt and fair resolutions.

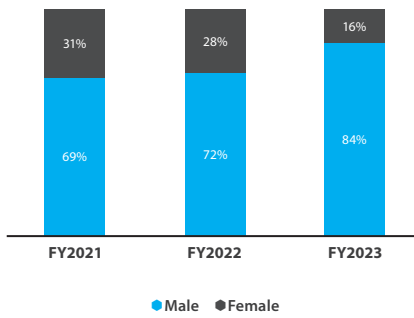
PEOPLE

Our Employee Performance

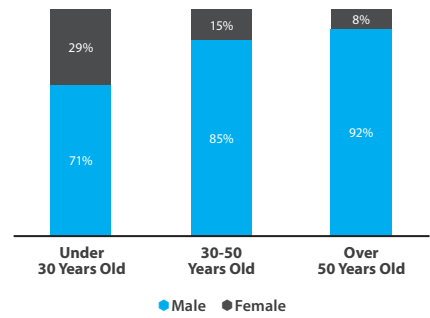
Full-Time Employees



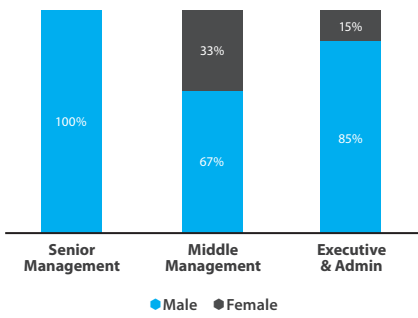
Gender Diversity



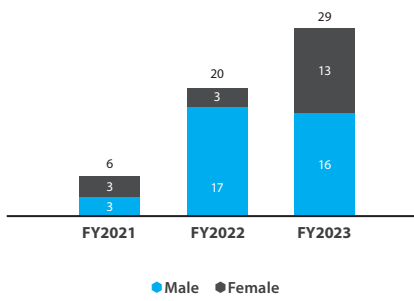
Age and Gender Diversity: FY2023



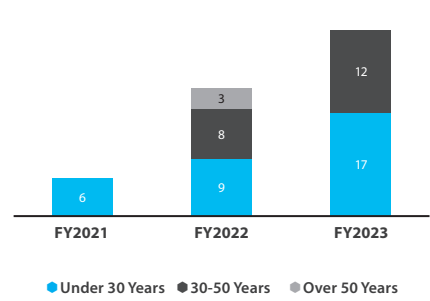
Employees by Employment Category: FY2023



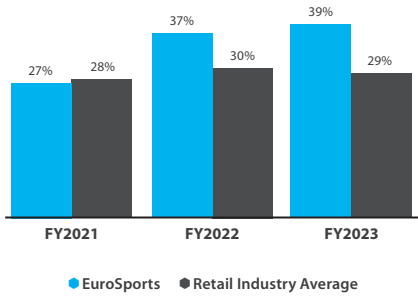
New Hires by Gender



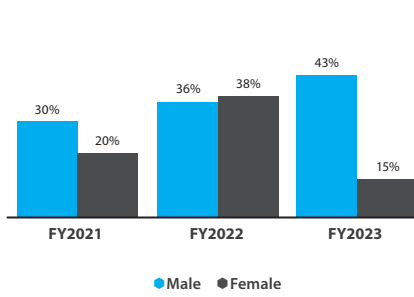
New Hires by Age Group



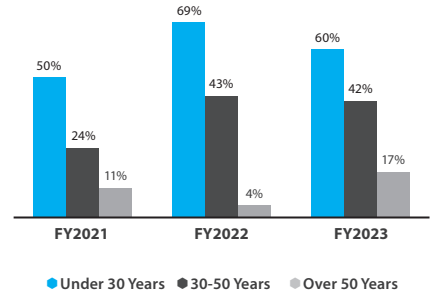
Employee Turnover



Employee Turnover by Gender



Employee Turnover by Age Group



COMMUNITY

We are committed to supporting the communities in which we operate through various initiatives, including internship opportunities for students.

At EuroSports, we recognise our responsibility to make a positive impact in the communities where we operate. We actively support various social causes and create opportunities for our customers to participate in community programs.

In November 2022, we participated in a global fundraising activity for Movember, with our brand partner – Lamborghini. Movember is the world's largest men's health charity foundation. Collectively, over 100 dealers and 1,555 Lamborghini cars worldwide, have raised more than €330,000 for the foundation.

In October 2022, we continued to support the Punggol Charity Drive to raise funds for needy children living in Punggol. Lamborghini owners treat beneficiary children to a spin in their luxurious marques.

In July 2022, we supported the Brainy Car Rally, organised by the Brain Tumour Society Singapore to spread awareness about brain tumour. A fleet of Lamborghinis gave rides to brain tumour patients.

We thank our staffs who actively participate in these charity events.

Student Attachment Programme

Since 2014, our company has been running an annual internship program called the Student Attachment Programme. This initiative offers internship opportunities to final-year Mechanical Engineering students from prestigious institutions such as the National University of Singapore, Ngee Ann Polytechnic, and Singapore Polytechnic. Over a period of six months, four selected students have the chance to gain valuable hands-on experience at our facilities. This practical exposure equips them with highly sought-after skills in planning, problem-solving, communication, and technical work, enhancing their employability prospects.

ECONOMIC IMPACT

The Group remains committed to delivering sustainable value for our shareholders and stakeholders.

According to market research reports, Singapore stands out as one of the most promising and rapidly growing automobile markets in the region. The Singaporean government recognizes the automotive segment as a key revenue generator. As a prominent player in Singapore's automobile market, EuroSports offers an ultra-luxury lifestyle choice for high-net-worth individuals while making substantial contributions to the national tax revenue. Our recent venture into electric motorcycles aligns with Singapore's vision of establishing a green industry and economy, promoting sustainable commuting in the region.

Financial Performance and Reporting

Delivering sustainable financial returns for our shareholders and investors remains a fundamental driver of our business. As a company listed on the Singapore Exchange, we provide comprehensive financial reporting, which can be found in the Annual Report sections of this report. Please refer to the financial statements for detailed information.

Tax Contribution

Our policy is to diligently fulfill our tax obligations to the government. In Singapore, the automobile tax structure is distinctive, encompassing registration fees, additional registration fees, quota premiums for certificates of entitlement, road taxes, and excise duties. This comprehensive tax system not only generates revenue for the government but also ensures sustainable levels of cars on the roads.

Due to the premium pricing of luxury and ultra-luxury cars sold by EuroSports, we contribute significant tax revenue to the government. In FY2023, the vehicles sold by us contributed a total of \$14.05 million in taxes and levies, including additional registration fees, quota premiums for Certificates of Entitlement (COEs), Carbon Emission-Based Vehicle Scheme (CEVS) surcharges, road taxes, and registration fees.

Anti-Corruption Measures

Maintaining integrity and adhering to ethical business principles are paramount in our operations. We have a zero-tolerance policy towards bribery, fraud, and corruption, as clearly outlined in our Code of Conduct and Ethics, available on our website.

During the reporting period, there were no incidents of corruption, bribery, or fraud.

Supplier Relationships

Our original equipment manufacturer (OEM) brand partners supply the vehicles we sell to our customers. Additionally, we procure various components such as body parts, undercarriage components, engine parts, batteries, and oil and lubricants from reliable suppliers. We emphasize procurement efficiency and maintain strong relationships within our supply chain.

Regulatory Compliance

We are fully committed to complying with all laws and regulations relevant to our business operations. There were no significant incidents of fines or non-compliance with socio-economic rules and regulations during the reporting period resulting in a sanction.

GRI CONTENT INDEX

Statement of Use

EuroSports Global Limited has reported with reference to the GRI Standards for the period 1st April 2022 to 31st March 2023.

GRI 1 Used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

Not applicable as a GRI sector standard is not available for our industry

GRI Standard	Disclosure	Page Number
GRI 2: General Disclosures 2021		
ORGANISATIONAL DETAILS AND REPORTING PRACTICES		
GRI 2-1	Organisational details	1, 4-5
GRI 2-2	Entities included in the organisation's sustainability reporting	2
GRI 2-3	Reporting period, frequency and contact point	18
GRI 2-4	Restatements of information	19
GRI 2-5	External assurance	19
ACTIVITIES AND WORKERS		
GRI 2-6	Activities, value chain and other business relationships	1, 4-5
GRI 2-7	Employees	35
GRI 2-8	Workers who are not employees	35
GOVERNANCE		
GRI 2-9	Governance structure and composition	42-87
GRI 2-10	Nomination and selection of the highest governance body	53-56
GRI 2-11	Chair of the highest governance body	52
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	87
GRI 2-13	Delegation of responsibility for managing impacts	21
GRI 2-14	Role of the highest governance body in sustainability reporting	21
GRI 2-15	Conflicts of interest	60
GRI 2-16	Communication of critical concerns	80
GRI 2-17	Collective knowledge of the highest governance body	8-9
GRI 2-18	Evaluation of the performance of the highest governance body	68
GRI 2-19	Remuneration policies	69-73
GRI 2-20	Process to determine remuneration	69-73
GRI 2-21	Annual total compensation ratio	
STRATEGIES, POLICIES AND PRACTICES		
GRI 2-22	Statement on sustainable development strategy	6-7, 21
GRI 2-23	Policy commitments	21, 22
GRI 2-24	Embedding policy commitments	21, 22
GRI 2-25	Processes to remediate negative impacts	25
GRI 2-26	Mechanisms for seeking advice and raising concerns	33
GRI 2-27	Compliance with laws and regulations	37, 80
GRI 2-28	Membership associations	24
STAKEHOLDER ENGAGEMENT		
GRI 2-29	Approach to stakeholder engagement	23-24, 86
GRI 2-30	Collective bargaining agreements	34

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ECONOMIC TOPICS		
GRI Standard	Disclosure	Page Number
MATERIAL TOPICS		
GRI 3-1	Process to determine material topics	25
GRI 3-2	List of material topics	25
Indirect Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	37
	103-2 The management approach and its components	37
	103-3 Evaluation of the management approach	37
GRI 201: Indirect Economic Performance 2016	203-2 Significant indirect economic impacts	37
Anti-Corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	22, 25
	103-2 The management approach and its components	22, 25
	103-3 Evaluation of the management approach	22, 25, 37
GRI 205: Anti- corruption 2016	205-3 Confirmed incidents of corruption and actions taken	37
ENVIRONMENTAL TOPICS		
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	22, 25
	103-2 The management approach and its components	22, 25
	103-3 Evaluation of the management approach	22
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	31
	302-3 Energy intensity	31
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	22, 25
	103-2 The management approach and its components	22, 25
	103-3 Evaluation of the management approach	22
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	31
	305-2 Energy indirect (Scope 2) GHG emissions	31
	305-4 GHG emissions intensity	31
SOCIAL TOPICS		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	22, 25
	103-2 The management approach and its components	22, 25
	103-3 Evaluation of the management approach	22, 25, 34, 35
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	35

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SOCIAL TOPICS		
GRI Standard	Disclosure	Page Number
Occupational Health and Safety		
Management Approach Disclosures 2018	403-1 Occupational health and safety management system	22, 25, 32, 33
	403-2 Hazard identification, risk assessment, and incident investigation	22, 32, 33
	403-3 Occupational health services	32, 33
	403-4 Worker participation, consultation, and communication on occupational health and safety	32, 33
	403-5 Worker training on occupational health and safety	32, 33
	403-6 Promotion of worker health	32, 33
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	32, 33
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	33
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	22, 25, 33
	103-2 The management approach and its components	22, 25, 33
	103-3 Evaluation of the management approach	33
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	33
Customer Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	25, 27
	103-2 The management approach and its components	22, 25, 27
	103-3 Evaluation of the management approach	27
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	27

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CORPORATE GOVERNANCE

The Board of Directors (the “**Board**”) and Management of EuroSports Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) are committed to achieving the high standards of corporate governance within the Group by adhering to the principles and provisions set out in the Code of Corporate Governance 2018 (the “**Code**”), where appropriate. These principles and provisions reflect the Board’s commitment in having effective corporate practices to safeguard against, amongst others, fraud and dubious financial transactions, with the aim to promote corporate transparency, accountability and integrity to enhance long-term value for shareholders as well as maximising long-term success of the Company and Group. Management believe that sound corporate governance supports long-term value creation. This includes establishing an appropriate culture, values and ethical standards of conduct at all levels of the Company and Group.

The Section B: Rules of Catalist of the Listing Manual (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) requires all listed companies to describe in their annual reports, their corporate governance practices, with specific reference to the principles of the Code.

This report sets out the corporate governance practices that were adopted by the Group during the financial year ended 31 March 2023 (“**FY2023**”) (“**Report**”), with specific reference to the principles and provisions of the Code as well as the accompanying Practice Guidance, which forms part of the continuing obligations of the Catalist Rules of the SGX-ST.

The Board confirms that, for FY2023, the Group has generally adhered to the principles and provisions set out in the Code and Practice Guidance, where they are applicable, relevant and practicable to the Group. Where there were deviations from the Code, appropriate explanations are provided. The Board will continue to assess the needs of the Company and improve on its corporate governance practices as appropriate. The Annual Report should be read in totality for Company’s full compliance.

(A) BOARD MATTERS

THE BOARD’S CONDUCT OF ITS AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provision 1.1

Principal Duties of the Board

The Board’s principal function is to provide entrepreneurial leadership and direction and work with management of the Company (“**Management**”) to enhance the long-term value of the Group to shareholders of the Company and other stakeholders.

The Board sets the appropriate tone-from-the-top and desired organisational culture monitoring Management’s performance, establishing a framework for prudent and effective internal controls to manage risk, safeguarding shareholders’ interests and the Group’s assets as well as setting values and standards (including ethical standards) for the Group.

CORPORATE GOVERNANCE

The Board is also collectively responsible for the following corporate matters (including setting thresholds for certain operational matters relating to subsidiaries):

- Review the Group's strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices;
- Set the Group's strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- Oversee the process of evaluation on the adequacy of internal controls, financial reporting and compliance;
- Oversee the adequacy and effectiveness of the Group's risk management framework and policies;
- Review the remuneration policies and guidelines for the Board and Management;
- Review the performance of Management;
- Set up the Group's values and standards (including ethical standards) and ensure that obligations to shareholders and other stakeholders are understood and met;
- Review the annual succession planning of Directors and key management personnel, the appointment and re-appointment of Directors and progressive renewal of the Board;
- Ensure that the Group and the Management comply with laws, regulations, policies, directives, guidelines and internal code of conduct; and
- Consider sustainability issues including environmental, social and governance factors, as part of the strategic formulation of the Group.

The Board exercises due diligence and independent judgement, and is obliged to act in good faith and in the best interest of the Group, in dealing with the business affairs of the Group and works with Management to take objective decisions to enhance the long term value of the Group to its shareholders and in the interest of the Group. Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. Where a potential conflict of interest arises, the Director concerned will recuse himself from participating in any discussions and voting on the subject matter and refrain from exercising any influence over other members of the Board in respect of the issues, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. The abstention is recorded within the minutes and/or resolutions of the Board and/or Committees. During FY2023, no conflicts of interests from the Directors had arisen.

All Directors update the Board on a timely basis, through the Company Secretary, of their interest in new companies that were not previously disclosed to the Board. Additionally, at the start of each financial year, all Directors are to submit a letter to the Company Secretary of all their interest in other companies, which are to be read and acknowledged by the Board. This is to better monitor any related or interested persons' transactions.

CORPORATE GOVERNANCE

Provision 1.2

Induction, Continuous Training and Development of the Directors

The Company recognises the importance of appropriate training for the Directors. All new Directors are given appropriate briefings by senior management when they are first appointed to the Board. All new Directors appointed to the Board are briefed to ensure that they are familiar with the Company's business, operation, governance practice and regulatory requirements. The Directors are provided with continuing briefings from time to time and are kept updated on relevant laws and regulations, including Directors' duties and responsibilities, corporate governance and developing trends, insider trading and financial reporting standards so as to enable them to properly discharge their duties as members of the Board or Board committees.

To ensure all newly appointed Directors are aware of their duties and obligations, Mr Anthony Ang Meng Huat, who was appointed as the Company's Non-Executive and Independent Director on 3 October 2022 was briefed by Directors, among other matters, his roles, obligations, duties and responsibilities as a member of the Board. He was also oriented by the Executive Directors and Management with the Company's and Group's businesses and operations, its significant financial, accounting and risk management issues, corporate governance initiatives, policies on disclosure of interests in securities upon his appointment. Letters of appointment are issued by the Company to new Directors setting out their duties, obligations, and terms of appointment, as appropriate.

The Company will regularly organise internal trainings for the Directors, which include technical training on the Group's products. The Directors are encouraged to keep themselves abreast of the latest developments relevant to the Group and the Company will arrange and continue to fund courses and seminars attended by the Directors.

In view of the requirement of the Task Force on Climate-related Financial Disclosure, all Directors of the Company have completed the mandatory training course on sustainability matters in FY2023 as prescribed under Rule 720(6) of the Catalist Rules.

The NC reviews and make recommendations on the training and professional development programs to the Board. In addition, the external auditor briefed the Directors at least annually to keep the Directors abreast of changes to accounting standards and issues which have a direct impact on financial statements or when necessary when these changes may be significant and/or substantial. To keep the Directors abreast of industry trends and issues, press releases which are relevant to the Group's business are circulated to the Directors. Our Company's continuing sponsor, RHT Capital Pte. Ltd. and Company Secretary, provide updates to the Board whenever there are changes to the Catalist Rules or the Code.

In FY2023, the Company's auditor provided updates to the Audit Committee ("**AC**") on new and revised financial reporting standards that are applicable to the Company and Group. The Management has provided updates on business and strategic developments pertaining to the Group's business to the Non-Executive Directors. Relevant new releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") and news articles which are relevant to the Group's business were circulated to the Board by the Company's sponsor and Secretary during FY2023. Directors also attended seminars, conferences and presentations to supplement and keep themselves updated on areas such as accounting, legal and sustainability reporting and related knowledge.

Directors may request for further explanations, briefing or information on any aspect of the Company's operation or business issues from Management and meet with Management to gain a better understanding of the Group's business operations and corporate governance practices.

CORPORATE GOVERNANCE

Provision 1.3

Matters Requiring Board Approval

The Group has adopted and documented internal guidelines setting forth matters that require Board approval.

Matters which are specifically reserved for the Board approval include:

- Matters involving a conflict of interest for a substantial shareholder or a Director;
- Material acquisition and disposal of property, plant and equipment of \$2 million and above;
- Corporate restructuring and fund-raising (via debt and/or equity);
- Share issuances, interim dividends and other returns to shareholders;
- Expenditures exceeding certain material limits;
- Interested person transactions;
- Any major investment or divestment exceeding \$1 million in transaction value; and
- Succession plans for Directors and key management personnel including appointments and the appropriate level of compensation.

Apart from the matters that are reserved for the Board approval the Board approves the following:

- Strategies and objectives of the Group;
- Annual budgets and business plans;
- Announcements of half-year and full year results;
- Releases of annual reports;
- Determine the remuneration policy for the Directors and other senior executives including the introduction of share incentive plans or major changes to existing plans, to be put to shareholders for approval;
- Any decision likely to have a material impact on the Company or Group from any perspective, including but not limited to financial, operational, strategic or reputational;
- Convening of shareholders' meetings; and
- Commitments to terms loans and lines of credits from banks and financial institutions.

The Group has established financial authorisation limits for matters such as capital budgets, credit limits and the acquisition and disposal of investments, while delegating the authority for transactions below those prescribed limits to management in order to optimize operational efficiency.

CORPORATE GOVERNANCE

Provision 1.4

Delegation of Authority to Board Committees

To assist the Board in discharging its oversight functions and execution of its responsibilities, the Board has established three Board committees, namely the AC, Nominating Committee (the “**NC**”) and Remuneration Committee (the “**RC**”) (collectively, the “**Board Committees**”). Each of the Board Committee has its clearly defined scope of duties and written terms of reference and whose actions are reported to and monitored by the Board. These committees are chaired by Independent Directors and function within clearly defined terms of reference and operating procedures.

At the date of this report, the composition of the Board and Board Committees are as follows:

Director	Board Appointment	AC	NC	RC
Goh Kim San (“ Melvin Goh ”)	Executive Chairman and Chief Executive Officer (“ CEO ”)	–	–	–
Goh Kim Hup (“ Andy Goh ”)	Executive Director and Deputy CEO	–	–	–
Tan Siok Sing*	Non-Executive and Lead Independent Director	Member	Chairman	Member
Anthony Ang Meng Huat**	Non-Executive and Independent Director	Chairman	Member	Member
Foo Say Tun	Non-Executive and Independent Director	Member	Member	Chairman

* Mr Tan Siok Sing was re-designated from Non-Executive and Independent Director to Non-Executive and Lead Independent Director of the Company on 1 November 2022.

** Mr Anthony Ang Meng Huat was appointed as Non-Executive and Independent Director of the Company on 3 October 2022.

These terms of reference are reviewed on a regular basis, along with the committee structures and membership at least once annually. Any change to the terms of reference for any Board committee requires the specific written approval of the Board. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. Minutes of all Board Committees' meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during such Board Committees' meetings. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

To achieve the Company's goals, the Board ensures that the Company is equipped with the necessary financial, operational and human resources skills. The Board, together with the management, shapes the Company's values and standards to be more strategic, innovative, and global in its mindset and outlook.

CORPORATE GOVERNANCE

Provision 1.5

Meetings of Board and Board Committees

The dates of Board and Board Committees' meetings, as well as the Company's Annual General Meeting (the "AGM"), are scheduled in advance at the beginning of each calendar year. To assist Directors in planning their attendance, the Company Secretary consults every Director before fixing the dates of these meetings. The Board conducts regular scheduled meetings at least twice a year and as warranted by particular circumstances. Ad hoc meetings are also convened to deliberate on urgent substantive matters. Telephone attendance or by means of similar communication equipment via the available conferencing solutions via the internet at Board and Board Committees' meetings are allowed under the Company's Constitution. To enable members of the Board and its committees to prepare for the meetings, agendas are circulated in advance, with board papers, related materials and explanatory information, relating to matters to be brought before the Board, emailed/ dispatched at least a week before the meetings.

The Board and the Board Committees can request further clarification and information from management on all matters within their purview.

Notwithstanding on the above, the Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. Ad hoc meetings are also convened as and when they are deemed necessary. Each Director exercises equal responsibility in overseeing the business and affairs of the Company and objectively takes decision in the interest of the Company.

The frequency of meetings and the attendance of each Director at every Board and Board Committees' meetings for FY2023 are disclosed in the table below:-

	Board		AC		NC		RC	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Melvin Goh	4	3	5	5 [#]	2	1 [#]	1	0 [#]
Andy Goh	4	4	5	5 [#]	2	2 [#]	1	1 [#]
Tan Siok Sing ⁽¹⁾	4	4	5	5	2	2	1	1
Ng Tiak Soon ⁽²⁾	4	2	5	3	2	2	1	1
Anthony Ang Meng Huat ⁽³⁾	4	2	5	3	2	0	1	0
Foo Say Tun	4	4	5	5	2	2	1	1

(1) Mr Tan Siok Sing was re-designated from Non-Executive and Independent Director to Non-Executive and Lead Independent Director of the Company on 1 November 2022.

(2) Mr Ng Tiak Soon retired as Non-Executive and Lead Independent Director of the Company on 31 October 2022.

(3) Mr Anthony Ang Meng Huat was appointed as Non-Executive and Independent Director of the Company on 3 October 2022.

Attended as invitees

CORPORATE GOVERNANCE

Multiple Board Representations

All Directors are required to declare their board representations. When a Director has multiple board representations, the NC will review the multiple board representations held by the Director on an annual basis to ensure that sufficient time and attention is given to the affairs of the Company. The NC considers that the multiple board representations held presently by the Directors do not impede their respective performance in carrying out their duties as a Director of the Company.

The Directors had committed considerable amount of time towards Board and Board Committees' meetings held in FY2023 and adjusted their schedules to ensure participation in meetings for the deliberation of issues. The NC has reviewed and is satisfied that each Director is able to devote sufficient time and attention to the affairs of the Company to adequately discharge his duties as a Director of the Company.

The NC views that it would not be appropriate to set a limit on the number of directorships that a Director may hold because Directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities. It is for each Director to personally determine the demands of his competing directorships and obligations and assess the number of directorships they could hold and serve effectively. The directorships of the Board members in other listed companies are set out in page 57 of the annual report.

For now, the NC believes that its qualitative assessment and the existing practice, which require each Director to confirm annually to the NC, his ability to devote sufficient time and attention to the Company's affairs, having regard to his other commitments, are effective.

Provision 1.6

Board's Access to Information

Management places a high priority on providing complete, adequate and timely information to the Board prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Board members received quarterly management accounts, other financial statements and other relevant information such as budgets and forecasts where appropriate and the Board will also be updated on industry trends and developments.

Board papers, agenda and related materials, background or explanatory information relating to matters to be discussed are sent to the Directors, a week in advance, prior to each Board and Board Committees' meeting to enable them to have sufficient time to fully consider and deliberate issues to be considered at the meeting. Minutes of previous meetings are tabled and confirmed at Board meetings for the Directors' information. Any additional material or information requested by the Directors is promptly furnished.

CORPORATE GOVERNANCE

Provision 1.7

Board's Access to Management and Company Secretary

The Board has at all times separate and independent access to Management and the Company Secretary through electronic mail, telephone and face-to-face meetings and is entitled at all times to request for any additional information needed to make informed decisions. Similarly, key management personnel (“KMP”), the Company’s auditor or external consultants are also invited to attend Board and Board Committees’ meetings to update and provide independent professional advice on specific issues, where necessary.

Under the direction of the Chairman, the Company Secretary ensures timely and good information flows within the Board and its Board Committees and between Management and Independent Directors.

The Company Secretary is responsible for, amongst others, ensuring that the Board’s procedures are observed and the Company’s Constitution, applicable rules and regulations, including requirements of the Companies Act and the Catalist Rules, are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes. The Company Secretary attends and prepares minutes for all Board and Board Committees’ meetings. The appointment and the removal of the Company Secretary are subject to the Board’s approval.

The Directors, either individually or as a group, in the furtherance of their duties, may seek independent professional advice, if necessary, at the Company’s expense.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provisions 2.1, 2.2 and 2.3

Independent Element of the Board, Composition of the Independent Directors and Non-Executive Directors on the Board

Independent Directors

The Code defines an “independent” Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of the Director’s independent business judgement in the best interests of the Company.

Disclosures of Directors’ interests and their interest in transactions are standing agenda items in all Board meetings, and such disclosures would be circulated and tabled for Board members’ information, as appropriate.

CORPORATE GOVERNANCE

The NC assesses and determines the independence of the Directors. They consider the existence of relationships or circumstances, including those identified by the Catalist Rules and the Practice Guidance, that are relevant in its determination as to whether a Director is independent. There is presently a strong and independent element on the Board as majority of the Board comprising Independent and Non-Executive Directors whose independence is reviewed on an annual basis by the NC. For FY2023, the Independent Directors have confirmed that they do not have any relationships including immediate family relationship between the Directors, the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be perceived to interfere, with the exercise of their independent business judgement in the best interest of the Company. The Board, based on the review conducted by the NC, has determined the Non-Executive and Independent Directors are independent.

Consistent with previous practice, the NC had undertaken a rigorous review of the independence of each Independent Director, including those whose tenure had exceeded nine years from the date of their first appointment. Led by the NC Chairman and facilitated by the Company's external corporate secretarial service provider, the assessment was conducted in incisive questionnaire completed by each Director and a declaration of independence completed by each Independent Director.

As at 29 November 2022, Mr Tan Siok Sing has served on the Board beyond nine years from the date of his first appointment. The Board has subjected his independence to a particularly rigorous review by all the other fellow Directors (with Mr Tan Siok Sing abstaining from the review), before deciding if they should continue with the appointment. After due consideration and with the concurrence of the NC, the Board is of the view that Mr Tan Siok Sing has demonstrated strong independence character and judgement over the years in discharging his duties and responsibilities as Independent Director of the Company. He has expressed individual viewpoints, debated issues and objectively scrutinised and challenged Management. He also sought clarification and amplification of relevant matters, as deemed required, including through direct access to the Management.

Taking into account of the above, and to avoid an abrupt loss of member with experience and institutional memory, the Board with the concurrence of the NC has affirmed his independence status and resolved that Mr Tan Siok Sing continues to be considered as Independent Director notwithstanding he has served on the Board beyond nine years from the date of his first appointment on 29 November 2013. In determination of the independence of Mr Tan Siok Sing by the NC, he recused himself.

During the AGM held on 28 July 2022, the shareholders of the Company had approved the continued appointment of Mr Tan Siok Sing as Independent Director via a two-tier voting and his appointment will remain in force until the earlier of his retirement, or resignation, or the conclusion of the third AGM. However, pursuant to Rule 406(3)(d)(iv) of the Catalist Rules introduced on 11 January 2023, Mr Tan Siok Sing will no longer be deemed independent after the conclusion of the AGM of the Company for the financial year ending 31 March 2024.

Provision 2.4

Composition, Size and Diversity of the Board and Board Committees, as well as Board Diversity

The composition and size of the Board and the Committees are reviewed annually by the NC to ensure the Board and the Committees have the appropriate mix of expertise and experience, and possess the necessary core competencies for effective functioning and informed decision-making. These competencies include accounting and finance, banking, business acumen, asset management, customer-based knowledge, familiarity with regulatory requirements, industry knowledge, risk management knowledge and management experience as well as strategic planning experience.

CORPORATE GOVERNANCE

The Board considers that its Directors possess the necessary competencies and knowledge to lead and govern the Group effectively. Taking into account the nature and scope of the Group's business, the Board is of the view that it is still currently able to exercise independent judgement on corporate affairs, provide Management with a diverse and objective perspective on issues, and that there is no individual or small group who/which dominates the Board's decision making.

Our Board currently consists of 5 members, 3 of whom are Independent Non-Executive Directors, 2 of whom are Executive Directors. 60% of the Board is comprised of Independent Non-Executive Directors. The Board believes that the current composition and size to be adequate and provide sufficient diversity without interfering with efficient decision-making. The Board will however continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole so as to avoid groupthink and foster constructive debate.

In support of the principles of good corporate governance, the Board has adopted a Board Diversity Policy which recognises the importance of diversity. By practicing diversity at Board level, the Directors believe that such differences may, collectively, enhance the attainment of corporate strategic objectives and to reach greater heights of achievement. However, it is noted that differences should be appropriately balanced so that the Board can function as a whole, and effectively within its leadership role in the Company. The diversity includes the range of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and other distinguishing qualities of its own diverse Board. All Board appointments are based on merit of candidates. The NC is responsible for administering this policy and for evaluating it annually.

The Board recognise that the important and benefits of diversity in all ways, regardless of genders, age groups, skillsets, experiences, background and other distinguishing factors and qualities, is to have an effective and diverse Board. In implementing the Board Diversity Policy, the NC had considered the Company's diversity objectives and the diverse nature of the business environment in which the Company operates whilst maintaining flexibility to address succession planning and to ensure that the Company continues to attract and retain qualified individuals to serve on the Board for long term success of the Company. The NC and the Board noted that the gender diversity on the Board is also one of the recommendations to provide an appropriate balance and diversity. Notwithstanding that the Board comprises members of the same gender, the Board Diversity Policy provides that the NC and the Board shall endeavour to enable gender diversity to be included for consideration when identifying candidates to be appointed as new Directors, in achieving gender equality. In identifying nominees for directorship, the Board Diversity Policy aims to have an appropriate mix of expertise with complementary skills, core competencies and experience for facilitating effective decision. The Board believes this approach reflects an appropriate balance between delivering business performance, growing shareholder returns, and progressing diversity. As there is currently no female Director appointed to the Board, the Board does not rule out the possibility of appointing a female Director if a suitable candidate is nominated for the Board's consideration.

Further information on the individual Director's background, experience and skills can be found in the Directors' profiles set out on pages 8 to 9 of the annual report.

CORPORATE GOVERNANCE

Provision 2.5

Regular Meetings of Non-Executive Directors and Independent Directors

The Board and Management openly discuss issues of the Company at Board and Board Committees' meetings. The Non-Executive and Independent Directors actively participated in such meetings held in FY2023. Minutes of the Board and Board Committees' meetings are circulated to the Board so that Directors are kept aware and updated of the matters discussed. During FY2023, the Non-Executive and Independent Directors, led by the Lead Independent Director, communicate among themselves without the presence of Management and Executive Directors met at least once a year, the Lead Independent Director provides feedback to the Chairman of the Board. The Non-Executive and Independent Directors also communicate regularly to discuss matters relating to the Group, including reviewing the performance of Management in meeting agreed goals and objectives and monitoring the reporting of performance. The Lead Independent Director provides feedback to the Board and/or the Chairman of the Board as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1, 3.2 and 3.3

Roles and Responsibilities of Chairman & Executive Director and Lead Independent Director

The Board has not adopted the recommendation of the Code to have separate Directors appointed as Chairman and the CEO. This is because the Board is of the view that there is already sufficiently strong independent element on the Board to enable independent exercise of objective judgement on affairs and operations of the Group by members of the Board, taking into account factors such as the number of Independent Directors on the Board as well as the contributions made by each member at meetings which relate to the affairs and operations of the Group. The Board is satisfied that one person is able to effectively discharge the duties of both positions.

Mr Melvin Goh assumes the following responsibilities:-

- (a) Lead the Board to ensure its effectiveness on all aspects of its role;
- (b) Set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) Promote a culture of openness and debate at the Board;
- (d) Ensure that the Directors receive complete, adequate and timely information;
- (e) Ensure effective communication with shareholders;
- (f) Encourage constructive relations within the Board and between the Board and Management;
- (g) Promote high standards of corporate governance;
- (h) Run the day-to-day business of the Group;
- (i) Ensure implementation of policies and strategies across the Group as set by the Board;
- (j) Lead the Management team;
- (k) Assess the risk and opportunities for the growth of its business;
- (l) Review the performance of its existing business; and
- (m) Enhance the long-term shareholders' value of the Company.

CORPORATE GOVERNANCE

Mr Melvin Goh currently holds dual positions of Executive Chairman and CEO of the Company. The Board believes that Mr Melvin Goh is the most appropriate person to undertake these positions, given his vast experience, expertise and familiarity with both our organisation and the industry, and such an arrangement is in the best interests of the Group. As all major decisions made by Mr Melvin Goh are reviewed by the respective Board committees, the Board is of the view that there are sufficient safeguards to ensure accountability and independent decision-making. Further, all the Board committees are chaired by Independent Directors and more than half of the Board consists of Independent Directors.

In view of the foregoing, the Board is of the view that it is currently unnecessary to effect a separation of the roles of the Chairman of the Board from that of the CEO to facilitate the Group's decision-making and implementation process.

Taking cognisance of the non-separation of the roles of the Chairman of the Board and the CEO, the Board has in the spirit of good corporate governance, appointed Mr Tan Siok Sing as Lead Independent Director with effect from 1 November 2022 following the retirement of Mr Ng Tiak Soon as Lead Independent Director on 31 October 2022 to serve as a channel for shareholders in the event that their concerns are not resolved through the normal channels of the Executive Chairman and CEO and/or to the Group Financial Controller ("**Group FC**"), or when such contact is inappropriate. Mr Tan Siok Sing will also act as liaison between the Independent Directors and the Chairman of the Board; to provide non-executive perspectives in circumstances where it would be inappropriate for the Chairman to serve in such capacity and to contribute a balanced viewpoint to the Board.

The Board believes that the practices adopted are consistent with the intent of Principle 3 of the Code, which requires a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

There was no query or request on any matters which requires the Lead Independent Director's attention received in FY2023.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2

NC Membership and Terms of Reference

The NC is responsible for making recommendations on all board appointments and re-appointment having regard to the contribution and performance of the Director seeking re-election.

The NC comprises of Mr Tan Siok Sing, Mr Anthony Ang Meng Huat and Mr Foo Say Tun, all of whom are Non-Executive and Independent Directors. Mr Tan Siok Sing is the NC Chairman.

CORPORATE GOVERNANCE

The NC is guided by written terms of reference which clearly set out its authority and duties. The key terms of reference include, amongst others, the following:-

- (a) Make recommendations to the Board relating to:
 - the review of Board succession plans for Directors, in particular, for the Chairman of the Board and the CEO and key management personnel;
 - the development of a process for evaluation of the performance of the Board, its Board Committees and Directors;
 - the review of training and professional development programs for the members of the Board; and
 - the appointment and re-appointment of Directors (including alternate Directors, if applicable).
- (b) Review and approve employment of related persons to Directors, executive officers or Controlling Shareholders and the proposed terms of their employment;
- (c) Review the process of re-nominations of Directors who are retiring by rotation for re-election by shareholders, to have regard to the Directors' contributions and performances (e.g. attendance, preparedness and participation) including, if applicable, as an Independent Director;
- (d) Decide whether a Director who has multiple board representations is able to and has been adequately carrying out his duties as a Director, having taking into account the Director's number of listed company board representation and other principal commitments;
- (e) Determine annually whether a Director is independent and provide its views to the Board for the Board's consideration;
- (f) Review the Board's structure, size, composition and balance and make recommendations to the Board if necessary, and ensure there is strong and independent element on the Board;
- (g) Establish procedures for evaluation of the Board's performance; and assess on an annual basis, the effectiveness of the Board as a whole and contributions by each individual Director to the effectiveness of the Board;
- (h) Decide how the Board's performance is to be evaluated; propose objective performance criteria which shall be approved by the Board; and address how the Board has enhanced long-term shareholder value;
- (i) Identify gaps in the mix of skills, experience and other qualities required in an effective Board and nominate or recommend suitable candidates to fill these gaps; and
- (j) Ensure that all new members of the Board undergo an appropriate induction programme.

The NC acknowledged the importance of succession planning for Directors, CEO and key management personnel ("KMP") and was satisfied with the existing Board composition. The Board has assessed and concurred with NC's recommendation that the Board, CEO and KMP succession plans will be on hold and will be reviewed at a later stage. Going forward and at the relevant time, the NC will look into a formal succession plan in close consultation with the Executive Chairman and CEO.

CORPORATE GOVERNANCE

Provision 4.4

Determining Directors' Independence

Each Director completes a declaration to confirm his independence on an annual basis. The NC has reviewed the independence of the Directors under the guidelines provided in the Code and the Catalist Rules and any other salient factors, and is of the view that Mr Tan Siok Sing, Mr Anthony Ang Meng Huat and Mr Foo Say Tun are independent based on the criteria given in the Catalist Rules and the Code and their respective declarations.

Provisions 4.3 and 4.5

Process for the Selection, Appointment and Re-appointment of Directors

The NC leads the process of selection and appointment of new Directors. The NC has in place a formal, written procedure for making recommendation to the Board on the selection and appointment of Directors. Such procedures would be activated when a vacancy on the Board arises or when the Board is considering making a new Board appointment either to enhance the core competency of the Board or for the purpose of progressive renewal of the Board.

The NC will evaluate the balance, skills, knowledge and experience of the existing Board and the requirements of the Group, in determining the role and key attributes that an incoming Director should have.

Upon endorsement by the Board of the key attributes, the NC may:

- Advertise or use services of external advisers to facilitate a search;
- Approach alternative sources such as Singapore Institute of Directors; and/or
- Consider candidates from a wide range of backgrounds from internal or external sources.

After short-listing the candidates, the NC shall:

- Consider and interview all candidates on merit against objective criteria, taking into consideration that appointees have sufficient time availability to devote to the position; and
- Evaluate and agree to a preferred candidate for recommendation to and appointment by the Board.

The NC is responsible for the re-appointment of Directors. In its deliberation on the re-appointment of existing Directors, the NC takes into consideration the Director's contribution and performance (including his contribution and performance as an Independent Director, if applicable).

The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board committees as well as quality of intervention and special contribution.

CORPORATE GOVERNANCE

Article 113 of the Company's Constitution provides that one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and be subjected to re-election at the AGM, provided that all Directors shall retire from office at least once every three years. Newly appointed Director by the Board is required to retire at the next AGM following his appointment. Retiring Director is eligible to offer himself for re-election. Each member of the NC abstains from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolution, in respect of the assessment of his own performance or re-nomination as Director.

Mr Melvin Goh and Mr Foo Say Tun will retire from office by rotation at the forthcoming AGM pursuant to Article 113 of the Company's Constitution. Mr Anthony Ang Meng Huat who was appointed as Non-Executive and Independent Director to the Board on 3 October 2022, shall retire as a Director at the forthcoming AGM pursuant to Article 117 of the Company's Constitution. Being eligible, Mr Melvin Goh, Mr Foo Say Tun and Mr Anthony Ang Meng Huat have submitted themselves for re-election. Accordingly, the NC has recommended the aforesaid re-election of the Directors and the Board has accepted the NC's recommendation. In recommending the re-election of Mr Melvin Goh, Mr Foo Say Tun and Mr Anthony Ang Meng Huat, the NC has considered the Directors' overall contribution and performance, each member of the NC had abstained from deliberation in respect of his own nomination and assessment. In addition, there is no relationships, including immediate family relationships, between Mr Foo Say Tun and Mr Anthony Ang Meng Huat and the other Directors, the Company, its related corporations, its substantial shareholders or officers which may affect their independence. The Board considers Mr Foo Say Tun and Mr Anthony Ang Meng Huat to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Alternate Directors

The Board provides for the appointment of alternate directors only in exceptional cases. The Board will take into consideration the same criteria for selection of Directors such as his qualifications, competencies and independence. The Company currently does not have any alternate director being appointed to the Board.

CORPORATE GOVERNANCE

Key information on Directors

Each Director's position, date of initial appointment, date of last re-election and Directorships/Chairmanships held by the Directors in other companies are as follows:-

Name of Director	Appointment	Date of Appointment / Last Re-appointment	Directorships in other listed companies		Due for Re-appointment at the AGM
			Current	For the past 5 years	
Melvin Goh	Executive Chairman and CEO	12 December 2012 / 29 July 2021	Nil	Nil	Yes (under Article 113 of the Company's Constitution)
Andy Goh	Executive Director and Deputy CEO	12 December 2012 / 28 July 2022	Nil	Nil	No
Tan Siok Sing	Non-Executive and Lead Independent Director	29 November 2013 / 28 July 2022	Nil	<ul style="list-style-type: none"> • QingMei Group Holdings Limited (delisted) • China Shenshan Orchard Holdings Co. Ltd (f.k.a Dukang Distillers Holdings Limited) • Libra Group Limited (delisted) 	No
Anthony Ang Meng Huat	Non-Executive and Independent Director	3 October 2022 / -	<ul style="list-style-type: none"> • Heatec Jietong Holdings Ltd. • Yong Tai Berhard • Global Star Acquisition Inc 	<ul style="list-style-type: none"> • ARA Asset Management (Fortune) Limited • Europtronic Group Ltd 	Yes (under Article 117 of the Company's Constitution)
Foo Say Tun	Non-Executive and Independent Director	8 September 2020 / 29 July 2021	<ul style="list-style-type: none"> • Moneymax Financial Services Limited 	<ul style="list-style-type: none"> • QingMei Group Holdings Limited (delisted) • Sino Techfibre Limited (delisted) • Fu Yu Corporation Limited 	Yes (under Article 113 of the Company's Constitution)

The NC has reviewed the contribution by each Director taking into account their listed company board representations and other principal commitments. Key information about the Board members, including their principal commitments are set out on pages 8 to 9 of the annual report.

CORPORATE GOVERNANCE

Information as set out in Appendix 7F of the Catalist Rules relating to Directors seeking re-election at the AGM 2023 pursuant to the requirements under Rule 720(5) of the Rules of Catalist are set out below:

	Name of person		
	Mr Melvin Goh	Mr Foo Say Tun	Mr Anthony Ang Meng Huat
Date of appointment	12 December 2012	8 September 2020	3 October 2022
Date of last re-appointment	29 July 2021	29 July 2021	-
Age	67	57	68
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution, expertise, experience, diversity of skillsets and commitment in the discharge of duties of Mr Melvin Goh as Executive Chairman and CEO of the Company. The Board has reviewed and concluded that Mr Melvin Goh possesses the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board and existing businesses of the Group and is suitable for re-election as the Executive Director of the Company.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour, expertise, diversity of skillsets, independent and commitment of Mr Foo Say Tun in discharging his duties as Non-Executive and Independent Director of the Company. The Board has reviewed and concluded that Mr Foo Say Tun possesses the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board and is suitable for re-election as the Non-Executive and Independent Director of the Company.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour, expertise, diversity of skillsets, independent and commitment of Mr Anthony Ang Meng Huat as Non-Executive and Independent Director of the Company. The Board has reviewed and concluded that Mr Anthony Ang Meng Huat possesses the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board and is suitable for re-election as the Non-Executive and Independent Director of the Company.
Whether appointment is executive, and so, the area of responsibility	Executive. Responsible for overall management, formulating the Group's strategic focus and direction and overseeing the Group's general operations.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and CEO.	Non-Executive and Independent Director. Chairman of RC and a member of AC and NC.	Non-Executive and Independent Director. Chairman of AC and a member of NC and RC.

CORPORATE GOVERNANCE

	Name of person		
	Mr Melvin Goh	Mr Foo Say Tun	Mr Anthony Ang Meng Huat
Professional Qualifications	Nil	<p>Bachelor of Laws Degree, University of East Anglia, England</p> <p>Barrister-at-law, Middle Temple, England</p> <p>Postgraduate Practical Law Course, Singapore</p>	<p>Master of Business Administration from INSEAD, France</p> <p>International Directorship Programme Certificate from INSEAD, France,</p> <p>Bachelor of Science (Mechanical Engineering) with First Class Honours from the Imperial College of Science and Technology, United Kingdom</p>
Working experience and occupation(s) during the past 10 years	More than 36 years of experience and industry knowledge of the automobile industry.	Zweec Analytics Pte Ltd (January 2020 to March 2022) Chief Executive Officer	<p>Ministry of Foreign Affairs (November 2018 to Present) Ambassador Extraordinary and Plenipotentiary of the Republic of Singapore to the Republic of Tunisia</p> <p>Sasseur Asset Management Pte Ltd (March 2017 to July 2021) Chief Executive Officer</p> <p>ARA Asset Management (Fortune) Pte. Ltd. (March 2010 to December 2016) Executive Director.</p> <p>ARA Asset Management (Fortune) Pte. Ltd. (March 2010 to January 2015) Chief Executive Officer</p>
Shareholding interest in the listed issuer and its subsidiaries	79,010,200 (Direct Interest) 40,403,300 (Deemed Interest)	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Brother to Mr Andy Goh, Executive Director and Deputy CEO of the Group, and father to Mr Joshua Goh Yi Shun, CEO of Scorpio Electric Pte. Ltd. a subsidiary of the Company	Nil	Eurosports Global Limited has invested in Tribeca Global SPAC Fund IV LLC. Tribeca Global SPAC Fund IV LLC is a sponsor fund which subsequently listed a SPAC in NASDAQ, United States of America, named Global Star Acquisition Inc. Anthony Ang Meng Huat is the Chairman and CEO of Global Star Acquisition Inc.

CORPORATE GOVERNANCE

	Name of person		
	Mr Melvin Goh	Mr Foo Say Tun	Mr Anthony Ang Meng Huat
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
<p>Other Principal Commitments* including Directorships#</p> <p>* "Principal Commitments" has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p> <p>Past (for the last 5 years) Present</p>	<p>Past</p> <ul style="list-style-type: none"> Autolnc Pte. Ltd. (f.k.a. Autolnc EuroSports Pte. Ltd.) <p>Present</p> <ul style="list-style-type: none"> deLaCour Asia Pacific Pte. Ltd. Elite Steed Ltd EuroSports Auto Pte. Ltd. EuroAutomobile Pte. Ltd. EVI Electric Pte. Ltd. Prosper Auto Pte. Ltd. RB Investment Holding Pte Ltd Scorpio Electric Pte. Ltd. Scorpio Electric (Shenzhen) Co., Ltd 	<p>Past</p> <ul style="list-style-type: none"> Fu Yu Corporation Limited Ioni water Pte Ltd QingMei Group Holdings Limited Sino Techfibre Limited Zweec Analytics Pte. Ltd. <p>Present</p> <ul style="list-style-type: none"> Aquapro Solutions Pte Ltd Business Foundation Pte Ltd Dynagen Power Systems Pte Ltd M Grade Services Pte Ltd Moneymax Financial Services Limited 	<p>Past</p> <ul style="list-style-type: none"> Europtronic Group Ltd Hong Sun Group Development Limited Sasseur Bishan HK Limited Sasseur Hefei HK Limited Sasseur Jinan HK Limited Sasseur Singapore Holdings Pte. Ltd. Sasseur Bishan (BVI) Limited Sasseur Hefei Limited Sasseur Jinan Limited Sasseur Asset Management Pte. Ltd. Sino Yu Pte. Ltd. SYW Pte. Ltd. <p>Present</p> <ul style="list-style-type: none"> Better World Asset Management Ltd GCIC Ltd Global Star Acquisition Inc Heatec Jietong Holdings Ltd. Imperial Investment Company Ltd ITE Education Services Pte Ltd New Majulah Connection Non-Resident Ambassador of the Republic of Singapore to the Republic of Tunisia, Ministry of Foreign Affairs RV SG Pte. Ltd. Seascape Investments Pte. Ltd. Singapore Digital Exchange Pte. Ltd.

CORPORATE GOVERNANCE

	Name of person		
	Mr Melvin Goh	Mr Foo Say Tun	Mr Anthony Ang Meng Huat
			Present <ul style="list-style-type: none"> • Sinospring Venture Pte Ltd • SquareDog Robotics Pte Ltd • Truufin Pte. Ltd. • Yong Tai Berhad
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, general manager or other officer of equivalent rank.</p> <p>If the answer to any question is "yes", full details must be given.</p> <p>(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</p>	No	No	No

CORPORATE GOVERNANCE

	Name of person		
	Mr Melvin Goh	Mr Foo Say Tun	Mr Anthony Ang Meng Huat
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

CORPORATE GOVERNANCE

	Name of person		
	Mr Melvin Goh	Mr Foo Say Tun	Mr Anthony Ang Meng Huat
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

CORPORATE GOVERNANCE

	Name of person		
	Mr Melvin Goh	Mr Foo Say Tun	Mr Anthony Ang Meng Huat
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No

CORPORATE GOVERNANCE

	Name of person		
	Mr Melvin Goh	Mr Foo Say Tun	Mr Anthony Ang Meng Huat
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes Mr Melvin Goh is under investigation of CAD, the investigation is ongoing and there is currently no conclusion. Please refer to the Company's announcements dated 5 August 2021, 6 August 2021 and 2 December 2021 for more details.	Yes Mr Foo Say Tun was an Independent Director and a member of the Audit Committee of Sino Techfibre Limited (" STFL ") in 2011, a company listed on the main board of SGX-ST. KPMG Services Pte Ltd was appointed to conduct a special audit on STFL in May 2011. For avoidance of doubt, Mr Foo Say Tun was not a subject of the special audit.	Yes Mr Anthony Ang Meng Huat (" Mr Ang ") was an Independent Director and Chairman of the Audit Committee of E3 Holdings Ltd. (" E3 ") before it was delisted from the SGX-ST on 31 May 2011. In 2018, the Audit Committee of E3 (spearheaded by Mr Ang, who was the Chairman of the Audit Committee of E3) commissioned a special audit due to suspected fraud for investments in the People's Republic of China.

CORPORATE GOVERNANCE

	Name of person		
	Mr Melvin Goh	Mr Foo Say Tun	Mr Anthony Ang Meng Huat
			<p>Following the findings, the SGX-ST conducted a review of the matters and issued a reprimand against six of its directors for breaches of the SGX-ST listing rules and failures of corporate governance. Please refer also the announcements by E3 dated 9 February 2010, 30 April 2010, 20 May 2010, 14 June 2010, 16 January 2011, 13 April 2011, 17 April 2011 and 6 May 2011 for more details.</p> <p>For the avoidance of doubt, Mr Ang was not the subject of the reprimand issued by the SGX-ST.</p>
(ii) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No

CORPORATE GOVERNANCE

	Name of person		
	Mr Melvin Goh	Mr Foo Say Tun	Mr Anthony Ang Meng Huat
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes Refer to (j)(i)	No	No

CORPORATE GOVERNANCE

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board committees and individual directors.

Provisions 5.1 and 5.2

Board Performance

The NC is responsible for recommending and implementing a process to assess the effectiveness of the Board and the Board Committees as well as to assess the contribution of the Chairman and each Director to the overall effectiveness of the Board.

A review of the Board's performance is conducted by the NC. On the recommendation of the NC, the Board has adopted an internal process for evaluating the effectiveness of the Board as a whole annually. Each Board member will be required to complete an evaluation form to be returned to the NC Chairman for evaluation. Based on the evaluation results, the NC Chairman will present his recommendations to the Board.

The NC Chairman evaluates the performance and contribution of each Director on an informal basis. The NC will, at the relevant time, look into adopting guidelines for annual assessment of the contribution of each individual Director to the effectiveness of the Board.

Performance Criteria for Board Evaluation

The NC assesses the overall effectiveness of the Board and its committees as a whole by having all members of the Board completing an Assessment Checklist, the assessment parameters of which involves the evaluation of the Board composition and size, Board information and accountability, Board processes, standards of conduct, effectiveness of risk management and internal controls systems.

The performance criteria do not change unless circumstances deem it necessary and the decision to change them would be justified by the Board.

Evaluation of Individual Directors

The NC assesses the individual Director's performance, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings, the technical knowledge of the Directors, communication and interaction, knowledge of the Group's business and operations, etc.

For FY2023, the NC having reviewed the overall performance of the Board as a whole, its Board Committees as well as the performance of each individual Director, was satisfied with their performance for the period under review.

No external facilitator has been engaged to perform the Board assessment process in FY2023. When relevant and when the need arises, NC will consider such an engagement.

CORPORATE GOVERNANCE

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his own remuneration.

Provisions 6.1, 6.2 and 6.3

Remuneration Committee and Terms of Reference

The RC is responsible for ensuring a formal and transparent procedure for developing policies on executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel.

The RC comprises Mr Foo Say Tun, Mr Tan Siok Sing and Mr Anthony Ang Meng Huat, all of whom are Non-Executive and Independent Directors. Mr Foo Say Tun is the RC Chairman.

The members of the RC carried out their duties in accordance with the terms of reference which include, among others, the following:-

- (a) Review and recommend for endorsement by the Board, a general framework of remuneration for the Board and KMP;
- (b) Review and recommend for endorsement by the Board, specific remuneration packages for each Director and KMP;
- (c) Review whether Executive Directors and KMP should be eligible for benefits under long-term incentive schemes;
- (d) Review annually the remuneration packages of all employees who are related to any of the Directors, Controlling Shareholders or the executive officers;
- (e) Ensure that the remuneration packages are comparable within the industry and with similar companies and include a performance-related element;
- (f) Ensure that there are appropriate and meaningful measures of assessing the performance of Executive Directors and KMP;
- (g) Ensure that the remuneration package of key executives related to Directors and Controlling Shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities;
- (h) Implement and administer performance share plan and employee share option scheme in accordance with the rules of the share plan and option scheme adopted by members of the Company from time to time; and
- (i) Review the Group's obligations arising in the event of termination of the Executive Director's and KMP's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

On annual basis, the RC reviews and approves the annual increments, variable bonuses to be granted to the Executive Directors and the KMP which are within specific mandates sought from the Board. The RC also reviews the Company's obligation arising, in the event of termination of the Executive Directors' and KMP's contract of service, to ensure that their service contracts contain fair and reasonable termination clauses which are not overly generous. Each member of the RC refrains from voting on any resolutions in respect of the assessment of his remuneration. No Director individually decides or is involved in the determination of his own remuneration. The RC's recommendations are submitted for endorsement by the Board.

CORPORATE GOVERNANCE

Provision 6.4

RC's Access to Advice on Remuneration Matters

The RC may from time to time and where necessary seek advice from external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and KMP. The Board has not engaged any external remuneration consultant to advise on remuneration matters for FY2023.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provisions 7.1 and 7.3

Remuneration of Executive Director and Key Management Personnel

In setting remuneration packages, the RC will take into account the pay and employment conditions within the same industry and comparable companies, as well as the Group's relative performance and the performance of individual Directors.

KMP are remunerated based on their employment contracts. Their remunerations include fixed pay, annual wage supplement, performance bonuses, transport allowances and usage of company cars.

The Executive Directors, namely Mr Melvin Goh and Mr Andy Goh, are remunerated based on their service agreements with the Company as disclosed in the Company's Offer Document dated 7 January 2014 ("**Offer Document**"). Their remuneration includes fixed pay, annual wage supplement, performance bonuses, transport allowances, usage of company cars, and subscription fees for country club memberships. The service agreements are valid for an initial period of three years with effect from the date of listing, and thereafter continue from year to year unless terminated by either party giving six months prior written notice to the other party.

There are, at present, no provisions allowing the Company to reclaim incentive components of remuneration from Executive Directors and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Provision 7.2

Remuneration of Non-Executive Director

The Non-Executive and Independent Directors receive Directors' fees, in accordance with their contributions, taking into account factors such as effort, time spent, responsibilities of the Directors and the need to pay competitive fees to attract, motivate and retain the Non-Executive and Independent Directors. For FY2024, Directors' fees of \$120,000 are recommended by the Board and are subject to the approval of the shareholders at the AGM.

CORPORATE GOVERNANCE

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1 and 8.2 Remuneration Report

Details on the remuneration of Directors and KMP for FY2023 are presented in the following tables.

Remuneration of Directors and the CEO

The remuneration paid to and accrued to each Director for FY2023 is as follows:-

Name of Directors	Fees** \$'000	Salary \$'000	Fixed Bonus ⁽¹⁾ \$'000	Variable or Performance Related Income / Bonus \$'000	Allowances And Benefits ⁽²⁾ \$'000	Total \$'000
Melvin Goh	-	509	102	-	82	693
Andy Goh	-	423	84	-	71	578
Ng Tiak Soon [#]	30	-	-	-	-	30
Tan Siok Sing [^]	41	-	-	-	-	41
Foo Say Tun	35	-	-	-	-	35
Anthony Ang Meng Huat [*]	17	-	-	-	-	17

Notes:

- (1) The Company paid the Executive Directors one to three months of contractual fixed bonuses.
- (2) Allowances and benefits include transport allowances, usage of car and membership subscription.
- [#] Mr Ng Tiak Soon retired as Non-Executive and Lead Independent Director of the Company on 31 October 2022.
- [^] Mr Tan Siok Sing was re-designated from Non-Executive and Independent Director to Non-Executive and Lead Independent Director of the Company on 1 November 2022.
- ^{*} Mr Anthony Ang Meng Huat was appointed as Non-Executive and Independent Director of the Company on 3 October 2022.
- ^{**} S\$120,000 of the total Directors' fees of S\$122,917 was approved on AGM dated 28 July 2022. Resolution for the approval of remaining S\$2,917 Directors' fees will be tabled at the forthcoming AGM to be held on 28 July 2023.

CORPORATE GOVERNANCE

Remuneration of Key Management Personnel

The remuneration received by the top 7 KMP (who are not Directors or the CEO) in FY2023 is approximately S\$1.5 million, and a breakdown showing the level and mix of remuneration of each of the top 7 KMP (who are not Directors or the CEO) in bands of S\$250,000 for FY2023 as follows:

Name of KMP	Salary %	Variable or Performance Related Income / Bonus %	Allowances And Benefits ⁽¹⁾ %	Total %
Below \$250,000				
Roy Ng	75	25	0	100
Yang Ee ⁽²⁾	48	6	46	100
Ong Meei Huey ⁽³⁾	90	8	2	100
Julian Legazpi	100	0	0	100
Marc Alexander Schuchert ⁽⁴⁾	89	0	11	100
Muhammad Taureza	100	0	0	100
Joshua Goh Yi Shun ⁽⁵⁾	94	0	6	100

Notes:

- (1) Allowances and benefits include phone/transport/petrol allowances, usage of car and others.
- (2) Mr Yang Ee resigned as Group Financial Controller cum Joint Company Secretary of the Company with effect from 3 November 2022.
- (3) Ms Ong Meei Huey was first appointed as Acting Group Financial Controller with effect from 4 August 2022 and was subsequently re-designated as Group Financial Controller with effect from 9 November 2022.
- (4) Mr Marc Alexander Schuchert resigned as Director, Marketing & Communications with effect from 1 March 2023.
- (5) Mr Joshua Goh Yi Shun had been promoted to Chief Executive Officer of Scorpio Electric Pte. Ltd. with effect from 8 August 2022.

The Board is of the opinion that it is not in the best interest of the Company to disclose the exact details of remuneration of the KMP due to the sensitive nature of remuneration matters and the competitiveness of the industry for key talent. The Board believes that there is sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation, consistent with the intent of Principle 8 of the Code.

Mr Joshua Goh Yi Shun, son of Mr Melvin Goh and nephew of Mr Andy Goh, who are the Directors of the Company, was promoted to Chief Executive Officer of Scorpio Electric Pte. Ltd. with effect from 8 August 2022. Mr Joshua Goh Yi Shun is also a director of Scorpio Electric Pte. Ltd. since September 2021. His remuneration in FY2023 was in the band of below S\$250,000.

Except for Mr Andy Goh, who is the brother of Mr Melvin Goh and Mr Joshua Goh Yi Shun, who is the son of Mr Melvin Goh, there are no employees who are immediate family members of a Director or the CEO, and whose remuneration exceeds S\$100,000 during FY2023.

There were no terminations, retirement or post-employment benefits granted to Directors, the CEO and KMP other than standard contractual notice period termination payment in lieu of service for FY2023.

CORPORATE GOVERNANCE

Provision 8.3

Other Payment and Benefits to Directors and Key Management Personnel including Employment Share Schemes

As disclosed in the Offer Document, the Company has in place the EuroSports Employee Share Option Scheme (“**ESOS**”) and EuroSports Performance Share Plan (“**PSP**”) since 29 November 2013, as part of a compensation plan to motivate Directors and employees of the Group to greater dedication, loyalty and higher standards of performance.

The ESOS is administered by RC. Options may be granted to the following groups of participants under the ESOS (a) Group employees; and (b) Group Directors (including Group Executive Directors, Group Non-Executive Directors and Independent Directors). Controlling Shareholders are not eligible to participate in the ESOS. However, associates of a controlling shareholder who meet the eligibility criteria are eligible to participate in the ESOS provided that (a) the participation of; and (b) the terms of each grant and the actual number of options granted under the ESOS, to a participant who is an associate of a controlling shareholder shall be approved by our independent shareholders in separate resolutions for each such person.

Offers for the grant of options may be made at any time from time to time at the discretion of the RC, in accordance with the Catalist Rules. Options which are fixed at the market price may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the market price may only be exercised after the second anniversary from the day of grant of the option. The ESOS shall continue in operation for a maximum of 10 years commencing on the date on which the ESOS is adopted by the Company in general meeting.

The exercise price for each option shall be determined and fixed by RC at (a) a price equal to the average of the last dealt price for the shares on Catalist for five consecutive market days immediately preceding the relevant date of grant of the relevant option (“**Market Price**”); or (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the RC in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the Market Price.

The PSP is administered by RC and shall continue in force at the discretion of the RC, subject to a maximum period of 10 years commencing on the date on which the PSP is adopted by the Company in general meeting, provided always that the PSP may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The total number of shares over which the RC may grant the options under the ESOS and the total number of shares which may be delivered pursuant to the vesting of awards under the PSP on any date, when added to the number of shares issued and issuable in respect of (i) all options granted under the ESOS; (ii) all awards granted under the PSP; and (iii) all outstanding options, shares or awards issued/issuable or granted under such other share-based incentive schemes or share plans of the Company, shall not exceed 15% of the total number of issued shares (excluding treasury shares, as defined in the Companies Act 1967) of the Company on the day immediately preceding the offer date of the option or from time to time.

During FY2023, no option to take up unissued shares of the Company or its subsidiaries was granted and there were no shares of the Company or its subsidiaries issued by virtue of the exercise of an option to take up unissued shares.

CORPORATE GOVERNANCE

At the end of the reporting year, there were no unissued shares of the Company or its subsidiaries under option.

During the reporting year, no share awards were granted pursuant to the PSP and no share awards remained outstanding as at 31 March 2023.

Both ESOS and PSP will be expired on 29 November 2023. The Company is preparing new ESOS and PSP plans and will be tabled for shareholders' approval in a general meeting. Further details on the proposed ESOS and PSP plans are being set out in the Circular to be despatched to shareholders on 13 July 2023.

Performance Share Plan Adopted by the Company's Subsidiary, Scorpio Electric Pte. Ltd.

On 27 September 2019, the Board announced the adoption of Performance Share Plan ("**Plan**") by the Company's subsidiary, Scorpio Electric Pte. Ltd. ("**SEC**"). The purpose of the SEC Plan is to assist SEC in recruiting and retaining individuals with ability and initiative by enabling such persons to participate in the future success of SEC and to associate their interests with those of SEC and its shareholders.

The Plan is administered by a Committee of a maximum of five persons duly authorised and appointed by the Board, and which shall at all times include the Remuneration Committee of EuroSports Global Limited. The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years from the date of the Plan is adopted by shareholders at general meeting of SEC.

The total number of SEC shares may be granted on any date under the Plan, when added to the number of shares issued and/or issuable or transferred/transferable in respect of: a) all SEC shares granted under the Plan; (b) all shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed 20% of the total issued shares of SEC (excluding treasury shares) on the day preceding that date.

Participants under the Plan are not required to pay for the grant of shares upon achieving the performance target, if any, or upon fulfilment of the conditions specified for the vesting of, and release of the SEC shares comprised in the awards. Notwithstanding the foregoing, the Committee may at its absolute discretion grant SEC shares which require the payment of an exercise price for the issuance of SEC Shares as a condition for release of the SEC shares. The exercise price for each SEC shares shall not be less than the fair market value of the SEC shares on the grant date, and such fair market value shall be as reasonably determined by the Committee in good faith in accordance with accepted industry practices.

SEC awarded 51,293 shares to the participants. Further details of the Plan can be found in the Statement by Directors on page 92 of the Annual Report.

CORPORATE GOVERNANCE

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that the Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provision 9.1

Nature and Extent of Risks

The Board reviews the adequacy and effectiveness of the Group's risk management and internal controls framework including financial, operational, information technology and compliance controls at least on an annual basis.

The Board is responsible for risk governance of the Group, which includes establishing risk management policies and tolerance strategies that set the appropriate tone and direction, and overseeing the implementation of risk management framework to ensure that risks are identified and managed. On an ongoing basis, the Board monitors and assesses the adequacy of the risk management systems that has been put in place as well as the system of internal controls to ascertain that Management takes the appropriate steps to manage and mitigate risks with the assistance from the AC. The AC reflects its role in assisting the Board to fulfill its responsibilities to safeguard the Company's assets through providing oversight of the Company's financial reporting process, risk management and internal controls system as well as audit function. At the Management level, the Board has established a Risk Management Team and appointed Andy Goh as the Chief Risk Officer in the financial year ended 31 March 2016. This Risk Management Team oversees and ensures that risks are being managed by appropriate units holistically across the Group.

Risk Tolerance and Risk Policies

The Board evaluates the level of risk tolerance and the risk appetite of the Group and determines whether acceptable levels of risk are being taken in the pursuit of the strategic business objectives. Management also maintains a sound system of risk management and internal controls, to safeguard shareholders' interests and the Company's assets, and recommends the nature and extent of the significant risks for the endorsement of the Board in the pursuit of the Group's strategic business objectives, with the oversight from the AC on behalf of the Board.

CORPORATE GOVERNANCE

Provision 9.2

Board's Comment on Adequacy and Effectiveness of Risk Management and Internal Control Systems

In order to arrive at the basis for the opinion on the adequacy and effectiveness of risk management and internal controls, the Board with the assistance of the AC have evaluated the level of assurance required in accordance with the nature and complexity of the business. The Board has arrived at this level of assurance through a review of the work performed by the external auditor, internal auditor, other assurance mechanisms and the results of the risk governance and risk assessment process. This has enabled the Board to assess the adequacy and effectiveness of the Group's key internal controls and risk management practices pertaining to financial, operational, information technology and compliance controls. Any material non-compliance, or lapses in internal controls and recommendations for improvements, are reported to the AC. All required detective, preventive, or corrective improvement measures are closely monitored.

Based on the internal controls established and maintained by Group, work performed by the internal and external auditors, and periodic reviews performed by the Management, various Board committees and/or the Board, the Board, with the concurrence of the AC, is of the opinion that there are adequate and effective risk management and internal controls systems in place to address the risks relating to financial, operational, information technology and compliance controls for FY2023. The Board will continue to enhance and improve the existing internal control framework and mitigate these risks from time to time.

The Board and the AC are also responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any Sanction Law, and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities. The Company will inform shareholders on any sanction-related risks on the Company, the impact on such risk on the financials and operations of the Group, if any, and also the cessation of sanctions-related risks via announcement to SGXNet.

The Company maintains a system of internal controls for all companies within the Group, but recognises that no internal control system will preclude all errors and irregularities. The system is designed to manage rather than to eliminate the risk of failure to achieve business objectives. The controls are to provide reasonable, but not absolute assurance to safeguard shareholders' investments and the Group's assets.

The system of internal controls and risk management established by the Company provides reasonable but no absolute assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Company is also consistently improving the Company's internal controls and to adopt the recommendations which have been highlighted by the internal and external auditors to further improve on the Company's internal controls.

CORPORATE GOVERNANCE

Assurance from CEO, Deputy CEO and Group FC

For the financial year under review, written assurance was received from (a) the Executive Chairman and CEO, Executive Director and Deputy CEO, and the Group FC that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) from the Executive Chairman and CEO, Executive Director and Deputy CEO and the Group FC that the Group's risk management and internal control systems in place were adequate and effective.

In addition, the Company had received undertakings from all the Directors and executive officers that they each shall, in the exercise of their powers and duties as Directors and officers, comply to the best of their abilities with the provisions of the Catalist Rules, the Securities and Future Act, the Code on Takeover and Mergers, and the Companies Act and will also procure the Company to do so.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1 and 10.2

Roles, Responsibilities and Authorities of AC and Membership

The AC comprises Mr Anthony Ang Meng Huat, Mr Tan Siok Sing and Mr Foo Say Tun, all of whom are Non-Executive and Independent Directors. Mr Anthony Ang Meng Huat is the AC Chairman.

The Board is of the view that the members of the AC, including the AC Chairman, have the requisite qualifications, recent and relevant financial management knowledge, expertise and experience to discharge their responsibilities properly and effectively.

The members of the AC carried out their duties in accordance with the terms of reference which include, amongst others, the following:

- (a) To oversee and appraise the quality of the Company's internal audit function and external auditor. In pursuance of this function, the duties of the AC shall include, amongst others, the following:
 - Review the scope and results of the external audit and the independence and objectivity of the external auditor;
 - Review the adequacy, effectiveness, independence, scope and results of the external audit and the internal audit function;
 - Review the adequacy and effectiveness of the company's internal controls and risk management systems;
 - Review risk management policies and systems and potential business risk management process;
 - Review the co-operation given by management to the internal and external auditors; and
 - Recommend to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the external auditor.

CORPORATE GOVERNANCE

- (b) To serve as an independent and objective party to review the financial information presented by the management to shareholders, regulators and the general public. In pursuance of this function, the duties of the AC shall include, amongst other things, the following:
- Review the Company's key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, and make the appropriate disclosure to the Board and in the Company's annual report;
 - Monitor the integrity of the financial information on the relevance and consistency of the accounting standards used and to review the financial statements (and any announcements relating to financial performance), significant financial reporting issues and judgements of the Company and of the Group with the management and external auditor before submission to the Board; and
 - Review the half year and full year financial statements and results announcements before submission to the Board for approval.
- (c) To examine the adequacy of the Company's internal controls, and evaluate adherence. In pursuance of this function, the duties of the AC, shall include, amongst others, the following:
- Exercise authority to investigate any matter within its terms of reference, with full access to and co-operation by the Company's management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable the AC to discharge its functions properly;
 - Review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, information technology and compliance controls;
 - Review and discuss with the auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the management's response;
 - Commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations which has or is likely to have a material impact on the Company's operating results and/or financial position;
 - Review policies and arrangements by which staff of the Company and any other persons may in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow up action;
 - Review transactions (if any) falling within the scope of Chapter 9 and Chapter 10 of the Catalyst Rules;
 - Review potential conflicts of interest (if any) and set out a framework to resolve or mitigate any potential conflicts of interests; and
 - Review and approve foreign exchange hedging policies and instruments (if any) implemented by the Group and conduct periodic review of foreign exchange transactions and hedging policies and procedures.

CORPORATE GOVERNANCE

Summary of the Audit Committee's Activities

The AC will meet at least twice a year to review the announcement of the half year and full year financial results before being approved by the Board for release to the SGX-ST.

For FY2023, the AC has met with external and internal auditors, without the presence of management.

The principal activities of the AC during FY2023 are summarised below:

- (a) Reviewed the half year and full year financial statements and results announcements, material announcements, and all related disclosures to shareholders before submission to the Board for approval;
- (b) Reviewed the audit plan and audit report of the Company's internal and external auditors and ensured the adequacy of the Company's system of accounting controls and the co-operation given by the management to the external and internal auditors;
- (c) Reviewed the annual financial statements and discussed with the management, the Group FC and the external auditor the key audit matters, significant accounting policies, judgement and estimate applied by the management in preparing the annual financial statements. Following the review and discussions, the AC then recommended to the Board for approval of the audited financial statements;
- (d) Recommended to the Board for re-appointment of RSM Chio Lim LLP as auditor of the Company for the ensuing year;
- (e) Undertook a review of the independence and objectivity of the external auditor through discussions with the external auditor as well as reviewing the non-audit fees awarded to them;
- (f) Reviewed the nature and extent of non-audit services provided by the external auditor;
- (g) Reviewed the reports and findings from the internal auditor;
- (h) Reviewed the adequacy, effectiveness and independence of the internal audit function;
- (i) Reviewed the Group's interested person transactions to ensure that the transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Company or its non-Controlling Shareholders;
- (j) Reviewed the Chairman/Directors expenses;
- (k) Reviewed significant matters raised through the whistle-blowing channel; and
- (l) Met with the external auditor and internal auditor without the presence of Management.

Authority of the AC

The AC has full authority to investigate any matter within its terms of reference, full access to and cooperation from Management, and full discretion to invite any Director, executive officer or other employee of the Group to attend its meetings, and has been given reasonable resources to enable it to discharge its function properly and effectively.

CORPORATE GOVERNANCE

Whistle-Blowing Policy

The AC reviewed the adequacy of the whistle blower arrangements instituted by the Group through which staff and external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

The Group has in place a whistle-blowing policy. The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud. The Group will treat all information received confidentially and protect the identity and the interest of all whistle blowers. Anonymous disclosures will be accepted and anonymity honoured. The whistle-blowing policy, its procedures and contact details have been made available in the Company's website under the "**Code of Conduct and Ethics**".

The AC will address the issues and concerns raised and ensure that necessary arrangements are in place for the independent investigation of issues raised by the whistle blowers and for appropriate follow up actions.

There was no reported incident pertaining to whistle-blowing during FY2023.

Financial Reporting Matters

The role of AC in relation to financial reporting is to monitor the integrity of the half year and full year financial statements and that any formal announcements relating to the Group's financial performance. For the financial year under review, the AC has considered whether accounting standards are consistently applied across the Group and whether disclosures to the financial statements are clear and sufficient.

In review of the financial statements, the AC has discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The significant matters impacting the financial statements were discussed with Management and the external auditor have been included as key audit matters in its auditor's report for FY2023.

Significant matters	How does the AC address the matter
Accounting for assessing the net realisable value of inventories	AC has reviewed the reasonableness of Management's judgement used in determining the allowance for inventories. AC has considered and is satisfied that the Group's valuation of inventories as at 31 March 2023 was appropriate
Accounting for assessing the carrying value of intangible assets	AC has reviewed the appropriateness of Management's assessment in identifying any potential indications of impairment loss on intangible assets. AC has considered and is satisfied that the impairment assessment of intangible assets as at 31 March 2023 was appropriate.

The above items were also an area of focus for the external auditor and the external auditor has included these items as key audit matters in its audit report for FY2023.

The AC concluded that the Group's accounting treatment in each of the significant matters was appropriate. All the KAMs that were raised by the external auditor for FY2023 have been addressed by the AC and covered in the above commentary.

CORPORATE GOVERNANCE

Auditor Independence

The AC undertook a review of the independence and objectivity of the external auditor through discussions with the external auditor as well as reviewing the non-audit fees awarded to them. The AC received an audit report from the external auditor setting out the non-audit services provided and the fees charge for FY2023. The aggregate amount of fees paid to the external auditor for audit and non-audit services for FY2023 are as follows:

	\$'000
Audit Fees	118
Non-audit Fees	44

Having undertaken a review of the non-audit services provided during the year, the AC remains confident that the objectivity and independence of the external auditor are not in any way impaired by reason of the non-audit services which they provide to the Group. Moreover, the AC is satisfied that these services were provided efficiently by the external auditor as a result of their existing knowledge of the business.

The AC manages the relationship with the Group's external auditor, on behalf of the Board. For FY2023, the AC carried out its annual assessment of the cost effectiveness of the audit process, together with the auditor's approach to Audit Quality Indicators relating the RSM Chio Lim LLP at the firm level and on the audit engagement level. The AC concluded that the auditor demonstrated appropriate qualifications and expertise and that the audit process was effective. Therefore, the AC recommended to the Board the nomination of RSM Chio Lim LLP for re-appointment as external auditor at the forthcoming AGM of the Company.

Pursuant to the Rule 713 of the Catalist Rules, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. The current RSM Chio Lim LLP's audit partner has been responsible for the audit of the Group since financial year ended 31 March 2022.

For FY2023, the Company has complied with Rules 712 and 715 of the Catalist Rule in relation to the appointment of its external auditor. The AC and the Board are satisfied with the standards and the effectiveness of the audit performed by the independent external auditor of the subsidiaries of the Group.

AC to Keep Abreast of Changes to Accounting Standard

AC are regularly updated on changes to accounting standards and issues related to financial reporting through, inter alia, their meeting with internal and external auditors of the Company.

Updates on changes in accounting standards and issues which have a direct impact on financial statements are prepared by external auditor and circulated to members of the AC periodically.

Provision 10.3

Partners and Directors of the Company's Auditing Firm

The AC does not comprise former partners or directors of the Company's existing audit firm or auditing corporation within the previous two years and none of the AC members hold any financial interest in the Company's existing audit firm or auditing corporation.

CORPORATE GOVERNANCE

Provision 10.4

Internal Audit

The Board recognises the importance of maintaining an internal audit function to maintain a sound system of internal controls within the Group to safeguard shareholders' investments and the Group's assets. The AC has the responsibility to review the adequacy of the internal audit function annually, review the internal audit program and ensure co-ordination between internal auditor, external auditor and the management. The objective of the internal audit function is to provide an independent review on the adequacy and effectiveness of the Group's internal controls and provide reasonable assurance to the AC on the Group's controls and governance processes.

Internal Audit Function

The Board, upon the recommendation of the AC, approves the hiring, removal and evaluation of the professional service firm to which the internal audit function was outsourced. The internal audit function is outsourced to BDO Advisory Pte Ltd who reports primarily to the AC. The internal auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC and has appropriate standing within the Company.

The AC has reviewed and confirmed that BDO Advisory Pte Ltd, an international auditing firm, is a suitable professional service firm to meet the Company's internal audit obligations, having regard to the adequacy of resources and experience of the firm and the engagement partner, number and experience supervisory and professional staff assigned to internal audits. They perform their work based on the BDO Global Internal Audit Methodology which is consistent with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

The AC reviews and approves the internal audit plan submitted by the internal audit function to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that Management provides the necessary co-operation to enable the internal auditor to perform its function. On an on-going basis, the internal audit function reports to the AC any significant weaknesses and risks identified in the course of internal audits conducted. Recommendations to address internal control weaknesses are further reviewed by the internal audit function based on implementation dates agreed with the Management.

The AC annually reviews the independence, effectiveness and adequacy of the internal audit function. For FY2023, the AC has reviewed and is satisfied that the internal audit function is independent, effective and adequately resourced.

Provision 10.5

Meeting with External and Internal Auditors

During FY2023, the external auditor and internal auditor were invited to attend the AC meetings to present their audit plan and audit findings report to the AC. The AC has met with the external auditor and the internal auditor at least once during FY2023 without the presence of Management.

CORPORATE GOVERNANCE

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1

Conduct of General Meetings

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all shareholders are treated equitably and the rights of all shareholders, including non-controlling shareholders, are protected. All the necessary disclosures required by the Catalist Rules will be made in public announcements, press releases and annual reports to shareholders. The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Company encourages active shareholder participation at general meetings and welcomes shareholders to give constructive views on various matters concerning the Group. When opportunities arise, the Directors will solicit and try to understand the views of shareholders before and/or after general meetings of the Company.

The notice of meetings together with the relevant documents, is distributed to all shareholders at least 14 days before the scheduled meetings. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon. All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM and were informed of the rules, including voting procedures that govern general meetings of shareholders.

In light of the Covid-19 situation in Singapore, the last AGM of the Company was held by way of electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders were not able to attend the AGM in person, but they could observe the proceedings of the AGM via live audio-visual webcast. The notice of AGM was published on SGXNet as well as the Company's website. Shareholders participated in the AGM via electronic means, submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting by appointing the Chairman of the Meeting as proxy, were put in place for the AGM in FY2022 of the Company. The Company published minutes of the AGM incorporating the substantial and relevant queries from shareholders relating to the agenda of the AGM and responses from the Board and the Management on the SGXNet and the Company's website within one month from the AGM in accordance with the guidance on the conduct of general meetings amid evolving Covid-19 situation issued by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation.

The forthcoming AGM will be convened and held physically on 28 July 2023 at 2:00 pm ("**AGM 2023**"), details of which are set out in the Notice of AGM. Shareholders can attend, raise questions and vote by him/herself in person or through an appointment of proxy.

CORPORATE GOVERNANCE

Provision 11.2

Separate Resolutions at General Meeting

All resolutions at the Company's general meeting are put to vote by poll and shareholders are entitled to vote in accordance with established voting rules and procedures so as to better reflect shareholders' shareholding interest and promote greater transparency. The detailed results showing the number of votes cast for or against each resolution and the respective percentage on each resolution are tallied and instantaneously displayed at the meeting and also disclosed via SGXNet on the same day and likewise uploaded on the Company's website.

For FY2022, as the AGM was held by electronic means, voting at the AGM was by proxy only. Shareholders who wish to vote on any or all the resolutions at the AGM, appointed the Chairman of the AGM as their proxy by completing the proxy form for the AGM, and submitted the proxy form by post or by email to the Company.

The resolutions tabled at the general meetings are on each substantially separate issue, including treating the election or re-election of each director as a separate subject matter. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the Notice of AGM in the annual report.

Provision 11.3

Interaction with Shareholders

All Directors, including Chairman of the Board and respective Chairman for each of the Board Committees, attend the general meetings of shareholders, and the external auditor will also be present to assist in addressing queries from shareholders relating to the conduct of audit and the preparation and content of the auditor's report. For the AGM held on 28 July 2022, all Directors were present.

With the resumption of the AGM 2023 in physical format, all Directors including Chairman of the Board and respective Chairman for each of the Board Committees will endeavour to be present at the AGM 2023 to address shareholders' questions relating to the work of the Board and the Board Committees. The external auditor will also be presented in the meeting and address any query directed to them related to the financials of the Company, the conduct of audit and preparation and content of the auditor's report.

Provision 11.4

Absentia Voting

The Company has not amended its Constitution to provide absentia voting methods. Voting in absentia and by mails, electronic mails or facsimile at the general meetings may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through digital media or the internet is not compromised.

Whilst the Company's Constitution allows all shareholders to appoint not more than two proxies to attend general meetings and vote on their behalf. The Company's Constitution also allows investors, who hold shares through nominees such as CPF and custodian banks, to attend and vote at the general meetings without being constrained by the two-proxy rule.

CORPORATE GOVERNANCE

Provision 11.5

Minutes of General Meetings

Minutes of general meetings, including relevant and substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and the Management, are available to shareholders on the Company's website and SGXNet.

For the AGM of the Company held on 28 July 2022 via electronic means, the Company had published the minutes of the AGM on its website and the SGXNet within one month from the conclusion of the AGM.

Provision 11.6

Dividend Policy

The Company does not have a specific policy on the amount of dividends to be paid due to the nature of the business and the way that income is realised. Nevertheless, the Board has adopted a policy of issuing dividends when there is availability of both sufficient profits and cash flow, after taking into account the Group's short and long term capital requirements, future investment plans, general global and business economic conditions. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy.

No dividend is declared for FY2023 as the Group is in a loss position and needs to conserve cash for its business operations and amid uncertain economic outlook.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitate the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provision 12.1

Communication with Shareholders

The Company does for timeliness and consistency in its disclosures to shareholders, it is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable. The Company does not practice selective disclosure, price sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts. Shareholders are also provided with an update on the Group's performance, position and prospects through the Company's annual report.

The Company's half year and full year results announcements, corporate presentations, announcements and press release are issued via SGXNet. Shareholders have access to information on the Group via the Company's website. The Company discloses all material information on a timely basis to all shareholders.

CORPORATE GOVERNANCE

Provisions 12.2 and 12.3

Investor Relations Policy

The Company does not implement a formal investor relations policy in place. Nonetheless, the Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective. The Company's investor relations function is led by the Deputy CEO who has the strategic communication to enable effective communication between the Company and all shareholders, stakeholders, analyst and media. Apart from the SGXNet announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website. The Company has procedures in place for responding to investors' queries. Shareholders can submit their feedback and raise any question to the Company's investor relations, contact as provided in Company's corporate website.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provisions 13.1 and 13.2

Relationship with Stakeholders

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. The priority stakeholders include employees, customers, business partners, government agencies, community, media and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are aligned with the needs and interests of its stakeholders.

The Company's approach to its stakeholders' engagement can be found in the Company's Sustainability Report 2023 on pages 23 and 24 of the Annual Report.

Provision 13.3

Communication with Stakeholders

The Company's contact information is reflected on its current corporate website (www.eurosportsglobal.com), to enable stakeholders to contact the Company.

CORPORATE GOVERNANCE

(F) ADDITIONAL INFORMATION

Dealings in Securities

In compliance with Rule 1204(19) of the Catalist Rules, the Company has issued a directive to all employees and Directors not to deal in the Company's securities one month before the announcement of half year and full year results and ending on the date of the announcement of the relevant results. Reminders are sent via email to remind all Directors and employees. The Company has conducted staff briefing to explain the Company's policy on this matter. In addition, the Directors and employees are advised not to deal in the Company's securities on short term considerations and are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods. The Board will be kept informed when a Director trades in the Company's securities. In view of the processes in place, in the opinion of the Directors, the Company has complied with Rule 1204(19) of the Catalist Rules on dealings in securities.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on an arm's length basis and will not be prejudicial to the interests of the Company and its minority shareholders. During FY2023, the Group did not enter into any interested person transactions of \$100,000 or more. The Group does not have a general mandate pursuant to Rule 920 of the Catalist Rules for interested person transactions.

Material Contracts

Save for the following contracts disclosed below, there were no other material contracts entered into by the Company and its subsidiaries involving the interest of any Director or Controlling Shareholders subsisting as at 31 March 2023, or if not then subsisting, entered into in FY2023:

- Service agreements of Mr Melvin Goh and Mr Andy Goh previously disclosed in the Offer Document.

Non-sponsor fees

In compliance with Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid/payable to the Company's sponsor, RHT Capital Pte. Ltd. for FY2023.

Sustainability Management

The Group considers sustainability issues as part of its strategic formulation. We are committed to sustainability and corporate governance in setting our business strategies and operations. We adopt an inclusive approach by considering and balancing the needs and interests of material stakeholder, as part of our overall strategy to ensure that the best interests of the Group are served. For more details and information on Sustainability Report, please refer to pages 18 to 40.

STATEMENT BY DIRECTORS

Year Ended 31 March 2023

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 March 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position of the company and, of the financial position and performance of the group for the financial year covered by the financial statements or consolidated financial statements; and
- (b) at the date of the statements there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. DIRECTORS

The directors of the company in office at the date of this statement are:

Goh Kim San
Goh Kim Hup
Tan Siok Sing
Foo Say Tun
Anthony Ang Meng Huat (Appointed on 3 October 2022)

STATEMENT BY DIRECTORS

Year Ended 31 March 2023

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the reporting year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Name of directors and companies in which interests are held	Direct interest		Deemed interest	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
Number of shares of no par value				
<u>The company – EuroSports Global Limited</u>				
Goh Kim San	79,010,200	79,010,200	40,403,300	40,403,300
Goh Kim Hup	36,815,600	36,815,600	19,500,000	19,500,000
Tan Siok Sing	–	–	–	217,700

By virtue of section 7 of the Act, Mr Goh Kim San and Mr Goh Kim Hup are deemed to have an interest in the company and in all the related corporations of the company.

The directors' interests as at 21 April 2023 were the same as those at the end of the reporting year.

4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

STATEMENT BY DIRECTORS

Year Ended 31 March 2023

5. SHARE OPTIONS AND SHARE PLAN

EuroSports Employee Share Option Scheme (“ESOS”)

The ESOS was approved pursuant to a resolution passed by the shareholders on 29 November 2013.

The ESOS is administered by the Remuneration Committee whose members are:

Foo Say Tun	(Chairman of the Remuneration Committee, Non-Executive and Independent Director)
Anthony Ang Meng Huat	(Non-Executive and Independent Director)
Tan Siok Sing	(Non-Executive and Lead Independent Director)

Subject to the absolute discretion of the Remuneration Committee, options may be granted to the following groups of participants under the ESOS:

- Group employees; and
- Group Directors (including Group Executive Directors, Group Non-Executive Directors and Independent Directors)

Controlling shareholders are not eligible to participate in the ESOS. However, associates of a controlling shareholder who meet the eligibility criteria are eligible to participate in the ESOS provided that (a) the participation of; and (b) the terms of each grant and the actual number of options granted under the ESOS, to a participant who is an associate of a controlling shareholder shall be approved by our independent shareholders in separate resolutions for each such person.

Offers for the grant of options may be made at any time from time to time at the discretion of the Remuneration Committee, in accordance with the SGX-ST Catalist Listing Manual. Options which are fixed at the market price may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the market price may only be exercised after the second anniversary from the day of grant of the option. The ESOS shall continue in operation for a maximum of 10 years commencing on the date on which the ESOS is adopted by the company in general meeting.

The exercise price for each option shall be determined by the Remuneration Committee at its absolute discretion, and fixed by the Remuneration Committee at:

- a price (“**Market Price**”) equal to the average of the last dealt price for the shares on Catalist for five consecutive market days immediately preceding the relevant date of grant of the relevant Option; or
- a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Remuneration Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the Market Price.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares under option.

STATEMENT BY DIRECTORS

Year Ended 31 March 2023

5. SHARE OPTIONS AND SHARE PLAN (CONT'D)

EuroSports Performance Share Plan ("PSP")

The group operates a Performance Share Plan which was approved pursuant to a resolution passed by the shareholders on 29 November 2013.

The PSP is administered by the Remuneration Committee. The participants of the PSP are similar to those of the ESOS.

The PSP shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the PSP is adopted by the company in general meeting, provided always that the PSP may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Controlling shareholders are not eligible to participate in the PSP. However, associates of a controlling shareholder who meet the eligibility criteria are eligible to participate in the PSP provided that (a) the participation of; and (b) the terms of each grant and the actual number of options granted under the PSP, to a participant who is an associate of a controlling shareholder shall be approved by our independent shareholders in separate resolutions for each such person.

The total number of shares over which the Remuneration Committee may grant the options under the ESOS and the total number of shares which may be delivered pursuant to the vesting of awards under the PSP on any date, when added to the number of shares issued and issuable in respect of (i) all options granted under the ESOS; (ii) all awards granted under the PSP; and (iii) all outstanding options, shares or awards issued/issuable or granted under such other share-based incentive schemes or share plans of the company, shall not exceed 15% of the total number of issued shares (excluding treasury shares, as defined in the Act) of the company on the day immediately preceding the offer date of the option or from time to time.

During the reporting year, no shares were issued pursuant to the PSP.

At the end of the reporting year, there were no unissued shares under PSP.

Performance Share Plan ("Plan") Adopted by the Company's Subsidiary, Scorpio Electric Pte. Ltd. ("SEC")

SEC adopted the Plan on 27 September 2019. The purpose of the SEC Plan is to assist SEC in recruiting and retaining individuals with ability and initiative by enabling such persons to participate in the future success of SEC and to associate their interests with those of SEC and its shareholders.

The Plan is administered by a committee ("**Committee**") of a maximum of five persons duly authorised and appointed by the Board, and which shall at all times include the Remuneration Committee of EuroSports Global Limited. The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years from the date of the Plan is adopted by shareholders at general meeting of SEC.

STATEMENT BY DIRECTORS

Year Ended 31 March 2023

5. SHARE OPTIONS AND SHARE PLAN (CONT'D)

Performance Share Plan ("Plan") Adopted by the Company's Subsidiary, Scorpio Electric Pte. Ltd. ("SEC") (cont'd)

The total number of SEC shares may be granted on any date under the Plan, when added to the number of shares issued and/or issuable or transferred/transferable in respect of: (a) all SEC shares granted under the Plan; (b) all shares, options or awards granted under any other share option or share scheme of the company then in force, shall not exceed 20% of the total issued shares of SEC (excluding treasury shares) on the day preceding that date.

Participants under the SEC Plan are not required to pay for the grant of shares upon achieving the performance target, if any, or upon fulfilment of the conditions specified for the vesting of, and release of the SEC shares comprised in the awards. Notwithstanding the foregoing, the Committee may at its absolute discretion grant SEC shares which require the payment of an exercise price for the issuance of SEC shares as a condition for release of the SEC shares. The exercise price for each SEC shares shall not be less than the fair market value of the SEC shares on the grant date, and such fair market value shall be as reasonably determined by the Committee in good faith in accordance with accepted industry practices. The vesting period ranges from 3 to 5 years, and it is dependent on the performance targets set being satisfied (whether fully or partially) at the end of the performance period to be assessed by the committee.

The details of the Plan granted and exercised during the financial year were:

	Shares Granted for Financial Year 31.03.2023	Since Commencement of Scheme to 31.03.2023			Aggregate Shares Outstanding as at 31.03.2023
		Aggregate Shares Granted	Aggregate Shares Vested	Aggregate Shares Lapsed	
Name of Participants					
- Employees of the subsidiary	51,293	103,793	(22,793)	(17,500)	63,500
	51,293	103,793	(22,793)	(17,500)	63,500

No participant has been granted 5% or more of the aggregate number of performance shares which may be issued under the Plan since its commencement.

For the reporting year ended 31 March 2023, 51,293 performance shares are granted to employees. In previous reporting year 2022, no performance shares were granted.

STATEMENT BY DIRECTORS

Year Ended 31 March 2023

6. AUDIT COMMITTEE

The members of the audit committee at the date of this statement are as follows:

Anthony Ang Meng Huat	(Chairman of the Audit Committee, Non-Executive and Independent Director)
Tan Siok Sing	(Non-Executive and Lead Independent Director)
Foo Say Tun	(Non-Executive Independent Director)

The audit committee carried out its function in accordance with section 201B(5) of the Companies Act 1967. The audit committee's main function are to:

- Reviewed with the independent external auditor their audit plan;
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them;
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor;
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the company.

7. INDEPENDENT AUDITOR

RSM Chio Lim LLP has expressed their willingness to accept re-appointment.

STATEMENT BY DIRECTORS

Year Ended 31 March 2023

8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the company's internal controls, addressing financial, operational and compliance controls and risk management, are adequate as at the end of the reporting year 31 March 2023.

9. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 29 May 2023, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors

.....
Goh Kim San
Director

.....
Goh Kim Hup
Director

5 July 2023

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2023

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of EuroSports Global Limited (the “**company**”) and its subsidiaries (the “**group**”) which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2023, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS (I)**”) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 March 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“**ACRA Code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current reporting year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2023

Key audit matters (cont'd)

Assessing the net realisable value of inventories

Refer to Notes 2A and 2C to the financial statements for the relevant accounting policy and key estimates used in the valuation of inventories respectively, and Note 17 for the classification details of the inventories at the reporting year end.

Inventories amounted to \$12,146,000, representing 29.92% of the group's total assets as at 31 March 2023.

Management applied judgement in determining the appropriate allowance for inventories by taking into consideration various factors, including prevailing market conditions, future demand and anticipated selling prices. We have therefore identified inventory valuation as an area requiring particular audit attention.

We have considered the appropriateness of management's judgements applied in calculating the value of the inventory allowance, taking into consideration historical information and latest available market information. We checked the mechanical accuracy of the allowance by reviewing the calculation criteria and recalculating them to ensure that they are in line with the group policy. We have also reviewed the aging of the inventory items and compared selected inventory's carrying values to recent sales transactions.

We have also assessed the adequacy of the disclosures made in the financial statements.

Assessing the carrying value of intangible assets

Refer to Notes 2A and 2C to the financial statements for the relevant accounting policy and key estimates used in the valuation of intangibles respectively, and Note 14 on intangible assets at the reporting year end.

Intangible assets amounted to \$7,205,000, representing 17.75% of the group's total assets as at 31 March 2023. We have focused on this area due to the size of the intangibles and the inherent judgement involved in forming a valuation of the intangible, particularly regarding future sales and profit forecasts.

Management applied judgement in assessing the carrying value of intangible assets as at the reporting date. Management used the "value in use" method to determine the recoverable value. This required management making estimates that take into consideration of the various factors, including revenue growth rates, profit margins, prevailing market conditions, future demand anticipated selling prices, terminal growth rates and discount rates.

We have discussed with management the processes over the determination of the forecasted revenue growth of the sale of electric motorcycles, the profit margins, terminal growth rates and discount rates. We assessed management's estimates applied in the value in use model based on our knowledge of the operations. Our in-house valuation specialists also performed a review of the management's methodology, expectations and the discount rates used in the impairment assessment and tested the accuracy of the computations.

We have also assessed the adequacy of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2023

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2023

Auditor's responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2023

Auditor's responsibilities for the audit of the financial statements (cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Beng Teck.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

5 July 2023

Engagement partner – effective from year ended 31 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 March 2023

	Notes	Group	
		2023 \$'000	2022 \$'000
Revenue	5	60,884	54,363
Cost of sales		(52,768)	(45,544)
Gross profit		8,116	8,819
Other income	6	1,998	3,176
Interest income		15	14
Other gains	7	371	713
Marketing and distribution expenses	8	(2,451)	(2,095)
Administrative expenses	8	(11,899)	(12,047)
Other losses	7	(118)	(168)
Finance costs	8	(316)	(335)
Loss before tax		(4,284)	(1,923)
Income tax expense	10	(160)	(2)
Loss for the year, net of tax		(4,444)	(1,925)
Other comprehensive income:			
Item that may be reclassified subsequent to profit or loss:			
Foreign currency translation adjustment		1	-
Total comprehensive loss for the year, net of tax		(4,443)	(1,925)
Loss for the year, net of tax attributable to:			
Owners of the company		(3,963)	(1,319)
Non-controlling interests		(481)	(606)
Loss for the year, net of tax		(4,444)	(1,925)
Total comprehensive loss for the year, net of tax attributable to:			
Owners of the company		(3,962)	(1,319)
Non-controlling interests		(481)	(606)
Total comprehensive loss for the year, net of tax		(4,443)	(1,925)
		Cents	Cents
Earnings per share (loss):			
Basic and diluted	11	(1.56)	(0.51)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

	Notes	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ASSETS					
Non-current assets					
Plant and equipment	12	2,302	3,011	–	–
Right-of-use assets	13	3,438	1,399	3,438	1,399
Intangible assets	14	7,205	4,973	–	–
Investment in subsidiaries	15	–	–	10,208	10,208
Financial assets at FVTPL	16	139	–	139	–
Other non-financial assets	19	90	90	–	–
Total non-current assets		13,174	9,473	13,785	11,607
Current assets					
Inventories	17	12,146	11,227	–	–
Trade and other receivables	18	1,889	1,326	1,118	982
Other non-financial assets	19	4,336	9,365	438	445
Cash and cash equivalents	20	9,053	15,291	124	1,079
Total current assets		27,424	37,209	1,680	2,506
Total assets		40,598	46,682	15,465	14,113
EQUITY AND LIABILITIES					
Equity					
Share capital	21	15,866	17,231	15,866	17,231
Other reserves		376	177	–	–
Accumulated losses		(972)	(937)	(10,650)	(9,487)
Equity attributable to owners of the parent		15,270	16,471	5,216	7,744
Non-controlling interests		4,113	2,899	–	–
Total equity		19,383	19,370	5,216	7,744
Non-current liabilities					
Other financial liabilities	23	1,588	2,820	–	–
Lease liabilities	24	2,411	–	1,532	–
Total non-current liabilities		3,999	2,820	1,532	–
Current liabilities					
Trade payables	22	5,267	4,018	6,708	4,846
Other financial liabilities	23	2,582	2,355	–	–
Lease liabilities	24	2,311	1,690	2,009	1,523
Other non-financial liabilities	25	6,944	16,421	–	–
Income tax payables		112	8	–	–
Total current liabilities		17,216	24,492	8,717	6,369
Total liabilities		21,215	27,312	10,249	6,369
Total equity and liabilities		40,598	46,682	15,465	14,113

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2023

Group	Share capital \$'000	Other reserves \$'000	Accumulated losses \$'000	Attributable to company \$'000	Non-controlling interests \$'000	Total equity \$'000
Current year:						
Opening balance at 1 April 2022	17,231	177	(937)	16,471	2,899	19,370
Movements in equity:						
Capital contribution from a non-controlling interest in subsidiary (Note 15B)	–	–	–	–	5,542	5,542
Changes in ownership interests without a change in control (Note 15B)	–	–	3,928	3,928	(3,928)	–
Purchase of treasury shares (Note 21)	(1,365)	–	–	(1,365)	–	(1,365)
Share-based payment (Note 9)	–	198	–	198	81	279
Loss for the year, net of tax	–	–	(3,963)	(3,963)	(481)	(4,444)
<u>Other comprehensive income:</u>						
Foreign currency translation	–	1	–	1	–	1
Closing balance at 31 March 2023	15,866	376	(972)	15,270	4,113	19,383

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2023

Group	Share capital \$'000	Other reserves \$'000	Accumulated losses \$'000	Attributable to company \$'000	Non-controlling interests \$'000	Total equity \$'000
Previous year:						
Opening balance at 1 April 2021	17,624	206	(2,602)	15,228	2,397	17,625
Movements in equity:						
Capital contribution from a non-controlling interest in subsidiary (Note 15A)	–	–	–	–	3,940	3,940
Changes in ownership interests without a change in control (Note 15A)	–	–	2,861	2,861	(2,861)	–
Purchase of treasury shares (Note 21)	(393)	–	–	(393)	–	(393)
Share-based payment (Note 9)	–	94	–	94	29	123
Loss for the year, net of tax	–	–	(1,319)	(1,319)	(606)	(1,925)
<u>Other comprehensive income:</u>						
Transfer of fair value changes attributable to changes in the credit risk of convertible bond upon redemption	–	(123)	123	–	–	–
Closing balance at 31 March 2022	17,231	177	(937)	16,471	2,899	19,370

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2023

Company	Share capital \$'000	Other reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Current year:				
Opening balance at 1 April 2022	17,231	–	(9,487)	7,744
Movements in equity:				
Purchase of treasury shares (Note 21)	(1,365)	–	–	(1,365)
Loss for the year, net of tax	–	–	(1,163)	(1,163)
Closing balance at 31 March 2023	15,866	–	(10,650)	5,216
Previous year:				
Opening balance at 1 April 2021	17,624	123	(12,646)	5,101
Movements in equity:				
Purchase of treasury shares (Note 21)	(393)	–	–	(393)
Profit for the year, net of tax	–	–	3,036	3,036
<u>Other comprehensive income:</u>				
Transfer of fair value changes attributable to changes in the credit risk of convertible bond upon redemption	–	(123)	123	–
Closing balance at 31 March 2022	17,231	–	(9,487)	7,744

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 March 2023

	Group	
	2023 \$'000	2022 \$'000
Cash flows (used in)/ from operating activities		
Loss before tax	(4,284)	(1,923)
Adjustments for:		
Depreciation of plant and equipment	1,222	1,008
Depreciation of right-of-use assets	2,083	2,099
Loss on disposal of plant and equipment	117	76
Fair value gain on convertible bond	–	(483)
Interest income	(15)	(14)
Interest expense on financial liabilities	209	259
Interest expense on lease liabilities	107	76
Performance share expense	279	123
Provision of warranty expenses	64	(5)
Operating cash flows (used in) / from before changes in working capital	(218)	1,216
Inventories	331	2,090
Trade and other receivables	(563)	(408)
Other non-financial assets	5,029	(8,416)
Other non-financial liabilities	(9,541)	9,221
Trade payables	1,034	209
Net cash flows (used in) / from operations	(3,928)	3,912
Income taxes expense	(56)	(48)
Net cash flows (used in) / from operating activities	(3,984)	3,864
Cash flows used in investing activities		
Additions to intangible assets	(2,232)	(1,884)
Purchase of plant and equipment (Note 12)	(869)	(1,141)
Disposal of plant and equipment	239	572
Purchases of financial assets at FVTPL (Note 16)	(139)	–
Interest income received	15	14
Net cash flows used in investing activities	(2,986)	(2,439)
Cash flows from / (used in) financing activities		
Decrease of other financial liabilities	(2,355)	(86)
Increase in borrowing	1,350	–
Increase in security deposits for banking facilities	(51)	–
Proceeds from issue of share capital to non-controlling interests in a subsidiary (Note 15A and 15B)	5,757	4,101
Purchase of treasury shares	(1,365)	(393)
Payment of lease liabilities	(2,447)	(3,105)
Repayment of convertible bond	–	(3,000)
Interest expense paid	(209)	(259)
Net cash flows from / (used in) financing activities	680	(2,742)
Net decrease in cash and cash equivalents	(6,290)	(1,317)
Cash and cash equivalents, statement of cash flows, beginning balance	10,846	12,163
Effect of currency translation	1	–
Cash and cash equivalents, statement of cash flows, ending balance (Note 20A)	4,557	10,846

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

1. GENERAL

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollar and they cover the company (referred to as “parent”) and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the company are those of an investment holding company and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

The company is listed on Catalist which is a shares market on Singapore Exchange Securities Trading Limited.

The registered office and principal place of business is at 24 Leng Kee Road #01-03 Singapore 159096.

Uncertainties relating to the current economic conditions

The effects of the war in Ukraine continue to cause disruptions resulting in uncertainties surrounding the group’s business, including affecting its relationships with its existing and future customers, suppliers and employees, and which had and will continue to have an adverse effect on its financial position, financial performance of operations, cash flows and medium and long-term prospects for the foreseeable future. The group incurred a loss after tax of \$4,444,000 (2022: \$1,925,000) for the reporting year. The management’s assessment of the group’s ability to generate sufficient cash flows from its operations and the availability of sufficient funds for its operations amidst the ongoing economic conditions were important considerations in the use of going concern assumption to prepare the financial statements. The management is monitoring the situation closely and to mitigate the financial impact, it is carefully managing its operations by adopting an operating cost reduction strategy. The financial position of the group, its cash flows, liquidity position and borrowing facilities are described in the notes to the financial statements. In addition, the notes to the financial statements include the objectives, policies and processes for managing capital; financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk. The group has considerable financial resources together with some good arrangements with a number of customers and suppliers. As a consequence, the management believes that the group is well placed to manage its business risks. After making enquiries, the management has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the management continues to adopt the going concern basis in preparing the financial statements.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS (I) INT”) as issued by the Accounting Standards Committee under ACRA. They are in compliance with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

1. GENERAL (CONT'D)

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an on-going basis. Apart from those involving estimations, management has made judgements in the process of applying the group's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Basis of presentation and principles of consolidation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are de-consolidated from the date that control ceases.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the company's separate statement of profit or loss and other comprehensive income and separate statement of cash flow are not presented.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties.

An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue from sales of goods is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Revenue from service orders is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Interest is recognised using the effective interest method.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The group's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the group is contractually obliged or where there is constructive obligation based on past practice.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Share-based compensation

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value is measured using a relevant option pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Benefits to employees are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is measured by reference to the fair value of the shares granted or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the group operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At the end of each reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Plant and equipment	–	10 to 33%
Motor vehicles	–	20%
Additions and alterations	–	20%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss.

The residual value and the useful life of an asset is reviewed at least at the end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted. Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment.

Premises	–	Over the terms of lease of up to 3 years
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NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. This also applies to an internally generated intangible asset. Research expenditure is expensed when incurred. Development cost incurred relating to the design and testing of new or improved products are recognised as intangible assets when it is probable that the project will be viable considering its commercial and technical feasibility and its costs can be measured reliably and there are sufficient resources to complete development. Where no internally generated intangible asset can be recognised, development cost is expensed when incurred. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Development costs – 5 years

During the reporting year, there is no amortisation recognised for intangible assets since the asset is not ready for use.

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight-line basis over the remaining lease term.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Leases of lessor

For a lessor a lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Operating leases are for rental income. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the group and the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the group has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the group controls another entity. In the company's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting.

There were no business combinations during the reporting year.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the group as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Inventories

Automobiles and watches held for sale are measured at the lower of cost (specific identification method) and net realisable value. Inventories other than automobiles and watches are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expired.

Classification and measurement of financial assets:

Financial assets are classified into (1) Financial asset classified as measured at amortised cost; (2) Financial asset that is an equity investment measured at fair value through other comprehensive income ("**FVTOCI**"); (3) Financial asset that is a debt asset instrument classified as measured at FVTOCI; and (4) Financial asset classified as measured at fair value through profit or loss ("**FVTPL**"). At the end of the reporting year, the group had the following financial assets:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL, that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
- Financial asset classified as measured at FVTPL: All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2B. Other explanatory information

Segment reporting

The group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Warranty provisions

A provision is made for the estimated cost of product warranties at the time revenue is recognised. The warranty provision is established based upon best estimates of the amounts necessary to settle future and existing claims on products sold as of the end of each reporting year. As new products incorporating complex technologies are continuously introduced, and as regulations and practices may change, changes in these estimates could result in additional allowances or changes to recorded allowances being required in future periods.

Treasury shares

Where the reporting entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessing the net realisable value of inventories

Inventory is subjected to periodically review and at the reporting date for its net realisable value. Net realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. These reviews require management to consider the future demand for the products. Other considerations include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in Note 17 on inventories.

Assessing the carrying value of intangible assets

The intangible assets are costs incurred to develop the electric motorcycles. The realisation of the benefits of intangibles assets is dependent upon the successful market acceptance of the electric motorcycles. An assessment is made of the carrying value of identifiable intangible assets annually, or more frequently if events or changes in circumstances indicate that such carrying value may not be recoverable. The assessment process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. As a result, judgement is required in evaluating the assumptions and methodologies used by management, in particular those relating to the forecasted revenue growth and profit margins. Details on the assumptions used in the determination of the recoverable amount of intangible assets are disclosed in Note 14 on intangible assets.

Estimating the useful lives of plant and equipment

The estimates for the useful lives and related depreciation charges for plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are shorter than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset (or class of assets) at the end of the reporting year affected by the assumption is \$2,302,000 (Note 12).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Assessing the impairment of cost of investments and amount due from subsidiaries (“Company only”)

Where an investee is in net equity deficit and or has suffered recurring losses, a test is made to determine whether the investment in the investee has suffered any impairment. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. The carrying amount of the specific asset or liability (or class of assets or liabilities) at the end of the reporting year affected by the assumption is disclosed in Note 15 and Note 18.

Assessing the impairment loss on plant and equipment

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount is disclosed in Note 12 on plant and equipment.

Assessing the expected credit loss allowance on trade and other receivables

An allowance is made for expected credit loss on trade accounts resulting from the inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible, impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in Note 18 on trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the company to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling parties are Mr Goh Kim San and Mr Goh Kim Hup.

3A. Related party transactions:

There are transactions and arrangements between the group and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and any financial guarantees if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3B. Key management compensation:

	Group	
	2023 \$'000	2022 \$'000
Salaries and other short-term employee benefits	1,506	1,430

The above amounts are included under employee benefits expense. Included in the above amounts are following items:

	Group	
	2023 \$'000	2022 \$'000
Remuneration of directors of the company	1,118	1,112
Remuneration of a director of subsidiaries	112	66
Fees to directors of the company	123	120
Other benefits	153	132

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company and group, directly or indirectly. The above amounts for key management compensation are for all the directors and one director of subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 Operating Segments. This disclosure standard has no impact on the reported financial performance or financial position of the group.

For management purposes the group is organised into the following major strategic operating segments that offer different products and services: (1) automobiles distribution and (2) sustainable mobility. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system.

It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The principal segments and type of products and services are as follows:

- (1) Automobiles distribution business retails new luxury automobiles as well as pre-owned automobiles.
- (2) Sustainable mobility (electric motorcycles).
- (3) Other includes sale of watches.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprise mainly profit before taxation.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4B. Profit or loss from continuing operations and reconciliation

	Group	
	2023 \$'000	2022 \$'000
Revenue by segment		
Automobiles distribution	60,759	54,292
Sustainable mobility	2	3
Other	123	68
Total	60,884	54,363
Segment result		
Automobiles distribution	(1,363)	832
Sustainable mobility	(3,008)	(2,573)
Other	87	(182)
Loss before tax	(4,284)	(1,923)
Income tax expense	(160)	(2)
Loss for the year	(4,444)	(1,925)

4C. Assets and reconciliation

	Group	
	2023 \$'000	2022 \$'000
Segment assets		
Automobiles distribution	30,780	37,137
Sustainable mobility	12,442	9,641
Other	31	42
	43,253	46,820
Elimination of inter-segment assets	(2,655)	(138)
Total	40,598	46,682

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4D. Liabilities and reconciliation

	Group	
	2023 \$'000	2022 \$'000
Segment liabilities		
Automobiles distribution	20,595	26,845
Sustainable mobility	750	498
Other	4,668	4,767
	26,013	32,110
Elimination of inter-segment liabilities	(4,798)	(4,798)
Total	21,215	27,312

4E. Other material items and reconciliation

	Group	
	2023 \$'000	2022 \$'000
Depreciation of plant and equipment:		
Automobiles distribution	935	746
Sustainable mobility	286	259
Other	1	3
Total	1,222	1,008
Depreciation of right-of-use assets:		
Automobiles distribution	2,083	2,099
Finance costs:		
Automobiles distribution	314	335
Sustainable mobility	2	–
Total	316	335

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4F. Geographical information

No geographical information is provided for revenue and non-current assets as the group's customers and the group's operations are located primarily in Singapore.

There are no customers with revenue transactions over 10% of the group's revenue.

5. REVENUE

Revenue from contracts with customers

	Group	
	2023 \$'000	2022 \$'000
Sales of automobiles	55,902	49,356
Sales of watches	123	68
Sales of merchandise, parts and servicing	4,859	4,939
	60,884	54,363

The revenue from sales of automobiles, watches, merchandise, parts and servicing are recognised based on point in time and all contracts with customers are less than 12 months. The customers are corporate customers and individuals. Also see Note 4.

6. OTHER INCOME

	Group	
	2023 \$'000	2022 \$'000
Commission income	563	430
Government income	1	114
Rental income	147	182
Incentives from manufacturers	1,027	1,516
Other income	260	934
	1,998	3,176

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

7. OTHER GAINS AND (OTHER LOSSES)

	Group	
	2023 \$'000	2022 \$'000
(Allowance) / reversal for impairment on trade and other receivables (Note 18)	(1)	224
Bad debts recovered	–	6
Fair value gain on convertible bond	–	483
Foreign exchange adjustments gain / (loss)	356	(92)
Loss on disposal of plant and equipment	(117)	(76)
Others	15	–
Net	253	545
Presented in profit or loss as:		
Other gains	371	713
Other losses	(118)	(168)
	253	545

8. MARKETING AND DISTRIBUTION EXPENSES, ADMINISTRATIVE EXPENSES AND FINANCE COSTS

The major components include the following:

	Group	
	2023 \$'000	2022 \$'000
Marketing and distribution expenses		
Advertising and promotions	862	741
Employee benefits expense (Note 9)	808	684
Entertainment	738	448
Administrative expenses		
Rental expense of premises (Note 24)	578	601
Depreciation of plant and equipment (Note 12)	1,222	1,008
Depreciation of right-of-use assets (Note 13)	2,083	2,099
Employee benefits expense (Note 9)	5,097	5,382
Finance costs		
Interest expense on financial liabilities	209	259
Interest expense on lease liabilities	107	76

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

9. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023 \$'000	2022 \$'000
Wages and salaries	5,076	5,494
Contributions to defined contribution plan	576	601
Other benefits	346	188
Performance share scheme	279	123
Total employee benefits expense	6,277	6,406
Presented in profit or loss as:		
Cost of sales	372	340
Marketing and distribution expenses (Note 8)	808	684
Administrative expenses (Note 8)	5,097	5,382
	6,277	6,406

The company's subsidiary, Scorpio Electric Pte. Ltd. ("SEC") adopted a Performance Share Plan by shareholders of the subsidiary at general meeting on 27 September 2019. The purpose of the SEC Plan is to assist SEC in recruiting and retaining individuals with ability and initiative by enabling such persons to participate in the future success of SEC and to associate their interests with those of SEC and its shareholders. The vesting period ranges from 3 to 5 years, and it is dependent on the performance targets set being satisfied (whether fully or partially) at the end of the performance period to be assessed by the committee.

The exercise price for each SEC shares shall not be less than the fair market value of the SEC shares on the grant date, and such fair market value shall be as reasonably determined by the Committee in good faith in accordance with accepted industry practices.

For the reporting year ended 31 March 2023, 51,293 performance shares (2022: Nil) are granted to the employees of SEC. The fair value of the performance share granted at the grant date is determined by reference to the market value of the shares of the subsidiary issued to non-controlling interests for US\$3 million (equivalent to \$3,939,000).

Performance shares expense of \$279,000 is recognised in profit or loss for reporting year ended 31 March 2023 (2022: \$123,000). The corresponding increase is made in the Other Reserves.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

10. INCOME TAX

10A. Components of tax expense recognised in profit or loss include:

	Group	
	2023 \$'000	2022 \$'000
<u>Current tax expense:</u>		
Current tax expense	112	–
Under adjustment in respect to prior periods	48	2
Total income tax expense	160	2

The income tax in profit or loss varied from the income tax amount determined by applying the Singapore income tax rate of 17% (2022: 17%) to loss before income tax as a result of the following differences:

	Group	
	2023 \$'000	2022 \$'000
Loss before tax	(4,284)	(1,923)
Income tax income at the above rate	(728)	(327)
Non-deductible expenses	774	426
Income not subject to tax	(16)	(5)
Stepped income exemption	(28)	–
Deferred tax assets not recognised	121	–
Utilisation of previously unrecognised deferred tax assets	–	(94)
Under adjustment to tax in respect to prior periods	48	–
Others	(11)	2
Total income tax expense	160	2

There are no income tax consequences of dividends to owners of the company.

The major expense items not subject to tax include the following:

	Group	
	2023 \$'000	2022 \$'000
Depreciation on non-qualifying plant and equipment	1,222	1,008

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

10. INCOME TAX (CONT'D)

10B. Deferred tax expense recognised in profit or loss includes:

	Group	
	2023 \$'000	2022 \$'000
Excess of tax values over net book value of plant and equipment	195	–
Tax loss carryforwards	(316)	94
Deferred tax assets not recognised	121	(94)
Total deferred tax expense recognised in profit or loss	–	–

10C. Deferred tax balance in the statements of financial position:

	Group	
	2023 \$'000	2022 \$'000
<u>Deferred tax assets recognised in profit or loss:</u>		
Excess of tax values over net book value of plant and equipment	750	945
Tax loss carryforwards	3,480	3,164
Deferred tax assets not recognised	(4,230)	(4,109)
Net	–	–

No deferred tax asset (on deductible temporary differences and unused tax losses) has been recognised in respect of the above balance.

The above deferred tax assets for the tax losses have not been recognised in the financial statements as there is no reasonable certainty of their realisation in the future periods. The realisation of the future income tax benefits from tax loss are available for an unlimited future periods subject to the conditions imposed by law including the retention of majority shareholders as defined.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

11. EARNINGS PER SHARE (LOSS)

Basic earnings per share amount is calculated by dividing the loss attributable to ordinary equity holders of the company by the weighted average number of equity shares of no par value as follows:

	Group	
	2023	2022
	\$'000	\$'000
Net loss attributable to ordinary equity holders of the company	(3,963)	(1,319)

	Group	
	Number of equity shares	
	2023	2022
	'000	'000
Weighted average number of equity shares	254,234	258,699

The weighted average number of equity shares refers to shares in circulation during the reporting period. The basic loss per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. Diluted loss per share is similar to basic loss per share as there were no potential dilutive ordinary shares existing during the relevant period.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

12. PLANT AND EQUIPMENT

Group	Plant and equipment \$'000	Motor vehicles \$'000	Additions and alterations \$'000	Total \$'000
<u>Cost:</u>				
At 1 April 2021	2,594	4,290	4,039	10,923
Additions	275	789	77	1,141
Disposals	(11)	(1,515)	–	(1,526)
At 31 March 2022	2,858	3,564	4,116	10,538
Additions	315	398	156	869
Disposals	(268)	(291)	(417)	(976)
At 31 March 2023	2,905	3,671	3,855	10,431
<u>Accumulated depreciation:</u>				
At 1 April 2021	1,857	2,572	2,968	7,397
Depreciation for the year	294	149	565	1,008
Disposals	(11)	(867)	–	(878)
At 31 March 2022	2,140	1,854	3,533	7,527
Depreciation for the year	314	497	411	1,222
Disposals	(225)	(30)	(365)	(620)
At 31 March 2023	2,229	2,321	3,579	8,129
<u>Carrying value:</u>				
At 1 April 2021	737	1,718	1,071	3,526
At 31 March 2022	718	1,710	583	3,011
At 31 March 2023	676	1,350	276	2,302

Notes:

- a) Depreciation expense is included under administrative expenses.
- b) The carrying amount of motor vehicle that are right-of-use assets under lease agreement was Nil (2022: \$170,000) (see Note 24).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

13. RIGHT-OF-USE ASSETS

The right-of-use assets in the statement of financial position. The details are as follows:

Group and Company	Premises \$'000
<u>Cost:</u>	
At 1 April 2021 and 31 March 2022	7,310
Additions	4,420
Disposal	(7,310)
At 31 March 2023	<u>4,420</u>
<u>Accumulated depreciation:</u>	
At 1 April 2021	(3,812)
Depreciation for the year	(2,099)
At 31 March 2022	(5,911)
Depreciation for the year	(2,083)
Disposal	7,012
At 31 March 2023	<u>(982)</u>
<u>Carrying value:</u>	
At 1 April 2021	<u>3,498</u>
At 31 March 2022	<u>1,399</u>
At 31 March 2023	<u>3,438</u>

The depreciation is charged to administrative expenses.

Other information about the leasing activities relating to the right-of-use assets are summarised as follows: The remaining term of 1 year and 9 months (2022: 8 months); there are no options to purchase and no variable payments linked to an index.

The leases are for warehouses, office and showroom.

There are restrictions or covenants imposed by the leases to sublet the asset to another party. The right-of-use asset can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. The leases are non-cancellable or may only be cancelled by incurring a substantive termination fee.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

14. INTANGIBLE ASSETS

Group	Development cost \$'000
<u>Cost:</u>	
At 1 April 2021	3,089
Additions	1,884
At 31 March 2022	4,973
Additions	2,232
At 31 March 2023	7,205
<u>Accumulated amortisation and impairment:</u>	
At 1 April 2021, 31 March 2022 and 31 March 2023	-
<u>Carrying value:</u>	
At 1 April 2021	3,089
At 31 March 2022	4,973
At 31 March 2023	7,205

Development cost relates to sustainable mobility in developing the electric motorcycles. The amortisation of the development cost begins when the development is completed and the asset is available for use.

All research costs and development cost not eligible for capitalisation have been expensed and are recognised in profit or loss.

The intangible assets were tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs of disposal or its value in use. The recoverable amounts of cash-generating units have been measured based on the value in use method.

The value in use was measured by management. The value in use is a recurring fair value measurement. The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed and is analysed as follows:

The value in use is prepared on the assumption that the electric motorcycles are expected to generate revenue from reporting year 2024 onwards.

Valuation technique and unobservable inputs

Discounted cash flow method:

	Range (weighted average)	
	2023	2022
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the intangible assets	50%	50%
Terminal growth rate	4%	4%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management	5 years	5 years

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

14. INTANGIBLE ASSETS (CONT'D)

Actual outcomes could vary from these estimates. There would be no impairment loss on the carrying value of the intangible assets:

- a) If the estimated discount rate applied to the discounted cash flows had been 2.5% less favourable than management's estimates; or
- b) If the estimated terminal growth rate applied to the discounted cash flows had been 2.5% less favourable than management's estimates.

Management believes that any reasonably possible change in the key assumptions on which this division's recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 \$'000	2022 \$'000
Carrying value of investment:		
Balance at beginning of the year	10,208	7,197
Reversal of impairment	–	3,111
Allowance for impairment	–	(100)
Carrying value at the end of the year	10,208	10,208
Total cost comprising:		
Unquoted equity shares at cost	10,308	10,308
Allowance for impairment	(100)	(100)
	10,208	10,208
Movements in above allowance:		
Balance at beginning of the year	100	3,111
Impairment loss reversed to profit or loss	–	(3,011)
Balance at the end of the year	100	100

The recoverable amount of investment in a subsidiary is the greater of its value in use and its fair value less cost of disposals. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENT IN SUBSIDIARIES (CONT'D)

The subsidiaries held by the company and its subsidiaries are listed below:

Name of subsidiaries, country of incorporation, place of operation and principle activities (and independent auditors)	Carrying value of investment		Effective percentage of equity held by group	
	2023 \$'000	2022 \$'000	2023 %	2022 %
EuroSports Auto Pte. Ltd. ^(a) Singapore Distribution and retailing of imported automobiles, import of parts and accessories and repairs and servicing of automobile	7,953	7,953	100	100
EuroAutomobile Pte. Ltd. ^(a) Singapore Distribution and retailing of imported automobiles, import of parts and accessories and repairs and servicing of automobile	— ^(c)	— ^(c)	100	100
Scorpio Electric Pte. Ltd. (SEC) ^{(a) (e)} Singapore Developing a next-generation motorcycle that is fully electric (formerly known as EuroSports Technologies Pte. Ltd.)	2,000	2,000	73.69	75.93
deLaCour Asia Pacific Pte. Ltd. ^(a) Singapore Trading and distribution of watches and related accessories	— ^(c)	— ^(c)	100	100
Prosper Auto Pte. Ltd. ^(a) Singapore Distribution of automobiles, parts and accessories in Indonesia	255	255	51	51
JES Auto Pte. Ltd. ^(a) Singapore Distribution of automobiles, parts and accessories in Indonesia	— ^(d)	— ^(d)	100	100
<u>Held through Scorpio Electric Pte. Ltd.:</u>				
EVI Electric Pte. Ltd. ^(a) Singapore Electric mobility manufacturer and energy system provider	—	—	73.69	75.93
Scorpio Electric (Shenzhen) Co., Ltd. ^(b) People's Republic of China Wholesale, retail and research and development of Electric motorcycles and spares part	—	—	73.69	—

Notes:

- (a) Audited by RSM Chio Lim LLP.
- (b) Not audited, as it is not material and first year of incorporation and exempted from audit.
- (c) The cost of investment is less than \$1,000.
- (d) The cost of investment has been fully impaired.
- (e) Also see Note 15C.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

There is a subsidiary that have non-controlling interests (“**NCI**”) that are considered material to the group and additional disclosures on them (amounts before inter-company eliminations) are presented below.

	Group	
	2023	2022
	\$'000	\$'000
<u>Scorpio Electric Pte. Ltd and its subsidiaries:</u>		
The loss allocated to NCI of the subsidiary during the reporting year	(798)	(613)
Total comprehensive loss allocated to NCI of the subsidiary during the reporting year	(798)	(613)
Accumulated NCI of the subsidiary at the end of the reporting year	3,102	2,203

The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and amounts before inter-company eliminations) is as follows:

	Group	
	2023	2022
	\$'000	\$'000
<u>Scorpio Electric Pte. Ltd. and its subsidiaries:</u>		
Current assets	4,361	3,876
Non-current assets	7,953	5,702
Current liabilities	(638)	(435)
Revenue	2	3
Loss for the reporting year	(3,285)	(2,845)
Other comprehensive income	1	–
Total comprehensive loss	(3,284)	(2,845)
Net cash flows used in operating activities	(4,912)	(2,935)
Net cash flows used in investing activities	(2,574)	(2,171)
Net cash flows generated from financing activities	5,745	4,093

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

15A. Changes in ownership interest without a change in control

In the reporting year 2022, SEC issued 84,969 ordinary shares to non-controlling interest ("NCI") for a net cash consideration of \$3.94 million. The gross cash consideration received was \$4.1 million and transaction costs directly attributable to raising fund was \$161,000. The transactions costs were accrued as at 31 March 2022. Consequently, the company's ownership percentage in SEC was diluted from 78.46% to 75.93%. This change in ownership interest did not result in a change of control and, therefore, was considered an equity transaction. Any difference between the amount by which the carrying value of the company's share in SEC was adjusted and the fair value of the consideration received is recognised directly in equity and attributed to the controlling interest.

	2022 \$'000
Consideration from issuance of shares to NCI	3,940
Net assets attributable to NCI	(1,079)
Increase in equity attributable to company	2,861

15B. Changes in ownership interest without a change in control

During the reporting year, SEC entered into a US\$5 million share subscription agreement with investor Su Lin Investment Corporation Pte Ltd for the subscription of the SEC's shares, where share subscription was based on milestone achieved by SEC. As at 31 March 2023, SEC has achieved multiple milestones and 49,347 ordinary shares were issued which details are described in the next paragraph. As at reporting year end, 49,348 ordinary shares remained unissued.

During the reporting year, SEC raised \$5.76 million (equivalent to US\$4.25 million) by issuing a series of 80,077 ordinary shares in total to non-controlling interest ("NCI"). Net consideration received was \$5.54 million after deducting transaction costs directly attributable to the fund raising of \$215,000. Consequently, the company's ownership percentage in SEC was diluted from 75.93% to 73.69%. This change in ownership interest did not result in a change of control and, therefore, was considered an equity transaction. Any difference between the amount by which the carrying value of the company's share in SEC was adjusted and the fair value of the consideration received was recognised directly in equity and attributed to the controlling interest.

	2023 \$'000
Consideration from issuance of shares to NCI	5,542
Net assets attributable to NCI	(1,614)
Increase in equity attributable to company	3,928

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENT IN SUBSIDIARIES (CONT'D)

15C. Issuance of founder share

The SEC founder share constituted as a separate class of ordinary share. During the reporting year, SEC issued 1 founder share to Eurosports Global Limited. SEC's Founder share has all the rights, benefits and entitlements of ordinary shares and rank pari passu in all respects with ordinary shares, and the voting rights equal to 75% of all voting rights.

16. FINANCIAL ASSETS AT FVPTL

	Group and Company	
	2023 \$'000	2022 \$'000
Quoted equity shares at FVPTL	139	–

The fair value (Level 1) is a reasonable approximation of the carrying amount.

17. INVENTORIES

	Group	
	2023 \$'000	2022 \$'000
Automobiles	9,580	9,254
Automobile parts and accessories	2,566	1,973
	12,146	11,227

Inventories are stated after allowance.

	Group	
	2023 \$'000	2022 \$'000
<u>Movements in allowance:</u>		
Balance at beginning of the year	3,595	3,347
(Reversed) / charge to profit or loss included in cost of sales	(87)	248
Used	(192)	–
Balance at end of the year	3,316	3,595
Changes in inventories	(919)	(2,090)
The amount of inventories included in cost of sales	52,226	44,536
The write-downs of inventories (reversed) / charged to profit or loss included in cost of sales	(87)	248

The carrying amount of inventories under lease agreements and bank loan is \$4,020,000 (2022: \$604,000).

Certain inventories are pledged as security for the bank facilities and finance leases (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

18. TRADE AND OTHER RECEIVABLES

	Group	
	2023	2022
	\$'000	\$'000
Trade receivables:		
Outside parties	1,386	1,392
Less: allowance for impairment	(248)	(225)
Net trade receivables – subtotal	<u>1,138</u>	<u>1,167</u>
Other receivables:		
Outside parties	998	428
Less: allowance for impairment	(247)	(269)
Net other receivables – subtotal	<u>751</u>	<u>159</u>
Total trade and other receivables	<u>1,889</u>	<u>1,326</u>
Movements in above allowance:		
Balance at beginning of the year	494	1,203
Charged / (reversed) for receivables to profit or loss included in other gains and other losses (Note 7)	1	(224)
Bad debts written off	–	(485)
Balance at end of the year	<u>495</u>	<u>494</u>
	Company	
	2023	2022
	\$'000	\$'000
Other receivables:		
Subsidiaries	1,571	1,583
Outside parties	37	43
Less allowance for impairment	(490)	(644)
Total other receivables	<u>1,118</u>	<u>982</u>
Movements in above allowance:		
Balance at beginning and end of the year	644	348
(Reversed) / charged for receivables to profit or loss	(154)	296
Balance at the end of the year	<u>490</u>	<u>644</u>

The group has graded its customers as low risk individually. These trade and other receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade receivables are considered to have low credit risk individually.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

18. TRADE AND OTHER RECEIVABLES (CONT'D)

At the end of the reporting year, a loss allowance is recognised at an amount equal to 12 months expected credit losses because there has not been a significant increase in credit risk since initial recognition. A loss allowance balance of \$248,000 (2022: \$225,000) is recognised. There are no collaterals held as security and other credit enhancements for the trade receivables.

The group generally does not grant credit terms except for distributors of watches where an average credit term of 30 days (2022: 30 days) is granted. However, the group may grant credit terms to customers on a case by case basis, depending on the contract value, relationship with the customer and payment track record of the customer. But some customers take a longer period to settle the amounts.

- (a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year:

	Group	
	2023 \$'000	2022 \$'000
Trade receivables:		
Less than 30 days	275	977
31 to 60 days	246	18
61 to 90 days	17	32
Over 90 days	600	140
Total	1,138	1,167

- (b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	Group	
	2023 \$'000	2022 \$'000
Trade receivables:		
Less than 365 days	205	158
Over 365 days	43	67
Total	248	225

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 months expected credit losses because there has not been a significant increase in credit risk since initial recognition.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. A loss allowance balance of \$247,000 (2022: \$269,000) is recognised.

NOTES TO THE FINANCIAL STATEMENTS

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19. OTHER NON-FINANCIAL ASSETS

	Group	
	2023 \$'000	2022 \$'000
Non-current:		
Prepayments	90	90
Non-current, total	90	90
Current:		
Deposits placed to purchase automobiles and secure services	1,354	8,511
Prepayments	2,982	854
Current, total	4,336	9,365
Total	4,426	9,455

	Company	
	2023 \$'000	2022 \$'000
Current:		
Deposits placed to secure services	384	384
Prepayments	54	61
Total	438	445

20. CASH AND CASH EQUIVALENTS

	Group	
	2023 \$'000	2022 \$'000
Not restricted in use	4,557	10,846
Security deposits for bank facilities	4,496	4,445
Total	9,053	15,291

	Company	
	2023 \$'000	2022 \$'000
Not restricted in use	124	1,079

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

20. CASH AND CASH EQUIVALENTS (CONT'D)

20A. Cash and cash equivalents in the statement of cash flows:

	Group	
	2023 \$'000	2022 \$'000
Amount as shown above	9,053	15,291
Security deposits for bank facilities	(4,496)	(4,445)
Cash and cash equivalents for statement of cash flows purposes at end of the year	4,557	10,846

	Company	
	2023 \$'000	2022 \$'000
Amount as shown above	124	1,079

The security deposits for bank facilities bear interest of 0.10% to 2.00% (2022: 0.05% to 1.30%) per annum for the group during the reporting year. As at 31 March 2023, the security deposits for bank facilities of \$4,496,000 (2022: \$4,445,000) of the group have been pledged to banks.

20B. Non-cash transactions:

During the reporting year, there were acquisitions of inventories with a total cost of \$1,250,000 (2022: Nil) were acquired by means of finance leases.

20C. Reconciliation of liabilities arising from financing activities:

	Group						
	2022 \$'000	Cash flows \$'000	Non-cash changes				2023 \$'000
			Acquisition ⁽¹⁾ \$'000	Fair value changes \$'000	Interest expense \$'000	Other ⁽²⁾ \$'000	
<u>Lease liabilities</u>							
- current	1,690	(2,447)	5,372	-	107	(2,411)	2,311
- non-current	-	-	-	-	-	2,411	2,411
<u>Loans and borrowings</u>							
- current	2,355	(1,005)	-	-	-	1,232	2,582
- non-current	2,820	-	-	-	-	(1,232)	1,588
	6,865	(3,452)	5,372	-	107	-	8,892

Notes:

- (1) Recognition of right-of-use assets (Note 13) and acquisition of inventories purchased under lease liabilities (Note 24).
- (2) Relates to reclassification of non-current portions due to passage of time.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

20. CASH AND CASH EQUIVALENTS (CONT'D)

20C. Reconciliation of liabilities arising from financing activities: (cont'd)

	2021 \$'000	Cash flows \$'000	Group			2022 \$'000
			Fair value changes \$'000	Interest expense \$'000	Other ⁽¹⁾ \$'000	
<u>Lease liabilities</u>						
- current	2,768	(3,105)	-	76	1,951	1,690
- non-current	1,951	-	-	-	(1,951)	-
<u>Loans and borrowings</u>						
- current	261	(86)	-	-	2,180	2,355
- non-current	5,000	-	-	-	(2,180)	2,820
<u>Convertible bond</u>						
- current	3,483	(3,000)	(483)	-	-	-
	13,463	(6,191)	(483)	76	-	6,865

Notes:

(1) Relates to reclassification of non-current portions due to passage of time.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

21. SHARE CAPITAL

	Number of shares issued '000	Share Capital \$'000
<u>Group and Company</u>		
<u>Ordinary shares of no par value:</u>		
Balance at beginning of the year 1 April 2021	259,745	17,624
Purchase of treasury shares	(1,877)	(393)
Balance at end of the year 31 March 2022	257,868	17,231
Purchase of treasury shares	(7,340)	(1,365)
Balance at end of the year 31 March 2023	250,528	15,866

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

Treasury shares:

Under the mandate approved at the last annual general meeting, 7,339,500 treasury shares were acquired during the reporting year on the Singapore Stock Exchange for a total consideration of \$1,365,000.

	Number of treasury shares		Fair value	
	2023 '000	2022 '000	2023 \$'000	2022 \$'000
Balance at beginning of the year	7,132	5,255	1,238	845
Purchase during the year	7,340	1,877	1,365	393
Balance at the end of the year	14,472	7,132	2,603	1,238

Capital management:

The objectives when managing capital are: to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

21. SHARE CAPITAL (CONT'D)

	Group	
	2023 \$'000	2022 \$'000
Net debt:		
All current and non-current borrowings including lease liabilities	8,892	6,865
Less cash and cash equivalents	(9,053)	(15,291)
Net cash	(161)	(8,426)
Adjusted capital:		
Total equity	19,383	19,370
Adjusted capital	19,383	19,370
Debt-to-adjusted capital ratio	N.M	N.M

N.M - Not meaningful as the group has net cash as at 31 March 2023 and 31 March 2022.

In order to maintain its Listing on the Catalist Board of the SGX-ST, the company has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year. The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

22. TRADE PAYABLES

	Group	
	2023 \$'000	2022 \$'000
Outside parties and accrued liabilities	5,267	4,018

	Company	
	2023 \$'000	2022 \$'000
Subsidiaries	6,256	4,725
Outside parties and accrued liabilities	452	121
Total	6,708	4,846

23. OTHER FINANCIAL LIABILITIES

	Group	
	2023 \$'000	2022 \$'000
Non-current:		
<u>Financial instruments with floating interest rates</u>		
Bank loans (secured) (Note 23A)	1,588	2,820
Non-current, total	1,588	2,820
Current:		
<u>Financial instruments with floating interest rates</u>		
Bank loans (secured) (Note 23A)	1,232	1,232
Trust receipts and bills payables (secured) (Note 23C)	–	1,123
<u>Financial instruments with fixed interest rates</u>		
Short term loan (Note 23B)	1,350	–
Current, total	2,582	2,355
Total	4,170	5,175
The non-current portion is repayable as follows:		
Due within 2 to 5 years	1,588	2,820
Total non-current portion	1,588	2,820

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

23. OTHER FINANCIAL LIABILITIES (CONT'D)

The range of floating rate interest rates paid was as follows:

	Group	
	2023 %	2022 %
Bank loans	2.00	1.51 – 2.04
Trust receipts and bill payables	–	2.49 – 7.00

The range of fixed rate interest rates paid was as follows:

	Group	
	2023 %	2022 %
Short term loan	7.35	–

23A. Bank loans

The bank agreements for certain of the bank loans provide among other matters for the following:

- (a) Corporate guarantee by the company; and
- (b) The bank loans comprised temporary bridging loans under Enterprise Financing Scheme, which is repayable in 48 monthly instalments of approximately: (i) \$43,000 from 1 June 2022 and (ii) \$65,000 from 1 July 2022 respectively.

23B. Short term loan

In March 2023, the group obtained a new loan amount of \$1,350,000. The loan bears fixed interest of 7.35% per annum. The loan is maturing in 90 days on 8 June 2023 and is secured by pledge over the inventories of the group.

23C. Trust receipts and bills payables

The credit facilities for trust receipts and bills payables provide among other matters for the following:

- (a) A fixed and floating charge over security deposits, inventories and accounts receivables; and
- (b) Corporate guarantee by the company.

The period of financing under trust receipts was 120 days inclusive of suppliers' credit. The interest was payable up to Nil (2022: 2.25%) per annum over the bank's cost of funds as determined by the bank on the day of transaction or at such other rate at the sole discretion of the bank.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

24. LEASE LIABILITIES

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2023 \$'000	2022 \$'000
Lease liabilities, current	2,311	1,690
Lease liabilities, non-current	2,411	–
	4,722	1,690

	Company	
	2023 \$'000	2022 \$'000
Lease liabilities, current	2,009	1,523
Lease liabilities, non-current	1,532	–
	3,541	1,523

A summary of the maturity analysis of lease liabilities is disclosed in Note 27E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use assets are disclosed in Note 13.

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

The weighted average incremental borrowing rate applied to lease liabilities recognised ranges from 1.90% to 4.03% (2022: 3.00% to 4.03%) per year.

Apart from the disclosures made in other Notes to the financial statements, amounts relating to leases include the following:

	Group	
	2023 \$'000	2022 \$'000
Expense relating to short-term leases included in administrative expenses (Note 8)	578	601
Total commitments on short-term leases at year end date	132	273

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

25. OTHER NON-FINANCIAL LIABILITIES

	Group	
	2023 \$'000	2022 \$'000
Warranty provision (Note 25A)	600	751
Deposits from customers (Note 25B)	6,344	15,670
Total	6,944	16,421

25A. WARRANTY PROVISION

	Group	
	2023 \$'000	2022 \$'000
Balance at beginning of the year	751	907
Provision charged / (reversed) to profit or loss included in cost of sales	64	(5)
Used	(215)	(151)
Balance at end of the year	600	751

Certain products of the Group are sold with warranty. These products have on occasions failed within the 5 year warranty period. If the customer does not have the option to purchase a warranty separately, the warranty is accounted as a provision in accordance with the financial reporting standard on provisions, contingent liabilities and contingent assets. Replacements are expected to be supplied evenly over that warranty period as the product failure is random, not related to particular batches.

If the actual claims costs were to differ by 10% from management's estimates, the warranty obligations would be an estimated \$60,000 (2022: \$75,100) higher or \$60,000 (2022: \$75,100) lower.

25B. Deposits from customers

Deposits from customers are not refundable and will be utilised upon purchases of automobiles by customers. These are expected to be recognised as revenue within a year.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

26. OPERATING LEASE INCOME COMMITMENTS - AS LESSOR

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Not later than one year	59	79	2,056	1,536
Between 1 and 2 years	2	28	1,542	-
Total	61	107	3,598	1,536
Rental income for the year				
- Continuing operations	147	182	2,180	2,304

Operating lease income commitments are for office premises and leasing of automobiles. The lease rental income terms are negotiated for an average term of two years.

Office premises and automobiles are covered by insurance to insure the group's and company's assets against obligations for future repairs and maintenance required by the lessees.

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

27A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	10,942	16,617	1,242	2,061
Financial assets at FVTPL	139	-	139	-
At end of the year	11,081	16,617	1,381	2,061
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	14,159	10,883	10,249	6,369

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's reporting, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency rate and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines includes the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.
5. When appropriate consideration is given to entering into derivatives or any other similar instruments solely for hedging purposes.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

27C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

27D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses ("ECL") on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired.

However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 20 discloses the maturity of the cash and cash equivalents balances.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year \$'000	2 – 5 years \$'000	Total \$'000
<u>2023:</u>			
Non-derivative financial liabilities:			
Trade payables	5,267	–	5,267
Gross borrowing commitments	2,749	2,365	5,114
Lease liabilities	2,441	2,435	4,876
At end of the year	10,457	4,800	15,257
<u>2022:</u>			
Non-derivative financial liabilities:			
Trade payables	4,018	–	4,018
Gross borrowing commitments	1,833	2,886	4,719
Lease liabilities	1,710	–	1,710
At end of the year	7,561	2,886	10,447
Company	Less than 1 year \$'000	2 – 5 years \$'000	Total \$'000
<u>2023:</u>			
Non-derivative financial liabilities:			
Trade payables	6,708	–	6,708
Lease liabilities	2,069	1,542	3,611
At end of the year	8,777	1,542	10,319
<u>2022:</u>			
Non-derivative financial liabilities:			
Trade payables	4,846	–	4,846
Lease liabilities	1,536	–	1,536
At end of the year	6,382	–	6,382

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay. At the end of the reporting year no claims on the financial guarantees are expected.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included based on the earliest date on which it can be required to pay.

Financial guarantee contracts:

	Group	
	2023 \$'000	2022 \$'000
Banker's guarantees in favour of subsidiaries	11,911	11,937

The above table shows the maturity analysis of the contingent liabilities from financial guarantees. For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable.

Bank facilities:

	Group	
	2023 \$'000	2022 \$'000
Undrawn borrowing facilities	20,764	27,731
Unused bank guarantees	205	188

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27F. Interest rate risk

The interest rate risk exposure is mainly from changes in floating interest rates and it mainly concerns financial liabilities. The interest income from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments (excluding derivatives) by type of interest rate:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Financial liabilities with interest:</u>				
Fixed rates	6,072	1,690	3,541	1,523
Floating rates	2,820	5,175	–	–
Total at end of the year	8,892	6,865	3,541	1,523
<u>Financial assets with interest:</u>				
Floating rates	4,496	4,445	–	–

The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on post-tax loss is not significant.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27G. Foreign currency risks

Analysis of amounts denominated in non-functional currencies:

Group	USD \$'000	GBP \$'000	Euro \$'000	Total \$'000
<u>2023:</u>				
<u>Financial assets:</u>				
Financial assets at FVTPL	139	–	–	139
Cash and cash equivalents	1,155	25	16	1,196
Total financial assets	1,294	25	16	1,335
<u>Financial liabilities:</u>				
Trade payables	(37)	–	(31)	(68)
Total financial liabilities	(37)	–	(31)	(68)
Net financial assets / (liabilities) at end of the year	1,257	25	(15)	1,267
<u>2022:</u>				
<u>Financial assets:</u>				
Cash and cash equivalents	2,672	16	1,021	3,709
Total financial assets	2,672	16	1,021	3,709
<u>Financial liabilities:</u>				
Trade payables	–	(18)	–	(18)
Total financial liabilities	–	(18)	–	(18)
Net financial assets / (liabilities) at end of the year	2,672	(2)	1,021	3,691

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis: The effect on post-tax loss is not significant.

28. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	Group	
	2023 \$'000	2022 \$'000
Contractual obligations for the development of sustainable mobility	2,074	–
	Company	
	2023 \$'000	2022 \$'000
Banker's guarantees in favour of subsidiaries	11,911	11,937

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

29. EVENT AFTER THE END OF THE REPORTING YEAR

On 3 July 2023, the group has entered into a placement agreement with Evolve Capital Advisory Private Limited as the placement agent to procure subscribers to subscribe for unlisted convertible bonds in the aggregate principal amount of \$3,300,000 by way of placement. The principal terms of the proposed placement of the convertibles bonds are set out in the placement agreement as announced on SGXnet.

30. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year, new or revised financial reporting standards were issued by the Accounting Standards Committee under ACRA. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS (I) No.	Title
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments

31. NEW AND REVISED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years certain new or revised financial reporting standards were issued by the Accounting Standards Committee under ACRA and these will only be effective for future reporting years. Those applicable to the Group for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Disclosure of Accounting Policies - Amendments to SFRS (I) 1-1 and SFRS (I) Practice Statement 2 Making Materiality Judgements	1 January 2023
SFRS (I) 1-8	Definition of Accounting Estimates - Amendments	1 January 2023
SFRS (I) 1-12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments	1 January 2023
SFRS (I) 1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current	1 January 2024

STATISTICS OF SHAREHOLDINGS

As of 23 June 2023

Issued and paid-up capital	:	S\$19,152,863
Number of Issued Shares (including of Treasury Shares)	:	265,000,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share
Number of Treasury Shares	:	15,660,000
Percentage of Treasury Shares	:	6.28%
Number of subsidiary holdings held	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of		No. of Shares	%
	Shareholders	%		
1 - 99	0	0.00	0	0.00
100 - 1,000	38	10.86	29,700	0.01
1,001 - 10,000	45	41.43	730,800	0.29
10,001 - 1,000,000	155	44.28	17,272,200	6.93
1,000,001 and above	12	3.43	231,367,300	92.77
Total	350	100.00	249,400,000*	100.00

*There was total 60,000 shares repurchased by the Company on 22 June 2023 and 23 June 2023 which had not been updated by CDP in its record.

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	85,327,300	34.21
2	GOH KIM SAN	79,010,200	31.68
3	GOH KIM HUP	31,815,600	12.76
4	YAP BOH SIM	8,000,000	3.21
5	OCBC SECURITIES PRIVATE LTD	5,648,700	2.26
6	NIKI HAN JIAYI	5,003,000	2.01
7	GOH YI SHUN JOSHUA	4,841,700	1.94
8	RAFFLES NOMINEES (PTE) LIMITED	3,505,400	1.41
9	LEO CHUN KONG	2,663,300	1.07
10	BEN CHNG BENG BENG	2,055,000	0.82
11	KAN CHEE GIN	1,970,100	0.79
12	PENG YANAN	1,527,000	0.61
13	UOB KAY HIAN PTE LTD	904,100	0.36
14	LIM JIT SOON PAUL	765,000	0.31
15	ONG TECK BENG	700,000	0.28
16	DBS NOMINEES PTE LTD	699,300	0.28
17	UNITED OVERSEAS BANK NOMINEES PTE LTD	600,000	0.24
18	WONG QUEE QUEE JEFFREY (HUANG GUIGUI JEFFREY)	525,000	0.21
19	NG KIM SWEE	500,000	0.20
20	PETER TEO @ZHANG QINGYING	500,000	0.20
Total		236,560,700	94.85

STATISTICS OF SHAREHOLDINGS

As of 23 June 2023

SUBSTANTIAL SHAREHOLDERS

LIST OF SUBSTANTIAL SHAREHOLDERS

(As per the Register of Substantial Shareholders as at 23 June 2023)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Goh Kim San ⁽¹⁾	79,010,200	31.68	40,403,300	16.20
Elite Steed Limited ^(1b)	–	–	20,403,300	8.18
Goh Kim Hup ⁽²⁾	31,815,600	12.76	19,500,000	7.82

Notes:

- (1) Mr Goh Kim San is deemed to be interested in the following shares by virtue of Section 7 of the Companies Act 1967:-
- (a) 20,000,000 shares are held in a nominee account held by Citibank Nominees Singapore Pte. Ltd.
 - (b) 20,403,300 shares are held by Elite Steed Limited in a nominee account held by Citibank Nominees Singapore Pte. Ltd.
- (2) Mr Goh Kim Hup is deemed to be interested in 19,500,000 shares held in a nominee account held by Citibank Nominees Singapore Pte. Ltd. by virtue of Section 7 of the Companies Act 1967.

PUBLIC FLOAT

Based on the information provided and to the best knowledge of the Directors, approximately 29.50% of the issued ordinary shares of the Company is held in the hands of the public as at 23 June 2023 and therefore Rule 723 of the Listing Manual Section B: Rules of Catalist of Singapore Exchange Security Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of EuroSports Global Limited (the "**Company**") will be held at Tudor Courtyard, Level 1, Goodwood Park Hotel Singapore, 22 Scotts Road Singapore 228221 on Friday, 28 July 2023 at 2.00 p.m. for the following businesses:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2023, together with the Independent Auditor's Report thereon. **(Resolution 1)**
2. To re-elect Mr Goh Kim San as Director who is retiring pursuant to Article 113 of the Constitution of the Company. [See Explanatory Note (i)] **(Resolution 2)**
3. To re-elect Mr Foo Say Tun as Director who is retiring pursuant to Article 113 of the Constitution of the Company. [See Explanatory Note (ii)] **(Resolution 3)**
4. To re-elect Mr Anthony Ang Meng Huat as Director who is retiring pursuant to Article 117 of the Constitution of the Company. [See Explanatory Note (iii)] **(Resolution 4)**
5. To approve the payment of additional Directors' fees of S\$2,917 for the financial year ended 31 March 2023. [See Explanatory Note (iv)] **(Resolution 5)**
6. To approve the payment of Directors' fees of S\$120,000 for the financial year ending 31 March 2024, payable quarterly in arrears (FY2023: S\$122,917 including additional directors' fee of S\$2,917 referred to in item 5 above). **(Resolution 6)**
7. To re-appoint Messrs RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**
8. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without modifications:

9. SHARE ISSUE MANDATE

That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and notwithstanding the provisions of the Constitution of the Company, authority be and is hereby given to the Directors of the Company to:

- (a)
 - (i) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such issuance of shares,

provided that:

- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company (as calculated in accordance with sub-paragraph (ii) below), or such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to members of the Company (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding subsidiary holdings and treasury shares) of the Company (as calculated in accordance with sub-paragraph (ii) below) or any such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed;
- (ii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued Shares (excluding subsidiary holdings and treasury shares) of the Company shall be calculated based on the total number of issued Shares (excluding subsidiary holdings and treasury shares) of the Company at the time of the passing of this Resolution, after adjusting for:
- (1) new Shares arising from the conversion or exercise of any convertible securities;
 - (2) new Shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Catalist Rules; and
 - (3) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments for (1) and (2) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

NOTICE OF ANNUAL GENERAL MEETING

- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, the Constitution for the time being of the Company; and
 - (iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier. [See Explanatory Note (v)]
- (Resolution 8)**

By Order of the Board

Sin Chee Mei
Company Secretary
Singapore, 13 July 2023

EXPLANATORY NOTES:

- (i) **Resolution 2** – Mr Goh Kim San, upon re-election as a Director of the Company, will remain as an Executive Chairman and Chief Executive Officer of the Company. Detailed information on Mr Goh Kim San can be found under the “Board of Directors”, “Corporate Governance Report” and “Disclosure of Information on Directors seeking Re-election” sections in the Company’s Annual Report.
- (ii) **Resolution 3** – Mr Foo Say Tun, upon re-election as a Director of the Company, will remain as the Non-Executive and Independent Director, Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee of the Company. Mr Foo Say Tun is considered independent by the Board for the purposes of Rule 704(7) of the Catalist Rules. Detailed information on Mr Foo Say Tun can be found under the “Board of Directors”, “Corporate Governance Report” and “Disclosure of Information on Directors seeking Re-election” sections in the Company’s Annual Report.
- (iii) **Resolution 4** – Mr Anthony Ang Meng Huat, upon re-election as a Director of the Company, will remain as the Non-Executive and Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee of the Company. Mr Anthony Ang Meng Huat is considered independent by the Board for the purposes of Rule 704(7) of the Catalist Rules. Detailed information on Mr Anthony Ang Meng Huat can be found under the “Board of Directors”, “Corporate Governance Report” and “Disclosure of Information on Directors seeking Re-election” sections in the Company’s Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

- (iv) **Resolution 5** – At the Annual General Meeting of the Company held on 28 July 2022, shareholders approved an amount of S\$120,000 as Directors' fees for the financial year ended 31 March 2023, to be paid quarterly in arrears. The additional Directors' fees of S\$2,917 proposed to be approved at this AGM arose due to the appointment of Mr Anthony Ang Meng Huat as additional Director to the Board of Directors of the Company during the financial year ended 31 March 2023.
- (v) **Resolution 8** – If passed, will empower the Directors to allot and issue Shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 8 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed 100% of the total number of issued Shares (excluding subsidiary holdings and treasury shares) in the capital of the Company, with a sub-limit of 50% for shares issued other than on a pro-rata basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to members. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company will be calculated based on the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company at the time of the passing this Resolution, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

Notes:

1. The members of the Company are invited to attend physically at the AGM. There will be no option for shareholders to participate virtually.
2. Printed copies of the documents relating to the business of the AGM, which comprise this Notice of AGM, the proxy form for the AGM and the Company's Annual Report for the financial year ended 31 March 2023, will not be dispatched to members of the Company. Instead, these documents will be made available to members of the Company by electronic means via publication on the Company's corporate website at <https://investor.eurosportsglobal.com/agm.html> and on the SGXNet at <https://www.sgx.com/securities/company-announcements>.
3. Members may participate in the AGM by:-
 - (a) attending the AGM in person;
 - (b) submitting questions in advance of, or at the AGM; and/or
 - (c) voting at the AGM themselves personally or through their duly appointed proxy(ies).

Persons who hold shares of the Company through relevant intermediaries as defined in Section 181 of the Companies Act 1967 of Singapore, including CPF Investors and/or SRS Investors and who wish to participate in the AGM should contact their respective relevant intermediaries (including CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

In the event members encountered Covid-19 like symptoms prior to the AGM, members are strongly encouraged to exercise social responsibility to rest at home and consider appoint a proxy(ies) to attend the Meeting. We encourage members to mask up when attending the AGM.

NOTICE OF ANNUAL GENERAL MEETING

4. A member (other than a Relevant Intermediary) is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of the proxy. If no such proportion of number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
5. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote in his/her stead at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

“Relevant Intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, 1967:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) The Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
6. A proxy need not be a member of the Company.
 7. A member of the Company which is a corporation is entitled to appoint its authorised representatives or proxies to vote on its behalf.
 8. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

If a member wishes to appoint the Chairman of the Meeting as proxy, such member must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

9. The instrument appointing a proxy duly executed must be submitted through any one of the following means by 2:00 p.m. on 26 July 2023, being no later than forty-eight (48) hours before the time for appointed for holding the AGM (or any adjournment thereof) and in default the instrument of proxy shall not be treated as valid:
 - (a) by sending a scanned PDF copy by email to the Company at proxyform@eurosportsglobal.com, or
 - (b) by depositing a physical copy at the Company’s registered office at 24 Leng Kee Road, #01-03, Singapore 159096.
10. For investors who holds shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors:
 - (a) may vote at the AGM if they are appointed as proxies by their respective relevant intermediaries, and should contact their respective relevant intermediaries if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM,

in which case they should approach their relevant intermediaries to submit their votes at least seven (7) working days prior to the date of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

11. A member may ask question relating to the item on the agenda of the AGM at the AGM or submit question via mail to the Company's registered office at 24 Leng Kee Road, #01-03, Singapore 159096, or email to ir@eurosportsglobal.com in advance of the AGM no later than 5.00 p.m. on 20 July 2023 (the "**Cut-off Time**"), in the following manner:

Members who wish to submit their questions are required to provide the following information together with their submission of questions:

- (a) Full name (for individuals)/company name (for corporate) as per CDP/SRS/CPF account records;
- (b) NRIC or passport number (for individuals)/Company Registration Number (for corporate);
- (c) Number of shares held;
- (d) Contact Number;
- (e) Email Address; and
- (f) Shareholding Type (e.g. CDP or CPF/SRS)

CPF and SRS Investors should contact their respective CPF Agent Banks or SRS Operators through which they hold such shares to submit their questions related to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.

12. The Company will publish the responses to substantial and relevant questions to the resolution to be tabled for approval at the AGM as received from shareholders by way of an announcement released on the SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at <https://investor.eurosportsglobal.com/newsroom.html> by 2:00 p.m. on 24 July 2023. The Company endeavours to address subsequent clarifications sought, or follow-up questions, or subsequent substantial and relevant questions which are received after the Cut-off Time, prior to, or at, the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

The minutes of the AGM shall thereafter be published on SGXNet and the Company's corporate website, within one (1) month from the conclusion of the AGM.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting, proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), addressing relevant and substantial questions from members received before and/or during the AGM and if necessary, following up with the relevant members in relation to such questions and enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Photographic, sound, and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of the member of the Company or the member's proxy(ies) or representative(s) (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she propose/second) may be recorded by the Company for such Purposes.

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EUROSPORTS GLOBAL LIMITED

(Registration No. 201230284Z)
(Incorporated in Singapore)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT:

1. The Annual General Meeting ("AGM") will be held physically at Tudor Courtyard, Level 1, Goodwood Park Hotel Singapore, 22 Scotts Road Singapore 228221. Members have no option to participate virtually.
2. Relevant intermediaries may appoint more than two proxies to attend the AGM and vote (please see Note 2 for the definition of ("relevant intermediaries").
3. For investors holding shares through a Relevant intermediary (including CPF and SRS investors), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. The investors should contact their respective relevant intermediary, Agent Banks or SRS Operations if they have any queries regarding their appointment as proxies.

I/We*, _____ NRIC/Passport/Company Registration No.* _____
of _____

being a member/members* of EuroSports Global Limited (the "Company"), hereby appoint

Name	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate):

Name	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her/them*, the Chairman of the Meeting, as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf, by poll, at the Annual General Meeting ("AGM") of the Company to held physically at Tudor Courtyard, Level 1, Goodwood Park Hotel Singapore, 22 Scotts Road, Singapore 228221 on Friday, 28 July 2023 at 2.00 p.m. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, against, or abstain the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	For	Against	Abstain
1	Adoption of the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2023 together with the Auditors' Report thereon			
2	Re-election of Mr Goh Kim San as a Director			
3	Re-election of Mr Foo Say Tun as a Director			
4	Re-election of Mr Anthony Ang Meng Huat as a Director			
5	Approval of additional Directors' fees amounting to S\$2,917 for the financial year ended 31 March 2023			
6	Approval of Directors' fees amounting to S\$120,000 for the financial year ending 31 March 2024, to be paid quarterly in arrears			
7	Re-appointment of Messrs RSM Chio Lim LLP as Auditors and authorize the Directors to fix their remuneration			
8	Authority for Directors to allot and issue new shares			

* Delete where inapplicable

Notes: All resolutions put to vote at the AGM shall be decided by way of poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" the relevant resolution, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2023

Total number of shares held in:	No. of Shares
CDP Register	
Register of Members	

Signature(s) of member(s)/
And, Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. A member of the Company (other than a Relevant Intermediary) is entitled to appoint not more than two proxies to attend and vote in his/her/their stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
2. A member of the Company who is a Relevant Intermediary entitled to attend and vote at the AGM of the Company is entitled to appoint more than two (2) proxies to attend and vote in his/her/their stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

"Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. A proxy need not be a member of the Company.
4. A member can appoint the Chairman of the Meeting as his/her/their proxy but this is not mandatory.

In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.

5. Where a member appoints more than one proxy, he/she/they shall specify the proportion of his/her/their shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
6. A member should insert the total number of shares held. If the member has shares entered against his/her/their name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act), he/she/they should insert that number of shares. If the member has shares registered in his/her/their name in the Register of Members of the Company, he/she/they should insert that number of shares. If the member has shares entered against his/her/they name in the Depository Register and registered in his name in the Register of Members, he/she/they should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all shares held by the member.
7. The instrument appointing a proxy duly executed must be submitted through any one of the following means by 2:00 p.m. on 26 July 2023, being not less than 48 hours before the time set for holding the AGM (or any adjournment thereof) and in default the instrument of proxy shall not be treated as valid:
 - (a) by sending a scanned PDF copy by email to the Company at proxyform@eurosportsglobal.com, or
 - (b) by depositing a physical copy at the Company's registered office at 24 Leng Kee Road, #01-03, Singapore 159096.

Members are strongly encouraged to submit completed proxy forms electronically via email.

8. For investors who holds shares of the Company through their respective relevant intermediaries (as defined in Section 181 of the Companies Act), including Central Provident Fund Investment Scheme and Supplementary Retirement Scheme Investors:
 - (a) may vote at the AGM if they are appointed as proxies by their respective relevant intermediaries, and should contact their respective relevant intermediaries if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM,

in which case they should approach their relevant intermediaries to submit their votes at least seven (7) working days prior to the date of the AGM.

9. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Seal or under the hand of its attorney or a duly authorised officer. The dispensation of the use of common seal pursuant to the Companies Act 1967 of Singapore is applicable at this AGM.
10. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
11. A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member being the appointor, is not shown to have shares entered against his/her/their name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by the Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative to vote at the AGM and/or any adjournment thereof, member of the Company is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of Annual General Meeting of the Company dated 13 July 2023.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Melvin Goh

Executive Chairman and CEO

Andy Goh

Executive Director and Deputy CEO

Tan Siok Sing

Non-Executive and Lead Independent Director

Foo Say Tun

Non-Executive and Independent Director

Anthony Ang Meng Huat

Non-Executive and Independent Director

AUDIT COMMITTEE

Anthony Ang Meng Huat (Chairman)

Tan Siok Sing

Foo Say Tun

NOMINATING COMMITTEE

Tan Siok Sing (Chairman)

Anthony Ang Meng Huat

Foo Say Tun

REMUNERATION COMMITTEE

Foo Say Tun (Chairman)

Anthony Ang Meng Huat

Tan Siok Sing

COMPANY SECRETARY

Sin Chee Mei

REGISTERED OFFICE

24 Leng Kee Road #01-03

Singapore 159096

Tel: (65) 6565 5995

Fax: (65) 6567 5515

AUDITORS

RSM Chio Lim LLP

8 Wilkie Road

#03-08 Wilkie Edge

Singapore 228095

Partner-in-charge: **Tan Beng Teck**

(a member of the Institute of Singapore Chartered Accountants)

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services

(A division of Tricor Singapore Pte Ltd)

80 Robinson Road

#02-00

Singapore 068898

PRINCIPAL BANKERS

United Overseas Bank Limited

80 Raffles Place

UOB Plaza

Singapore 048624

Malayan Banking Berhad

2 Battery Road

Maybank Tower

Singapore 049907

SPONSOR

RHT Capital Pte. Ltd.

36 Robinson Road,

#10-06 City House,

Singapore 068877

INVESTOR RELATIONS

Email: ir@eurosportsglobal.com



EUROSPORTS
GLOBAL

(Incorporated in the Republic of Singapore on 12 December 2012)
(Company Registration No.: 201230284Z)

EUROSPORTS GLOBAL LIMITED

24 Leng Kee Road
Singapore 159096

www.eurosportsglobal.com

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