

EUROSPORTS GLOBAL LIMITED
Company Registration Number: 201230284Z

**Unaudited Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2023**

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

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Group					
		6 months ended			12 months ended		
		Unaudited 31-Mar-23 S\$'000	Unaudited 31-Mar-22 S\$'000	Change %	Unaudited 31-Mar-23 S\$'000	Audited 31-Mar-22 S\$'000	Change %
Revenue		31,750	33,292	(4.6)	60,884	54,363	12.0
Cost of sales		<u>(28,202)</u>	<u>(28,683)</u>	(1.7)	<u>(52,768)</u>	<u>(45,544)</u>	15.9
Gross profit		3,548	4,609	(23.0)	8,116	8,819	(8.0)
Other income		890	1,829	(51.3)	1,998	3,176	(37.1)
Interest income		10	2	400.0	15	14	7.1
Other gains		99	271	(63.5)	377	713	(47.1)
Marketing and distribution expenses		(1,131)	(1,249)	(9.4)	(2,451)	(2,095)	17.0
Administrative expenses		(4,855)	(5,572)	(12.9)	(11,899)	(12,047)	(1.2)
Other losses		(99)	(115)	(13.9)	(124)	(168)	(26.2)
Finance costs		<u>(192)</u>	<u>(123)</u>	56.1	<u>(316)</u>	<u>(335)</u>	(5.7)
Loss before tax	5	(1,730)	(348)	397.1	(4,284)	(1,923)	122.8
Income tax expense	6	<u>(109)</u>	<u>(2)</u>	n.m.	<u>(160)</u>	<u>(2)</u>	n.m.
Loss, net of tax		(1,839)	(350)	425.4	(4,444)	(1,925)	130.9
Other comprehensive income:							
Item that may be reclassified subsequently to profit or loss:							
Foreign currency translation		<u>1</u>	<u>-</u>	n.m.	<u>1</u>	<u>-</u>	n.m.
Total comprehensive loss, net of tax		(1,838)	(350)	425.1	(4,443)	(1,925)	130.8
Loss, net of tax attributable to:							
Owners of the company		(1,664)	(236)	605.1	(3,963)	(1,319)	200.5
Non-controlling interests		<u>(174)</u>	<u>(114)</u>	52.6	<u>(481)</u>	<u>(606)</u>	20.6
Loss, net of tax		(1,839)	(350)	425.4	(4,444)	(1,925)	130.9
Total comprehensive loss attributable to:							
Owners of the company		(1,663)	(236)	604.7	(3,962)	(1,319)	200.4
Non-controlling interests		<u>(174)</u>	<u>(114)</u>	52.6	<u>(481)</u>	<u>(606)</u>	20.6
Total comprehensive loss, net of tax		(1,838)	(350)	425.1	(4,443)	(1,925)	130.8
		Cents	Cents		Cents	Cents	
Loss per share:							
Basic and diluted	7	<u>(0.66)</u>	<u>(0.09)</u>	633.3	<u>(1.56)</u>	<u>(0.51)</u>	205.9

Note:
n.m. denotes not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		As at		As at	
		Unaudited 31-Mar-23 S\$'000	Audited 31-Mar-22 S\$'000	Unaudited 31-Mar-23 S\$'000	Audited 31-Mar-22 S\$'000
ASSETS					
<u>Non-current assets</u>					
Plant and equipment	10	2,302	3,011	-	-
Right-of-use assets		3,438	1,399	3,438	1,399
Intangible assets	11	7,205	4,973	-	-
Investment in subsidiaries		-	-	10,208	10,208
Other non-financial assets		229	90	139	-
Total non-current assets		13,174	9,473	13,785	11,607
<u>Current assets</u>					
Inventories		12,146	11,227	-	-
Trade and other receivables		1,889	1,326	1,118	982
Other non-financial assets		4,336	9,365	438	445
Cash and cash equivalents	12	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					
<u>Equity</u>					
Share capital	13	15,866	17,231	15,866	17,231
Other reserves		376	177	-	-
Accumulated losses		(947)	(937)	(10,650)	(9,487)
Equity attributable to owners of the company		15,295	16,471	5,216	7,744
Non-controlling interests		4,088	2,899	-	-
Total equity		19,383	19,370	5,216	7,744
<u>Non-current liabilities</u>					
Other financial liabilities	14	1,588	2,820	-	-
Lease liabilities		2,411	-	1,532	-
Total non-current liabilities		3,999	2,820	1,532	-
<u>Current liabilities</u>					
Trade payables		5,267	4,018	6,708	4,846
Other financial liabilities	14	2,582	2,355	-	-
Lease liabilities		2,311	1,690	2,009	1,523
Other non-financial liabilities	15	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

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Group					
	Share capital S\$'000	Other reserves S\$'000	Accumulated Losses S\$'000	Attributable to Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'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 ("NCI") in subsidiary	-	-	(158)	(158)	5,568	5,410
Changes in ownership interests without a change in control			4,111	4,111	(3,979)	132
Purchase of treasury shares	(1,365)	-	-	(1,365)	-	(1,365)
Share-based payment		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	<u>15,866</u>	<u>376</u>	<u>(947)</u>	<u>15,295</u>	<u>4,088</u>	<u>19,383</u>
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 ("NCI") in subsidiary	-	-	-	-	3,940	3,940
Changes in ownership interests without a change in control	-	-	2,861	2,861	(2,861)	-
Purchase of treasury shares	(393)	-	-	(393)	-	(393)
Share-based payment	-	94	-	94	29	123
Loss for the year, net of tax	-	-	(1,319)	(1,319)	(606)	(1,925)
<u>Other comprehensive loss:</u>						
Transfer of fair value changes attributable to changes in credit risk of convertible bond upon redemption	-	(123)	123	-	-	-
Closing balance at 31 March 2022	<u>17,231</u>	<u>177</u>	<u>(937)</u>	<u>16,471</u>	<u>2,899</u>	<u>19,370</u>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

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

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	12 months ended	
	31-Mar-23	31-Mar-22
	S\$'000	S\$'000
<u>Cash flows from operating activities</u>		
Loss before tax	(4,284)	(1,923)
Adjustments for:		
Depreciation of plant and equipment	1,223	1,008
Depreciation of right-of-use assets	2,083	2,099
Loss on disposal of plant and equipment	117	76
Fair value (gain) / loss on convertible bond	-	(483)
Interest income	(15)	(14)
Interest expense on financial liabilities	226	259
Interest expense on lease liabilities	90	76
Performance share expense	279	123
Provision of warranty expenses	-	(5)
Operating cash flows before changes in working capital	(281)	1,216
Inventories	331	2,090
Trade and other receivables	(563)	(408)
Other non-financial assets	4,890	(8,416)
Other non-financial liabilities	(9,477)	9,221
Trade payables	1,249	209
Net cash flows from operations	(3,851)	3,912
Income taxes expense	(56)	(48)
Net cash flows (used in)/ from operating activities	<u>(3,907)</u>	<u>3,864</u>
<u>Cash flows used in investing activities</u>		
Additions to intangible assets	(2,232)	(1,884)
Purchase of plant and equipment	(870)	(1,141)
Disposal of plant and equipment	239	572
Interest received	15	14
Net cash flows used in investing activities	<u>(2,848)</u>	<u>(2,439)</u>
<u>Cash flows (used in)/ from financing activities</u>		
Decrease of other financial liabilities – net	(1,005)	(86)
Proceeds from issue of share capital to non-controlling interests in a subsidiary	5,542	4,101
Purchase of treasury shares	(1,365)	(393)
Payment of lease liabilities	(2,430)	(3,105)
Repayment of convertible bond	-	(3,000)
Interest paid	(226)	(259)
Net cash flows from/ (used in) financing activities	<u>516</u>	<u>(2,742)</u>
Net decrease in cash and cash equivalents	(6,239)	(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 12A)	<u>4,608</u>	<u>10,846</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

EuroSports Global Limited (the “**Company**”) is incorporated in Singapore and its shares are publicly traded on the Catalist Board of Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months and financial year ended 31 March 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”). The principal activities of the Company are those of an investment holding company and the provision of management services.

The principal activities of the Group are:

- (a) Distribution and retailing of imported automobiles, import of parts and accessories and repairs and servicing of automobiles;
- (b) Developing innovative new technologies, services and solutions for electric motorcycles;
- (c) Distribution of automobiles, parts and accessories in Indonesia; and
- (d) Trading and distribution of watches and related accessories.

2. BASIS OF PREPARATION

The condensed interim financial statements for the six months and financial year ended 31 March 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 September 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (“**S\$**”) which is the Company’s functional currency and all values are rounded to the nearest thousand (“**S\$’000**”) except when otherwise indicated.

2.1 NEW AND REVISED STANDARDS ADOPTED

The Group has fully adopted the new and revised SFRS(I)s and related Interpretations to SFRS(I) (“**SFRS(I) INT**”) that are relevant to the Group and effective for the financial period beginning on or after 1 April 2022. The adoption of these new and revised SFRS(I)s and SFRS(I) INT did not result in any substantial change to the Group’s accounting policies and has no material effect on the condensed interim financial statements.

2.2 USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the financial year ended 31 March 2022.

3. SEASONAL OPERATIONS

The Group’s businesses were not affected significantly by seasonal or cyclical factors during the six months and financial year ended 31 March 2023.

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4.1 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:

- (i) Automobiles distribution business retails new luxury automobiles as well as pre-owned automobiles;
- (ii) Sustainable mobility (electric motorcycles); and
- (iii) Other.

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.

4.2 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.

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

4.3 PROFIT OR LOSS FROM CONTINUING OPERATIONS AND RECONCILIATIONS

6 Months Ended	Automobiles distribution		Sustainable mobility		Other		Consolidated	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	31,747	33,248	1	2	2	42	31,750	33,292
Inter-segment revenue	-	-	-	-	-	-	-	-
Revenue from external parties	31,747	33,248	1	2	2	42	31,750	33,292
- Sales of automobiles	29,396	31,230	-	-	-	-	29,396	31,230
- Sales of watches	-	-	-	-	2	42	2	42
- Sales of merchandise, parts and servicing	2,351	2,018	1	2	-	-	2,352	2,020
Segment profit	3,546	4,567	-	1	2	41	3,548	4,609
Other income	873	1,743	17	86	-	-	890	1,829
Interest income	10	2	-	-	-	-	10	2
Other gains	147	271	-	-	-	-	147	271
Marketing and distribution expenses	(1,063)	(1,204)	(68)	(45)	-	-	(1,131)	(1,249)
Administrative expenses	(3,942)	(4,530)	(904)	(1,033)	(9)	(9)	(4,855)	(5,572)
- Depreciation of plant and equipment	(230)	(376)	(149)	(136)	-	(1)	(379)	(513)
- Depreciation of right-of-use assets	(1,034)	(1,050)	-	-	-	-	(1,034)	(1,050)
Other losses	(12)	(73)	(127)	(42)	(7)	-	(146)	(115)
Finance costs	(192)	(123)	(1)	-	-	-	(193)	(123)
(Loss) / Profit before tax	(633)	653	(1,083)	(1,033)	(14)	32	(1,730)	(348)
Income tax expense	(109)	(2)	-	-	-	-	(109)	(2)
(Loss) / Profit, net of tax	(742)	651	(1,083)	(1,033)	(14)	32	(1,839)	(350)

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

4.3 PROFIT OR LOSS FROM CONTINUING OPERATIONS AND RECONCILIATIONS (CONT'D)

12 Months Ended	Automobiles distribution		Sustainable mobility		Other		Consolidated	
	31-Mar-23 S\$'000	31-Mar-22 S\$'000	31-Mar-23 S\$'000	31-Mar-22 S\$'000	31-Mar-23 S\$'000	31-Mar-22 S\$'000	31-Mar-23 S\$'000	31-Mar-22 S\$'000
Total segment revenue	60,759	54,292	2	3	123	76	60,884	54,371
Inter-segment revenue	-	-	-	-	-	(8)	-	(8)
Revenue from external parties	60,759	54,292	2	3	123	68	60,884	54,363
- Sales of automobiles	55,902	49,356	-	-	-	-	55,902	49,356
- Sales of watches	-	-	-	-	123	68	123	68
- Sales of merchandise, parts and servicing	4,857	4,936	2	3	-	-	4,859	4,939
Segment profit / (loss)	7,995	8,979	-	1	121	(161)	8,116	8,819
Other income	1,963	3,008	35	168	-	-	1,998	3,176
Interest income	15	14	-	-	-	-	15	14
Other gains	316	713	61	-	-	-	377	713
Marketing and distribution expenses	(2,344)	(2,041)	(102)	(54)	(5)	-	(2,451)	(2,095)
Administrative expenses	(8,914)	(9,358)	(2,963)	(2,668)	(22)	(21)	(11,899)	(12,047)
- Depreciation of plant and equipment	(935)	(746)	(286)	(259)	(2)	(3)	(1,223)	(1,008)
- Depreciation of right-of-use assets	(2,083)	(2,099)	-	-	-	-	(2,083)	(2,099)
Other losses	(80)	(148)	(37)	(20)	(7)	-	(124)	(168)
Finance costs	(314)	(335)	(2)	-	-	-	(316)	(335)
(Loss) / Profit before tax	(1,363)	832	(3,008)	(2,573)	87	(182)	(4,284)	(1,923)
Income tax expense	(160)	(2)	-	-	-	-	(160)	(2)
(Loss) / Profit, net of tax	(1,523)	830	(3,008)	(2,573)	87	(182)	(4,444)	(1,925)

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

4.4 ASSETS, LIABILITIES AND RECONCILIATIONS

	Segment assets		Segment liabilities	
	As at		As at	
	31-Mar-23 S\$'000	31-Mar-22 S\$'000	31-Mar-23 S\$'000	31-Mar-22 S\$'000
Automobiles distribution	30,780	37,137	20,595	26,845
Sustainable mobility	12,442	9,641	750	498
Other	31	42	4,668	4,767
	43,253	46,820	26,013	32,110
Elimination of inter-segment	(2,655)	(138)	(4,798)	(4,798)
Total	40,598	46,682	21,215	27,312

5. LOSS BEFORE TAX

The following significant items have been included in arriving at loss before tax:

5.1 OTHER INCOME

	Group			
	6 months ended		12 months ended	
	31-Mar-23 S\$'000	31-Mar-22 S\$'000	31-Mar-23 S\$'000	31-Mar-22 S\$'000
Commission income	170	344	563	430
Government income	-	-	1	114
Rental income	81	86	147	182
Sales incentives from manufacturers	415	885	972	1,516
Others	224	514	315	934
	890	1,829	1,998	3,176

5.2. OTHER GAINS AND (OTHER LOSSES)

	Group			
	6 months ended		12 months ended	
	31-Mar-23 S\$'000	31-Mar-22 S\$'000	31-Mar-23 S\$'000	31-Mar-22 S\$'000
(Allowance) / Reversal for impairment on trade receivables	(131)	265	1	224
Bad debts recovered	-	6	-	6
Fair value gain on convertible bond	-	-	-	483
Foreign exchange adjustments gain / (loss)	210	(101)	356	(92)
Loss on disposal of plant and equipment	(92)	(14)	(117)	(76)
Others	13	-	13	-
	-	156	253	545

5. LOSS BEFORE TAX (CONT'D)

5.2. OTHER GAINS AND (OTHER LOSSES) (CONT'D)

	Group			
	6 months ended		12 months ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Presented in profit or loss as:</u>				
Other gains	99	271	377	713
Other losses	(99)	(115)	(124)	(168)
Net	-	156	253	545

5.3. MARKETING AND DISTRIBUTION EXPENSES AND ADMINISTRATIVE EXPENSES

The major components include the following:

	Group			
	6 months ended		12 months ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	S\$'000	S\$'000	S\$'000	S\$'000
Marketing and distribution expenses				
Advertising and promotions	473	413	864	741
Employee benefits expense	278	449	808	684
Entertainment	112	159	478	308
Administrative Expenses				
Rental expense of premises	290	288	578	601
Depreciation of plant and equipment	379	513	1,223	1,008
Depreciation of right-of-use assets	1,034	1,050	2,083	2,099
Employee benefits expense	605	2,290	3,915	5,259

5.4. RELATED PARTY TRANSACTIONS

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

6. INCOME TAX EXPENSES

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	6 months ended		12 months ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expense	112	-	112	-
(Over)/ Under provision for prior period	(3)	2	48	2
	(109)	2	160	2

7. LOSS PER SHARE

	Group			
	6 months ended		12 months ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Loss, net of tax attributable to owners of the company (S\$'000)	(1,664)	(236)	(3,963)	(1,319)
Weighted average number of equity shares ('000)	252,310	258,699	254,234	258,699
Loss per share – basic and diluted (S\$ cents)	<u>(0.66)</u>	<u>(0.09)</u>	<u>(1.56)</u>	<u>(0.51)</u>

Loss per share is computed based on the loss, net of tax attributable to owners of the company divided by the weighted average number of ordinary shares. Diluted loss per share is similar to basic loss per share as there were no potential dilutive ordinary shares existing as at 31 March 2023 and 31 March 2022.

8. DIVIDENDS

No dividend has been paid for the financial year ended 31 March 2023 (2022: Nil).

9. NET ASSET VALUE

	Group		Company	
	As at 31 March		As at 31 March	
	2023	2022	2023	2022
Net asset value (" NAV ") per ordinary shares (cents)	6.10	6.39	2.08	3.00
Equity attributable to owners of the company (S\$'000)	15,295	16,471	5,216	7,744
Number of ordinary shares used in computation of NAV per ordinary shares ('000)	<u>250,528</u>	<u>257,868</u>	<u>250,528</u>	<u>257,868</u>

10. PLANT AND EQUIPMENT

During the six months ended 31 March 2023, the Group acquired plant and equipment amounting to S\$870,000 (31 March 2022: S\$563,000) and disposed of plant and equipment amounting to S\$75,000 (31 March 2022: S\$104,000).

11. INTANGIBLE ASSETS

	Group
	Development cost
	S\$'000
At 1 April 2022	
Cost	4,973
Accumulated amortisation and impairment	-
Carrying value	4,973
12 months ended 31 March 2023	
Additions	1,103
Carrying value at 30 September 2022	6,076
Additions	1,129
Carrying value at 31 March 2023	7,205
At 31 March 2023	
Cost	7,205
Accumulated amortisation and impairment	-
Carrying value	7,205

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

All research costs and development costs 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 period. 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 fair value less costs of disposal method or the value in use method as appropriate for the separate CGUs.

The value in use was measured by management. The value in use is a recurring fair value measurement (Level 3). 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 financial year 2024 onwards.

Valuation technique and unobservable inputs	Range (weighted average)	
Discounted cash flow method:	31-Mar-23	31-Mar-22
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the intangible assets.	50.0%	50.0%
Terminal growth rate	4%	4%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management.	5 years	5 years

Actual outcomes could vary from these estimates. There is no impairment to the carrying value of the intangible assets:

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

12. CASH AND CASH EQUIVALENTS

	Group	
	As at 31 March	
	2023	2022
	S\$'000	S\$'000
Not restricted in use	4,608	10,846
Security deposits for bank facilities	4,445	4,445
Total	9,053	15,291

	Company	
	As at 31 March	
	2023	2022
	S\$'000	S\$'000
Not restricted in use	124	1,079

12A. CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS:

	Group	
	As at 31 March	
	2023	2022
	S\$'000	S\$'000
Amount as shown above	9,053	15,291
Security deposits for bank facilities	(4,445)	(4,445)
Cash and cash equivalents for statement of cash flows purposes, ending balance	4,608	10,846

	Company	
	As at 31 March	
	2023	2022
	S\$'000	S\$'000
Amount as shown above	124	1,079
Cash and cash equivalents for statement of cash flows purposes, ending balance	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 S\$4,445,000 (2022: S\$4,445,000) of the group has been pledged to banks.

13. SHARE CAPITAL

	The Group and the Company			
	31-Mar-23		31-Mar-22	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Beginning of interim period	255,000	16,728	258,302	17,306
Purchase of treasury shares	(4,472)	(862)	(434)	(75)
End of interim period	250,528	15,866	257,868	17,231

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income.

Treasury shares:

Movement in the Company's treasury shares were as follows:

	31-Mar-23		31-Mar-22	
	Number of treasury shares	Amount	Number of treasury shares	Amount
	'000	S\$'000	'000	S\$'000
	Beginning of interim period	10,000	1,741	6,698
Purchase during the year	4,472	856	434	75
End of interim period	14,472	2,327	7,132	1,238

During the six months ended 31 March 2023, the Company bought back 4,472,000 shares (2022: 434,600 shares) by way of market acquisition and all shares acquired are held as treasury shares. As at 31 March 2023, the Company held 14,472,000 treasury shares which represented approximately 5.78% of the 250,528,000 total issued shares (excluding treasury shares and subsidiary holdings). As at 31 March 2022, the Company held 7,132,500 treasury shares which represented approximately 2.77% of the 257,867,500 total issued shares (excluding treasury shares and subsidiary holdings).

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the reporting period.

There were no holdings in the Company by any subsidiary as at the end of the reporting period and as at the end of the corresponding period of the immediately preceding financial year.

14. OTHER FINANCIAL LIABILITIES

	Group		Company	
	As at 31 March		As at 31 March	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current:				
<u>Secured</u>				
Bank loans	1,588	2,820	-	-
Non-current, total	1,588	2,820	-	-
Current:				
<u>Secured</u>				
Bank loans	1,232	1,232	-	-
Trust receipts and bills payables	1,350	1,123	-	-
Current, total	2,582	2,355	-	-
Total	4,170	5,175	-	-
The non-current portion is repayable as follow:				
Due within 2 to 5 years	1,588	2,820	-	-

14A. Bank loans

The bank loans of the Group are secured by corporate guarantee by the Company.

14B. Trust receipt 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.

15. OTHER NON-FINANCIAL LIABILITIES

	Group	
	As at 31 March	
	2023	2022
	S\$'000	S\$'000
Warranty provision	600	751
Deposits from customers	6,344	15,670
Total	6,944	16,421

15A. Deposits from customers

Deposits from customers are not refundable and will be utilised upon purchases of automobiles by customers.

16. CATEGORIES FINANCIAL ASSETS AND LIABILITIES

The following table categorises the carrying amount of financial assets and liabilities recorded as at 31 March 2023 and 31 March 2022:

	Group		Company	
	As at 31 March		As at 31 March	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	<u>10,942</u>	<u>16,617</u>	<u>1,242</u>	<u>2,061</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	<u>14,159</u>	<u>10,883</u>	<u>10,249</u>	<u>6,369</u>

17. SUBSEQUENT EVENTS

There are no known subsequent events which have led to adjustments to this set of interim financial statements for the financial year ended 31 March 2023.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed interim consolidated statements of financial position of EuroSports Global Limited (the “Company”, together with its subsidiaries, the “Group”) as at 31 March 2023 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period and full year period then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

1a. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Update on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group’s business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Review of the Group’s performance

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.

Review of the Group's performance (cont'd)**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, employee benefits expense increased by S\$0.12 million, mainly due to increase in sales commissions and referral fee which is in tandem with increase in revenue.

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, 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-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 \$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.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

With the increased in car tax for higher-end cars announced in the Singapore Budget 2023, the Group's performance is expected to be negatively affected due to expected slowdown of demand. The automobiles industry remains highly challenging amidst intense competition and highly regulated environment in Singapore and regional market in which we operate.

Our subsidiary, Scorpio Electric ("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 Scorpio Electric distributors and dealers in over 16 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.

5. Dividend information

5a. Current financial period reported on

Any dividend declared for the current financial period reported on?

No.

5b. Corresponding period of the immediate preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

5c. Date payable

Not applicable.

5d. Books closure date

Not applicable.

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared for the financial year ended 31 March 2023 as the Group is conserving cash for its business operations.

7. **If the Group has obtained a general mandate from shareholders for interested person transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of Singapore Exchange Securities Trading Limited. If no interested person transactions mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders of the Company for interested person transactions. There were no interested person transactions of S\$100,000 or more for FY2023.

8. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers (in the format as set out in Appendix 7H of the Catalyst Rules) in accordance with Rule 720(1) of the Catalyst Rules.

9. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Refer to Section 2 for details.

10. **A breakdown of sales as follows:**

	Group		
	Financial year ended 31 March		Increase /
	2023	2022	(Decrease)
	S\$'000	S\$'000	%
(a) Sales reported for first half year	29,134	21,071	38.3
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(2,605)	(1,575)	65.4
(c) Sales reported for second half year	31,750	33,292	(4.6)
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(1,839)	(350)	425.4

11. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

No dividends were declared for financial year ended 31 March 2023 and 31 March 2022.

12. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Goh Yi Shun, Joshua
Age	33
Family relationship with any director and/ or substantial shareholder	Son of Melvin Goh Kim San and nephew of Andy Goh Kim Hup
Current position and duties, and the year the position was first held	<p>(a) Director of subsidiaries:</p> <ol style="list-style-type: none"> 1. EuroSports Auto Pte. Ltd. (w.e.f 1 September 2021) 2. EuroAutomobile Pte. Ltd. (w.e.f 1 September 2021) 3. Prosper Auto Pte. Ltd. (w.e.f 1 September 2021) 4. deLaCour Asia Pacific Pte. Ltd. (w.e.f 1 September 2021) 5. JES Auto Pte Ltd (w.e.f 15 November 2019) 6. EVI Electric Pte. Ltd. (w.e.f. 26 September 2021) 7. Scorpio Electric (Shenzhen) Co., Ltd (w.e.f. 2 February 2023) 8. Scorpio Electric Pte Ltd ("SEC") (w.e.f 1 September 2021) <p>(b) Chief Executive Officer ("CEO") of SEC (w.e.f 8 August 2022)</p>
Details of changes in duties and position held, if any, during the year	Promotion from Deputy CEO to CEO of SEC with effect from 8 August 2022

13. Disclosure required pursuant to Rule 706A of the Catalist Rules**(1) Increase in share capital of Scorpio Electric Pte. Ltd. ("SEC ordinary shares")**

On 11 October 2022, Scorpio Electric Pte. Ltd. ("**SEC**"), a subsidiary of the Company had allotted and issued an aggregate of 30,730 SEC ordinary shares to 3 new shareholders. Following the allotment and issuance of SEC ordinary shares, the issued share capital of SEC increased from 2,634,049 SEC ordinary shares to 2,664,779 SEC ordinary shares. The Company's interest in SEC remained at 2,000,000 SEC ordinary shares, and the Company's shareholding interest in SEC reduced from 75.93% to 75.05%.

On 28 December 2022, SEC had allotted and issued an aggregate of 1 SEC ordinary shares to EuroSports Global Limited. Following the allotment and issuance of SEC ordinary shares, the issued share capital of SEC increased from 2,664,779 SEC ordinary shares to 2,664,780 SEC ordinary shares and the Company's interest in SEC increased from 2,000,000 SEC ordinary shares to 2,000,001 SEC ordinary shares.

SEC had on 20 January 2023, 10 February 2023 and 20 March 2023 allotted and issued 9,869, 19,739 and 19,739 SEC ordinary shares respectively to an existing shareholder. The three issuances are the first 3 tranches of SEC Equity fundraising which was announced on 12 January 2023. Following the series of allotment and issuance of 49,347 SEC ordinary shares, the issued share capital of SEC increased from 2,664,780 SEC ordinary shares to 2,714,127 SEC ordinary shares. The Company's interest in SEC remained at 2,000,001 SEC ordinary shares and the Company's shareholding interest in SEC reduced from 75.05% to 73.69%.

The net assets value of SEC as at 31 March 2023 approximated S\$11,693,000.

(2) Incorporation of subsidiary, Scorpio Electric (Shenzhen) Co., Ltd

As announced on 6 February 2023, SEC has incorporated a wholly-owned subsidiary in China, Scorpio Electric (Shenzhen) Co., Ltd.

Save as disclosed above, there is no other acquisition and/or sale of shares in any subsidiaries or associated companies of the Group during FY2023 which is required to be reported under Rule 706(A) of the Catalist Rules.

By Order of the Board
EuroSports Global Limited

Goh Kim San
Executive Chairman and Chief Executive Officer

29 May 2023