

EUROSPORTS GLOBAL LIMITED
Company Registration Number: 201230284Z

**Unaudited Condensed Interim Financial Statements
For The Six Months Ended 30 September 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		Change %
		6 months ended		
		30-Sep-23	30-Sep-22	
		S\$'000	S\$'000	
Revenue		8,627	29,134	(70.4)
Cost of sales		<u>(7,508)</u>	<u>(24,566)</u>	(69.4)
Gross profit		1,119	4,568	(75.5)
Other income		301	1,107	(72.8)
Interest income		20	5	300.0
Other gains		100	278	(64.0)
Marketing and distribution expenses		(901)	(1,320)	(31.7)
Administrative expenses		(6,742)	(7,044)	(4.3)
Other losses		(506)	(24)	n.m.
Finance costs		<u>(185)</u>	<u>(123)</u>	50.4
Loss before tax	5	(6,794)	(2,553)	166.1
Income tax expense	6	<u>-</u>	<u>(52)</u>	n.m.
Loss, net of tax		(6,794)	(2,605)	160.8
<u>Other comprehensive income:</u>				
<u>Item that may be reclassified subsequently</u>				
<u>to profit or loss:</u>				
Foreign currency translation		<u>(3)</u>	<u>-</u>	n.m.
Total comprehensive loss, net of tax		(6,797)	(2,605)	160.9
Loss, net of tax attributable to:				
Owners of the company		(6,193)	(2,299)	169.4
Non-controlling interests		<u>(601)</u>	<u>(306)</u>	96.4
Loss, net of tax		(6,794)	(2,605)	160.8
Total comprehensive loss, net of tax				
attributable to:				
Owners of the company		(6,196)	(2,299)	169.5
Non-controlling interests		<u>(601)</u>	<u>(306)</u>	96.4
Total comprehensive loss, net of tax		(6,797)	(2,605)	160.9
		Cents	Cents	
Loss per share:				
Basic and diluted	7	<u>(2.49)</u>	<u>(0.90)</u>	176.7

Note:
n.m. denotes not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		As at		As at	
		30-Sep-23	31-Mar-23	30-Sep-23	31-Mar-23
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
<u>Non-current assets</u>					
Plant and equipment	10	1,914	2,302	-	-
Right-of-use assets		3,296	3,438	2,456	3,438
Intangible assets	11	9,195	7,205	-	-
Investment in subsidiaries		-	-	12,444	10,208
Financial assets at FVTPL		139	139	139	139
Other non-financial assets		90	90	-	-
Total non-current assets		14,634	13,174	15,039	13,785
<u>Current assets</u>					
Inventories		14,725	12,146	-	-
Trade and other receivables		1,165	1,889	3,143	1,118
Other non-financial assets		9,450	4,336	551	438
Cash and cash equivalents	12	6,841	9,053	33	124
Total current assets		32,181	27,424	3,727	1,680
Total assets		46,815	40,598	18,766	15,465
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	13	15,323	15,866	15,323	15,866
Other reserves		1,047	376	149	-
Accumulated losses		(7,689)	(972)	(11,690)	(10,650)
Equity attributable to owners of the company		8,681	15,270	3,782	5,216
Non-controlling interests		4,240	4,113	-	-
Total equity		12,921	19,383	3,782	5,216
<u>Non-current liabilities</u>					
Other financial liabilities	14	4,001	1,588	3,181	-
Lease liabilities		1,257	2,411	1,024	1,532
Total non-current liabilities		5,258	3,999	4,205	1,532
<u>Current liabilities</u>					
Trade payables		8,875	5,267	9,261	6,708
Other financial liabilities	14	5,993	2,582	-	-
Lease liabilities		2,908	2,311	1,518	2,009
Other non-financial liabilities	15	10,831	6,944	-	-
Income tax payables		29	112	-	-
Total current liabilities		28,636	17,216	10,779	8,717
Total liabilities		33,894	21,215	14,984	10,249
Total equity and liabilities		46,815	40,598	18,766	15,465

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 2023	15,866	376	(972)	15,270	4,113	19,383
Movements in equity:						
Issue of convertible bonds	-	149	-	149	-	149
Change of interest in subsidiary	-	3	(524)	(521)	543	22
Purchase of treasury shares	(543)	-	-	(543)	-	(543)
Share-based payment reserve	-	522	-	522	185	707
Loss, net of tax	-	-	(6,193)	(6,193)	(601)	(6,794)
<u>Other comprehensive income:</u>						
Foreign currency translation	-	(3)	-	(3)	-	(3)
Closing balance at 30 September 2023	<u>15,323</u>	<u>1,047</u>	<u>(7,689)</u>	<u>8,681</u>	<u>4,240</u>	<u>12,921</u>
Previous year:						
Opening balance at 1 April 2022	17,231	177	(937)	16,471	2,899	19,370
Movements in equity:						
Purchase of treasury shares	(503)	-	-	(503)	-	(503)
Transaction costs directly attributable to capital contribution by non-controlling interest of subsidiary	-	-	(63)	(63)	(20)	(83)
Share-based payment reserve	-	431	-	431	137	568
Loss, net of tax	-	-	(2,299)	(2,299)	(306)	(2,605)
Closing balance at 30 September 2022	<u>16,728</u>	<u>608</u>	<u>(3,299)</u>	<u>14,037</u>	<u>2,710</u>	<u>16,747</u>

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

	Company			
	Share capital S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Current year:				
Opening balance at 1 April 2023	15,866	-	(10,650)	5,216
Movements in equity:				
Purchase of treasury shares	(543)	-	-	(543)
Issue of convertible bonds	-	149	-	149
Loss, net of tax	-	-	(1,040)	(1,040)
Closing balance at 30 September 2023	<u>15,323</u>	<u>149</u>	<u>(11,690)</u>	<u>3,782</u>
Previous year:				
Opening balance at 1 April 2022	17,231	-	(9,487)	7,744
Movements in equity:				
Purchase of treasury shares	(503)	-	-	(503)
Loss, net of tax	-	-	(530)	(530)
Closing balance at 30 September 2022	<u>16,728</u>	<u>-</u>	<u>(10,017)</u>	<u>6,711</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	6 months ended	
	30-Sep-23	30-Sep-22
	S\$'000	S\$'000
<u>Cash flows used in operating activities</u>		
Loss before tax	(6,794)	(2,553)
Adjustments for:		
Depreciation of plant and equipment	255	844
Depreciation of right-of-use assets	1,010	1,049
(Gain)/Loss on disposal of plant and equipment	(27)	24
Interest income	(20)	(5)
Interest expense on financial liabilities	153	110
Interest expense on lease liabilities	32	13
Performance share expense	707	568
Operating cash flows before changes in working capital	(4,684)	50
Inventories	(2,580)	(3,075)
Trade and other receivables	724	526
Other non-financial assets	(5,114)	2,615
Other non-financial liabilities	3,887	(2,557)
Trade payables	3,609	(794)
Net cash flows used in operations	(4,158)	(3,235)
Income taxes expense	(83)	(26)
Net cash flows used in operating activities	(4,241)	(3,261)
<u>Cash flows used in investing activities</u>		
Additions to intangible assets	(1,990)	(1,103)
Purchase of plant and equipment	(100)	(444)
Disposal of plant and equipment	283	238
Interest received	20	5
Net cash flows used in investing activities	(1,787)	(1,304)
<u>Cash flows from financing activities</u>		
Increase of other financial liabilities	4,617	3,620
Repayment of borrowing	(1,975)	-
Proceeds from issuance of convertible bonds	3,300	-
Increase in security deposits for banking facilities	(29)	-
Transaction costs directly attributable to capital contribution by non-controlling interest of subsidiary	-	(83)
Purchase of treasury shares	(543)	(503)
Payment of lease liabilities	(1,457)	(1,261)
Interest paid	(123)	(110)
Net cash flows from / (used in) financing activities	3,790	1,663
Net decrease in cash and cash equivalents	(2,238)	(2,902)
Cash and cash equivalents, statement of cash flows, beginning balance	4,557	10,846
Effect of currency translation	(3)	-
Cash and cash equivalents, statement of cash flows, ending balance (Note 12A)	2,316	7,944

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 ended 30 September 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 ended 30 September 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 annual financial statements for the year ended 31 March 2023.

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 2023. 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 consolidated financial statements as at and for the year ended 31 March 2023.

3. SEASONAL OPERATIONS

The Group's businesses were not affected significantly by seasonal or cyclical factors during the first half year ended 30 September 2023 ("1HFY2024").

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	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	8,608	29,013	1	-	18	121	8,627	29,134
Inter-segment revenue	-	-	-	-	-	-	-	-
Revenue from external parties	8,608	29,013	1	-	18	121	8,627	29,134
- Sales of automobiles	6,723	26,506	-	-	-	-	6,723	26,506
- Sales of watches	-	-	-	-	18	121	18	121
- Sales of merchandise, parts and servicing	1,885	2,507	1	-	-	-	1,886	2,507
Segment profit	1,110	4,449	-	-	9	119	1,119	4,568
Other income	263	1,089	38	18	-	-	301	1,107
Interest income	20	5	-	-	-	-	20	5
Other gains	100	127	2	151	(2)	-	100	278
Marketing and distribution expenses	(774)	(1,281)	(127)	(34)	-	(5)	(901)	(1,320)
Administrative expenses	(4,218)	(4,972)	(2,516)	(2,060)	(8)	(12)	(6,742)	(7,044)
- Depreciation of plant and equipment	(123)	(706)	(132)	(137)	-	(1)	(255)	(844)
- Depreciation of right-of-use assets	(995)	(1,049)	(15)	-	-	-	(1,010)	(1,049)
Other losses	(506)	(24)	-	-	-	-	(506)	(24)
Finance costs	(182)	(122)	(3)	(1)	-	-	(185)	(123)
(Loss)/ Profit before tax	(4,187)	(729)	(2,606)	(1,926)	(1)	102	(6,794)	(2,553)
Income tax expense	-	(52)	-	-	-	-	-	(52)
(Loss)/Profit, net of tax	(4,187)	(781)	(2,606)	(1,926)	(1)	102	(6,794)	(2,605)

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

4.4 ASSETS, LIABILITIES AND RECONCILIATIONS

	Segment assets		Segment liabilities	
	As at		As at	
	30-Sep-23 S\$'000	31-Mar-23 S\$'000	30-Sep-23 S\$'000	31-Mar-23 S\$'000
Automobiles distribution	37,008	30,780	31,812	20,595
Sustainable mobility	15,055	12,442	3,292	750
Other	45	31	4,683	4,668
	52,108	43,253	39,787	26,013
Elimination of inter-segment	(5,293)	(2,655)	(5,893)	(4,798)
Total	46,815	40,598	33,894	21,215

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	
	30-Sep-23 S\$'000	30-Sep-22 S\$'000
Commission income	70	393
Government income	-	1
Rental income	62	66
Sales incentives from manufacturers	(88)	557
Others	257	90
	301	1,107

5.2. OTHER GAINS AND (OTHER LOSSES)

	Group	
	6 months ended	
	30-Sep-23 S\$'000	30-Sep-22 S\$'000
Reversal / (Allowance) for impairment on trade receivables	(506)	131
Foreign exchange adjustments gain	73	147
Loss on disposal of plant and equipment	27	(24)
	(406)	254
<u>Presented in profit or loss as:</u>		
Other gains	100	278
Other losses	(506)	(24)
Net	(406)	254

5. LOSS BEFORE TAX (CONT'D)

5.3. MARKETING AND DISTRIBUTION EXPENSES AND ADMINISTRATIVE EXPENSES

The major components include the following:

	Group	
	6 months ended	
	30-Sep-23	30-Sep-22
	S\$'000	S\$'000
Marketing and distribution expenses		
Advertising and promotions	692	391
Employee benefits expense	36	530
Entertainment and gifts	135	366
	135	366
Administrative expenses		
Depreciation of plant and equipment	255	844
Depreciation of right-of-use assets	1010	1,049
Employee benefits expense	3,362	3,310
Rental expense of premises	255	288
	255	288

5.4. RELATED PARTY TRANSACTIONS

There were no material related party transactions apart from those disclosed elsewhere in the unaudited condensed interim financial statements for 1HFY2024.

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	
	30-Sep-23	30-Sep-22
	S\$'000	S\$'000
Under adjustment in respect to prior period	-	52
	-	52

7. LOSS PER SHARE

	Group	
	6 months ended	
	30-Sep-23	30-Sep-22
Loss, net of tax attributable to owners of the company (S\$'000)	(6,193)	(2,299)
Weighted average number of equity shares	248,941,975	255,285,402
Loss per share – basic and diluted (cents)	(2.49)	(0.90)

Loss per share is computed based on loss, net of tax attributable to owners of the company divided by the weighted average number of equity shares. For 1HFY2024, the computation of diluted EPS does not assume the conversion of convertible bonds as the convertible bonds are considered anti-dilutive. There were no potential dilutive ordinary shares existing for half year ended 30 September 2022 (“1HFY2023”).

8. DIVIDENDS

No dividend has been paid for 1HFY2024 (1HFY2023: Nil).

9. NET ASSET VALUE

	Group		Company	
	As at		As at	
	30-Sep-23	31-Mar-23	30-Sep-23	31-Mar-23
Net asset value (“NAV”) per ordinary shares (cents)	3.51	6.10	1.53	2.08
Equity attributable to owners of the company (S\$'000)	8,681	15,295	3,782	5,216
Number of ordinary shares used in computation of NAV per ordinary shares ('000)	247,660	250,528	247,660	250,528

10. PLANT AND EQUIPMENT

During 1HFY2024, the Group acquired plant and equipment amounting to S\$100,000 (1HFY2023: S\$444,000) and disposed plant and equipment with carrying amount of S\$255,000 (1HFY2023: S\$262,000).

11. INTANGIBLE ASSETS

	Group
	Development cost
	S\$'000
At 31 March 2023	
Cost	7,205
Accumulated amortisation and impairment	-
Carrying value	7,205
6 months ended 30 September 2023	
<u>Cost:</u>	
At 1 April 2023	7,205
Additions	1,990
At 30 September 2023	9,195
<u>Accumulated amortisation and impairment:</u>	
At 1 April 2023 and 30 September 2023	-
<u>Carrying value:</u>	
At 30 September 2023	9,195

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 year 2024 onwards.

Valuation technique and unobservable inputs	Range (weighted average)	
Discounted cash flow method:	30-Sep-23	31-Mar-23
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

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	
	30-Sep-23	31-Mar-23
	S\$'000	S\$'000
Not restricted in use	2,316	4,557
Security deposits for bank facilities	4,525	4,496
Total	6,841	9,053

	Company	
	As at	
	30-Sep-23	31-Mar-23
	S\$'000	S\$'000
Not restricted in use	33	124

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

	Group	
	As at	
	30-Sep-23	30-Sep-22
	S\$'000	S\$'000
Amount as shown above	6,841	12,389
Security deposits for bank facilities	(4,525)	(4,445)
Cash and cash equivalents for statement of cash flows purposes, ending balance	2,316	7,944

During 1HFY2024, the security deposits for bank facilities bear interest range from 0.10% to 2.00% (1HFY2023: 0.05% to 0.35%) per annum for the Group. As at 30 September 2023 and 30 September 2022, the security deposits for bank facilities of S\$4,525,000 of the Group has been pledged to banks.

13. SHARE CAPITAL

	The Group and the Company			
	30-Sep-23		31-Mar-23	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Beginning of interim period	250,528	15,866	255,000	16,728
Purchase of treasury shares	(2,868)	(543)	(4,472)	(862)
End of interim period	247,660	15,323	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.

As at 30 September 2023, the convertible bonds of the Company which are convertible up to 7,333,333 ordinary shares of the Company pursuant to the terms of the convertible agreement. Please also refer to Note 14D for more information.

13. SHARE CAPITAL (CONT'D)

Treasury shares:

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

	30-Sep-23		31-Mar-23	
	Number of treasury shares	Amount	Number of treasury shares	Amount
	'000	S\$'000	'000	S\$'000
Beginning of interim period	14,472	2,603	10,000	1,741
Purchase during the year	2,868	543	4,472	862
End of interim period	17,340	3,146	14,472	2,603

During 1HFY2024, the Company bought back 2,868,000 shares by way of market acquisition and all shares acquired are held as treasury shares. As at 30 September 2023, the Company held 17,340,000 treasury shares which represented approximately 7.00% of the 247,660,000 total issued shares (excluding treasury shares and subsidiary holdings). As at 31 March 2023, the Company held 14,472,000 treasury shares which approximately 5.78% of the 250,528,000 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	
	As at	
	30-Sep-23 S\$'000	31-Mar-23 S\$'000
Non-current:		
<u>Secured</u>		
Bank loans (secured)	820	1,588
Convertible bonds	3,181	-
Non-current, total	4,001	1,588
Current:		
<u>Secured</u>		
Bank loans (secured)	1,375	1,232
Short term loan	-	1,350
Trust receipt	4,618	-
Current, total	5,993	2,582
Total	9,994	4,170
The non-current portion is repayable as follow:		
Due within 2 to 5 years	4,001	1,588

14. OTHER FINANCIAL LIABILITIES (CONT'D)

14A. 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) S\$43,000 from 1 June 2021 and (ii) S\$65,000 from 1 July 2021 respectively.

14B. 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 was repaid on 8 June 2023 and was secured by pledge over the inventories of the Group.

14C. 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.

14D. Convertible bonds

On 3 August 2023, the Company issued 4% convertible bonds denominated in Singapore dollars with a nominal value of \$3,300,000. The convertible bonds have a maturity term of 36 months and a coupon rate of 4.00%, payable annually in arrears. Additionally, Bondholders have the option to convert into ESG or exchange into Scorpio Electric Pte. Ltd. ("**SEC**") ordinary shares at conversion prices of S\$0.45 per share (the "ESG Conversion Price") and S\$74.72 per share (the "**SEC Conversion Price**") respectively, at any time commencing from the date of issuance.

Bondholders may opt to redeem up to 50% of the subscription amount in cash at maturity or, under specific conditions, such as SEC entering into a 'Business Combination Agreement' with a listed Special Purpose Acquisition Company ("**SPAC**") through a de-SPAC process, an Initial Public Offering of SEC, a Trade Sale of SEC, or the volume-weighted average price of the Company's shares reaching and/or exceeding S\$0.60 per share for seven consecutive market days, to convert the Bonds to ESG or SEC shares based on the conversion prices mentioned

The fair value of the liability component, included in non-current borrowings, is calculated using a market interest rate for prime lending rate at the date of issue. The residual amount, representing the value of equity conversion component, is included in other reserves of shareholders' equity.

The carrying amount of the liability component of the convertible bonds at the balance sheet date is derived as follows:

	Group and Company
	As at
	30-Sep-23
	S\$'000
Face value of convertible bonds at issuance	3,300
Equity conversion component on initial recognition	(149)
Liability component on initial recognition	3,151
Accumulated amortisation of interest expense	30
Liability component	3,181

15. OTHER NON-FINANCIAL LIABILITIES

	Group	
	As at	
	30-Sep-23	31-Mar-23
	S\$'000	S\$'000
Warranty provision	544	600
Deposits from customers	10,287	6,344
Total	10,831	6,944

15A. 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.

16. CATEGORIES FINANCIAL ASSETS AND LIABILITIES

The following table categorises the carrying amount of financial assets and liabilities recorded as at 30 September 2023 and 31 March 2023:

	Group		Company	
	As at		As at	
	30-Sep-23	31-Mar-23	30-Sep-23	31-Mar-23
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	8,006	10,942	3,176	1,242
Financial assets at FVTPL	139	139	139	139
	8,145	11,081	3,315	1,381
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	23,034	14,159	14,984	10,249

17. SUBSEQUENT EVENTS

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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 financial statements of EuroSports Global Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the six months ended 30 September 2023 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 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.

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 decreased by S\$20.51 million or 70.4%, from S\$29.13 million in 1HFY2023 to S\$8.63 million in 1HFY2024. The automobiles distribution segment continued to be the main revenue contributor of the Group's total revenue. However, the revenue from automobiles distribution segment has decreased by S\$20.41 million or 70.3%, from S\$29.01 million in 1HFY2023 to S\$8.61 million in 1HFY2024. The decrease was mainly due to 74.6% drop in sale of automobiles to S\$6.72 million from S\$26.5 million in 1HFY2023 to S\$6.7 million in 1HFY2024.

Sales of merchandise, parts and servicing decreased by 24.8% to S\$1.89 million in 1HFY2024 from S\$2.51 million in 1HFY2023. Sales of Lamborghini automobile was S\$6.04 million in 1HFY2024 or 70.0% of the Group's total revenue (1HFY2023: S\$23.64 million or 81.2% of the Group's total revenue).

Sales of Alfa Romeo decreased by S\$1.22 million with total revenue of S\$0.65 million or 7.5% of total revenue in 1HFY2024 from S\$1.87 million in 1HFY2023, as the Group relinquished its 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 decreased by S\$17.06 million or 69.4%, from S\$24.57 million in 1HFY2023 to S\$7.51 million in 1HFY2024. This is in tandem with the decrease in revenue.

Gross profit and gross profit margin

Gross profit decreased by S\$3.45 million or 75.5%, from S\$4.57 million in 1HFY2023 to S\$1.12 million in 1HFY2024 and gross profit margin of the Group decreased by 2.7 percentage point, from 15.7% in 1HFY2023 to 13.0% in 1HFY2024. Lower gross profit margin was due to export of automobiles which has lower profit margins.

Other income

Other income of the Group has decreased by S\$0.81 million or 72.8%, from S\$1.11 million in 1HFY2023 to S\$0.30 million in 1HFY2024, mainly due to decrease in sales incentives from manufacturers by S\$0.65 million and decrease in commission income of S\$0.32 million due to slowdown in sales activity in 1HFY2024.

Other gains and (other losses), net

Other losses, net of S\$0.41 million was mainly due to impairment on trade receivables. The Company continues to monitor the and based on historical experience in the collection of receivables management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

Marketing and distribution expenses

Marketing and distribution expenses of the Group decreased by S\$0.42 million or 31.7%, from S\$1.32 million in 1HFY2023 to S\$0.90 million in 1HFY2024. This was mainly due to lower sales commissions and referral fee which is in tandem with the lower revenues and reduced entertainment partly due to lower revenues in 1HFY2024 and partly due to higher expense in 1HFY2023 as the easing of COVID-19 restrictions which allowed the management to meet up with customers in person. The reduction was partially offset by an increase in advertising and promotions with the launch campaign of Revuelto, the latest Lamborghini model.

Administrative expenses

Administrative expenses of the Group increased by S\$0.30 million or 4.3%, from S\$7.04 million in 1HFY2023 to S\$6.74 million in 1HFY2024, mainly due to decrease in depreciation of plant and equipment by S\$0.59 million, partially offset by increase in (i) consultancy fee related to issuance of convertible bonds by S\$0.13 million, (ii) share-based expense by S\$0.14 million. The Group also incurred higher transport charges and travel & accommodation cost as Scorpio Electric Pte Ltd advanced toward mass production of X1.

Finance costs

Finance costs of the Group increased by S\$0.06 million or 50.4%, from S\$0.12 million in 1HFY2023 to S\$0.19 million in 1HFY2024. It was mainly due to convertible bond interest and higher interest from lease liabilities and bank loan by S\$0.08 million, partially offset by decrease in interests from trade financing due to lower activity by S\$0.03 million.

Review of the Group's financial position**Non-current assets**

Non-current assets of the Group increased by S\$1.46 million, from S\$13.17 million as at 31 March 2023 to S\$14.63 million as at 30 September 2023, mainly due to increase in intangible assets by S\$1.99 million, which relates to development costs of electric motorcycle, partially offset by decrease in net book value of plant and equipment and right-of-use assets by S\$0.53 million.

Current assets

Current assets of the Group increased by S\$4.57 million, from S\$27.42 million as at 31 March 2023 to S\$31.99 million as at 30 September 2023. This was mainly due to increase in (i) other non-financial assets by S\$5.11 million resulted from increased deposit paid to factory for order of new automobiles by S\$3.31 million and higher prepayments related to development cost of electric motorcycles and cost related to mass production of X1 by S\$1.49 million, (ii) increase in inventories by S\$2.58 million, partially offset by decrease in trade and other receivables and cash and cash equivalents by S\$0.72 million and S\$2.21 million respectively.

Equity

Equity comprises share capital, other reserves, accumulated losses and non-controlling interest. The Group equity stood at S\$12.92 million, decrease of S\$6.46 million from 31 March 2023, mainly due to loss, net of tax for 1HFY2024. The Company conducted share buy-back amounted S\$0.54 million in 1HFY2024.

Non-current liabilities

Non-current liabilities of the Group increased by S\$1.26 million from S\$4.00 million as at 31 March 2023 to S\$5.26 million as at 30 September 2023, mainly due to S\$3.18 million liability component of convertible bonds offset by net repayment of loans and lease liabilities.

Current liabilities

Current liabilities of the Group increased by S\$11.42 million, from S\$17.22 million as at 31 March 2023 to S\$28.64 million as at 30 September 2023, mainly due to increase in (i) trade payables by S\$3.61 million for payment to suppliers, (ii) other financial liabilities by S\$3.41 million, (iii) lease liabilities by S\$0.60 million and (iv) other non-financial liabilities by S\$3.89 million mainly related to increase deposits for car orders from customers. The increase in (i) & (ii) related to increase in trade financing and higher activities from Scorpio Electric Pte Ltd as its advanced toward mass production of X1.

Review of the Group's cash flows

Net cash used in operating activities amounted to S\$4.24 million in 1HFY2024. This was mainly due to negative operating cash flows before changes in working capital of S\$4.68 million and net working capital inflow of S\$0.44 million.

Net cash used in investing activities amounted to S\$1.79 million in 1HFY2024. This was mainly due to addition to intangible assets of S\$1.99 million, offset by cash from net disposal of plant and equipment of S\$0.18 million.

Net cash from financing activities amounted to S\$3.79 million in 1HFY2024. This was mainly due to proceeds from issue of convertible bonds of S\$3.3 million, net increase in loan and trade financing of S\$2.64 million offset by payment of lease liabilities of S\$1.46 million and purchase of treasury shares of S\$0.54 million.

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

The Company announced profit guidance on 2 November 2023. The financial results are in line with the explanation stated in profit guidance announcement.

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.

Ultra-luxury Automobile Distribution and Aftersales

The automobile industry, in which the Group operates, poses a number of difficulties due to intense competition and a highly regulated environment in Singapore and the regional market. The Group foresaw headwinds from the increase in car tax for higher-end cars announced in the Singapore Budget 2023, as revealed in our most recent annual report. These headwinds were expected to be exacerbated by the projected slowdown in demand. The number of ultra-luxury car registrations¹ in Singapore during the first half of 2023, compared to the second half of 2023 (up to September as of today), reflect this.

Regrettably, our sales in 1HFY2024 were also adversely impacted by the late arrival of Urus S and Urus Performante. Nevertheless, over the next six months, we will begin supplying these models, and the Group expected improvements in our financial for the subsequent reporting period.

On the other hand, the Group is cautiously optimistic about the first half of financial year ending 31 March 2025 (“**1HFY2025**”) as it is anticipated to generate renewed interest from prospective buyers following the launch campaign of the newest Lamborghini model, the Revuelto, in September 2023. The number of orders and deposits for the Revuelto has already reached double digits, and delivery will commence in 1HFY2025.

We anticipate a positive financial impact resulting from the forthcoming deliveries of the Urus S, Urus Performante and Revuelto to the customers over the course of the next 12 months.

Sustainable Mobility – Singapore’s First Electric Motorcycle Manufacturer

Our subsidiary, Scorpio Electric Pte. Ltd. (“**SEC**”), has achieved considerable progress in research and development, and is preparing for mass production. Our first product, the X1, an electric maxi scooter, is undergoing testing and certification: an essential phase prior to mass production. Deliveries are expected to commence in summer 2024.

SEC is participating in the prestigious Esposizione Internazionale Ciclo Motociclo e Accessori (“**EICMA**”) exhibition in Milan, Italy, from 7-12 November 2023. The EICMA exhibition will serve as an international platform for SEC to officially unveil the Scorpio Electric brand, the X1 and the Infinity concepts: new electric motorcycle models to usher in a new age of sustainable mobility. We also expect to broaden our stakeholder network of potential vendors, suppliers, distributors, dealers, business partners and customers.

SEC is in the midst of establishing distribution and aftersales channels in the Asia Pacific and European regions. In the next 12 months, we plan to grow our distributor and dealer network in over 10 to 15 cities across the Asia Pacific and European regions. The Group anticipates top line growth as we commence deliveries in summer 2024.

¹ https://www.lta.gov.sg/content/dam/ltagov/who_we_are/statistics_and_publications/statistics/pdf/M03-Car_Regn_by_make.pdf

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, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the current financial period as the Company/and or the Group is conserving cash for its expansion into sustainable mobility.

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 1HFY2024.

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 Catalist Rules) in accordance with Rule 720(1) of the Catalist Rules.

9. Disclosure required pursuant to Rule 706A of the Catalist Rules

(1) Increase in share capital of Scorpio Electric Pte. Ltd.

As part of the convertible bonds placement announced on 4 July 2023, 7 July 2023, 11 July 2023, 1 August 2023, 3 August 2023 and 20 September 2023, the Company had injected 70% of the net proceeds from the placement into Scorpio Electric Pte. Ltd. ("**SEC**"). The number of SEC's ordinary shares allotted to the Company was 34,911 SEC shares. Following the allotment and issuance of SEC ordinary shares, the Company's interest in SEC increased from 2,000,001 SEC shares (73.69%) to 2,034,912 SEC shares (74.02%).

(2) Incorporation of subsidiary, Scorpio Electric Europa, Sociedad De Responsabilidad Limitada

As announced on 7 September 2023, SEC has incorporated a wholly-owned subsidiary in Spain, Scorpio Electric Europa, Sociedad De Responsabilidad Limitada.

Saved as disclosed above, there is no other acquisition and/or sale of shares in any subsidiaries or associated companies of the Group during 1HFY2024 which is required to be reported under Rule 706(A) of the Catalist Rules.

10. Confirmation pursuant to the Rule 705(5)

The Board of Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to its attention which may render financial results for the half year ended 30 September 2023 to be false or misleading in any material aspect.

**On Behalf of the Board
EuroSports Global Limited**

**Goh Kim San
Executive Chairman
and Chief Executive Officer**

**Goh Kim Hup
Executive Director
and Deputy Chief Executive Officer**

10 November 2023