

EUROSPORTS GLOBAL LIMITED
Company Registration Number: 201230284Z

**Unaudited Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 March 2022**

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-22 S\$'000	Unaudited 31-Mar-21 S\$'000	Change %	Unaudited 31-Mar-22 S\$'000	Audited 31-Mar-21 S\$'000	Change %
Revenue		33,292	24,756	34.5	54,363	49,123	10.7
Cost of sales		<u>(28,683)</u>	<u>(19,986)</u>	43.5	<u>(45,544)</u>	<u>(40,483)</u>	12.5
Gross profit		4,609	4,770	(3.4)	8,819	8,640	2.1
Other income		1,829	1,095	67.0	3,176	2,774	14.5
Interest income		2	14	(85.7)	14	47	(70.2)
Other gains		271	322	(15.8)	713	352	102.6
Marketing and distribution expenses		(1,249)	(1,029)	21.4	(2,095)	(1,606)	30.4
Administrative expenses		(5,572)	(5,687)	(2.0)	(12,047)	(11,661)	3.3
Other losses		(115)	(1,153)	(90.0)	(168)	(1,524)	(89.0)
Finance costs		<u>(123)</u>	<u>(209)</u>	(41.1)	<u>(335)</u>	<u>(632)</u>	(47.0)
Loss before tax	5	(348)	(1,877)	(81.5)	(1,923)	(3,610)	(46.7)
Income tax expense	6	<u>(2)</u>	<u>(117)</u>	(98.3)	<u>(2)</u>	<u>(117)</u>	(98.3)
Loss, net of tax		<u>(350)</u>	<u>(1,994)</u>	(82.5)	<u>(1,925)</u>	<u>(3,727)</u>	(48.3)
Other comprehensive loss:							
Item that will not be reclassified to profit or loss:							
Fair value changes attributable to changes in the credit risk of convertible bond							
		<u>-</u>	<u>(21)</u>	n.m.	<u>-</u>	<u>(21)</u>	n.m.
Total comprehensive loss, net of tax		<u>(350)</u>	<u>(2,015)</u>	(82.6)	<u>(1,925)</u>	<u>(3,748)</u>	(48.6)
Loss, net of tax attributable to:							
Owners of the parent		(236)	(1,721)	(86.3)	(1,319)	(3,688)	(64.2)
Non-controlling interests		<u>(114)</u>	<u>(273)</u>	(58.2)	<u>(606)</u>	<u>(39)</u>	1,453.8
Loss, net of tax		<u>(350)</u>	<u>(1,994)</u>	(82.5)	<u>(1,925)</u>	<u>(3,727)</u>	(48.3)
Total comprehensive loss attributable to:							
Owners of the parent		(236)	(1,742)	(86.5)	(1,319)	(3,709)	(64.4)
Non-controlling interests		<u>(114)</u>	<u>(273)</u>	(58.2)	<u>(606)</u>	<u>(39)</u>	1,453.8
Total comprehensive loss, net of tax		<u>(350)</u>	<u>(2,015)</u>	(82.6)	<u>(1,925)</u>	<u>(3,748)</u>	(48.6)
		Cents	Cents		Cents	Cents	
Loss per share:							
Basic and diluted	7	<u>(0.09)</u>	<u>(0.66)</u>	(86.4)	<u>(0.51)</u>	<u>(1.41)</u>	(63.8)

Note:
n.m. denotes not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		As at		As at	
		Unaudited 31-Mar-22 S\$'000	Audited 31-Mar-21 S\$'000	Unaudited 31-Mar-22 S\$'000	Audited 31-Mar-21 S\$'000
ASSETS					
<u>Non-current assets</u>					
Plant and equipment	10	3,011	3,526	-	-
Right-of-use assets		1,399	3,498	1,399	3,498
Intangible assets	11	4,973	3,089	-	-
Investment in subsidiaries		-	-	10,208	7,197
Other non-financial assets		90	-	-	-
Total non-current assets		9,473	10,113	11,607	10,695
<u>Current assets</u>					
Inventories		11,227	13,317	-	-
Trade and other receivables		1,326	918	982	1,341
Other non-financial assets		9,365	1,039	445	418
Cash and cash equivalents	12	15,291	16,608	1,079	3,849
Total current assets		37,209	31,882	2,506	5,608
Total assets		46,682	41,995	14,113	16,303
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	13	17,231	17,624	17,231	17,624
Other reserves		177	206	-	123
Accumulated losses		(937)	(2,602)	(9,487)	(12,646)
Equity attributable to owners of the parent		16,471	15,228	7,744	5,101
Non-controlling interests		2,899	2,397	-	-
Total equity		19,370	17,625	7,744	5,101
<u>Non-current liabilities</u>					
Other financial liabilities	14	2,820	5,000	-	-
Lease liabilities		-	1,951	-	1,523
Total non-current liabilities		2,820	6,951	-	1,523
<u>Current liabilities</u>					
Trade payables		4,018	3,648	4,846	3,969
Other financial liabilities	14	2,355	3,744	-	3,483
Lease liabilities		1,690	2,768	1,523	2,227
Other non-financial liabilities	15	16,421	7,205	-	-
Income tax payables		8	54	-	-
Total current liabilities		24,492	17,419	6,369	9,679
Total liabilities		27,312	24,370	6,369	11,202
Total equity and liabilities		46,682	41,995	14,113	16,303

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Group					
	Share capital	Accumulated losses	Other reserves	Attributable to parent	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current year:						
Opening balance at 1 April 2021	17,624	(2,602)	206	15,228	2,397	17,625
Movements in equity:						
Purchase of treasury shares	(393)	-	-	(393)	-	(393)
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)	-
Share-based payment reserve	-	-	94	94	29	123
Loss, net of tax	-	(1,319)	-	(1,319)	(606)	(1,925)
Other comprehensive loss:						
Transfer of fair value changes attributable to changes in credit risk of convertible bond upon redemption	-	123	(123)	-	-	-
Closing balance at 31 March 2022	17,231	(937)	177	16,471	2,899	19,370
Previous year:						
Opening balance at 1 April 2020	17,801	(8,521)	144	9,424	622	10,046
Movements in equity:						
Acquisition of non-controlling interest of a subsidiary	-	32	-	32	(67)	(35)
Changes in ownership interests without a change in control	-	9,575	-	9,575	1,858	11,433
Purchase of treasury shares	(875)	-	-	(875)	-	(875)
Sale of treasury shares	698	-	-	698	-	698
Share-based payment reserve	-	-	83	83	23	106
Loss, net of tax	-	(3,688)	-	(3,688)	(39)	(3,727)
Other comprehensive loss:						
Fair value changes attributable to changes in the credit risk of convertible bond	-	-	(21)	(21)	-	(21)
Closing balance at 31 March 2021	17,624	(2,602)	206	15,228	2,397	17,625

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

	Company			
	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total equity S\$'000
Current year:				
Opening balance at 1 April 2021	17,624	(12,646)	123	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>(9,487)</u>	<u>-</u>	<u>7,744</u>
Previous year:				
Opening balance at 1 April 2020	17,801	(16,366)	144	1,579
Movements in equity:				
Purchase of treasury shares	(875)	-	-	(875)
Sales of treasury shares	698	-	-	698
Profit, net of tax	-	3,720	-	3,720
<u>Other comprehensive loss:</u>				
Fair value changes attributable to changes in the credit risk of convertible bond	-	-	(21)	(21)
Closing balance at 31 March 2021	<u>17,624</u>	<u>(12,646)</u>	<u>123</u>	<u>5,101</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	12 months ended	
	31-Mar-22	31-Mar-21
	S\$'000	S\$'000
<u>Cash flows from operating activities</u>		
Loss before tax	(1,923)	(3,610)
Adjustments for:		
Depreciation of plant and equipment	1,008	1,191
Depreciation of right-of-use assets	2,099	2,099
Loss on disposal of plant and equipment	76	90
Fair value (gain) / loss on convertible bond	(483)	968
Interest income	(14)	(47)
Interest expense on financial liabilities	259	490
Interest expense on lease liabilities	76	142
Other losses	-	19
Performance share expense	123	106
Provision of warranty expenses	(5)	276
Reversal of prior year impairment loss on deposit	-	(50)
Reversal of prior year impairment loss on assets held for sale	-	(135)
Operating cash flows before changes in working capital	1,216	1,539
Inventories	2,090	5,552
Trade and other receivables	(408)	1,344
Other non-financial assets	(8,416)	1,620
Other non-financial liabilities	9,221	(1,211)
Trade payables	209	(2,611)
Net cash flows from operations	3,912	6,233
Income taxes expense	(48)	(88)
Net cash flows from operating activities	3,864	6,145
<u>Cash flows used in investing activities</u>		
Additions to intangible assets	(1,884)	(854)
Purchase of plant and equipment	(1,141)	(956)
Disposal of plant and equipment	572	1,511
Interest received	14	47
Net cash flows used in investing activities	(2,439)	(252)
<u>Cash flows (used in) / from financing activities</u>		
Acquisition of non-controlling interest of a subsidiary	-	(35)
Decrease of other financial liabilities	(86)	(376)
Security deposits for bank facilities	-	2,480
Proceeds from issue of share capital to non-controlling interests in a subsidiary	4,101	6,725
Purchase of treasury shares	(393)	(875)
Payment of lease liabilities	(3,105)	(3,939)
Repayment of convertible bond	(3,000)	-
Sale of treasury shares	-	698
Interest paid	(259)	(374)
Net cash flows (used in) / from financing activities	(2,742)	4,304
Net (decrease) / increase in cash and cash equivalents	(1,317)	10,197
Cash and cash equivalents, statement of cash flows, beginning balance	12,163	1,966
Cash and cash equivalents, statement of cash flows, ending balance (Note 12A)	10,846	12,163

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 31 March 2022 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 2022 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 2021.

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 2021. 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 2021.

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 2022.

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-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	33,248	24,744	2	-	42	12	33,292	24,756
Inter-segment revenue	-	-	-	-	-	-	-	-
Revenue from external parties	33,248	24,744	2	-	42	12	33,292	24,756
- Sales of automobiles	31,230	23,044	-	-	-	-	31,230	23,044
- Sales of watches	-	-	-	-	42	12	42	12
- Sales of merchandise, parts and servicing	2,018	1,700	2	-	-	-	2,020	1,700
Segment profit / (loss)	4,567	5,283	1	-	41	(513)	4,609	4,770
Other income	1,743	997	86	98	-	-	1,829	1,095
Interest income	2	14	-	-	-	-	2	14
Other gains	271	267	-	55	-	-	271	322
Marketing and distribution expenses	(1,204)	(1,018)	(45)	(10)	-	(1)	(1,249)	(1,029)
Administrative expenses	(4,530)	(4,654)	(1,033)	(1,025)	(9)	(8)	(5,572)	(5,687)
- Depreciation of plant and equipment	(376)	(450)	(136)	(104)	(1)	(2)	(513)	(556)
- Depreciation of right-of-use assets	(1,050)	(1,077)	-	-	-	-	(1,050)	(1,077)
Other losses	(73)	(1,153)	(42)	-	-	-	(115)	(1,153)
Finance costs	(123)	(207)	-	(2)	-	-	(123)	(209)
Profit / (Loss) before tax	653	(471)	(1,033)	(884)	32	(522)	(348)	(1,877)
Income tax expense	(2)	(117)	-	-	-	-	(2)	(117)
Profit / (Loss), net of tax	651	(588)	(1,033)	(884)	32	(522)	(350)	(1,994)

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-22 S\$'000	31-Mar-21 S\$'000	31-Mar-22 S\$'000	31-Mar-21 S\$'000	31-Mar-22 S\$'000	31-Mar-21 S\$'000	31-Mar-22 S\$'000	31-Mar-21 S\$'000
Total segment revenue	54,292	49,108	3	-	76	15	54,371	49,123
Inter-segment revenue	-	-	-	-	(8)	-	(8)	-
Revenue from external parties	54,292	49,108	3	-	68	15	54,363	49,123
- Sales of automobiles	49,356	45,999	-	-	-	-	49,356	45,999
- Sales of watches	-	-	-	-	68	15	68	15
- Sales of merchandise, parts and servicing	4,936	3,109	3	-	-	-	4,939	3,109
Segment profit / (loss)	8,979	10,057	1	-	(161)	(1,417)	8,819	8,640
Other income	3,008	2,582	168	192	-	-	3,176	2,774
Interest income	14	47	-	-	-	-	14	47
Other gains	713	228	-	122	-	2	713	352
Marketing and distribution expenses	(2,041)	(1,594)	(54)	(10)	-	(2)	(2,095)	(1,606)
Administrative expenses	(9,358)	(9,493)	(2,668)	(2,142)	(21)	(26)	(12,047)	(11,661)
- Depreciation of plant and equipment	(746)	(1,010)	(259)	(177)	(3)	(4)	(1,008)	(1,191)
- Depreciation of right-of-use assets	(2,099)	(2,099)	-	-	-	-	(2,099)	(2,099)
Other losses	(148)	(1,524)	(20)	-	-	-	(168)	(1,524)
Finance costs	(335)	(628)	-	(4)	-	-	(335)	(632)
Profit / (Loss) before tax	832	(325)	(2,573)	(1,842)	(182)	(1,443)	(1,923)	(3,610)
Income tax expense	(2)	(117)	-	-	-	-	(2)	(117)
Profit / (Loss), net of tax	830	(442)	(2,573)	(1,842)	(182)	(1,443)	(1,925)	(3,727)

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

4.4 ASSETS, LIABILITIES AND RECONCILIATIONS

	Segment assets		Segment liabilities	
	As at		As at	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	S\$'000	S\$'000	S\$'000	S\$'000
Automobiles distribution	37,137	35,165	26,845	24,250
Sustainable mobility	9,641	8,061	498	136
Other	42	293	4,767	4,832
	46,820	43,519	32,110	29,218
Elimination of inter-segment	(138)	(1,524)	(4,798)	(4,848)
Total	46,682	41,995	27,312	24,370

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-22	31-Mar-21	31-Mar-22	31-Mar-21
	S\$'000	S\$'000	S\$'000	S\$'000
Commission income	344	198	430	270
Government income	-	258	114	783
Rental income	86	183	182	504
Rental relief	-	384	-	384
Sales incentives from manufacturers	885	26	1,516	245
Others	514	46	934	588
	1,829	1,095	3,176	2,774

5.2. OTHER GAINS AND (OTHER LOSSES)

	Group			
	6 months ended		12 months ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	S\$'000	S\$'000	S\$'000	S\$'000
Reversal / (Allowance) for impairment on trade receivables	265	(15)	224	(144)
Bad debts recovered	6	89	6	64
Fair value gain / (loss) on convertible bond	-	(794)	483	(968)
Foreign exchange adjustments (loss) / gain	(101)	48	(92)	103
Loss on disposal of plant and equipment	(14)	(6)	(76)	(90)
Negotiated discount in exchange for an accelerated payment	-	(303)	-	(303)
Reversal of deposit previously written off	-	50	-	50
Reversal of prior year impairment loss on assets held for sale	-	135	-	135
Other losses	-	(35)	-	(19)
	156	(831)	545	(1,172)

5. LOSS BEFORE TAX (CONT'D)

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

	Group			
	6 months ended		12 months ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Presented in profit or loss as:</u>				
Other gains	271	322	713	352
Other losses	(115)	(1,153)	(168)	(1,524)
Net	156	(831)	545	(1,172)

5.3. MARKETING AND DISTRIBUTION EXPENSES AND ADMINISTRATIVE EXPENSES

The major components include the following:

	Group			
	6 months ended		12 months ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	S\$'000	S\$'000	S\$'000	S\$'000
Marketing and distribution expenses				
Advertising and promotions	413	530	741	798
Employee benefits expense	449	253	684	472
Entertainment	159	198	308	249
Administrative Expenses				
Rental expense of premises	288	444	601	895
Consultancy expenses	11	159	491	337
Depreciation of plant and equipment	513	556	1,008	1,191
Depreciation of right-of-use assets	1,050	1,077	2,099	2,099
Distributor support fee	200	54	400	154
Employee benefits expense	2,290	2,129	5,259	4,906

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-22	31-Mar-21	31-Mar-22	31-Mar-21
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expense	2	53	2	53
Deferred tax	-	64	-	64
	2	117	2	117

7. LOSS PER SHARE

	Group			
	6 months ended		12 months ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Loss, net of tax attributable to owners of the parent (S\$'000)	(236)	(1,721)	(1,319)	(3,688)
Weighted average number of equity shares	258,698,627	260,655,643	258,698,627	260,655,643
Loss per share – basic and diluted (S\$ cents)	(0.09)	(0.66)	(0.51)	(1.41)

Loss per share is computed based on the loss, net of tax attributable to owners of the parent divided by the weighted average number of equity 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 2022 and 31 March 2021.

8. DIVIDENDS

No dividend has been paid for the financial year ended 31 March 2022 (2021: Nil).

9. NET ASSET VALUE

	Group		Company	
	As at 31 March		As at 31 March	
	2022	2021	2022	2021
Net asset value (“NAV”) per ordinary shares (cents)	6.39	5.86	3.00	1.96
Equity attributable to owners of the parent (S\$'000)	16,471	15,228	7,744	5,101
Number of ordinary shares used in computation of NAV per ordinary shares ('000)	257,867	259,745	257,867	259,745

10. PLANT AND EQUIPMENT

During the six months ended 31 March 2022, the Group acquired plant and equipment amounting to S\$563,000 (31 March 2021: S\$409,000) and disposed of plant and equipment amounting to S\$104,000 (31 March 2021: S\$834,000).

11. INTANGIBLE ASSETS

	Group
	Development cost
	S\$'000
At 30 September 2021	
Cost	3,926
Accumulated amortisation and impairment	-
Carrying value	3,926
6 months ended 31 March 2022	
Carrying value at 30 September 2021	3,926
Additions	1,047
Amortisation and impairment	-
Carrying value at 31 March 2022	4,973
At 31 March 2022	
Cost	4,973
Accumulated amortisation and impairment	-
Carrying value	4,973

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 2023 onwards.

Valuation technique and unobservable inputs	Range (weighted average)	
Discounted cash flow method:	31-Mar-22	31-Mar-21
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 31 March	
	2022	2021
	S\$'000	S\$'000
Not restricted in use	10,846	12,163
Security deposits for bank facilities	4,445	4,445
Total	15,291	16,608
	Company	
	As at 31 March	
	2022	2021
	S\$'000	S\$'000
Not restricted in use	1,079	3,849

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

	Group	
	As at 31 March	
	2022	2021
	S\$'000	S\$'000
Amount as shown above	15,291	16,608
Security deposits for bank facilities	(4,445)	(4,445)
Cash and cash equivalents for statement of cash flows purposes, ending balance	10,846	12,163
	Company	
	As at 31 March	
	2022	2021
	S\$'000	S\$'000
Amount as shown above	1,079	3,849
Cash and cash equivalents for statement of cash flows purposes, ending balance	1,079	3,849

The security deposits for bank facilities bear interest of 0.05% to 1.30% (2021: 0.10% to 1.68%) per annum for the group during the reporting year. As at 31 March 2022, the security deposits for bank facilities of \$4,445,050 (2021: \$4,445,000) of the group has been pledged to banks.

13. SHARE CAPITAL

	The Group and the Company			
	31-Mar-22		31-Mar-21	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Beginning of interim period	258,302	17,306	260,665	17,675
Purchase of treasury shares	(435)	(75)	(4,420)	(749)
Sale of treasury shares	-	-	3,500	698
End of interim period	<u>257,867</u>	<u>17,231</u>	<u>259,745</u>	<u>17,624</u>

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-22		31-Mar-21	
	Number of treasury shares	Amount	Number of treasury shares	Amount
	'000	S\$'000	'000	S\$'000
Beginning of interim period	6,698	1,163	4,335	794
Purchase during the year	435	75	4,420	749
Sale during the year	-	-	(3,500)	(698)
End of interim period	<u>7,133</u>	<u>1,238</u>	<u>5,255</u>	<u>845</u>

During the six months ended 31 March 2022, the Company bought back 434,600 shares by way of market acquisition and all shares acquired are held as treasury shares. 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). As at 31 March 2021, the Company held 5,255,200 treasury shares which approximately 2.02% of the 259,744,800 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	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current:				
<u>Secured</u>				
Bank loans	2,820	5,000	-	-
Non-current, total	2,820	5,000	-	-
Current:				
<u>Secured</u>				
Bank loans	1,232	-	-	-
Trust receipts and bills payables	1,123	261	-	-
<u>Unsecured</u>				
Convertible bond	-	3,483	-	3,483
Current, total	2,355	3,744	-	3,483
Total	5,175	8,744	-	3,483
The non-current portion is repayable as follow:				
Due within 2 to 5 years	2,820	5,000	-	-

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	
	2022	2021
	S\$'000	S\$'000
Warranty provision	751	907
Deposits from customers	15,670	6,298
Total	16,421	7,205

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 2022 and 31 March 2021:

	Group		Company	
	As at 31 March		As at 31 March	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	16,617	17,526	2,061	5,190
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	10,883	13,628	6,369	7,719
Financial liabilities at fair value through profit or loss	-	3,483	-	3,483
	10,883	17,111	6,369	11,202

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 2022.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

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

The condensed half year and full year consolidated statement of financial position of EuroSports Global Limited (the "Company", together with its subsidiaries, the "Group") as at 31 March 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month 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

In overall, revenue of the Group increased by S\$5.24 million or 10.7%, from S\$49.12 million in financial year ended 31 March 2021 ("FY2021") to S\$54.36 million in financial year ended 31 March 2022 ("FY2022"). Automobiles Distribution segment remains the major contributor to the Group's total revenue in FY2022.

The revenue from Automobiles Distribution segment has improved by S\$5.18 million or 10.5%, from S\$49.11 million in FY2021 to S\$54.29 million in FY2022. This movement is mainly due to higher sales in new Lamborghini that increase by S\$6.22 million in FY2022, which made up S\$41.95 million or 77.2% (FY2021: S\$35.73 million or 72.7%) of the Group's total revenue, offset by drop in sales of Alfa Romeo by S\$0.31 million from S\$7.21 million in FY2021 to S\$6.90 million in FY2022.

Cost of Sales

Cost of sales of the Group increased by S\$5.06 million or 12.5%, from S\$40.48 million in FY2021 to S\$45.54 million in FY2022. This is in tandem with the increase in revenue.

Gross Profit and Gross Profit Margin

Despite increase in revenue, gross profit of the Group has increased slightly by S\$0.18 million or 2.1%, from S\$8.64 million in FY2021 to S\$8.82 million in FY2022 and gross profit margin of the Group decreased by 1.4 percentage point, from 17.6% in FY2021 to 16.2% in FY2022. Gross profit of Automobiles Distribution segment has dropped by S\$1.08 million or 10.7%, from S\$10.06 million in FY2021 to S\$8.98 million in FY2022 and gross profit margin has decrease by 4.0 percentage point, from 20.5% in FY2021 to 16.5% in FY2022. The lower gross profit margin was mainly due to lower sales price in some new car sales. On the other hand, gross loss from Other segment has improved by S\$1.26 million or 88.6%, from gross loss of S\$1.42 million in FY2021 to S\$0.16 million in FY2022.

Other Income

Other income of the Group increased by S\$0.41 million or 14.5%, from S\$2.77 million in FY2021 to S\$3.18 million in FY2022. The increase in other income mainly due to increase in commission income by S\$0.16 million and increase in ad-hoc bonuses from factory by S\$1.40 million, offset by decrease in government grant by S\$0.67 million, reduce in rental income derived from car leasing by S\$0.32 million and rental relief by S\$0.38 million.

Other Gains / (Other losses), Net

Other gains, net of S\$0.55 million is mainly due to adjustment on fair value gain on Convertible Bond of S\$0.48 million and reversal of impairment on trade receivables of S\$0.22 million, offset by loss on disposal of plant and equipment of S\$0.08 million and foreign exchange adjustment loss of S\$0.09 million.

Marketing and Distribution Expenses

Marketing and distribution expenses of the Group increased by S\$0.49 million or 30.4%, from S\$1.61 million in FY2021 to S\$2.10 million in FY2022, mainly due to increase in entertainment of S\$0.06 million, following the easing of COVID-19 restrictions which allows the management to meet up with customers in person. Besides, employee benefits expense increased by S\$0.21 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 increased by S\$0.39 million or 3.3%, from S\$11.66 million in FY2021 to S\$12.05 million in FY2022, mainly due to increase in consultancy expenses by S\$0.15 million, distributor support fee by S\$0.25 million and employee benefits expenses by S\$0.35 million, offset by decrease in rental expense of premises by S\$0.29 million.

Review of the Group's performance (cont'd)**Finance Costs**

Finance costs of the Group decreased by S\$0.29 million or 47.0%, from S\$0.63 million in FY2021 to S\$0.34 million in FY2022, mainly due to decrease in interest expense of convertible bond by S\$0.18 million as convertible bond fully redeemed on 9 September 2021. In addition, interest expense of right-of-use assets has reduced by S\$0.07 million.

Review of Group's Financial Position**Non-Current Assets**

Non-current assets of the Group decreased by S\$0.64 million, from S\$10.11 million as at 31 March 2021 to S\$9.47 million as at 31 March 2022, mainly due to decrease in net book value of plant and equipment by S\$0.52 million, right-of-use assets depreciated by S\$2.10 million, offset by increase in intangible assets by S\$1.88 million, which relates to development cost of electric motorcycles.

Current Assets

Current assets of the Group increased by S\$5.33 million, from S\$31.88 million as at 31 March 2021 to S\$37.21 million as at 31 March 2022. This was mainly due to increase in other non-financial assets by S\$8.33 million for deposit paid to factory for order of new automobiles, offset by inventory level that was lowered by S\$2.09 million and decrease in cash and cash equivalents by S\$1.32 million.

Equity

Equity comprises share capital, accumulated losses and non-controlling interest. The increase in equity of S\$1.75 million was due to net capital contribution by a non-controlling interest of S\$3.94 million (gross proceeds of S\$4.10 million offset with transaction cost of S\$0.16 million), offset by loss, net of tax for the year of S\$1.93 million and purchase of treasury shares of S\$0.39 million.

Non-Current Liabilities

Non-current liabilities of the Group decreased by S\$4.13 million, from S\$6.95 million as at 31 March 2021 to S\$2.82 million as at 31 March 2022, mainly due to reclassification of term loan of S\$1.23 million and lease liabilities from non-current liabilities to current liabilities.

Current Liabilities

Current liabilities of the Group increased by S\$7.07 million, from S\$17.42 million as at 31 March 2021 to S\$24.49 million as at 31 March 2022, mainly due to:

- (a) increase in other non-financial liabilities by S\$9.22 million, mainly attributable to deposit from customers for sale of new automobiles, offset by
- (b) de-recognise convertible bond of S\$3.48 million upon full redemption of convertible bond with principal amount of S\$3.00 million on 9 September 2021.

Review of Group's Cash Flows

Net cash flows from operating activities amounted to S\$3.86 million in FY2022. This was mainly due to positive operating cash flows before changes in working capital of S\$1.22 million and net working capital inflow of S\$2.69 million, offset by income tax expense of S\$0.05 million.

Net cash used in investing activities amounted to S\$2.44 million in FY2022. This was mainly due to addition to intangible assets of S\$1.88 million and purchase of plant and equipment of S\$1.14 million, offset by cash from disposal of plant and equipment of S\$0.57 million.

Net cash used in financing activities amounted to S\$2.74 million in FY2022. This was mainly due to payment of lease liabilities of S\$3.11 million and repayment convertible bond of S\$3.00 million, offset by proceeds from issue of share capital to non-controlling interests in a subsidiary of S\$4.10 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.

Given the volatility of global economy and prolonged COVID-19 pandemic, the Group's performance is expected to be negatively affected due to 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, EuroSports Technologies Pte. Ltd. ("EST") which is developing sustainable mobility, will continue to incur development expenses and we do not expect to generate meaningful revenue from EST for the next 12 months. EST has digitally launched Scorpio Electric, a premium electric motorcycle brand on 22 October 2021. We have commenced collection of deposits for pre-order reservations of our first electric motorcycle, the X1. At the same time, EST is incubating a new business venture. EST will unveil a new and separate sustainable mobility brand, focused on serving business-to-business customers.

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 2022 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.

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. 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 ending 31 March		Increase /
	2022	2021	(Decrease)
	S\$'000	S\$'000	%
(a) Sales reported for first half year	21,071	24,367	(13.5)
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(1,575)	(1,733)	(9.1)
(c) Sales reported for second half year	33,292	24,756	34.5
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(350)	(1,994)	(82.5)

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 2022 and 31 March 2021.

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	32
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	(a) Director of subsidiaries, with effect from 1 September 2021: 1. EuroSports Auto Pte. Ltd. 2. EuroAutomobile Pte. Ltd. 3. Prosper Auto Pte. Ltd. 4. deLaCour Asia Pacific Pte. Ltd. (b) Deputy Chief Executive Officer (" Deputy CEO ") and director of EuroSports Technologies Pte Ltd (" EST ") with effect from 1 September 2021. (c) Director of JES Auto Pte Ltd, appointed on 15 November 2019
Details of changes in duties and position held, if any, during the year	(a) Promotion from Executive – CEO office to Deputy CEO and director of EST with effect from 1 September 2021. (b) Appointed as directors of subsidiaries, with effect from 1 September 2021: 1. EuroSports Auto Pte. Ltd. 2. EuroAutomobile Pte. Ltd. 3. Prosper Auto Pte. Ltd. 4. deLaCour Asia Pacific Pte. Ltd.

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

On 18 February 2022, EuroSports Technologies Pte. Ltd. ("**EST**"), a subsidiary of the Company had allotted and issued an aggregate of 84,969 EST ordinary shares to an existing shareholder of EST. Following the allotment and issuance of EST ordinary shares, the issued share capital of EST increased from 2,549,080 EST ordinary shares to 2,634,049 EST ordinary shares. As at 31 March 2022, following the aforesaid allotment and issuance, the Company's holding in EST reduced from 78.46% to 75.93%. The Company EST remains to hold 2,000,000 EST ordinary shares as one of our subsidiaries. The net assets value of EST as at 31 March 2022 approximated S\$9,150,000.

(2) Incorporation of subsidiary, EVI Electric Pte. Ltd.

As announced on 26 November 2021, EST has incorporated a wholly-owned subsidiary in Singapore, EVI Electric Pte. Ltd.

Save as disclosed above, there is no other acquisition and/or sales of shares in any subsidiaries or associated companies of the Group during FY2022 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**

30 May 2022