EUROSPORTS GLOBAL

GEARED AHEAD

ANNUAL REPORT 2020

CONTENTS & FEATURES

CORPORATE PROFILE

EuroSports Global Limited ("**EuroSports**", or together with its subsidiaries, the "**Group**") is a leading luxury lifestyle company in Singapore specialising in the business of distribution of ultra-luxury automobiles and luxury automobiles and the provision of after-sales services.

In Singapore, our Group is the only authorised dealer for Lamborghini automobiles since 2001 and the exclusive distributor of Alfa Romeo automobiles since 2004. Furthermore, we also carry customised automobiles supplied by Touring Superleggera.

We offer after-sales services including sales of automobile parts and accessories and we operate as the only authorised service centre in Singapore for all the automobile brands we carry.

On top of our luxury automobile distribution and related businesses, our Group also has other supplementary revenue streams including the exclusive distributorship of the deLaCour brand of watches in Singapore, Malaysia, Indonesia, Thailand and Brunei. Our wholly-owned subsidiary EuroSports Technologies Pte. Ltd., is currently developing a next-generation motorcycle that is fully electric.

The Group's long-term goal is to diversify into other businesses in the luxury segment in order to leverage our established pool of high net worth customers.

EUROSPORTS GLOBAL

CORPORATE VALUES

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

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

CORPORATE STRUCTURE

EuroSports Auto Pte. Ltd. — 100%
Trading and distribution of automobiles and automobile related parts and accessories

EuroAutomobile Pte. Ltd. — 100%
Trading and distribution of automobiles and automobile related parts and accessories

EuroSports Technologies Pte. Ltd. — 100%
Developing innovative new technologies, services and solutions for electric motorcycles

deLaCour Asia Pacific Pte. Ltd. — 100%
Trading and distribution of watches and related accessories

JES Auto Pte. Ltd. — 65%
Trading and distribution of automobiles and automobile related parts and accessories

Prosper Auto Pte. Ltd. — 51%
Trading and distribution of automobiles and automobile related parts and accessories

CORPORATE MILESTONES

1998

EuroSports Auto was incorporated and started distributing Lotus automobiles

1999

Launched Lotus showroom and service centre

2001

- Started distribution of Lamborghini automobiles
- Launched Lamborghini showroom and service centre

2004

- Secured the Alfa Romeo distributorship in Singapore and launched showroom and service centre
- Expanded and refurbished Lamborghini showroom and service centre in anticipation of a growth in sales of Lamborghini automobiles

2005

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

2012

Secured the following dealership/distributorship:

- deLaCour brand of watches, jewellery and accessories (exclusive distributorship) in Singapore, Malaysia, Indonesia, Thailand and Brunei
- Pagani automobiles (exclusive dealership) in Singapore and Malaysia
- Touring Superleggera automobiles (exclusive distributorship) in Singapore, Malaysia, Brunei, Indonesia and PRC (non-exclusive distributorship in PRC)

2002

- Formally entered into an agreement with the Lamborghini manufacturer to secure the Lamborghini dealership in Singapore
- Established Massa Auto (S) Pte. Ltd. (now known as EuroAutomobile) for the purpose of securing the Alfa Romeo distributorship

2003

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

2007

Celebrated the delivery of the 100th Lamborghini in Singapore

2008

Awarded "Best Sales Performance 2008" by the Lamborghini manufacturer

2011

Marked the 10th anniversary of Lamborghini dealership

2014

- Successfully launched our IPO on 17 January 2014
- Successfully completed the Sales and Leaseback Arrangement regarding our premises at 30 Teban Gardens Crescent on 17 March 2014
- Acquired a 60% stake in a new subsidiary specialising in the trading of pre-owned sports and luxury automobiles in August 2014 and renamed it AutoInc EuroSports Pte. Ltd.
- Set up boutique to retail deLaCour watches at Wisma Atria and launched Lamborghini Huracán model

2015

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

2016

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

2018

- Opening of EuroSports' new headquarters and new showroom for Lamborghini and Alfa Romeo
- Disposal of AutoInc EuroSports Pte. Ltd. and Exquisite Marques Holding Pte. Ltd. were completed in December 2018

2019

- Disposal of shares in Ultimate Drive EuroSports Pte. Ltd. to fully focus on the core business
- EuroSports Technologies Pte. Ltd received funding to develop next-generation fully electric motorcycles

2017

- Regional launch of Lamborghini's first SUV model "Urus"
- Launch and resurgence of Alfa Romeo's new "Giulia" models
- A wholly-owned subsidiary, Spania GTA Asia Pacific Private Ltd., has changed its name to EuroSports Technologies Pte. Ltd. and its business activities to developing innovative new technologies, services and solutions for vehicles
- Incorporated Prosper Auto Pte. Ltd. for the purpose of distribution of automobiles and related products overseas
- Purchase of "Exquisite Marques Holding Pte. Ltd.", a one-stop shop automobile service and enhancement centre for premium and other luxury car brands
- Launched 2 new Lamborghini models - Huracan Performante & Aventador S

2020

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

A BRAND NEW CHAPTER

SCORPIO ELECTRIC

Scorpio Electric is a Singapore company dedicated to accelerate the adoption of sustainable mobility. We have combined art with technology to create a next generation, premium, smart electric motorcycle, driven to bring about a new era of transportation.

Our core philosophy that resonates throughout our product is to create a stylish, visually appealing product, that has symbiotic relationship to the user through smart capabilities, with the intention to reduce the world's carbon footprint.

JOINT LETTER TO OUR SHAREHOLDERS

ANDY GOH
Executive Director
and Deputy CEO

MELVIN GOH
Executive Chairman
and CEO

DEAR SHAREHOLDERS,

We are delighted to share with you our annual report, for the financial year ended 31 March 2020 ("**FY2020**"). Despite the lacklustre economic situation, we were able to achieve $59.23 million in sales for new Lamborghini vehicles, which contributed 73.7% of our total revenue of $80.42 million. However, our total revenue has declined slightly, partly due to a decrease in new vehicle models launched in FY2020; which usually generate substantial interest and sales for the Group.

CORPORATE DEVELOPMENTS

In July 2019, the Group completed the disposal of the properties at Nos. 7 and 9 Chang Charn Road for $16.5 million, as these properties do not form an integral part of our business operations.

Lamborghini
The Group managed to achieve steady sales of Lamborghini vehicles despite the lack of any new vehicle model launch. This is largely due to strategic sales and marketing efforts that our team had executed. We continue to ride on the success and popularity of the Lamborghini Urus. Since its launch in FY2019, we have delivered a total of 75 units of this Super Sports Utility Vehicle.

Alfa Romeo
While the Alfa Romeo brand also did not present any new models in FY2020, we are expecting to launch the Model Year ("**MY**") 2020 updated version of all our Giulia and Stelvio variants. To offer a product distinction in the Sports Utility Vehicle ("**SUV**") segment, we intend to introduce the Stelvio Veloce, a premium SUV of 280 horsepower. All the aforementioned models will be launched in Q1 2021.

Scorpio Electric
Having announced our visionary project to develop sustainable mobility solutions, our wholly-owned subsidiary, EuroSports Technologies Pte. Ltd. ("**EST**") is developing our own premium electric motorcycle under the brand Scorpio Electric.

In September 2019, we announced the adoption of the EST performance share plan, with the purpose of recruiting and retaining talented individuals.

In November 2019, Scorpio Electric participated in its first exhibition at the Singapore Fintech Festival ("**SFF**"), which was held during the Singapore Week of Innovation and Technology ("**SWITCH**"). The team introduced Scorpio Electric to Prime Minister Lee and Minister of Foreign Affairs, Dr. Balakrishnan. The week long exhibition brought Scorpio Electric great brand visibility through extensive media coverage, as well as a commercial trade attendance of more than 60,000 people from over 130 countries.

Others
At the same time, we have reviewed our business in watch distribution for deLaCour and decided to refocus our marketing efforts online.

BUSINESS OUTLOOK AND STRATEGIES

The recent COVID-19 pandemic will no doubt affect our sales negatively. This is partly due to the implemented Circuit Breaker Phase 1 period, lasting from April to June 2020. In such unprecedented times, we believe that there will be a general sentiment of buying restraint amongst most consumers. The spill over effects arising from the pandemic will have inevitable negative effects on the global economy, which would inevitably affect our industry as customers might delay their purchases. The Group expects FY2021 to be a challenging year, in addition to the already competitive automobile industry.

We will continue our showroom operations and maintain our physical presence. This is done with relevant health and safety measures in place, to ensure the safety of our staff and customers. In order to adapt to a new sense of normalcy, the Group has decided to leverage on digital platforms to reach out to new and existing customers. Some examples are online platforms such as virtual showroom experiences and digital product launches.

As we continue to invest in the future, Scorpio Electric's first prototype will be ready in Q3 2020, and we expect to launch our brand in early 2021.

To navigate the Group through these tough conditions, we will monitor the impact of the pandemic continuously and implement relevant cost cutting measures, if necessary, to minimise any negative impact to our financial performance.

Lastly, as part of the Group's long-term goal, we will keep a lookout for opportunities in any luxury or lifestyle offerings and businesses, so that we continue to stay relevant in this unpredictable environment.

SUSTAINABLE BUSINESS

The COVID-19 pandemic has reinforced the need for businesses to be resilient. Our resilience is driven by our core values and a principled approach to business.

A strong relationship with our customers remains one of our core strengths.

The pandemic has sharpened the focus on the management of planetary resources, to minimise pollution and greenhouse gas emissions. When launched, our electric motorcycles will play a vital role in reducing vehicular pollutions in the atmosphere.

The sustainability section of this Annual Report provides information about our ongoing efforts to make a positive contribution to the economic, social and environmental areas.

APPRECIATION

In closing, we would like to express our gratitude to the brand Principals, in particular Automobili Lamborghini S.p.A. and Alfa Romeo Automobiles S.p.A., for their unwavering support and understanding of the unique challenges we face as luxury car distributors in Singapore. We also appreciate their willingness to work together to achieve a beneficial outcome for both parties.

The Group would like to thank our fellow Board of Directors, for their stewardship in navigating the Group through difficult conditions, while looking ahead to a promising future. Furthermore, the Group would like to express its heartfelt gratitude to the late Mr Lim Kim Quee, for his contribution during his tenure as one of the Independent Directors of the Group.

A special thanks to all our staff for maintaining a high level of performance and a great attitude to ensure the success of the organisation.

We would also like to thank all shareholders for their continued faith in the growth and future of the businesses under our Group.

Lastly, we remain committed to our vision to be a luxury lifestyle company, offering bespoke products and services, and we continue to work towards achieving this goal.

FINANCIAL HIGHLIGHTS

REVENUE
$ Million

FY2020	80.4
FY2019	96.2

GROSS PROFIT
$ Million

FY2020	16.8
FY2019	15.9

PROFIT FOR THE YEAR
$ Million

FY2020	2.2
FY2019	0.03

GROSS PROFIT MARGIN
% Percent

FY2020	20.8
FY2019	16.6

FY2020 FY2019

OPERATING & FINANCIAL REVIEW

REVIEW OF GROUP'S FINANCIAL PERFORMANCE

Revenue

Revenue of the Group decreased by $15.82 million or 16.4%, from $96.24 million in FY2019 to $80.42 million in FY2020, was mainly due to lower sales in new Lamborghini and used automobiles, which made up $59.23 million or 73.7% (FY2019: $62.52 million or 65.0%) and $6.24 million or 7.8% (FY2019: $15.10 million or 15.7%) of total revenue of the Group respectively.

Cost of Sales

Cost of sales of the Group decreased by $16.63 million or 20.7%, from $80.30 million in FY2019 to $63.67 million in FY2020, which was move in tandem with the decrease in revenue.

Gross Profit and Gross Profit Margin

Gross profit of the Group increased by $0.81 million or 5.1%, from $15.94 million in FY2019 to $16.75 million in FY2020, while gross profit margin of the Group increased by 4.2 percentage point, from 16.6% in FY2019 to 20.8% in FY2020. The higher profit margin was mainly due to:

(a) decrease in sales of used automobiles with lower profit margins; and

(b) increase in sales of new automobiles with higher margins.

Other Income

Other income of the Group decreased by $1.10 million or 14.6%, from $7.56 million in FY2019 to $6.46 million in FY2020. The decrease in other income mainly due to:

(a) decrease in commission income and rental income by $0.46 million and $0.85 million respectively; and offset by

(b) increase in other income for sales support received from manufacturer of $0.23 million.

Other Gains and (Other Losses)

Other losses, net of $0.21 million was mainly due to:

(a) (i) allowance for impairment on trade receivables of $0.76 million and (ii) bad trade debts written off of $0.07 million; and offset by

(b) (i) reduction of the assignment levy by $0.31 million, following the Company's appeal to JTC and (ii) fair value gain on convertible bond of $0.36 million.

Marketing and Distribution Expenses

Marketing and distribution expenses of the Group increased by $0.18 million or 6.6%, from $2.71 million in FY2019 to $2.89 million in FY2020, mainly due to an increase in option commission, various exhibitions and events for vehicle launch.

Administrative Expenses

Administrative expenses of the Group decreased by $1.76 million or 9.5%, from $18.49 million in FY2019 to $16.73 million in FY2020, mainly due to:

(a) decreases in (i) rental expenses arising from adoption of SFRS(I) 16 Leases that requires lease assets to depreciate over the lease term on a straight-line basis and recognise as depreciation of right-of-use assets, (ii) depreciation of plant and equipment by $0.54 million and (iii) professional fees by $0.26 million; and offset by

(b) increase in (i) employee benefits expenses by $0.32 million mainly due to reinstatement of employees' salary and (ii) distributor support fee of $0.65 million in FY2020.

Finance Costs

Finance costs of the Group increased by $0.21 million or 20.2%, from $1.04 million in FY2019 to $1.25 million in FY2020, mainly due to:

(a) (i) increase in interest expense on right-of-use asset of $0.41 million arising from adoption of SFRS(I) 16 Leases and (ii) interest of convertible bond increased by $0.13 million; and offset by

(b) decrease in interest of other financial liabilities by $0.33 million.

REVIEW OF GROUP'S FINANCIAL POSITION

Non-Current Assets

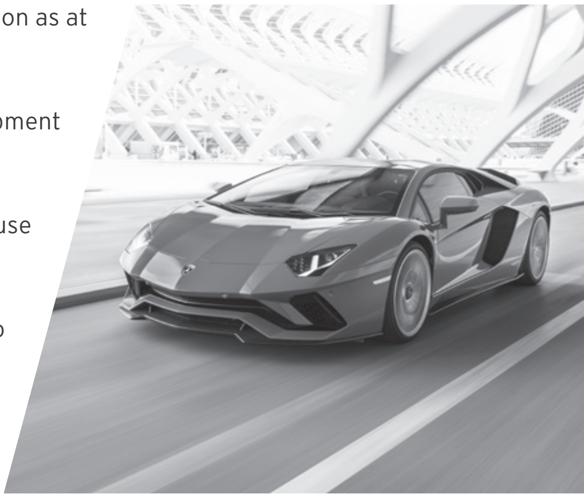
Non-current assets of the Group increased by $4.14 million, from $9.06 million as at 31 March 2019 to $13.20 million as at 31 March 2020, mainly due to:

(a) increase in intangible assets by $1.54 million, which relates to development cost of electric motorcycles; and

(b) adoption of SFRS(I) 16 Leases that requires capitalisation of right-of-use assets for operating leases on offices of $5.45 million; and offset by

(c) decrease in plant and equipment by $2.66 million mainly due to depreciation charge and disposal of motor vehicles; and

(d) decrease in trade and other receivables by $0.19 million.



Current Assets

Current assets of the Group decreased by $20.06 million, from $50.94 million as at 31 March 2019 to $30.88 million as at 31 March 2020. This was mainly due to:

(a) the completion of disposal of assets held sale on 10 July 2019, in which the carrying value of asset held for sale amounted to $14.29 million as at 31 March 2019; and

(b) decrease in inventories by $3.29 million; and

(c) decrease in trade and other receivables by $3.64 million mainly due to receipt from customers for the sales of new automobiles; and offset by

(d) increase in cash and cash equivalents by $1.00 million mainly due to additions in placement of security deposit for bank facilities and offset by net cash outflows from financing activities.

Equity

Equity comprises share capital, accumulated losses and non-controlling interest. The increase in equity of $1.46 million was mainly due to:

(a) the profit attributable to owners of the Company for the year of $2.17 million; and

(b) increase in capital contribution by non-controlling interest of subsidiary of $0.04 million and; offset by

(c) share of non-controlling interest loss of $0.02 million

(d) adjustment on the opening retained earnings of the Group on adoption of SFRS(I) 16 Leases of $0.63 million; and

(e) the purchase of treasury share of $0.25 million.

Non-Current Liabilities

Non-current liabilities of the Group increased by $4.18 million, from $7.46 million as at 31 March 2019 to $11.64 million as at 31 March 2020, mainly due to adoption of SFRS(I) 16 Leases that requires recognition of lease liabilities of $4.06 million for operating leases on warehouses, office and showroom.

Current Liabilities

Current liabilities of the Group decreased by $21.56 million, from $43.95 million as at 31 March 2019 to $22.39 million as at 31 March 2020, mainly due to:

(a) decrease in trade payables mainly due to repayment to suppliers; and

(b) full settlement of liabilities in relation to assets held for sale amounted to $7.88 million; and

(c) settlement of short-term money market loan and floor stocks; and offset by

(d) increase in lease liabilities of $2.69 million due to adoption of SFRS(I) 16 Leases that requires recognition of lease liabilities for operating leases on warehouses, office and showroom.

REVIEW OF GROUP'S CASH FLOWS

Net cash from operating activities amounted to $4.31 million in FY2020. This was mainly due to positive cash flows before changes in working capital of $6.13 million and offset by net working capital outflow of $1.81 million.

Net cash from investing activities amounted to $14.87 million in FY2020. This was mainly due to:

(a) cash from (i) disposal of assets held for sale of $14.59 million and (ii) disposal of plant and equipment of $2.74 million; and offset by

(b) cash used in (i) addition to intangible assets of $1.54 million and (ii) purchase of plant and equipment of $0.98 million.

Net cash used in financing activities amounted to $21.76 million in FY2020. This was mainly due to:

(a) (i) repayment of other financial liabilities of $10.51 million, (ii) interest paid of $0.55 million, (iii) payment of lease liabilities of $8.63 million and (iv) placement of security deposits for bank facilities of $3.58 million; and offset by

(b) proceeds from issue of convertible loan of $1.71 million.

BOARD OF DIRECTORS

MELVIN GOH

Executive Chairman & CEO

Mr Melvin Goh is one of the co-founders of the Group. He was appointed to the Board as Executive Chairman on 12 December 2012 in addition to his role as CEO and re-elected at the last Annual General Meeting on 29 July 2019. He is responsible for overall management, formulating the Group's strategic focus and direction, developing and maintaining relationships with the suppliers and customers as well as overseeing the Group's general operations. Prior to the establishment of the Group's wholly-owned subsidiary, EuroSports Auto, he was already engaged in the automobile industry as the Managing Director of Gay Hin Enterprise, the family-owned business that sold pre-owned automobiles. He has substantial senior management experience and more than 35 years of automobile industry experience and knowledge.

ANDY GOH

Executive Director & Deputy CEO

Mr Andy Goh is the other co-founder of our Group. He was appointed to the Board as Executive Director on 12 December 2012 in addition to his role as Deputy CEO. He assists the CEO in all matters relating to general management and administration. Prior to the establishment of the Group's wholly-owned subsidiary, EuroSports Auto, he was already engaged in the automobile industry, as the Executive Director of Gay Hin Enterprise, the family-owned business that sold pre-owned automobiles. He has more than 34 years of industry experience and knowledge of the automobile industry.

NG TIAK SOON

Lead Independent Director

Mr Ng Tiak Soon was appointed as the Group's Lead Independent Director on 29 November 2013. He has more than 35 years of experience in the audit, commercial and industrial sectors. He retired as Senior Partner from Ernst & Young LLP in June 2005. While at Ernst & Young, he held various positions including Head of Banking, Head of an audit group, Partner-in-Charge of audit quality review and Chief Financial Officer. He is a non-practicing member of the Institute of Singapore Chartered Accountants, a member of the Association of Chartered Certified Accountants, United Kingdom as well as a member of the Singapore Institute of Directors. He is currently an Independent Director of Parkson Retail Asia Limited, listed on the Mainboard of the SGX-ST. He is also an Independent Director of Kinergy Corporation Ltd, a company incorporated in Singapore and listed on the Mainboard of the Stock Exchange of Hong Kong Limited.

CALVIN TAN SIOK SING

Independent Director

Mr Calvin Tan Siok Sing was appointed as the Group's Independent Director on 29 November 2013. He is currently the Managing Director of Ironman Minerals & Ores Pte Ltd, an energy resources and minerals trading company. He has more than 18 years of experience in the financial industry. Between 1985 and 2008, he held the position of Executive Director in three companies including Tsang and Ong Stockbrokers Pte Ltd, which later restructured as Sun Yuan Holdings Pte Ltd (1985 to 2003); Ei-Nets Ltd, subsequently known as E3 Holdings Ltd(2003-2005); and, Regalindo Resources Pte Ltd (2005 to 2008). He is currently an Independent Director of two SGX-ST listed companies namely Libra Group Limited and Dukang Distillers Holdings Limited.

*LIM KIM QUEE

Independent Director

Mr Lim Kim Quee was appointed as the Group's Independent Director on 29 November 2013 and re-elected at the last Annual General Meeting on 29 July 2019. He has more than 34 years of experience in the corporate banking industry. He started his career in DBS Group as a Project Analyst before moving on to various other positions, including Vice-President of Corporate Banking Division, General Manager of the New York Agency, General Manager of the Tokyo branch, the Managing Director of International Department and the CEO of DBS Bank Philippines Inc.. He left DBS Group and retired as the Managing Director of Corporate Credit Division in December 2008. He was a director of two companies listed on the SGX-ST, namely Engro Corporation Limited and NatSteel Ltd (now known as NSL Ltd.). He obtained a Bachelor of Social Science (Honours) from the National University of Singapore in 1976.

* *Mr Lim Kim Quee ceased to be a Director upon his demise on 10 June 2020.*

EXECUTIVE TEAM

TAN JUN WEI

Director, Operations, Strategy & Business Development

Tan Jun Wei joined our Group in April 2016. Besides being in charge of overall operations, he is also responsible for strategic growth and business development for the Group and its subsidiaries. Prior to his appointment, Jun Wei worked in investment banking, focusing on capital fund raising as well as mergers and acquisitions in various financial institutions. Jun Wei graduated with a Bachelor of Commerce from the University of Queensland.

ROY NG WOON PIEOW

Director, Sales & Customer Service

Roy Ng Woon Pieow joined the Group in July 2016 as Director of Sales and Customer Service. Having worked in the motoring industry for over 15 years, Roy has extensive knowledge in consumer behaviour and is responsible for the strategic leadership of the sales department. In addition, he plays a crucial role in leading his team in ensuring quality customer service and experience across the brands under the EuroSports family. Prior to joining the group, Roy started his career as a Sales Executive in Komocco Motors, before joining Ital Auto Pte Ltd as a Sales Manager. Roy holds a Diploma in Electrical Engineering from Ngee Ann Polytechnic Singapore.

EYU SOON FATT

Director, Technical Support

Eyu Soon Fatt joined our Group in March 1999 as a Service Centre Supervisor and is currently our Director of Technical Support. He is primarily responsible for overseeing the technical and after-sales services operations and handling technical, warranty and homologation issues. He worked as a Service Centre Supervisor in M1 Motors Works Sdn Bhd from February 1987 to February 1993. He subsequently worked as a Senior Technician in Performance Motors Pte Ltd, from March 1993 to March 1996, and in Stuttgart Auto Pte Ltd, from May 1996 to January 1999 where he was responsible for handling the technical and services issues related to luxury automobiles.

ALEXANDER SCHUCHERT

Director, Marketing & Communications

Alexander Schuchert joined our Group in February 2018 as Director of Marketing & Communications. A native of Germany, he has 14 years of experience in the automotive industry in his home country and in the Asia-Pacific region. He has worked at premium automotive brands including BMW, Porsche and now Lamborghini in various capacities such as marketing as well as sales at both the retail and whole sale levels in Germany and abroad. Prior to joining our Group, Alexander was Regional Sales Manager of Porsche Asia Pacific from 2015 to 2017 where he was responsible for 12 countries in the region. Between 2006 and 2012, he was with the BMW Group in Frankfurt where he was responsible for customer and fleet sales and account management of new and existing customers followed by Hannover where he headed the new car sales department for BMW and MINI until 2015.

YANG EE

Group Financial Controller

Yang Ee joined our Group in September 2015 as Group Financial Controller. He has over 24 years of experience in the accounting industry and has relevant exposure in corporate and operation finance, budget, SGX reporting, internal controls and treasury matters. Before joining our Group, Mr Yang was the Group Financial Controller of Lumina Looque International Pte Ltd since April 2008. Between March 2006 and March 2008, he was Assistant Corporate Advisory Director and Group Financial Controller of Nippecraft Limited. Mr Yang graduated with a Bachelor of Accountancy from the National University of Singapore and he is a member of the Institute of Singapore Chartered Accountants.

SUSTAINABILITY REPORT 2020

ABOUT THIS REPORT

This is EuroSports Global Limited's (the "**Company**") and its subsidiaries (collectively, the "**Group**") third sustainability report. The report provides information about the Group's Environmental, Social and Governance ("**ESG**") performance on material factors.

Reporting Period and Scope

The report covers sustainability performance of our operations in Singapore where the Group's customers and business activities are mainly located, for the financial year ended 31 March 2020.

Reporting Framework

This report has been prepared in accordance with the GRI standards: Core option. We have elected to use the GRI Standards 2016, issued by the Global Reporting Initiative ("**GRI**"), as they are the most widely used standards for sustainability reporting. The report also complies with SGX-ST Listing Rules 711(A) and 711(B) – Sustainability Reporting.

Reporting Process

We have applied the GRI Standards (GRI 101: Foundation 2016 and GRI 102: General Disclosures 2016) to identify the Group's material economic, environmental and social impacts. We have selected the relevant disclosures from the topic-specific GRI Standards for reporting. We have also aligned our material ESG topics with the UN Sustainable Development Goals ("**SDGs**") that reaffirms our commitment to sustainability.

Report Content

Based on GRI's reporting principles, we have considered the principles of stakeholder inclusiveness, sustainability context, materiality and completeness for defining the content and quality of this report. We have used the principles of accuracy, balance, clarity, comparability, reliability and timeliness in developing and presenting the report content. Data presented in the report has been extracted from internal information systems and records to ensure accuracy and reliability.

Restatements

The report includes a minor readjustment of carbon emissions data reported for FY2018 and FY2019 due to revision in grid emissions factors by the Energy Management Authority.

External Assurance

Our current practice is to rely on internal verification to ensure the accuracy of ESG data. We have not obtained external assurance for sustainability report.

Availability

This report, published as a part of our Annual Report, is available in the printed version as well as in PDF form for download on our website at www.eurosportsglobal.com.

Feedback

We welcome stakeholders' feedback on this report at sustainability@eurosportsglobal.com.

ESG PERFORMANCE SUMMARY

ESG FACTORS	FY2020	FY2019	FY2018
ENVIRONMENTAL			
Total electricity consumption (kWh)[1]	946,979	1,063,762	1,076,665
Total energy consumption (GJ)[2]	4,828	5,295	4,540
CO_2 emissions (tCO_2)[3]	492	544	495
SOCIAL			
Employees			
Total number of full-time employees	72	70	103
Female employees	29%	24%	26%
New hires	30	31	44
Employee turnover	31%	31%	29%
FINANCIAL ($000)			
Revenue	80,422	96,237	60,891
Gross profit	16,751	15,941	8,784
Profit / (Loss) from continuing operations, net of tax	2,153	656	(3,397)
Total employee benefits expense	6,945	6,386	6,277
Total income tax (expense) / income	(33)	6	None
Dividends to shareholders	None	None	None

Notes

1. *FY2020 electricity consumption is lower due to divestment of Auto Inc EuroSports Pte Ltd in October 2018 (FY2019), and energy efficient lighting at our new headquarters in Leng Kee Road.*
2. *Total energy includes electricity, petrol and diesel consumptions. FY2020 energy data is lower as it includes reduce in petrol consumption due to new car model introduced in FY2020 is lesser compared to FY2019.*
3. *Includes Scope-1 and Scope-2 emissions. The decrease in FY2020 is due to lower fuel consumption as reduce in new car models introduced in FY2020, resulting in less activities such as test drives.*

OUR APPROACH TO SUSTAINABILITY

The Group is committed to conducting its business responsibly. Our approach is to maximise value for our shareholders and stakeholders by managing the potential economic, environmental, social and governance impacts, risks and opportunities stemming from our business operations.

As a luxury car dealership business, nurturing long-term relationship with our high net worth customers is paramount to us. Our entire organisation is geared toward ensuring exceptional customer journey by providing the best-in-class pre-sales and after-sales service.

Our planned production of electric motorcycles will enhance mobility and reduce environmental pollution on roads.

COVID-19

The coronavirus pandemic has globally disrupted economies and societies. In Singapore, the government had to take a series of measures to fight the threat from COVID-19. The rules have included from a complete to partial lockdowns of non-essential businesses and services followed by a cautious reopening in a phased manner.

We have implemented COVID-19 procedures for the safety and health of our employees, customers and visitors in line with the guidelines issued by government agencies. Our precautionary measures cover the showrooms, service centre, test drive and vehicle delivery. The initiatives include wearing of a mask, safe distancing, safe entry and exit, temperature taking, frequent cleaning and sanitising, minimising physical contact and displaying notices and instructions for compliance. We have appointed a Safe Management Officer at each of our premises to enforce the guidelines.

The health, safety and welfare of our employees and customers remain our top priority. As the fight against COVID-19 continues, we are reviewing our risk management and business continuity plan to improve our preparedness for the future episodes of pandemics.

Sustainability Governance

The Board is responsible for directing sustainability strategy and reporting. Under the guidance from the Board, the Chief Executive Officer ("**CEO**") is accountable for the implementation of the sustainability strategy. The CEO chairs the Sustainability Management Committee that is responsible for sustainability policies, programmes, targets and monitoring the performance. A sustainability reporting team assists the Committee by monitoring, collect and verify the sustainability data.

Board Statement

The Board is committed toward creating sustainable growth. The Board provides the direction for the development of sustainability strategies. As part of its strategy formulation, the Board considers sustainability issues, risks and opportunities as well as stakeholder expectations. The Board determines the material ESG factors for sustainability reporting. The Board also provides oversight of the management and monitoring of the material ESG factors through periodic review of the Group's sustainability performance. This sustainability report has been reviewed and endorsed by the Board.

STAKEHOLDERS

Building trusted relationships is vital for the sustainable growth of our business. Continued engagement with our stakeholders helps us respond to their reasonable expectations and concerns. The insight gained from our proactive interactions with our stakeholders such as customers and partners allow us to improve our product offerings and services continuously.

We engage with all those stakeholders who are affected by our decisions or who have the potential to influence our business through their opinions and actions. Our priority stakeholders include customers, business partners, employees, government agencies, media and the community. We engage with these stakeholders on an ongoing basis.

How we engage with our stakeholders and address their expectations is summarised below.

Stakeholders	Stakeholders' Expectations	How We Engage
Customers	• Comprehensive product information, including features and specifications • Test drive opportunity • Timely delivery of cars in pristine condition, free from defects or problems • Prompt resolution of complaints • Prompt, reliable and high-quality after-sales service	• Sales and marketing activities, including walk-ins, road shows, and product launch events and promotions • Product briefings, demonstrations at the showroom, and test drives • Post-purchase customer engagement to cultivate a long-term relationship • Customer get-together, driving trips, and car clubs and associations • Ongoing digital communication *Read more in the chapter on Customers*
Business Partners – Vehicle Manufacturers or Original Equipment Manufacturers ("**OEMs**")	• Long-term partnership • Financial resilience • Logistics capabilities • Sustainable growth in business • An experienced management team and service professionals • Management reputation • Capabilities to deliver the brand promise	• Regular visits and meetings • Product launches and promotions • Trade shows

STAKEHOLDERS

Stakeholders	Stakeholders' Expectations	How We Engage
Employees	• Competitive wages and benefits • Learning and development opportunities • Respect and recognition • Workplace safety, health and well-being • Job satisfaction	• Regular meetings and briefings • Product training • Performance appraisal *Read more in the chapter on People*
Government & Regulators	• Regulatory compliance	• Regulatory filings • Responding to request for information • Inspections and audits
Community	• Support for social causes • Responsible corporate citizen	• Charity and fundraising events *Read more in the chapter on People*
Media	• Timely information about new product launches and key developments • Exclusive interviews and briefings	• Interviews • Trade shows • Press releases
Investors and Shareholders	• Good governance • Sustainable business growth • Consistent dividends • Disclosure and transparency	• Annual General Meeting ("**AGM**") • Dedicated Investor Relations page on the website • Important announcements, including financial performance, on the website

Membership of Associations

We actively participate in the activities of relevant trade and industry associations. Our association memberships include:

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

MATERIALITY

We are focused on managing our most significant sustainability impacts, risks and opportunities

We have assessed our economic, environmental, social and governance impacts using the GRI principle for materiality. Addressing the issues which reflect our significant impacts, risks or opportunities or are important to our stakeholders form the core of our sustainability strategy. Effectively managing material issues helps us create value for our business and stakeholders.

Our first comprehensive materiality assessment to ascertain our most relevant sustainability topics for reporting was concluded in 2017. Thereafter, we have reviewed the material topics annually to ensure they remain relevant to our business as well as to our stakeholders. In 2020, we reassessed our previously reported material topics in view of changes in our business activities stemming from the divestment of Autoinc Eurosports Pte. Ltd. and Exquisite Marques Holding Pte. Ltd. toward the end of 2018. The divested entities accounted for most of our waste and water footprint. We have determined that waste and water are no longer material topics for our current operations as an automobile dealer.

In reviewing our material ESG issues, we consider the legislative requirements, sustainability trends in the luxury car dealership business, broader trends in the automobile sector, emerging customer preferences and stakeholder views and expectations.

Goals and Targets

We have established ESG goals and targets to measure, monitor and report our sustainability performance.

Material ESG Factors

An overview of our material ESG issues is presented below.

Material Factors	Where the Impact Occurs	Our Involvement	Management Approach
Environment			
Energy Consumption	Electricity used in offices, showroom and workshops, and fuel consumption in cars for leasing operation.	Direct	Minimise energy consumption within our operations.
Greenhouse Gas Emissions	Our carbon emissions result from the use of electricity and motor fuel.	Direct	Minimise carbon footprint through energy efficiency and low-emission products.
Environmental Compliance	Our automobile servicing workshop is subject to local environmental regulations, particularly with regard to waste and wastewater.	Direct	Ensure compliance with environmental rules and regulations.

MATERIALITY

We are focused on managing our most significant sustainability impacts, risks and opportunities

Material Factors	Where the Impact Occur	Our Involvement	Management Approach
People			
Attracting and Developing Talent	The Group	Direct	Attract and retain the best talent to provide high-quality service to customers. Provide ongoing training opportunities for personal and professional development.
Occupational Health and Safety	Showrooms and Workshops	Direct	Implement systems and processes to ensure safe work practices.
Communities			
Local Communities	The Group	Indirect	Support community initiatives through charitable giving and fundraising.
Economic			
Economic Performance	The Group	Direct	Ensure long-term value creation and positive economic contribution.
Anti-Corruption	The Group	Direct	Maintain zero-tolerance to corruption.

CUSTOMERS

Our motto of "Walk in as a Customer, Walk out as a Friend" remains central to our customer centricity

Customer delight is the topmost driver of our business success. Our customers are ultra-high net worth individuals with distinguished lifestyle needs who expect the very best in service and support. Our teams work tirelessly toward exceeding our customers' expectations.

Built on our unwavering customer-centric culture, our friendly engagement with customers has helped us to enjoy long-lasting relationships.

Customer Experience

We build relationship with customers for life. Our journey does not end with selling the car to a customer. We actively engage our customers before, during and after the purchase to ensure their ultimate satisfaction. For example, our Customer Contact Programme in collaboration with our brand partner Lamborghini offers three exclusive gifts for the customers at different stages of their purchasing experience.

The customers of luxury marques expect and admire the gorgeous design, supreme driving dynamics, advanced technology, passionate workmanship and build quality. As a dealer of luxury supercars, our priority is to offer our customers flawless service and experience. Our service standards are at par with highest standards of quality that define the supercars we sell.

We work closely with our brand partners Lamborghini, Alfa Romeo, Pagani and Touring Superleggera to ensure reliable after-sales services including sales of automobile parts and accessories.

We bond with our customers by showing we care. Whether it is a wedding in the family or a birth day celebration, we play our part in the joyous occasion by sending flowers or cakes to customers. We host our customers regularly for dialogue sessions over meals and several social events that we organise throughout the year.

Our frequent engagement with customers also provides friendly opportunities to our customers to raise any concerns or complaints they may have with regard to the cars they have purchased from us. The interactions thus allow us to promptly resolve issues if any.

Customer Service

As a matter of policy, any issues or concerns raised by our customers are attended to by senior management executives for a swift resolution. Our dedicated Customer Relations Managers are trained to provide personalised service to our customers.

24x7 Assistance

Our customers are assured of 24x7 roadside assistance. Whether it is an unfortunate event involving an accident or stopped vehicle, our trained technicians are always ready to provide speedy and timely recovery of their car.

CUSTOMERS

Our motto of "Walk in as a Customer, Walk out as a Friend" remains central to our customer centricity

After-Sales Service

As the only authorised service centre in Singapore for all the automobile brands in our portfolio, we are committed to providing the best after-sale service. Maintenance, grooming and repair, breakdown assistance and sales of genuine automobile parts and accessories are among our after-sales services that focus on a hassle free ownership of cars sold by us.

Trained by Lamborghini, a team of specialist technicians, mechanics and service advisers operate our factory-authorised Lamborghini service centre for impeccable service and quality.

Genuine Spare Parts

It is absolutely critical for us to maintain the necessary inventory of genuine spare parts for various models to ensure our customers can continue to enjoy the full experience of their cars without disruption. Authentic spare parts also guarantee the optimal performance, quality and safety of automobiles.

Pre-Owned Automobiles

Customers can rest assured that our fleet of pre-owned Lamborghini adheres to the highest standards of quality and performance. These standards are strictly followed for every pre-owned model through the Lamborghini Quality Program.

Training

It is critical for the drivers of high performance supercars to have the right skills to enjoy their car on public roads in a safe manner. That is why we organise training sessions and field trips to educate customers in the handling of their cars.

Financial Services

Whether a customer wants to lease or purchase a Lamborghini, we provide assistance in availing the right financing options. For example, we partner with Lamborghini Financial Services to offer flexible leasing and financing solutions for customers who want to own a Lamborghini.

Professional Standards

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

Customer Privacy

We take customer privacy seriously. In accordance with Singapore's Personal Data Protection Act ("**PDPA**"), we have implemented the necessary measures to safeguard our customers' and employees' data and privacy. We maintain an ongoing target of no incidents of non-compliance with PDPA.

There were no incidents of breaches of customer privacy and losses of customer data in the reported period.

Target	FY2020 Performance
No incidents of non-compliance with PDPA	Zero cases of PDPA non-compliance

ENVIRONMENT

We are committed to minimising our environmental footprint to contribute toward a sustainable future.

Our environmental policy is to conduct our business in an environmentally responsible manner. Our approach is to take proactive steps to keep our environmental footprint at the minimum possible. The environmental impact of our car dealership business is relatively small. Nevertheless, we make efforts to save energy, reduce waste, conserve water and minimise use of paper.

We periodically review our approaches and processes to ensure compliance with the applicable environmental regulations.

Energy

Our energy consumption mainly results from the electricity used in our showrooms, servicing workshops and offices as well as from fuel consumption in the vehicles. Also, some of the equipment in the workshop consumes energy. We use petrol and diesel in our vehicles.

Our head office and showroom in Leng Kee Road are fitted with energy-saving LED lights and motion sensors to turn off the lights automatically in the areas not being used. We promote environmental awareness among our employees to adopt green habits. Our employees play their part switching off the lights, air-conditioning and the presentation equipment before leaving a meeting room.

Ultra-luxury supercars and sports cars do consume more fuel to deliver the performance desired by customers. As a distributor, we do not have any control over the fuel efficiency of the vehicles we sell. However, our brand principal has committed to environmental sustainability during manufacturing. For example, 95% of the paint colours used in manufacturing are water-based and solvent emissions are very low thanks to a centralised scrubber system that recovers the heat used in the production process.

Among other environmental goals, Automobili Lamborghini has made a commitment to achieve a 35% reduction in electricity consumption (specific per vehicle) at its plant by 2025 over its 2010 baseline, as stated in its 2019 Environmental Statement. Since 2015, Lamborghini has also maintained the manufacturing facility CO_2 neutral by offsetting the CO_2 emissions from the use of electricity.

Target	FY2020 Performance
0.5% reduction in electricity consumption and energy consumption in FY2021	Electricity consumption and energy consumption reduced by 11% and 9% respectively.

EuroSports Technologies Pte Ltd - Scorpio Electric

Scorpio Electric is a Singaporean brand dedicated to accelerate the adoption of sustainable mobility. We have combined art with cutting-edge technology to create premium, stylish and smart electric motorcycles. Our team is constantly pushing the boundaries of electric vehicle concepts, and driven to reduce global levels of carbon footprint.

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

ENVIRONMENT

We are committed to minimising our environmental footprint to contribute toward a sustainable future.

CO_2 Emissions

Our carbon dioxide (CO_2) emissions are from the use of electricity and motor fuel. We remain committed to minimising our emissions by adopting energy saving measures.

Our target is to reduce CO_2 emissions by 25 tCO_2 in FY2021.

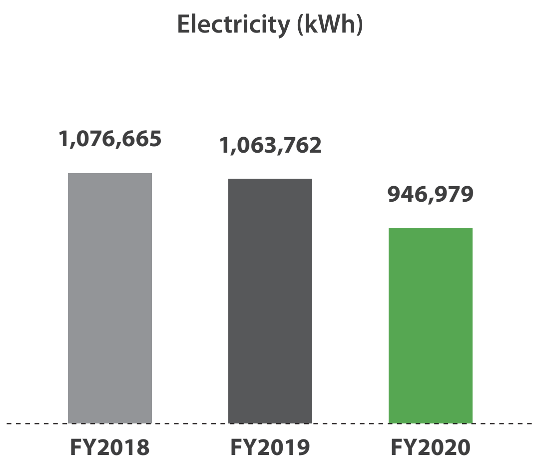
Paper

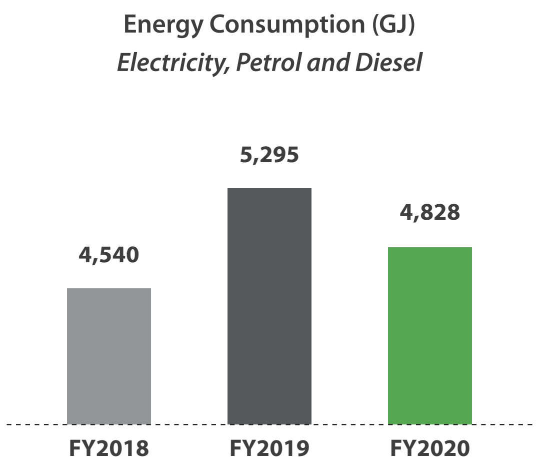
Our approach is to minimise the use of paper in our offices. We encourage employees to use paper judiciously, print on both sides and reuse and recycle where possible. Use of communication technology also helps us reduce paper consumption.

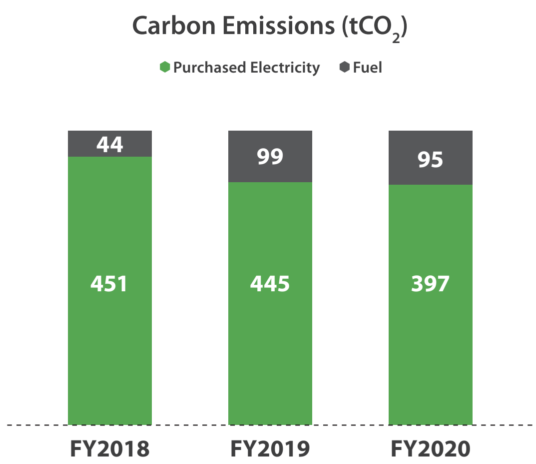
Sustainability Achievements by our Brand Partner Lamborghini (2019)

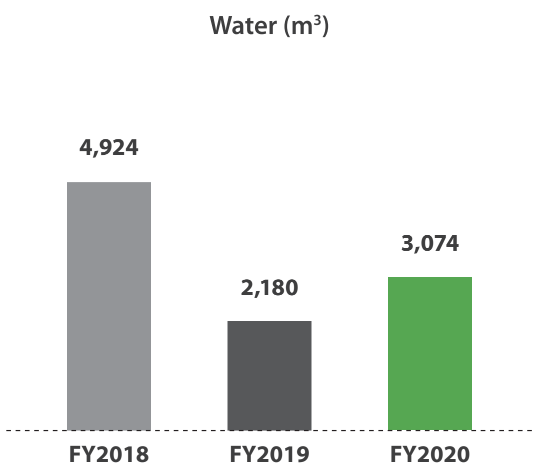
- 100% renewable electricity
- 33.1% reduction in total energy consumption per vehicle produced vs 2010
- CO_2 emissions reduced by 26%
- Offsetting of CO_2 emissions
- To achieve a 35% reduction in water consumption (specific per vehicle) by 2025 over its 2010 baseline
- 80% of waste sent out for recycling
- 95% of the colours used in the paint shop are water-based

OUR ENVIRONMENTAL PERFORMANCE









PEOPLE

Empowering a performance-driven workplace

Our employees play a vital role in our endeavour to delight customers with world-class service. It is critical that we attract and retain the best talent by providing an empowering, inclusive and friendly work culture. Ensuring our employees' wellbeing is paramount to us.

Naturally, our people are passionate about ultra-luxury automobiles and lifestyle products. They also understand the importance of delivering the highest levels of service and building long-term trusted relationships with customers.

We employed 72 full-time employees as of 31 March 2020. There were no part-time or temporary employees. Women represented 29% of our team, up from 24% in the preceding year. During the financial year, we hired 30 new employees, which included 8 female staff.

Health and Safety

Workplace health and safety remains a priority for us. We actively promote safe work practices. Our approach is to maintain a zero accident workplace.

The health and safety measures we have implemented help prevent accidents and occupational diseases. Employees are required to follow strict safety procedures to prevent injuries or accidents in our workshops. They are also required to use the necessary personal protective equipment while at work.

We conduct fire safety and evacuation drills periodically to ensure emergency preparedness. Our showrooms and workshops are fitted with the required fire-fighting and alarm equipment.

We have established a Workplace Safety and Health Committee, headed by Deputy CEO, which regularly reviews our safety and health policies and procedures.

There were no reportable incidents of injuries or occupational diseases in the reported period.

Training

We offer training to our employees for their professional development. They also receive product and job training and briefings to stay updated.

Employee Engagement

We have built a trusted and friendly work environment by encouraging teamwork and promoting open communication between team members and supervisors. Our open door policy encourages employees to bring up any issues of concern or offer suggestions directly to senior management.

We also get together to celebrate various ethnic, cultural and religious festivals.

Fair Employment

We support fair and inclusive employment practices. We hire based on merit and qualification. Our policy prohibits discrimination in employment. There were no confirmed incidents of discrimination in the reported period.

Freedom of Association

We respect the right of our employees to freedom of association. Our employees are currently not part of any collective bargaining agreement. Our employees are empowered to bring up any issues of concern directly to the management for a prompt resolution.

PEOPLE

Empowering a performance-driven workplace

Performance Management

Our policy supports a fair and objective assessment of employee performance. All permanent employees take part in periodic performance assessment. Through regular performance discussions, we also identify the development needs of our employees.

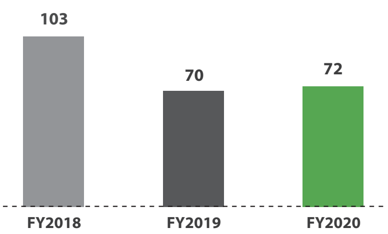
Turnover

Our approach is to build and retain a high-performance team. We regularly monitor employee turnover to improve our retention strategies.

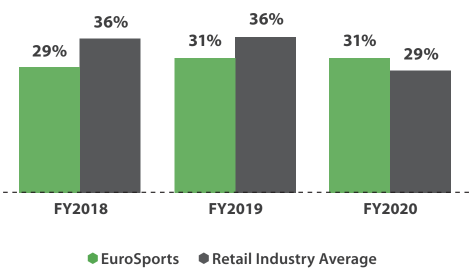
In FY2020, the number of leaving employees was 22 that included 7 female employees. The turnover rate for the financial year was 31%, the same as the prior year. However, the turnover rate was a tad higher than the national average of 29% for the national average for the Retail Trade sector *(Source: Labour Market Survey, Manpower Research and Statistics Department, Ministry of Manpower)*

Our target is to maintain our turnover rate at par or below the national average for the Retail Trade sector.

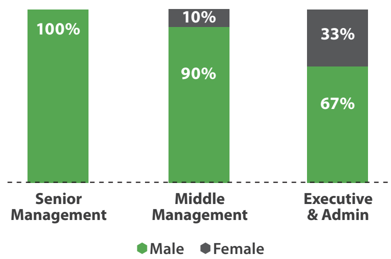
Full-Time Employees



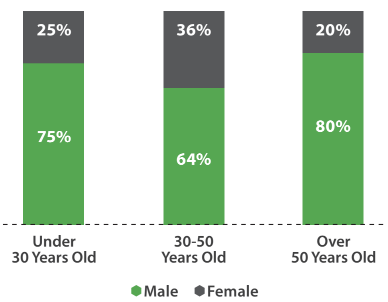
Employee Turnover



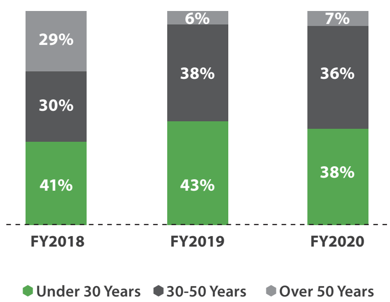
Employees by Employment Category



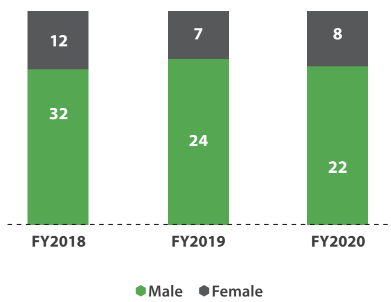
Age and Gender Diversity



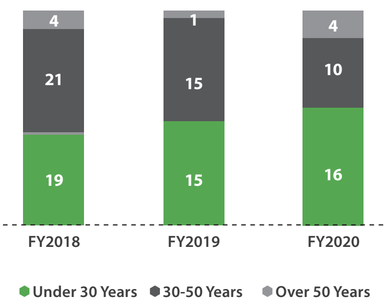
Employee Turnonover by Age Group



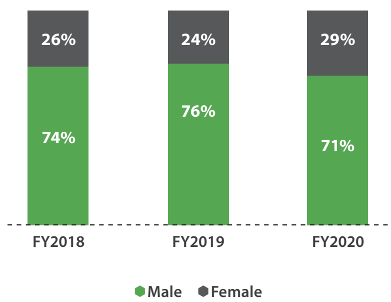
New Hires



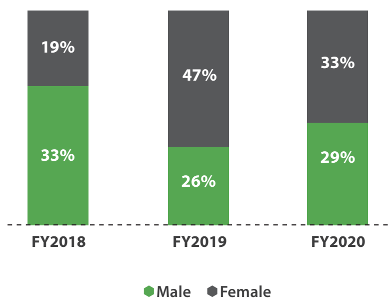
New Hires by Age Group



Gender Diversity



Employee Turnover by Gender



COMMUNITY

We are committed to supporting community programmes.

As a responsible corporate citizen, we contribute to multiple community initiatives. Not only do we create opportunities for our high net worth customers to participate in our community efforts, such as fundraising programmes for the needy, we also aim to make a positive and lasting impact in our communities by sharing our time and knowledge, and ultimately inspire the next generation of Singaporean children.

School Visit to Alfa Romeo and Lamborghini Singapore

We hosted 33 students from Ahmad Ibrahim Secondary School, Bendemeer Secondary School and Queenstown Secondary School in our company's facilities at 24 Leng Kee Road on 14th October 2019. The students gained greater insight into our company's daily operations such as sales, after sales and marketing. These students also had the opportunity to have a closer look at the Alfa Romeo and Lamborghini vehicles, a preliminary introduction into the automotive industry.

Fernvale Pupils' Day Sponsorship with Valencia CF

In another community and co-branding initiative, we supported and sponsored a football clinic with 24 students at Fernvale Gardens School conducted by 24 Valencia CF youth and 12 coaches. Arriving at the Sengkang-based school, the LaLiga entourage received a warm welcome from the pupils, aged 7 to 12 years old. The players gave the pupils high fives and souvenir pins before they proceeded to the field for the hour-long clinic.

The football clinic is an eye-opening experience for all the students from Fernvale Gardens School. As a firm, we are always looking for opportunities to create memorable and positive experience for children with special needs.

The Lamborghini Club Singapore

We support the Lamborghini Club Singapore ("**LCS**"), which organises multiple local and overseas drives including charity drives. In FY2020, we took part in 3 charity driving events with the LCS. The programmes supported by LCS included the Punggol Charity Drive, Phuket Charity Drive and Peace & Prosperity Singapura 2019.

We partner with LCS to support community events throughout the year aimed at creating social awareness and fundraising. Lamborghini owners are invited to support these events.

We continued supporting the Punggol Charity Drive whereby a total of 53 Lamborghinis gave an exhilarating ride to the needy children. Furthermore, the Lamborghini owners managed to raise a total donation value of $189,628, all of which was given to needy families living in Punggol area.

In another community effort, we organized an overseas drive for 8 Lamborghini owners to Phuket, Thailand and visited Banthapakwaeng School. A total sum of $9,000 was raised which were used to purchase stationaries and sports equipment for the children. The Lamborghini owners also participated in engaging activities such as team sports (football, volleyball and others) with the children.

Student Attachment Programme

Established in 2014, the Group offers internship to Mechanical Engineering students from National University of Singapore, Ngee Ann Polytechnic and Singapore Polytechnic each year. As part of the student attachment programme, the Group hosts 4 final year students to intern at our facilities for a period of 6 months. This internship provides the students with real work experience that is highly valued by employers in the future as the students are given a chance to develop skills such as planning, problem solving, communication and technical work.

ECONOMIC PERFORMANCE

We are committed to creating sustainable value for our shareholders and stakeholders.

As a company listed on the Singapore Exchange ("**SGX-ST**") we comprehensively report on our financial performance which is provided in the Annual Report sections of this report.

Anti-Corruption

We are committed to operating our business with integrity and by adhering to ethical business principles. We maintain zero tolerance for bribery, fraud and corruption.

There were no incidents of corruption in the reported period.

Tax Contribution

Due to premium pricing, the luxury and ultra-luxury cars we sell generate higher tax revenue for the government. In FY2020, the vehicles sold by us contributed $27.29 million in various taxes and levies to the government.

Suppliers

The vehicles sold by us are supplied by our OEM brand partners. Our significant purchases from suppliers include body components, undercarriage components, engine parts, batteries, oil and lubricants. We focus on procurement efficiency and nurturing a reliable supply chain.

GRI CONTENT INDEX

GRI Content Index "in accordance" - Core		
GRI Standard	**Disclosure**	**Page Number(s) and/or URL(s)**
GRI 101: Foundation 2016		
	General Disclosures	
GRI 102: General Disclosures 2016	**Organisational Profile**	
	102-1 Name of the organisation	1
	102-2 Activities, brands, products, and services	Corporate Profile
	102-3 Location of headquarters	Singapore
	102-4 Location of operations	1
	102-5 Ownership and legal form	40, 154-155
	102-6 Markets served	Corporate Profile, 4
	102-7 Scale of the organisation	8-13, 30-31
	102-8 Information on employees and other workers	30-31
	102-9 Supply chain	33
	102-10 Significant changes to the organisation and its supply chain	None
	102-11 Precautionary Principle or approach	27
	102-12 External initiatives	18
	102-13 Membership of associations	22
	Strategy	
	102-14 Statement from senior decision-maker	5-7
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behaviour	1
	Governance	
	102-18 Governance structure	40-41
	102-19 Delegating authority	20, 42-43
	102-20 Executive-level responsibility for economic, environmental, and social topics	20
	102-21 Consulting stakeholders on economic, environmental, and social topics	21-22, 40, 77-78
	102-22 Composition of the highest governance body and its committees	45-47, 59, 68
	102-23 Chair of the highest governance body	48-49
	102-24 Nominating and selecting the highest governance body	51-52 42, 53, 69
	102-25 Conflicts of interest	
	102-26 Role of highest governance body in setting purpose, values, and strategy	40
	102-27 Collective knowledge of highest governance body	41
	102-28 Evaluating the highest governance body's performance	58-59

GRI CONTENT INDEX

GRI Content Index "in accordance" - Core		
GRI Standard	**Disclosure**	**Page Number(s) and/or URL(s)**
	102-29 Identifying and managing economic, environmental, and social impacts	20, 40
	102-30 Effectiveness of risk management processes	66-67
	102-31 Review of economic, environmental, and social topics	20, 40
	102-32 Highest governance body's role in sustainability reporting	20
	Stakeholder Engagement	
	102-40 List of stakeholder groups	21-22
	102-41 Collective bargaining agreements	30
	102-42 Identifying and selecting stakeholders	21-22
	102-43 Approach to stakeholder engagement	21-22
	102-44 Key topics and concerns raised	21-22
	Reporting Practice	
	102-45 Entities included in the consolidated financial statements	1, 125
	102-46 Defining report content and topic Boundaries	23, 24
	102-47 List of material topics	23, 24
	102-48 Restatements of information	18
	102-49 Changes in reporting	23
	102-50 Reporting period	18
	102-51 Date of most recent report	July 2019
	102-52 Reporting cycle	18
	102-53 Contact point for questions regarding the report	18
	102-54 Claims of reporting in accordance with the GRI Standards	18
	102-55 GRI content index	34
	102-56 External assurance	18

GRI CONTENT INDEX

GRI Content Index "in accordance" - Core			
GRI Standard	**Disclosure**		**Page Number(s) and/or URL(s)**
Economic Performance			
GRI 103: Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its Boundaries The management approach and its components Evaluation of the management approach	24 24 24
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	33, 91-92, 117
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	33
Anti-corruption			
GRI 103: Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its Boundaries The management approach and its components Evaluation of the management approach	24, 33 24, 33 24, 33
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	33
Energy			
GRI 103: Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its Boundaries The management approach and its components Evaluation of the management approach	23, 27, 29 23, 27, 29 23, 27, 29
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	27, 29
Emissions			
GRI103: Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its Boundaries The management approach and its components Evaluation of the management approach	23, 28 23, 28 23, 28
GRI 305: Emissions 2016	305-1 305-2	Direct (Scope1) GHG emissions Energy indirect (Scope 2) GHG emissions	28-29 28-29

GRI CONTENT INDEX

GRI Content Index "in accordance" - Core			
GRI Standard	**Disclosure**		**Page Number(s) and/or URL(s)**
Environmental Compliance			
GRI 103: Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its Boundaries The management approach and its components Evaluation of the management approach	23 23 23
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	None
Employment			
GRI 103: Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its Boundaries The management approach and its components Evaluation of the management approach	24 24 24
GRI 401: Employment 2016	401-1	New Employee hires and employee turnover	30,31
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its Boundaries The management approach and its components Evaluation of the management approach	24, 30 24, 30 24, 30
GRI 403: Occupational Health and Safety	403-2	Types of injury and rate of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities.	30
Training and Education			
GRI 103: Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its Boundaries The management approach and its components Evaluation of the management approach	24 24 24
GRI 404: Training and Educations 2016	404-3	Percentage of employees receiving regular performance and career development reviews	31

GRI CONTENT INDEX

GRI Content Index "in accordance" - Core			
GRI Standard	**Disclosure**		**Page Number(s) and/or URL(s)**
Local Communities			
GRI 103: Management Approach 2016	1103-1 103-2 103-3	Explanation of the material topic and its Boundaries The management approach and its components Evaluation of the management approach	24, 32 24, 32 24, 32
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	32
Customer Privacy			
GRI 103: Management Approach 2016	103-1 103-2 103-3	Explanation of the material topic and its Boundaries The management approach and its components Evaluation of the management approach	26 26 26
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	26

FINANCIAL REPORT 2020

CORPORATE GOVERNANCE

The Board and Management of EuroSports Global Limited (the "**Company**") is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "**Group**"). Good corporate governance establishes and maintains an ethical environment in the Group, which strives to enhance the interest of the shareholders of the Company. This report outlines the Company's corporate governance processes and activities that were in place during the financial year ended 31 March 2020 ("**FY2020**"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**2018 Code**") issued on 6 August 2018.

Pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**"), the Board confirms that the Company and Group, have for FY2020 complied with the Principles as set out in the 2018 Code. Where there are deviations from the Provisions of the 2018 Code, explanations for the deviation and how the Group's practices are consistent with the intent of the relevant principle are provided in the sections below:-

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

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

Provision 1.1
Principal Duties of the Board

The Board's principal function include, inter alia, providing entrepreneurial leadership, setting the appropriate tone-from-the-top and desired organisational culture monitoring Management's performance, establishing a framework for prudent and effective internal controls to manage risk, safeguarding shareholders' interests and the Group's assets as well as setting values and standards (including ethical standards) for the Group.

The Board is also collectively responsible for the following corporate matters:

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

CORPORATE GOVERNANCE

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and works with Management to take objective decisions in the interest of the Group. Any Director who has conflict of interest which is likely to impact his independence or conflict with a subject under discussion by the Board, is required to immediately declare his interest to the Board, and recuse himself from participating in any further discussions or voting on the subject matter, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. The abstention is recorded within the minutes and/or resolutions of the Board and/or Committees. During FY2020, no conflicts of interests from the Directors had arisen.

Provision 1.2
Induction, Continuous Training and Development of the Directors

A formal letter of appointment is provided to every new Director. The formal letter of appointment indicates the time commitment required and the roles and responsibilities of Directors. During FY2020, no new director was appointed.

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

The Company will regularly organise internal trainings for the Directors, which include technical training on the Company's products. The Directors are encouraged to keep themselves abreast of the latest developments relevant to the Group and attendance of appropriate courses and seminars will be arranged and funded by the Company. In addition, the external auditors briefed the Directors at least annually to keep the Directors abreast of changes to accounting standards and issues which have a direct impact on financial statements or when necessary when these changes may be significant and/or substantial. To keep the Directors abreast of industry trends and issues, press releases which were relevant to the Group's business are circulated to the Directors. Our Company's continuing sponsor, CIMB Bank Berhad, Singapore Branch, provides updates to the Board whenever there are changes to the Catalist Rules or the Code of Corporate Governance.

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

CORPORATE GOVERNANCE

Provision 1.3
Matters Requiring Board Approval

The Group has adopted and documented internal guidelines setting forth matters that require Board approval. Matters which are specifically reserved for the Board approval are:

- Matters involving a conflict of interest for a substantial shareholder or a Director;
- Material acquisition and disposal of property, plant and equipment of $2 million and above;
- Corporate restructuring;
- Share issuances, interim dividends and other returns to shareholders;
- Interested person transactions; and
- Any investment or divestment exceeding $1 million in transaction value.

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

- Strategies and objectives of the Group;
- Annual budgets and business plans;
- Announcements of half-year and full year results;
- Releases of annual reports;
- Convening of shareholders' meetings; and
- Commitments to terms loans and lines of credits from banks and financial institutions.

Provision 1.4
Delegation of Authority to Board Committees

To assist the Board in discharging its oversight functions and execution of its responsibilities, the Board has established three Board committees, namely the Audit Committee (the "**AC**"), Nominating Committee (the "**NC**") and Remuneration Committee (the "**RC**"). Each of the Board committees has its own defined scope of duties and terms of reference and whose actions are reported to and monitored by the Board.

At the date of this report, the compositions of the committees are as follows:

Director	Board Appointment	AC	NC	RC
Goh Kim San ("**Melvin Goh**")	Executive Chairman and Chief Executive Officer ("**CEO**")	–	–	–
Goh Kim Hup ("**Andy Goh**")	Executive Director and Deputy CEO	–	–	–
Ng Tiak Soon	Non-Executive and Lead Independent Director	Chairman	Member	Member
Tan Siok Sing	Non-Executive and Independent Director	Member	Chairman	Member
Lim Kim Quee*	Non-Executive and Independent Director	Member	Member	Chairman

* Mr Lim Kim Quee passed away on 10 June 2020 and ceased to be a Non-Executive Independent Director of the Company. Please refer to the Company's announcements dated 11 June 2020 for further information.

CORPORATE GOVERNANCE

These terms of reference are reviewed on a regular basis, along with the committee structures and membership. Any change to the terms of reference for any Board committee requires the specific written approval of the Board. All the Board committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. The Board accepts that while these Board committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

Provision 1.5
Meetings of Board and Board Committees

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

Notwithstanding on the above, the Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. Ad hoc meetings are also convened as and when they are deemed necessary.

The frequency of meetings and the attendance of each Director at every Board and Board committees meetings for FY2020 are disclosed in the table below:-

	Board		AC		NC		RC	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Melvin Goh	5	4	4	3#	2	2#	3	3#
Andy Goh	5	5	4	4#	2	2#	3	3#
Ng Tiak Soon	5	5	4	4	2	2	3	3
Tan Siok Sing	5	5	4	4	2	2	3	3
Lim Kim Quee*	5	3	4	2	2	1	3	2

* Mr Lim Kim Quee passed away on 10 June 2020 and ceased to be a Non-Executive Independent Director of the Company. Please refer to the Company's announcements dated 11 June 2020 for further information.

\# Attended as invitees

CORPORATE GOVERNANCE

Multiple Board Representations

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

The Directors had committed considerable amount of time towards Board and Board committees meetings held in FY2020 and adjusted their schedules to ensure participation in meetings for the deliberation of issues. The NC has reviewed and is satisfied that each Director is able to devote sufficient time and attention to the affairs of the Company to adequately discharge his duties as a Director of the Company.

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

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

Provision 1.6
Board's Access to Information

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

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

CORPORATE GOVERNANCE

Provision 1.7
Board's Access to Management and Company Secretary

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

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

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

Under Article 151 of the Company's Constitution, the Company Secretary may be appointed and removed by the Board as a whole.

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

(B) BOARD COMPOSITION AND GUIDANCE

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

Provision 2.1, 2.2 and 2.3
Independent Element of the Board, Composition of the Independent Directors and Non-Executive Directors on the Board

Independent Directors

The 2018 Code defines an "independent" director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgement in the best interests of the Company. The 2018 Code also clarifies that a Director who falls under the circumstances described in Rule 406(3)(d) of the Catalist Rules is not independent. Such circumstances apply to, inter alia, the following: (a) a Director being employed by the Company or any of its related corporations for the current or any of the past three financial years; (b) a Director who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.

CORPORATE GOVERNANCE

Not only is the principle of majority independence not met, but the Company does not have the members to make up the AC, NC and RC, which must comprise at least 3 members, where all members of the RC and AC are non-executive directors, and the majority of all committees, including the respective Chairman, are independent. Mr Melvin Goh, being the Executive Chairman and CEO of the Company, as well as part of the management team, does not fall within the definition of "independent" as defined in the 2018 Code. As such, Provision 2.2 of the 2018 Code requires majority of the Board to be made up independent directors. In this regard, the Board notes the following:-

(a) From 1 April 2019 (the commencement date of FY2020) until 10 June 2020 (the date that Non-Executive Independent Director Mr Lim Kim Quee ("**Mr Lim**") passed away), the Board comprised five directors of whom three were independent. In other words, during this period, the Non-Executive Independent Directors, namely, Messrs Ng Tiak Soon, Tan Siok Sing and Lim Kim Quee made up majority of the Board.

(b) Since the demise of Mr Lim on 10 June 2020, the composition of the Board currently four directors, two of whom (being Messrs Ng Tiak Soon and Tan Siok Sing) are independent.

(c) Notwithstanding that independent directors do not make up majority of the Board, given the current scope and size of the operations of the Group, the Board considers the present composition and size of the Board to be adequate to facilitate effective decision making. Further, the Board is of the view that it is still currently able to exercise independent judgement on corporate affairs, provide Management with a diverse and objective perspective on issues, and that there is no individual or small group who/which dominates the Board's decision making.

Since Mr Lim's demise on 10 June 2020, the Company has been actively searching for an appropriate candidate to appoint as new independent director to fill in the vacancy. Multiple interviews had been conducted. However, due to COVID-19 situation and safe distancing measures has not been fully lifted, the process of selecting an appropriate independent director, who has the relevant experience, sound track record and is familiar with the automobile industry, has inevitably been delayed. The Board continues to assess suitable candidates to be appointed as an independent director during this period. The Company will release relevant announcement(s) via SGXNet as and when there are any material developments on this matter.

None of the Independent Directors have served on the Board beyond nine years from their respective date of first appointment.

Provision 2.4
Composition and Size of the Board and Board Committees

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

CORPORATE GOVERNANCE

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

The Board believes that the current composition and size to be adequate and provide sufficient diversity without interfering with efficient decision-making. The Board will however continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole so as to avoid groupthink and foster constructive debate.

Further information on the individual Director's background, experience and skills can be found in the Directors' profiles set out on pages 14 to 15 of this Annual Report.

In view of the foregoing, while the Company has not adopted a formal board diversity policy, the Board is of the view that its current composition has an appropriate level of independence and diversity of thought and background to enable it to make decisions in the best interests of the Company, consistent with the intent of Principle 2 of the 2018 Code. The NC will continue to assess on an annual basis the diversity of the Board and ensure that the diversity would be relevant to the business of the Group.

Provision 2.5
Regular Meetings of Non-Executive Directors and Independent Directors

The Board and Management openly discuss issues of the Company at Board and Board Committees meetings. The Non-Executive Independent Directors actively participated in such meetings held in FY2020. Minutes of the Board and Board committees meetings are circulated to the Board so that Directors are kept aware and updated of the matters discussed. The Non-Executive Independent Directors, led by the Lead Independent Director ("**LID**"), will hold meetings without the presence of Management and Executive Directors, as and when the need arises. They also communicate regularly to discuss matters relating to the Group, including reviewing the performance of Management in meeting agreed goals and objectives and monitoring the reporting of performance. The LID provides feedback to the Board as appropriate.

CORPORATE GOVERNANCE

(C) CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Provision 3.1, 3.2 and 3.3
Roles and Responsibilities of Chairman & Executive Director and Lead Independent Director

The Board has not adopted the recommendation of the 2018 Code to have separate Directors appointed as Chairman and the CEO. This is because the Board is of the view that there is already sufficiently strong independent element on the Board to enable independent exercise of objective judgement on affairs and operations of the Group by members of the Board, taking into account factors such as the number of Independent Directors on the Board as well as the contributions made by each member at meetings which relate to the affairs and operations of the Group. The Board is satisfied that one person is able to effectively discharge the duties of both positions.

Mr Melvin Goh assumes the following responsibilities:-

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

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

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

Taking cognizance of the non-separation of the roles of the Chairman of the Board and the CEO, the Board has in

CORPORATE GOVERNANCE

the spirit of good corporate governance, appointed Mr Ng Tiak Soon as LID to serve as a channel for shareholders in the event of their concerns are not resolved through the normal channels of the Executive Chairman and CEO and/or to the Group Financial Controller ("**GFC**"), or when such contact is inappropriate. Mr Ng Tiak Soon will also act as liaison between the Independent Directors and the Chairman of the Board; to provide non-executive perspectives in circumstances where it would be inappropriate for the Chairman to serve in such capacity and to contribute a balanced viewpoint to the Board.

The Board believes that the practices adopted are consistent with the intent of Principle 3 of the 2018 Code, which requires a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

BOARD MEMBERSHIP

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

Provisions 4.1 and 4.2
NC Membership and Terms of Reference

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

As at the date of this report, the NC comprises Mr Tan Siok Sing and Mr Ng Tiak Soon, all of whom are Non-Executive Independent Directors. Mr Tan Siok Sing is the Chairman of the NC.

Not only is the principle of majority independence not met, but the Company does not have the members to make up the NC, which must comprise at least 3 members, the majority of whom, including the Chairman, are independent. As disclosed in Provision 2 of this Corporate Governance section above, the Board is currently actively assessing suitable candidates to be appointed as the new independent director to replace the late Mr Lim to constitute the Nominating Committee. As and when a new independent director is appointed, the Company will release relevant announcement(s) via SGXNET of any new appointment, reconstitution of Board committees or as and when there are any material development on this matter.

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

(a) Make recommendations to the Board relating to:
- the review of Board succession plans for Directors, in particular, for the Chairman of the Board and the CEO;
- the development of a process for evaluation of the performance of the Board, its Board committees and Directors;
- the review of training and professional development programs for the members of the Board; and
- the appointment and re-appointment of Directors (including alternate Directors, if applicable).

CORPORATE GOVERNANCE

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

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

Provision 4.4
Determining Directors' Independence

Each Director completes a declaration to confirm his independence on an annual basis. The NC has reviewed the independence of the Directors as mentioned under Provision 2.1 above and is of the view that Mr Ng Tiak Soon and Mr Tan Siok Sing are independent based on the criteria given in the Catalist Rules and the 2018 Code and their respective declarations.

CORPORATE GOVERNANCE

Provision 4.3 and 4.5
Process for the Selection, Appointment and Re-appointment of Directors

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

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

Upon endorsement by the Board of the key attributes, the NC may:
- Advertise or use services of external advisers to facilitate a search;
- Approach alternative sources such as Singapore Institute of Directors; and/or
- Consider candidates from a wide range of backgrounds from internal or external sources.

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

No new Director has been appointed in FY2020.

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

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

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

CORPORATE GOVERNANCE

Pursuant to the Company's Constitution, Mr Andy Goh and Mr Tan Siok Sing will retire from office by rotation at the forthcoming AGM and will be eligible for re-election. Accordingly, the NC has recommended the aforesaid re-election of the both the Directors and the Board has accepted the NC's recommendation. In recommending the re-election of both Mr Andy Goh and Mr Tan Siok Sing, the NC has considered the Directors' overall contribution and performance, Mr Tan Siok Sing, being the NC Chairman had abstained from deliberation in respect of his own nomination and assessment. In addition, there is no relationships, including immediate family relationships, between Mr Tan Siok Sing and the other Directors, the Company, its related corporations, its substantial shareholders or officers which may affect his independence. The Board considers Mr Tan Siok Sing, to be independent for the purpose of Catalist Rule 704(7).

Alternate Directors

There are currently no alternate directors on the Board.

Key information on Directors

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

			Directorships in other listed companies		
Name of Director	**Appointment**	**Date of Appointment / Last Re-appointment**	**Current**	**For the past 3 years**	**Due for Re-appointment at the AGM**
Melvin Goh	Chairman and CEO	12 December 2012 / 29 July 2019	Nil	Nil	NA
Andy Goh	Deputy CEO	12 December 2012 / 27 July 2018	Nil	Nil	Retirement by Rotation (Article 113)
Ng Tiak Soon	Independent Director	29 November 2013 / 27 July 2018	• Parkson Retail Asia Limited • Kinergy Corporation Ltd	• MDR Limited • 800 Super Holdings Limited	NA
Tan Siok Sing	Independent Director	29 November 2013 / 28 July 2017	• Dukang Distillers Holdings Limited • Libra Group Limited	• Changtian Plastic & Chemical Limited • Li Heng Chemical Fibre Technologies Limited • QingMei Group Holdings Limited	Retirement by Rotation (Article 113)

The NC has reviewed the contribution by each Director taking into account their listed company board representations and other principal commitments. Key information about the Board members, including their principal commitments are set out on pages 14 and 15 of this annual report.

CORPORATE GOVERNANCE

The requirements under Rule 720(5) of the Rules of Catalist are set out below:

	Name of person	
	Andy Goh	**Tan Siok Sing**
Date of appointment	12 December 2012	29 November 2013
Date of last re-appointment (if applicable)	27 July 2018	28 July 2017
Age	60	66
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After assessing Mr Andy Goh's contribution and performance, the NC has recommended that Mr Andy Goh be re-elected as Director of the Company.	After assessing Mr Tan Siok Sing's contribution and performance, the NC has recommended that Mr Tan Siok Sing be re-elected as Director of the Company.
Whether appointment is executive, and so, the area of responsibility	Executive. Assisting CEO in all matters in relation to Group's general management and administration.	Non-Executive Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Deputy CEO	Non-Executive Independent Director. Chairman of NC and a member of AC and RC.
Professional Qualifications	Nil	Master in Business Administration
Working experience and occupation(s) during the past 10 years	More than 34 years of experience and industry knowledge of the automobile industry.	More than 18 years of experience in finance industry. Managing Director of Ironman Minerals & Ores Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	51,815,600 (Direct Interest) 19,500,000 (Deemed Interest)	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Brother to Mr Melvin Goh, Executive Chairman and CEO of the Group.	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

CORPORATE GOVERNANCE

	Name of person	
	Andy Goh	**Tan Siok Sing**
Other Principal Commitments* including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8) Past (for the last 5 years) Present	Past • AutoInc EuroSports Pte. Ltd. • Ultimate Drive EuroSports Pte. Ltd. Present • EuroSports Auto Pte. Ltd. • EuroAutomobile Pte. Ltd. • Prosper Auto Pte. Ltd. • JES Auto Pte. Ltd.	Past • Changtian Plastic & Chemical Limited • Li Heng Chemical Fibre Technologies Limited • QingMei Group Holdings Limited Present • Dukang Distillers Holdings Limited • Libra Group Limited • Shong Sing Pte. Ltd. • Ironman Marketing Pte. Ltd. • Ironman Minerals & Ores Pte. Ltd. • Ironman International Inc. • Iroman – JS Investments (La Tahzen) Inc. • PT Pacific Metalurgi Indo Smelter • Sunny Max Investment Limited • Goh Loo (2012) Limited
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, general manager or other officer of equivalent rank. **If the answer to any question is "yes", full details must be given.** (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

CORPORATE GOVERNANCE

	Name of person	
	Andy Goh	**Tan Siok Sing**
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

CORPORATE GOVERNANCE

	Name of person	
	Andy Goh	Tan Siok Sing
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

CORPORATE GOVERNANCE

	Name of person	
	Andy Goh	Tan Siok Sing
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

CORPORATE GOVERNANCE

	Name of person	
	Andy Goh	**Tan Siok Sing**
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	This relates to re-appointment of Director and not that of a new Director.	This relates to re-appointment of Director and not that of a new Director.
If Yes, please provide details of prior experience.	N.A.	N.A.
If No, Please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.

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

Provisions 5.1 and 5.2
Board Performance

The NC is responsible for assessing the effectiveness of the Board, the Board committees and each Individual Director.

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

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

Performance Criteria for Board Evaluation

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

CORPORATE GOVERNANCE

Evaluation of Individual Directors

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

For FY2020, the NC having reviewed the overall performance of the Board as a whole, its Board committees as well as the performance of each individual Director, was satisfied with their performance for the period under review. No external facilitator has been engaged to perform the Board assessment process. When relevant and when the need arises, NC will consider such an engagement.

(E) REMUNERATION MATTERS

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

Provisions 6.1, 6.2 and 6.3
Remuneration Committee and Terms of Reference

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

At the date of this report, the RC comprises Mr Tan Siok Sing and Mr Ng Tiak Soon as committee members, all of whom are Non-Executive Independent Directors. The Lead Independent Directors, Mr Tan Siok Sing, is a member of the RC.

Not only is the principle of majority independence not met, but the Company does not have the members to make up the RC, which must comprise at least 3 members, where all members are non-executive directors, the majority of whom, including the Chairman, are independent. As disclosed in Provision 2 of this Corporate Governance section above, the Board is currently actively assessing suitable candidates to be appointed as the new independent director to replace the late Mr Lim to constitute the Remuneration Committee. As and when a new independent director is appointed, the Company will release relevant announcement(s) via SGXNET of any new appointment, reconstitution of Board committees or as and when there are any material development on this matter.

CORPORATE GOVERNANCE

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

(a) Review and recommend for endorsement by the Board, a general framework of remuneration for the Board and KMP;

(b) Review and recommend for endorsement by the Board, specific remuneration packages for each Director and KMP;

(c) Review whether Executive Directors and KMP should be eligible for benefits under long-term incentive schemes;

(d) Review annually the remuneration packages of all employees who are related to any of the Directors, controlling shareholders or the executive officers;

(e) Ensure that the remuneration packages are comparable within the industry and with similar companies and include a performance-related element;

(f) Ensure that there are appropriate and meaningful measures of assessing the performance of Executive Directors and KMP;

(g) Ensure that the remuneration package of key executives related to Directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities;

(h) Implement and administer performance share plan and employee share option scheme in accordance with the rules of the share plan and option scheme adopted by members of the Company from time to time; and

(i) Review the Group's obligations arising in the event of termination of the Executive Director's and KMP's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

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

Provision 6.4
RC's Access to Advice on Remuneration Matters

The RC may from time to time and where necessary seek advice from external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and KMP. The Board has not engaged any external remuneration consultant to advise on remuneration matters for FY2020.

CORPORATE GOVERNANCE

LEVEL AND MIX OF REMUNERATION

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

Provision 7.1 and 7.3
Remuneration of Executive Director and Key Management Personnel

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

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

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

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

CORPORATE GOVERNANCE

Provision 7.2
Remuneration of Non-Executive Director

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

DISCLOSURE ON REMUNERATION

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

Provisions 8.1 and 8.2
Remuneration Report

Details on the remuneration of Directors and KMP for FY2020 are presented in the following tables.

Remuneration of Directors and the CEO

The remuneration paid to and accrued to each Director for FY2020 is as follows:-

Name of Directors	Fees $'000	Salary $'000	Fixed Bonus (1) $'000	Variable or Performance Related Income / Bonus $'000	Allowances And Benefits (2) $'000	Total $'000
Melvin Goh	-	690	120	-	71	881
Andy Goh	-	593	99	-	65	757
Lim Kim Quee*	35	-	-	-	-	35
Ng Tiak Soon	50	-	-	-	-	50
Tan Siok Sing	35	-	-	-	-	35

Notes:
(1) The Company paid the Executive Directors three months of contractual fixed bonuses.
(2) Allowances and benefits include transport allowances, usage of car and membership subscription
* Lim Kim Quee passed away on 10 June 2020 and ceased to be Non-Executive Independent Director of the Company.

CORPORATE GOVERNANCE

Remuneration of Key Management Personnel

The remuneration received by the top five KMP (who are not Directors or the CEO) in FY2020 is approximately $1.08 million, and a breakdown showing the level and mix of remuneration of each of the top five KMP (who are not Directors or the CEO) in bands of $250,000 for FY2020 as follows:

Name of KMP	Salary %	Variable or Performance Related Income / Bonus %	Allowances And Benefits (1) %	Others %	Total %
$250,000 to $500,000					
Tan Jun Wei	74	24	2	-	100
Roy Ng	43	57	-	-	100
Below $250,000					
Yang Ee	72	23	5	-	100
Joel Chang*	68	-	-	32	100
Eyu Soon Fatt	72	17	11	-	100
$50,000 to $100,000					
Joshua Goh Yi Shun	80	16	4	-	100

Note:

(1) Allowances and benefits include transport allowances, usage of car and others.

* Resigned on 30 September 2019

The Board is of the opinion that it is not in the best interest of the Company to disclose the exact details of remuneration of the KMP due to the competitiveness of the industry for key talent. The Board believes that there is sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation, consistent with the intent of Principle 8 of the 2018 Code.

Mr Joel Chang Chung Yhow resigned as Chief Operating Officer, EuroSports Technologies Pte. Ltd. on 30 September 2019 and his remuneration in FY2020 was in the band of below $250,000.

Mr Joshua Goh Yi Shun, son of Mr Melvin Goh and nephew of Mr Andy Goh, who are the Directors of the Company, was appointed as Assistant Manager – Operations on 12 January 2017. He was appointed as a Director of JES Auto Pte. Ltd. on 15 November 2019. His remuneration in FY2020 was in the band of between $50,000 to $100,000.

Except for Mr Melvin Goh, who is the brother of Mr Andy Goh, there are no employees who are immediate family members of a Director or the CEO, and whose remuneration exceeds $100,000 during FY2020.

There were no terminations, retirement or post-employment benefits granted to Directors, the CEO and KMP other than standard contractual notice period termination payment in lieu of service for FY2020.

CORPORATE GOVERNANCE

Provision 8.3
Other Payment and Benefits to Directors and Key Management Personnel including Employment Share Schemes

As disclosed in the Offer Document, the Company has in place the EuroSports Employee Share Option Scheme ("**ESOS**") and EuroSports Performance Share Plan ("**PSP**") since 29 November 2013.

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

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

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

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

The total number of shares over which the RC may grant the options under the ESOS and the total number of shares which may be delivered pursuant to the vesting of awards under the PSP on any date, when added to the number of shares issued and issuable in respect of (i) all options granted under the ESOS; (ii) all awards granted under the PSP; and (iii) all outstanding options, shares or awards issued/issuable or granted under such other share-based incentive schemes or share plans of the Company, shall not exceed 15% of the total number of issued shares (excluding treasury shares, as defined in the Companies Act (Chapter 50) of Singapore) of the Company on the day immediately preceding the offer date of the option or from time to time.

CORPORATE GOVERNANCE

During the reporting year, no option to take up unissued shares of the Company or its subsidiaries was granted.

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

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

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

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

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

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

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

During FY2020, there were 30,000 shares in EST awarded to the participants. Further details of the Plan can be found in the Statement by Directors on page 83 of the Annual Report.

CORPORATE GOVERNANCE

(C) ACCOUNTABILITY AND AUDIT

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

Provision 9.1
Nature and Extent of Risks

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

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

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

CORPORATE GOVERNANCE

Provision 9.2
Board's Comment on Adequacy and Effectiveness of Risk Management and Internal Control Systems

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

Based on the internal control established and maintained by Group, work performed by the internal and external auditors, and review performed by the Management, various Board committees and/or the Board, the Board, with the concurrence of the AC, is of the opinion that there are adequate and effective risk management systems and internal controls in place to address the risks relating to financial, operational, information technology and compliance controls for FY2020.

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

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

Assurance from CEO, Deputy CEO, Director of Operations, Strategy and Business Development and GFC

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

CORPORATE GOVERNANCE

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provisions 10.1 & 10.2

Roles, Responsibilities and Authorities of AC and Membership

As at the date of this report, the AC comprises Mr Ng Tiak Soon and Mr Tan Siok Sing, all of whom are Non-Executive Independent Directors. Mr Ng Tiak Soon is the Chairman of the AC.

Not only is the principle of majority independence not met, but the Company does not have the members to make up the AC, which must comprise at least 3 members, where all members are non-executive directors, the majority of whom, including the Chairman, are independent. As disclosed in Provision 2 of this Corporate Governance section above, the Board is currently actively assessing suitable candidates to be appointed as the new independent director to replace the late Mr Lim to constitute the Audit Committee. As and when a new independent director is appointed, the Company will release relevant announcement(s) via SGXNET of any new appointment, reconstitution of Board committees or as and when there are any material development on this matter.

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

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

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

CORPORATE GOVERNANCE

(b) To serve as an independent and objective party to review the financial information presented by the management to shareholders, regulators and the general public. In pursuance of this function, the duties of the AC shall include, amongst other things, the following:
- Review the Company's key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, and make the appropriate disclosure to the Board and in the Company's annual report;
- Monitor the integrity of the financial information on the relevance and consistency of the accounting standards used and to review the financial statements (and any announcements relating to financial performance), significant financial reporting issues and judgements of the Company and of the Group with the management and external auditors before submission to the Board; and
- Review the half year and full year financial statements and results announcements before submission to the Board for approval.

(c) To examine the adequacy of the Company's internal controls, and evaluate adherence. In pursuance of this function, the duties of the AC, shall include, amongst others, the following:
- Exercise authority to investigate any matter within its terms of reference, with full access to and co-operation by the Company's management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable the AC to discharge its functions properly;
- Review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, information technology and compliance controls;
- Review and discuss with the auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the management's response;
- Commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations which has or is likely to have a material impact on the Company's operating results and/or financial position;
- Review policies and arrangements by which staff of the Company and any other persons may in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow up action;
- Review transactions (if any) falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules;
- Review potential conflicts of interest (if any) and set out a framework to resolve or mitigate any potential conflicts of interests; and
- Review and approve foreign exchange hedging policies and instruments (if any) implemented by the Group and conduct periodic review of foreign exchange transactions and hedging policies and procedures.

CORPORATE GOVERNANCE

Summary of the Audit Committee's Activities

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

For FY2020, the AC has met with external and internal auditors, without the presence of management.

The principal activities of the AC during FY2020 are summarised below:

(a) Reviewed the half year and full year financial statements and results announcements, material announcements, and all related disclosures to shareholders before submission to the Board for approval;

(b) Reviewed the audit plan and audit report of the Company's internal and external auditors and ensures the adequacy of the Company's system of accounting controls and the co-operation given by the management to the external and internal auditors;

(c) Reviewed the annual financial statements and also discussed with the management, the GFC and the external auditors the key audit matters, significant accounting policies, judgement and estimate applied by the management in preparing the annual financial statements. Following the review and discussions, the AC then recommended to the Board for approval of the audited financial statements;

(d) Recommended to the Board for re-appointment of RSM Chio Lim LLP as auditors of the Company for the ensuing year;

(e) Undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees awarded to them;

(f) Reviewed the nature and extent of non-audit services provided by the external auditors;

(g) Reviewed the reports and findings from the internal auditors;

(h) Reviewed the adequacy, effectiveness and independence of the internal audit function;

(i) Reviewed the Group's interested person transactions to ensure that the transactions were carried out on normal commercial terms and are not prejudicial to the interests of the Company or its non-controlling shareholders;

(j) Reviewed the Chairman/Directors expenses; and

(k) Reviewed significant matters raised through the whistle-blowing channel.

CORPORATE GOVERNANCE

Authority of the AC

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

Whistle-Blowing Policy

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

The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud. The Group will treat all information received confidentially and protect the identity and the interest of all whistle blowers. Anonymous disclosures will be accepted and anonymity honoured. The policy is communicated via the Company's website under the "**Code of Conduct and Ethics**".

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

There were no reported incident pertaining to whistle-blowing during FY2020.

Financial Reporting Matters

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

In review of the financial statements, the AC has discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The significant matters impacting the financial statements were discussed with Management and the external auditors have been included as key audit matters in its auditors' report for FY2020.

CORPORATE GOVERNANCE

Significant matters	How does the AC address the matter
Accounting for assessing the net realisable value of inventory	AC has reviewed the reasonableness of Management's judgement used in determining the allowance for inventories. AC has considered and is satisfied that the Group's valuation of inventory as at 31 March 2020 was appropriate.
Accounting for impairment of cost of investments and net receivable due from subsidiaries	AC has reviewed the appropriateness of Management's assessment in identifying any potential indications of additional impairment loss on cost of investments and net receivables due from subsidiaries. AC has considered and is satisfied that the impairment of cost of investments and net receivables due from subsidiaries as at 31 March 2020 was appropriate.

The above two items were also an area of focus for the external auditor and the external auditor has included these items as key audit matters in its audit report for FY2020.

Auditor Independence

In order to maintain the independence of the external auditors, the Group has specific policy which governs the conduct of non-audit work by the external auditors. This policy prohibits the external auditors from:

- Performing services which would result in the auditing of their own work;
- Participating in activities normally undertaken by the management;
- Acting as advocate for the Group; and
- Creating a mutuality of interest between the auditors and the Group, for example being remunerated through a success fee structure.

The AC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees awarded to them. The AC received an audit report from the external auditors setting out the non-audit services provided and the fees charge for FY2020. The aggregate amount of fees paid to the external auditors for audit and non-audit services for FY2020 are as follows:

	$'000
Audit Fees	122
Non-audit Fees	31

CORPORATE GOVERNANCE

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

The AC manages the relationship with the Group's external auditors, on behalf of the Board. For FY2020, the AC carried out its annual assessment of the cost effectiveness of the audit process, together with the auditor's approach to Audit Quality Indicators relating the RSM Chio Lim LLP at the firm level and on the audit engagement level. The AC concluded that the auditors demonstrated appropriate qualifications and expertise and that the audit process was effective. Therefore, the AC recommended to the Board the nomination of RSM Chio Lim LLP for re-appointment as external auditor at the forthcoming AGM of the Company.

Pursuant to the Rule 713 of the Catalist Rules, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. The current RSM Chio Lim LLP's audit partner has been responsible for the audit of the Group since financial year ended 31 March 2017.

The Company has complied with Rules 712 and 715 of the Catalist Rule in relation to the appointment of its external auditors.

AC to Keep Abreast of Changes to Accounting Standard

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

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

Provision 10.3
Partners and Directors of the Company's Auditing Firm

The AC does not comprise former partners or directors of the Company's existing audit firm or auditing corporation within the previous 2 years and none of the AC members hold any financial interest in the Company's existing audit firm or auditing corporation.

Provision 10.4
Internal Audit

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

CORPORATE GOVERNANCE

Internal Audit Function

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

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

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

The AC annually reviews the independence, effectiveness and adequacy of the internal audit function. For FY2020, the AC has reviewed and is satisfied that the internal audit function is independent, effective and adequately resourced.

Provision 10.5
Meeting with External and Internal Auditors

The AC endeavours to meet at least once a year with the external and internal auditors without the presence of Management so that any concern and/or issue can be raised directly and privately.

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

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

Provision 11.1
Conduct of General Meetings

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

CORPORATE GOVERNANCE

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

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

Provision 11.2
Separate Resolutions at General Meeting

In view of the COVID-19 pandemic, voting by shareholders at the AGM 2020 will be done by way of appointing the Chairman of the meeting as proxy in accordance with the related guidelines or directives issued by government agencies or regulatory authorities relating to the conduct of meetings (which will be conducted by electronic means) during the pandemic.

The description below sets out the Company's usual practice for voting at shareholder meetings when there are no pandemic risks.

All resolutions are put to vote by poll and shareholders are entitled to vote in accordance with established voting rules and procedures. In support of greater transparency and to allow for a more efficient voting process, the Company has been conducting electronic poll voting since AGM 2015. The detailed procedures for the electronics poll voting is explained at the AGM. The number of votes cast for or against each resolution and the respective percentage on each resolution are tallied and instantaneously displayed on the screen after each poll conducted during the AGM.

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

Provision 11.3
Interaction with Shareholders

All directors, including Chairman of the Board and respective Chairman for each of the Board committees, attend the general meetings of shareholders, and the external auditor will also be present to assist in addressing queries from shareholders relating to the conduct of audit and the preparation and content of the auditor's report. For the Annual General Meeting held on 29 July 2019, all directors were present.

CORPORATE GOVERNANCE

Provision 11.4
Absentia Voting

The Company's Constitution allows all shareholders to appoint not more than two proxies to attend general meetings and vote on their behalf. The Company's Constitution also allows investors, who holds shares through nominees such as CPF and custodian banks, to attend and vote at the general meetings without being constrained by the two-proxy rule. As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, electronic mail or facsimile.

Provision 11.5
Minutes of General Meetings

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

Provision 11.6
Dividend Policy

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

No dividend is declared for FY2020 as the Group has decided to preserve the cash for working capital amid the current uncertain business environment and economic outlook.

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

Provision 12.1
Communication with Shareholders

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

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

CORPORATE GOVERNANCE

Provisions 12.2 and 12.3
Investor Relations Policy

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

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

Provisions 13.1 and 13.2
Relationship with Stakeholders

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

The Company's approach to its stakeholders' engagement can be found in the Company's Sustainability Report 2020 on pages 21 to 22 of the Annual Report.

CORPORATE GOVERNANCE

Provision 13.3
Communication with Stakeholders

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

(E) ADDITIONAL INFORMATION

Dealings in Securities

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

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on an arm's length basis and will not be prejudicial to the interests of the Company and its minority shareholders. During FY2020, the Group did not enter into any interested person transactions of $100,000 or more. The Group does not have a general mandate pursuant to Rule 920 of the Catalist Rules for interested person transactions.

Material Contracts

Save for the following contracts disclosed below, there were no other material contracts entered into by the Company and its subsidiaries involving the interest of any Director or controlling shareholders subsisting as at 31 March 2020, or if not then subsisting, entered into in FY2020:

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

Non-sponsor fees

In compliance with Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the Company's sponsor, CIMB Bank Berhad, Singapore Branch, subsequent to the Company's listing on the Catalist to the date of this report.

STATEMENT BY DIRECTORS

Year Ended 31 March 2020

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 March 2020.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and

(b) at the date of the statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

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

2. DIRECTORS

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

Goh Kim San
Goh Kim Hup
Ng Tiak Soon
Tan Siok Sing

STATEMENT BY DIRECTORS

Year Ended 31 March 2020

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the reporting year were not interested in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 (the "**Act**") except as follows:

	Direct interest		Deemed interest	
Name of directors and companies in which interests are held	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
	Number of shares of no par value			
The company – EuroSports Global Limited				
Goh Kim San	66,900,200	66,900,200	52,409,000	52,409,000
Goh Kim Hup	53,815,600	51,815,600	19,500,000	19,500,000

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

The directors' interests as at 21 April 2020 were the same as those at the end of the reporting year.

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

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

STATEMENT BY DIRECTORS

Year Ended 31 March 2020

5. SHARE OPTIONS AND SHARE PLAN

EuroSports Employee Share Option Scheme ("ESOS")

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

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

Lim Kim Quee*	Chairman of the Remuneration Committee, Non-Executive Independent Director
Tan Siok Sing	Non-Executive Independent Director
Ng Tiak Soon	Non-Executive and Lead Independent Director

* The Board is saddened to note the passing away of Mr Lim Kim Quee on 10 June 2020.

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

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

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

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

STATEMENT BY DIRECTORS

Year Ended 31 March 2020

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

EuroSports Employee Share Option Scheme ("ESOS") (cont'd)

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

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

EuroSports Performance Share Plan ("PSP")

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

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

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

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

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted.

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

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

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

STATEMENT BY DIRECTORS

Year Ended 31 March 2020

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

Performance Share Plan ("Plan") Adopted by the Company's Subsidiary, EuroSports Technologies Pte. Ltd. ("EST")

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

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

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

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

During FY2020, there were 30,000 shares in EST awarded to the participants pursuant to the Plan.

STATEMENT BY DIRECTORS

Year Ended 31 March 2020

6. INDEPENDENT AUDITOR

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

7. AUDIT COMMITTEE

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

Ng Tiak Soon	Chairman of the Audit Committee, Non-Executive and Lead Independent Director
Tan Siok Sing	Non-Executive Independent Director

A member of the audit committee, Mr Lim Kim Quee passed away on 10 June 2020.

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

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

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

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

STATEMENT BY DIRECTORS

Year Ended 31 March 2020

8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 31 March 2020.

9. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 01 July 2020, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors

....	....
Goh Kim San	Goh Kim Hup
Director	Director

12 August 2020

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2020

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of EuroSports Global Limited (the "**company**") and its subsidiaries (the "**group**") which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2020, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS (I)**") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

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

Key audit matters

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

Assessing the net realisable value of inventory

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

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2020

Key audit matters (cont'd)

Assessing the net realisable value of inventory (cont'd)

Inventories amounted to $17,754,000, representing 40.3% of the group's total assets as at 31 March 2020.

Management applied judgement in determining the appropriate allowance for inventories by taking into consideration various factors, including prevailing market conditions, future demand and anticipated selling prices.

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

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

Assessing the impairment of cost of investments and net receivables due from subsidiaries

Refer to Notes 2A and 2C for the relevant accounting policy and the critical judgements, assumptions and estimation uncertainties used in impairment assessment of cost of investments in subsidiaries and net receivables due from subsidiaries at the reporting year end. Refer to Notes 15 and 18 for the investment in subsidiaries and amount due from subsidiaries, respectively.

Total cost of investment in subsidiaries amounted to $10,273,000 (before allowance of $8,111,000) and amount due from subsidiaries amounted to $5,993,000 as at 31 March 2020. As these balances are significant, they are a key focus area for our audit.

For the non-performing subsidiaries or if they have significant negative equity balances, the company will have exposure to loss on cost of investments and amount due from the subsidiaries. Any impairment losses on the investments in subsidiaries and the related receivables from these subsidiaries have to be recognised in the company's separate financial statements.

Management made a comparison of carrying values of the subsidiaries with the company's share of net assets or liabilities of the subsidiaries to identify indications of impairment loss on these investments and related receivables.

We have reviewed and considered management's assessment on the net assets or liabilities of these subsidiaries. We have also assessed management's basis to determine potential impairment in both financial and non-financial assets of these subsidiaries. We also had discussions with management on the prospects and future plans of these subsidiaries.

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

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2020

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2020

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

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

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2020

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Eu Chee Wei David.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

12 August 2020

Engagement partner – effective from year ended 31 March 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 March 2020

	Notes	Group 2020 $'000	Group 2019 $'000
Revenue	5	80,422	96,237
Cost of sales		(63,671)	(80,296)
Gross profit		16,751	15,941
Other income	6	6,459	7,559
Interest income		63	46
Other gains	7	709	464
Marketing and distribution expenses	8	(2,890)	(2,707)
Administrative expenses	8	(16,731)	(18,488)
Other losses	7	(923)	(1,121)
Finance costs	8	(1,252)	(1,044)
Profit before tax from continuing operations		2,186	650
Income tax (expense) / income	10	(33)	6
Profit from continuing operations, net of tax		2,153	656
Loss from discontinued operation, net of tax		–	(627)
Profit for the year, net of tax		2,153	29
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Fair value changes attributable to changes in the credit risk of convertible bond		144	–
Total comprehensive income for the year, net of tax		2,297	29
Profit for the year, net of tax attributable to:			
Owners of the parent			
Continuing operations		2,168	449
Discontinued operation		–	(627)
		2,168	(178)
Non–controlling interests			
Continuing operations		(15)	207
Profit for the year, net of tax		2,153	29
Total comprehensive income for the year, net of tax attributable to:			
Owners of the parent			
Continuing operations		2,312	449
Discontinued operation		–	(627)
		2,312	(178)
Non–controlling interests			
Continuing operations		(15)	207
Total comprehensive income for the year, net of tax		2,297	29
		Cents	**Cents**
Earnings / (Loss) per share:			
Basic and diluted			
Continuing operations	11	0.82	0.17
Discontinued operation		–	(0.24)

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020

	Notes	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
ASSETS					
Non-current assets					
Plant and equipment	12	4,864	7,526	–	–
Right-of-use assets	13	5,449	–	5,449	–
Intangible assets	14	2,235	692	–	–
Investment in subsidiaries	15	–	–	2,162	3,097
Trade and other receivables	18	652	838	175	275
Total non-current assets		13,200	9,056	7,786	3,372
Current assets					
Assets held for sale	16	–	14,286	–	–
Inventories	17	17,754	21,045	–	–
Trade and other receivables	18	1,629	5,272	5,745	7,599
Other non-financial assets	19	2,609	2,445	420	67
Cash and cash equivalents	20	8,891	7,890	29	351
Total current assets		30,883	50,938	6,194	8,017
Total assets		44,083	59,994	13,980	11,389
EQUITY AND LIABILITIES					
Equity					
Share capital	21	17,801	18,047	17,801	18,047
Accumulated losses		(8,377)	(10,063)	(16,222)	(12,956)
Equity attributable to owners of the parent		9,424	7,984	1,579	5,091
Non-controlling interests		622	602	–	–
Total equity		10,046	8,586	1,579	5,091
Non-current liabilities					
Other financial liabilities	23	7,580	7,457	5,494	6,000
Lease liabilities	24	4,063	–	3,692	–
Total non-current liabilities		11,643	7,457	9,186	6,000
Current liabilities					
Liabilities in relation to assets held for sale	16	–	7,881	–	–
Trade payables	22	6,278	11,515	1,143	298
Other financial liabilities	23	5,259	8,407	–	–
Lease liabilities	24	2,692	–	2,072	–
Other non-financial liabilities	25	8,140	16,148	–	–
Income tax payables		25	–	–	–
Total current liabilities		22,394	43,951	3,215	298
Total liabilities		34,037	51,408	12,401	6,298
Total equity and liabilities		44,083	59,994	13,980	11,389

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

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2020

Group	Total Equity $'000	Non-controlling Interests $'000	Attributable to parent $'000	Share capital $'000	Accumulated losses $'000
Current year:					
Opening balance at 1 April 2019	8,586	602	7,984	18,047	(10,063)
Effect of adopting SFRS(I) 16 (Note 30)	(626)	–	(626)	–	(626)
Restated opening balance at 1 April 2019	7,960	602	7,358	18,047	(10,689)
Movements in equity:					
Capital contribution by non-controlling interest of subsidiary	35	35	–	–	–
Purchase of treasury shares	(246)	–	(246)	(246)	–
Profit for the year, net of tax	2,153	(15)	2,168	–	2,168
Other comprehensive income:					
Fair value changes attributable to changes in the credit risk of convertible bond	144	–	144	–	144
Closing balance at 31 March 2020	10,046	622	9,424	17,801	(8,377)
Previous year:					
Opening balance at 1 April 2018	8,821	237	8,584	18,469	(9,885)
Movements in equity:					
Disposal of subsidiaries with a change in control	158	158	–	–	–
Purchase of treasury shares	(422)	–	(422)	(422)	–
Total comprehensive income / (loss) for the year	29	207	(178)	–	(178)
Closing balance at 31 March 2019	8,586	602	7,984	18,047	(10,063)

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

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2020

Company	Total equity $'000	Share capital $'000	Accumulated losses $'000
Current year:			
Opening balance at 1 April 2019	5,091	18,047	(12,956)
Effect of adopting SFRS(I) 16 (Note 30)	(244)	–	(244)
Restated opening balance at 1 April 2019	4,847	18,047	(13,200)
Movements in equity:			
Purchase of treasury shares	(246)	(246)	–
Loss for the year	(3,166)	–	(3,166)
Other comprehensive income:			
Fair value changes attributable to changes in the credit risk of convertible bond	144	–	144
Closing balance at 31 March 2020	1,579	17,801	(16,222)
Previous year:			
Opening balance at 1 April 2018	7,266	18,469	(11,203)
Movements in equity:			
Purchase of treasury shares	(422)	(422)	–
Total comprehensive loss for the year	(1,753)	–	(1,753)
Closing balance at 31 March 2019	5,091	18,047	(12,956)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 March 2020

	Group	
	2020 $'000	2019 $'000
Cash flows from operating activities		
Profit before tax from continuing operations	2,186	650
Loss before tax from discontinued operation	–	(627)
Adjustments for:		
Deferred income	(3,200)	(3,333)
Depreciation of plant and equipment	1,527	2,262
Depreciation of right-of-use assets	5,026	–
Loss / (Gain) on disposal of plant and equipment	51	(5)
Fair value gain on convertible bond	(362)	–
Gain on disposal of subsidiary	–	(237)
Impairment loss on assets held for sale	–	900
Impairment loss on deposit	50	–
Impairment loss on plant and equipment	–	101
Interest income	(63)	(46)
Interest expense	1,252	1,066
Other gain	(34)	–
Reduction in the assignment levy from JTC	(305)	–
Operating cash flows from before changes in working capital	6,128	731
Inventories	4,709	5,215
Trade and other receivables	3,863	(4,065)
Other non-financial assets	(38)	(308)
Other non-financial liabilities	(4,808)	(1,306)
Trade payables	(5,537)	6,480
Net cash flows from operations	4,317	6,747
Income taxes (expense) / refund	(8)	6
Net cash flows from operating activities	**4,309**	**6,753**
Cash flows from investing activities		
Additions to intangible assets	(1,543)	(692)
Purchase of plant and equipment (Notes 12 and 20B)	(977)	(924)
Disposal of assets held for sale	14,591	–
Disposal of plant and equipment	2,741	2,678
Disposal of subsidiaries	–	177
Interest received	63	46
Net cash flows from investing activities	**14,875**	**1,285**
Cash flows used in financing activities		
Decrease of other financial liabilities	(10,505)	(5,786)
Security deposits for bank facilities	(3,575)	(1,430)
Capital contribution by non-controlling interests of subsidiary	35	–
Finance lease payment	–	(3,406)
Proceeds from issue of redeemable, convertible and exchangeable bond	–	6,000
Proceeds from issue of convertible loan	1,708	–
Purchase of treasury shares	(246)	(422)
Payment of lease liabilities	(8,629)	–
Interest paid	(546)	(891)
Net cash flows used in financing activities	**(21,758)**	**(5,935)**
Net (decrease) / increase in cash and cash equivalents	**(2,574)**	**2,103**
Cash and cash equivalents, statement of cash flows, beginning balance	4,540	2,437
Cash and cash equivalents, statement of cash flows, ending balance (Note 20A)	**1,966**	**4,540**

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

1. GENERAL

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

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

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

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

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

The group has reported profit for the year. The financial position of the group, its cash flows, liquidity position and borrowing facilities are described in the notes to the financial statements. In addition, the notes to the financial statements include the objectives, policies and processes for managing capital; financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk. The group has considerable financial resources together with some good arrangements with a number of customers and suppliers. As a consequence, the management believes that the group is well placed to manage its business risks. After making enquiries, the management has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the management continues to adopt the going concern basis in preparing the financial statements.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") and the related Interpretations to SFRS(I) ("**SFRS (I) INT**") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**").

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

1. GENERAL (CONT'D)

Accounting convention

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

Basis of preparation of the financial statements

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

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the group obtains control of the investee and cease when the group loses control of the investee. Control exists when the group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non–controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available–for–sale financial assets in accordance with SFRS(I) 9.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of comprehensive income is not presented.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

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

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

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

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

Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest is recognised using the effective interest method.

Employee benefits

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

2A. Significant accounting policies (cont'd)

Borrowing costs

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

Foreign currency transactions

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

Income tax

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

2A. Significant accounting policies (cont'd)

Property, plant and equipment

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

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

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at the end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted. Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Right-of-use assets

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

Premises – Over the terms of lease of up to 5 years.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. This also applies to an internally generated intangible asset. Research expenditure is expensed when incurred. Development cost incurred relating to the design and testing of new or improved products are recognised as intangible assets when it is probable that the project will be viable considering its commercial and technical feasibility and its costs can be measured reliably and there are sufficient resources to complete development. Where no internally generated intangible asset can be recognised, development cost is expensed when incurred. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

2A. Significant accounting policies (cont'd)

Intangible assets (cont'd)

and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Development costs	–	5 Years

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

Leases of lessee

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

Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

2A. Significant accounting policies (cont'd)

Segment reporting

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

Assets classified as held for sale

Identifiable assets and liabilities and any disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by SFRS(I) 5 in certain circumstances. It can include a subsidiary acquired exclusively with a view to resale. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are presented separately on the face of the statement of financial position. Once an asset is classified as held for sale or included in a group of assets held for sale no further depreciation or amortisation is recorded. Impairment losses on initial classification of the balances as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

A component of the group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

2A. Significant accounting policies (cont'd)

Business combinations

Business combinations are accounted for by applying the acquisition method. There were no acquisition during the reporting year.

Non-controlling interests

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

Inventories

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets

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

Financial instruments

Recognition and derecognition of financial instruments:

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("**FVTPL**"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("**FVTOCI**"): There were no financial assets classified in this category at reporting year end date.

3. Financial asset that is an equity investment classified as measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.

4. Financial asset classified as measured at FVTPL: There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

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

Fair value measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

2B. Other explanatory information

Provisions

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

Warranty provisions

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

Classification of equity and liabilities

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Equity instruments are contracts that give a residual interest in the net assets of the reporting entity. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable to the issuer, it is classified as an equity instrument. The equity and the liability elements of compound instruments are classified separately as equity and as a liability. Equity instruments are recorded at the amounts of the proceeds net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

2B. Other explanatory information (cont'd)

Treasury shares

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

2C. Critical judgements, assumptions and estimation uncertainties

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

Assessing the net realisable value of inventory

A review is made periodically on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in the Note on inventories.

Assessing the impairment of cost of investments and net receivables due from subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

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

Useful lives of property, plant and equipment

The estimates for the useful lives and related depreciation charges for property, plant and equipment is based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset (or class of assets) at the end of the reporting year affected by the assumption is $4,864,000.

Impairment of property, plant and equipment

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is $4,864,000.

Allowance for doubtful trade and other receivables

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

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

Related companies in these financial statements include the members of the group.

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

3A. Related party transactions:

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

3B. Key management compensation:

	Group	
	2020 $'000	2019 $'000
Salaries and other short-term employee benefits	1,695	1,283

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

	Group	
	2020 $'000	2019 $'000
Remuneration of directors of the company	1,503	898
Remuneration of directors of subsidiaries	–	193
Fees to directors of the company	120	120
Other benefits	72	72

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3C. Other payables to related parties

The trade transactions and the trade receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other payables to related party are as follows:

	Related party	
	2020 $'000	2019 $'000
Group		
Other receivables:		
Balance at beginning of year	–	–
Amounts paid out and settlement of liabilities on behalf of the related parties	35	–
Balance at end of year (Note 18)	35	–
Other payables:		
Balance at beginning of year	–	169
Amounts paid in and settlement of liabilities on behalf of the company	–	(169)
Balance at end of year (Note 22)	–	–

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

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

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

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

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

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

(1) Automobiles distribution business retails new luxury automobiles as well as pre-owned automobiles.
(2) Sustainable mobility (electric motorcycles).

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

4B. Profit or loss from continuing operations and reconciliation

	Group	
	2020 $'000	**2019 $'000**
Continuing operations		
Revenue by segment		
Automobiles distribution	80,322	95,617
Sustainable mobility	–	–
Other	100	620
Total	80,422	96,237
Segment result		
Automobiles distribution	4,314	1,370
Sustainable mobility	(1,452)	(560)
Other	(676)	(160)
Consolidated profit before tax	2,186	650
Income tax (expense) / credit	(33)	6
Profit for the year	2,153	656

4C. Assets and reconciliation

	Group	
	2020 $'000	**2019 $'000**
Segment assets		
Continuing operations		
Automobiles distribution	41,873	56,624
Sustainable mobility	3,003	1,643
Other	1,752	2,475
	46,628	60,742
Elimination of inter-segment assets	(2,545)	(748)
Total	44,083	59,994

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

4D. Liabilities and reconciliation

	Group	
	2020 **$'000**	**2019** **$'000**
Segment liabilities		
Continuing operations		
Automobiles distribution	31,997	51,314
Sustainable mobility	4,515	2,099
Other	4,847	4,894
	41,359	58,307
Elimination of inter-segment assets	(7,322)	(6,899)
Total	34,037	51,408

4E. Other material items and reconciliation

	Group	
	2020 **$'000**	**2019** **$'000**
Continuing operations		
Depreciation of plant and equipment		
Automobiles distribution	1,422	2,044
Sustainable mobility	100	9
Other	5	9
Total	1,527	2,062
Depreciation of right-of-use assets		
Automobiles distribution	2,983	–
Other	2,043	–
Total	5,026	–
Finance costs		
Automobiles distribution	1,252	1,044
Discontinued operation		
Depreciation of plant and equipment		
Experiential business	–	200
Finance costs		
Experiential business	–	22

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

4F. Profit or loss from continuing operations and reconciliation

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

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

5. REVENUE

Revenue from contracts with customers

	Group	
	2020	**2019**
	$'000	**$'000**
Continuing operations		
Sales of automobiles	76,406	88,212
Sales of watches	100	620
Sales of parts and servicing	3,916	7,405
	80,422	96,237
Discontinued operation		
Experiential business	–	509

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

6. OTHER INCOME

	Group	
	2020 $'000	2019 $'000
Continuing operations		
Commission income	440	902
Rental income	1,396	2,246
Deferred income earned (Note 25A)	3,200	3,333
Other income	1,423	1,078
	6,459	7,559
Discontinued operation		
Other income	–	3

7. OTHER GAINS AND (OTHER LOSSES)

	Group	
	2020 $'000	2019 $'000
Continuing operations		
Allowance for impairment on trade receivables (Note 18)	(756)	(141)
Bad trade debts written off	(66)	(36)
Fair value gain on convertible bond (Note 23D)	362	–
Foreign exchange adjustments gains / (loss)	8	(44)
(Loss) / Gain on disposal of plant and equipment	(51)	227
Gain on disposal of subsidiary	–	237
Impairment loss on assets held for sale (Note 16)	–	(900)
Impairment loss on deposit	(50)	–
Reduction in the assignment levy by Jurong Town Corporation ("**JTC**")	305	–
Other gain	34	–
Net	(214)	(657)
Presented in profit or loss as:		
Other gains	709	464
Other losses	(923)	(1,121)
Net	(214)	(657)
Discontinued operation		
Allowance for impairment on trade receivables (Note 18)	–	(37)
Loss on disposal of plant and equipment	–	(222)
Impairment loss on motor vehicles	–	(101)
	–	(360)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

The major components include the following:

	Group	
	2020 $'000	**2019 $'000**
Continuing operations		
Marketing and distribution expenses		
Advertising and promotions	1,435	1,433
Employee benefits expense (Note 9)	884	763
Entertainment	316	396
Administrative expenses		
Rental expense of premises (Note 26)	508	7,075
Depreciation of plant and equipment (Note 12)	1,527	2,062
Depreciation of right-of-use assets	5,026	–
Employee benefits expense (Note 9)	5,601	5,277
Finance costs	1,252	1,044
Discontinued operation		
Marketing and distribution expenses		
Advertising and promotions	–	38
Employee benefits expense (Note 9)	–	28
Administrative expenses		
Rental expense of premises (Note 26)	–	88
Depreciation of plant and equipment (Note 12)	–	200
Employee benefits expense (Note 9)	–	199
Finance costs	–	22

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

9. EMPLOYEE BENEFITS EXPENSE

	Group	
	2020 $'000	2019 $'000
Continuing operations		
Employee benefits expense	6,090	5,500
Contributions to defined contribution plan	567	506
Other benefits	288	380
Total employee benefits expense	6,945	6,386
Presented in profit or loss as:		
Cost of sales	460	346
Marketing and distribution expenses (Note 8)	884	763
Administrative expenses (Note 8)	5,601	5,277
	6,945	6,386
Discontinued operation		
Employee benefits expense	–	171
Contributions to defined contribution plan	–	30
Other benefits	–	26
Total employee benefits expense	–	227
Presented in profit or loss as:		
Marketing and distribution expenses (Note 8)	–	28
Administrative expenses (Note 8)	–	199
	–	227

10. INCOME TAX INCOME

10A. Components of tax (expense) / income recognised in profit or loss include:

	Group	
	2020 $'000	2019 $'000
Current tax (expense) / income:		
Current tax expense	(33)	–
Income tax credit in respect to prior periods	–	6
Total income tax (expense) / income	(33)	6
Income tax (expense) / credit attributable to continuing operations	(33)	6

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

10. INCOME TAX (CONT'D)

10A. Components of income tax recognised in profit or loss include: (cont'd)

The income tax in profit or loss varied from the income tax amount determined by applying the Singapore income tax rate of 17% (2019: 17%) to loss before income tax as a result of the following differences:

	Group	
	2020 $'000	2019 $'000
Profit before tax from continuing operations	2,186	650
Loss before tax from discontinued operation	–	(627)
Profit before tax	2,186	23
Income tax income at the above rate	372	4
Non-deductible expenses	224	392
Income not subject to tax	(580)	(603)
Deferred tax not recognised	–	229
Previously unrecognised deferred tax assets recognise this year	(32)	–
Tax exemption	(17)	(22)
Income tax credit in respect to prior periods	–	6
Total income tax (expense) / credit	(33)	6

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

The major (income) / expense items not subject to tax include the following:

	Group	
	2020 $'000	2019 $'000
Depreciation on non-qualifying plant and equipment	1,527	2,262
Impairment loss on assets held for sale	–	900
Deferred income earned	(3,200)	(3,333)

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

	Group	
	2020 $'000	2019 $'000
Excess of tax values over net book value of plant and equipment	(213)	(142)
Tax loss carryforwards	245	(87)
Deferred tax not recognised	(32)	229
Total deferred tax expense recognised in profit or loss	–	–

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

10. INCOME TAX (CONT'D)

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

	Group	
	2020 $'000	2019 $'000
Deferred tax assets recognised in profit or loss:		
Excess of tax values over net book value of plant and equipment	455	242
Tax loss carryforwards	3,421	3,666
Deferred tax not recognised	(3,876)	(3,908)
Net	–	–

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

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

11. EARNINGS / (LOSS) PER SHARE

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

	Group	
	2020 $'000	2019 $'000
Net profit / (loss) attributable to ordinary equity holders of the company	2,168	(178)

	Group	
	2020	2019
	Number of equity shares	
Weighted average number of equity shares	261,898	264,759

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

12. PLANT AND EQUIPMENT

Group

	Plant and equipment $'000	Motor vehicles $'000	Additions and alterations $'000	Total $'000
Cost:				
At 1 April 2018	2,065	15,270	4,262	21,597
Additions	383	1,501	323	2,207
Disposals	(4)	(5,054)	(455)	(5,513)
Disposal of subsidiaries	(534)	(1,704)	(286)	(2,524)
At 31 March 2019	1,910	10,013	3,844	15,767
Additions	383	1,220	54	1,657
Disposals	(3)	(4,969)	–	(4,972)
Reclassifications	(128)	96	32	–
At 31 March 2020	2,162	6,360	3,930	12,452
Accumulated depreciation:				
At 1 April 2018	1,698	6,378	1,710	9,786
Depreciation for the year	175	1,459	628	2,262
Disposals	(4)	(2,381)	(455)	(2,840)
Impairment loss	–	101	–	101
Disposal of subsidiaries	(310)	(661)	(97)	(1,068)
At 31 March 2019	1,559	4,896	1,786	8,241
Depreciation for the year	178	815	534	1,527
Disposals	(3)	(2,177)	–	(2,180)
Reclassifications	(100)	4	96	–
At 31 March 2020	1,634	3,538	2,416	7,588
Carrying value:				
At 1 April 2018	367	8,892	2,552	11,811
At 31 March 2019	351	5,117	2,058	7,526
At 31 March 2020	528	2,822	1,514	4,864

Notes:

(a) Depreciation expense is included under administrative expenses.

(b) The carrying amount of motor vehicles that are right-of-use assets under lease agreements was $1,081,000. The remaining term of the lease liabilities approximates 2 to 5 years and there were no variable payments linked to an index. The leases transfer the ownership of motor vehicles to the group at the end of the lease term.

(c) Certain items (right-of-use-assets) are under finance lease agreements (see Note 23C and 24). The carrying amount of motor vehicles in plant and equipment pledged as security for the bank facilities was $2,374,000 (2019: $4,196,000).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

13. RIGHT-OF-USE ASSETS

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

Group	Premises $'000	Total $'000
Cost:		
At 1 April 2019 and at 31 March 2020	10,475	10,475
Accumulated depreciation:		
At 1 April 2019	–	–
Depreciation for the year	(5,026)	(5,026)
At 31 March 2020	(5,026)	(5,026)
Carrying value:		
At 1 April 2019	10,475	10,475
At 31 March 2020	5,449	5,449

The depreciation is charged to administrative expenses.

Other information about the leasing activities relating to the right-of-use assets are summarised as follows: The remaining term of 2.67 years; there are usually no options to purchase; there are no variable payments linked to an index.

The leases are for warehouses, office and showroom.

There are restrictions or covenants imposed by the leases to sublet the asset to another party. The right-of-use asset can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. Typically the leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. For leases over properties the leases require those properties in a good state of repair and return the properties in their original condition at the end of the lease. Insurance, and maintenance fees on right-of-use assets are usually required under the lease contracts.

Management has elected to measure the right-of-use asset as if the new standard had been applied since the start of the lease, but using the incremental borrowing rate at 1 April 2019, with the difference between the right-of-use asset and the lease liability taken to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

14. INTANGIBLE ASSETS

Group	Development cost $'000	Total $'000
Cost:		
At 1 April 2019	692	692
Additions	1,543	1,543
At 31 March 2020	2,235	2,235
Accumulated amortisation and impairment:		
At 1 April 2019 and 31 March 2020	–	–
Carrying value:		
At 31 March 2019	692	692
At 31 March 2020	2,235	2,235

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.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2020 $'000	2019 $'000
Movements during the year. At cost:		
Balance at beginning of the year	3,097	2,097
Additions	1,065	1,000
Disposals	–	(2,500)
(Allowance) / Written off for impairment	(2,000)	2,500
Cost at the end of the year	2,162	3,097
Total cost comprising:		
Unquoted equity shares at cost	10,273	9,208
Allowance for impairment	(8,111)	(6,111)
	2,162	3,097
Net book value of subsidiaries	(4,891)	(4,938)
Movements in above allowance:		
Balance at beginning of the year	6,111	8,611
Impairment loss charged to profit or loss	2,000	–
Impairment allowance written off	–	(2,500)
Balance at the end of the year	8,111	6,111

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

In 2020, the decreasing performance of EuroSports Technologies Pte. Ltd. ("**EST**") was considered sufficient evidence to trigger the impairment test. As detailed in this Note the impairment test resulted in the recognition of a loss. EST has suffered from no sales as EST is still in the development stage as at 31 March 2020. The total liabilities and total current liabilities of EST as at 31 March 2020, are both exceeded its total assets and total current assets, respectively. Accordingly it has been written down to the recoverable amount.

In 2019, the increasing performance of EuroSports Auto Pte. Ltd. ("**ES**") was considered sufficient evidence to reverse the impairment loss made in prior years. The recoverable amount was determined on the basis of value in use. As detailed in this Note the test resulted in the reversal of the impairment loss of ES. ES has better performance from an increase in demand in sales.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

The following subsidiaries are incorporated and operate in Singapore:

Name of subsidiaries	Principal activities	Carrying value of investment 2020 $'000	Carrying value of investment 2019 $'000	Effective percentage of equity held by group 2020 %	Effective percentage of equity held by group 2019 %
EuroSports Auto Pte Ltd	Distribution and retailing of imported automobiles, import of parts and accessories and repairs and servicing of automobile	1,842	1,842	100	100
EuroAutomobile Pte. Ltd.	Distribution and retailing of imported automobiles, import of parts and accessories and repairs and servicing of automobile	–[a]	–[a]	100	100
EuroSports Technologies Pte. Ltd.	Developing innovative new technologies, services and solutions for electric motorcycles	–[b]	1,000	100	100
deLaCour Asia Pacific Pte. Ltd.	Trading and distribution of watches and related accessories	–[a]	–[a]	100	100
Prosper Auto Pte. Ltd.	Distribution of automobiles, parts and accessories in Indonesia	255	255	51	51
JES Auto Pte. Ltd. (formerly known as Jeep ES Pte Ltd) [c]	Distribution of automobiles, parts and accessories in Indonesia	65	–	65	–

Notes:

[a] The cost of investment is less than $1,000.

[b] The cost of investment has been fully impaired.

[c] On 15 November 2019, the group incorporated and subscribed for 65,000 ordinary shares for a cash consideration of $65,000, representing 65% equity interest in a company, Jeep ES Pte Ltd ("**Jeep ES**"). Subsequently on 11 December 2019, Jeep ES has changed its name to JES Auto Pte. Ltd.

All subsidiaries are audited by RSM Chio Lim LLP.

There are no subsidiaries that have non-controlling interests that are considered material to the group.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

16. ASSETS HELD FOR SALE

Leasehold properties are presented as assets held for sale following the decision of management to sell the properties before the reporting year end. On 11 May 2018, EuroSports Auto Pte Ltd has entered into an option to purchase agreement to sell the property. The disposal of the property has been completed on 10 July 2019.

The following table summarises the carrying value of the assets held for sale as at reporting date:

	Group	
	2020 $'000	2019 $'000
Current Assets:		
Leasehold properties at carrying amount	14,286	16,487
Impairment loss	–	(2,201)
Disposal	(14,286)	–
Net carrying amount of the assets held for sale	–	14,286
Movement in the above allowance:		
Balance at the beginning of the year	2,201	1,301
Impairment loss included in other profit or losses (Note 7)	–	900
Reversal of impairment loss included in other profit or losses (Note 7)	(305)	–
Impairment allowance written off	(1,896)	–
Balance at the end of the year	–	2,201
Current Liability:		
Bank loan (Note 23A)	–	7,881
Liability directly associated with the disposal of assets held for sale	–	7,881
Net assets directly associated with the disposal of assets held for sale	–	6,405

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

17. INVENTORIES

	Group	
	2020 $'000	2019 $'000
Automobiles	14,745	17,082
Automobile parts and accessories	1,342	1,606
Watches	1,667	2,357
	17,754	21,045
Inventories are stated after allowance.		
Movements in allowance:		
Balance at beginning of the year	2,450	2,027
Charge to profit or loss included in cost of sales	1,000	799
Used	(980)	(376)
Balance at end of the year	2,470	2,450
Changes in inventories	(3,291)	(6,547)
The amount of inventories included in cost of sales	62,369	77,533
The write-downs of inventories charged to profit or loss included in cost of sales	1,000	799

The carrying amount of inventories that are right-of-use assets under lease agreements was $584,000. The remaining term of the lease liabilities approximates 2 years and there were no variable payments linked to an index. The leases transfer the ownership of automobile to the group at the end of the lease term.

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

18. TRADE AND OTHER RECEIVABLES

	Group	
	2020 $'000	2019 $'000
Non-current		
Trade receivables:		
Outside parties	–	16
Other receivable:		
Outside parties	652	822
Total trade and other receivables	652	838
Current		
Trade receivables:		
Outside parties	832	4,307
Less allowance for impairment	(541)	(243)
Related parties	29	–
Net trade receivables – subtotal	320	4,064
Other receivables:		
Outside parties	1,817	1,411
Less allowance for impairment	(543)	(203)
Related parties (Note 3C)	35	–
Net other receivables – subtotal	1,309	1,208
Total trade and other receivables	1,629	5,272
Movements in above allowance:		
Balance at beginning of the year	446	454
Charge for trade receivables to profit or loss included in other losses (Note 7)	756	178
Bad trade debts written off	(118)	(186)
Balance at end of the year	1,084	446

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

18. TRADE AND OTHER RECEIVABLES (CONT'D)

	Company	
	2020 $'000	2019 $'000
Non-current		
Other receivables:		
Outside parties	175	275
Current		
Other receivables:		
Subsidiaries	5,993	7,804
Outside parties	100	143
Less allowance for impairment	(348)	(348)
Total other receivables	5,745	7,599
Movements in above allowance:		
Balance at beginning of the year	348	1,080
Reversal for other receivables to profit or loss included in other losses	–	(732)
Balance at end of the year	348	348

The group has graded its customers as low risk individually. These trade and other receivables shown above are subject to the expected credit loss model under the financial reporting standard of financial instruments. The trade receivables are considered to have low credit risk individually. At the end of the reporting year a loss allowance is recognised at an amount equal to 12 months expected credit losses because there has not been a significant increase in credit risk since initial recognition. A loss allowance balance of $541,000 is recognised. There are no collateral held as security and other credit enhancements for the trade receivables.

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 months expected credit losses because there has not been a significant increase in credit risk since initial recognition. A loss allowance balance of $543,000 is recognised.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

18. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

(a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group	
	2020 **$'000**	**2019** **$'000**
Trade receivables:		
Less than 30 days	98	65
31 to 60 days	72	129
61 to 90 days	–	88
Over 90 days	159	541
Total	329	823

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

	Group	
	2020 **$'000**	**2019** **$'000**
Trade receivables:		
Less than 365 days	166	–
Over 365 days	375	243
Total	541	243

Other receivables are normally with no fixed terms and therefore there is no maturity. Trade receivable amounts that are over 365 days have been fully provided as at 31 March 2020 and 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

19. OTHER NON-FINANCIAL ASSETS, CURRENT

	Group	
	2020 $'000	2019 $'000
Current:		
Deposit to secure services	1,902	2,180
Prepayments	707	265
Total	2,609	2,445

	Company	
	2020 $'000	2019 $'000
Current:		
Deposit to secure services	384	–
Prepayments	36	67
Total	420	67

20. CASH AND CASH EQUIVALENTS

	Group	
	2020 $'000	2019 $'000
Not restricted in use	1,966	4,540
Security deposits for bank facilities	6,925	3,350
Total	8,891	7,890

	Company	
	2020 $'000	2019 $'000
Not restricted in use	29	351

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

20. CASH AND CASH EQUIVALENTS (CONT'D)

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

	Group	
	2020 $'000	2019 $'000
Amount as shown above	8,891	7,890
Security deposits for bank facilities	(6,925)	(3,350)
Cash and cash equivalents for statement of cash flows purposes at end of the year	1,966	4,540

	Company	
	2020 $'000	2019 $'000
Amount as shown above	29	351
Cash and cash equivalents for statement of cash flows purposes at end of the year	29	351

The rates of interest for cash on interest earning balances are not significant.

The security deposits for bank facilities bear interest of 0.10% to 1.68% (2019: 0.10% to 1.30%) per annum for the group during the reporting year. As at 31 March 2020, the security deposits for bank facilities of $6,925,000 (2019: $3,350,000) of the group has been pledged to banks.

20B. Non-cash transactions:

There were acquisitions of plant and equipment and inventories with a total cost of $680,000 (2019: $485,000) and $1,419,000 (2019: $791,000) respectively acquired by means of finance leases.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

20. CASH AND CASH EQUIVALENTS (CONT'D)

20C. Reconciliation of liabilities arising from financing activities:

	Group							
				Non-cash changes				
	2019 $'000	Adoption of SFRS(I) 16 $'000	Cash flows $'000	Acquisition $'000	Fair value changes $'000	Interest expense $'000	Other [2] $'000	2020 $'000
Liabilities in relation to assets held for sale								
- current	7,881	–	(7,881)	–	–	–	–	–
Lease liabilities								
- current	–	872	(8,629)	13,374[1]	–	407	(3,332)	2,692
- non-current	–	731	–	–	–	–	3,332	4,063
Loans and borrowings								
- current	7,535	–	(2,624)	–	–	–	348	5,259
- non-current	726	–	–	–	–	–	(348)	378
Convertible bond								
- non-current	6,000	–	–	–	(506)	–	–	5,494
Convertible loan								
- non-current	–	–	1,708	–	–	–	–	1,708
Finance lease								
- current	872	(872)	–	–	–	–	–	–
- non-current	731	(731)	–	–	–	–	–	–
	23,745	–	(17,426)	13,374	(506)	407	–	19,594

Notes:

(1) Recognition of right-of-use-assets in relation to office premises under operating leases (Note 24) and acquisition of plant and equipment, and inventories (Note 20B).

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

20. CASH AND CASH EQUIVALENTS (CONT'D)

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

	Group					
			Non-cash changes			
	2018 $'000	Cash flows $'000	Acquisition [1] $'000	Assets held for sale [2] $'000	Other [3] $'000	2019 $'000
Liabilities in relation to assets held for sale						
- current	8,620	(739)	–	–	–	7,881
Loans and borrowings						
- current	11,767	(5,047)	–	(96)	911	7,535
- non-current	1,637	–	–	–	(911)	726
Convertible bond						
- non-current	–	6,000	–	–	–	6,000
Finance lease						
- current	1,783	(3,406)	1,276	(256)	1,475	872
- non-current	2,636	–	–	(430)	(1,475)	731
	26,443	(3,192)	1,276	(782)	–	23,745

Notes:

[1] Acquisition of plant and equipment and inventories (Note 20B).

[2] Relates to reclassification of non-current portion to assets held for sale (Note 16).

[3] Relates to reclassification of non-current portions due to passage of time.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

21. SHARE CAPITAL

	Number of shares issued '000	Share Capital $'000
Group and Company		
Ordinary shares of no par value:		
Balance at beginning of the year 1 April 2018	265,000	18,469
Purchase of treasury shares	(2,191)	(422)
Balance at end of the year 31 March 2019	262,809	18,047
Purchase of treasury shares	(1,296)	(246)
Balance at end of the year 31 March 2020	261,513	17,801

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

Treasury shares:

Under the mandate approved at the last the annual general meeting, 1,296,000 treasury shares were acquired during the reporting year on the Singapore Stock Exchange for a consideration of $246,000.

	Number of treasury shares		Fair value	
	2020 '000	2019 '000	2020 $'000	2019 $'000
Balance at beginning of the year	2,191	–	422	–
Purchase during the year	1,296	2,191	246	422
Balance at the end of the year	3,487	2,191	668	422

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

21. SHARE CAPITAL (CONT'D)

Capital management:

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

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

	2020 $'000	2019 $'000
Net debt:		
All current and non-current borrowings including lease liabilities	19, 594	23,745
Less cash and cash equivalents	(8,891)	(7,890)
Net debt	10,703	15,855
Adjusted capital:		
Total equity	10,046	8,586
Adjusted capital	10,046	8,586
Debt-to-adjusted capital ratio	1.07	1.85

The favourable change as shown by the decrease in the debt-to-adjusted capital ratio for the reporting year due to favourable change in the net debt position.

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

22. TRADE PAYABLES

	Group	
	2020 $'000	2019 $'000
Outside parties and accrued liabilities	6,278	11,515

	Company	
	2020 $'000	2019 $'000
Subsidiaries	720	–
Outside parties and accrued liabilities	423	298
Total	1,143	298

23. OTHER FINANCIAL LIABILITIES

	Group	
	2020 $'000	2019 $'000
Non-current:		
Financial instruments with floating interest rates		
Bank loans (secured) (Note 23A)	378	726
Financial instruments with fixed interest rates		
Finance leases (Note 23C)	–	731
Convertible bond (Note 23D)	5,494	6,000
Financial instrument with interest-free rate		
Convertible loan (Note 23E)	1,708	–
Non-current, total	7,580	7,457

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

23. OTHER FINANCIAL LIABILITIES (CONT'D)

	Group	
	2020 $'000	2019 $'000
Current:		
Financial instruments with floating interest rates		
Bank loans (secured) (Note 23A)	491	4,085
Trust receipts and bills payables (secured) (Note 23B)	4,768	3,450
Financial instruments with fixed interest rates		
Finance leases (Note 23C)	–	872
Current, total	5,259	8,407
Total	12,839	15,864
The non-current portion is repayable as follows:		
Due within 2 to 5 years	7,580	7,457
Total non-current portion	7,580	7,457

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

	Group	
	2020 %	2019 %
Bank loans	3.75 – 4.76	3.14 – 4.77
Trust receipts and bill payables	2.25 – 7.00	2.25 – 7.00

	Company	
	2020 $'000	2019 $'000
Non-current:		
Financial instruments with fixed interest rates		
Bond payable (Note 23D)	5,494	6,000
The non-current portion is repayable as follows:		
Due within 2 to 5 years		
Total	5,494	6,000

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

23. OTHER FINANCIAL LIABILITIES (CONT'D)

23A. Bank loans

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

(a) A legal mortgage over the assets held for sale in 2019;
(b) Corporate guarantee by the company; and
(c) The bank loans comprise of:
  (i) Loan repayable in 180 instalments of approximately $76,000 from March 2013. This loan was subsequently classified as "Liabilities in relation to assets held for sale" (Note 16) in 2019; and
  (ii) Loan repayable in 36 instalments of approximately $22,000 from November 2017.

23B. Trust receipts and bills payables

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

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

The period of financing under trust receipts is 120 days inclusive of suppliers' credit. The interest is payable up to 2.25% (2019: 2.25%) per annum over Singapore Inter Bank Offer Rate (SIBOR) prevailing from time to time.

23C. Finance lease payables

As at 31 March 2019, there are leases for certain of its plant and equipment and inventories under finance leases. These finance leases were reclassified to lease liability on 1 April 2019 arising from the adoption of SFRS(I) 16 Leases as disclosed in Note 30. The lease terms range from 2 to 5 years. The average effective interest rate is about 3.95% to 4.00% per year. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets, corporate guarantee by the company and personal guarantees from the executive directors of the company.

The future minimum lease payments under the finance lease together with the present value of the net minimum lease payments at the end of the reporting year ended 31 March 2019 were as follows:

Group	Minimum payments $'000	Finance charges $'000	Present value $'000
2019:			
Minimum lease payments payable:			
Due within one year	932	(60)	872
Due within 2 to 5 years	793	(62)	731
Total	1,725	(122)	1,603
Net book value of plant and equipment and inventories under finance leases			1,239

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

23. OTHER FINANCIAL LIABILITIES (CONT'D)

23D. Convertible bond

On 28 August 2018, the company issued a redeemable, convertible, and exchangeable bond ("**Convertible Bond**") of an aggregate amount of $6,000,000, of which 100% of the Convertible Bond may be converted to up to 25,000,000 ordinary shares of the company based on a conversion price of $0.240 per share or up to 50% of the Convertible Bond may be exchanged into shares of EuroSports Technologies Pte. Ltd. at any time prior to the maturity date on 9 September 2021. Interest is payable at 5% per annum in arrears.

Convertible Bond issued by the company is designated as financial liability measured at fair value through profit or loss. Accordingly, the company has engaged an independent professional valuer to determine the fair value of the Convertible Bond at the statement of financial position date, taking into consideration certain parameters such as the credit rating, share price, strike price, trigger price, volatility, risk-free rate, and credit spread. The fair value of the conversion bond at the end of the reporting year is measured to be approximately $5,494,000 (Level 2). This fair value was measured by discounting the future cash flows at the market rate for an equivalent non-convertible bond (Level 2). The changes in fair value of the convertible bond since inception date amounts to $506,000. The changes in fair value which is attributable to changes in the credit risk of financial liability amounts to $144,000, and is accounted for in the Other Comprehensive Income. The remaining changes in fair value of $362,000 included in Other Gains (Note 7) in profit or loss.

23E. Convertible loan

On 21 November 2019, the company announced the fundraising by EuroSports Technologies Pte. Ltd. ("**EST**"), a wholly-owned subsidiary of the company, of up to US$10 million by issuance of various convertible loan agreements ("**EST Convertible Loan Agreement**").

The loan made to EST (the "**Convertible Loan**") is an interest-free unsecured loan, and becomes payable by EST, upon earlier of:

(a) 3 years from the date of EST Convertible Loan Agreement; or

(b) the occurrence of a dissolution event of EST, including any liquidation, dissolution or winding up of EST.

The Convertible Loan is convertible into shares in the capital of EST ("**EST Shares**") as follows:

(a) Upon a further equity fundraising round of not less than US$5 million occurring after 6.months from the date of the EST Convertible Loan Agreement (a "**Next Equity Financing**"), the Convertible Loan shall be convertible into EST Shares at a conversion price of the lower of:

  (i) the lowest price per share of the Next Equity Financing after applying a 25% discount; and

  (ii) the price per share calculated by taking the valuation cap of US$100 million (the "**Valuation Cap**") divided by the total number of EST Shares in issue at the time of conversion.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

23. OTHER FINANCIAL LIABILITIES (CONT'D)

23E. Convertible loan (cont'd)

(b) Upon a change of control or an initial public offering of EST (a "**Corporate Transaction**"), the Convertible Loan shall be convertible into EST Shares at a conversion price of the price per share equal to the fair market value of an ordinary share in the capital of EST at the time of the Corporate Transaction, as determined by reference to the purchase price or offer price payable in connection with such Corporate Transaction.

Convertible Loan issued by EST is designated as financial liability measured at fair value through profit or loss. Accordingly, the company has engaged an independent professional valuer to determine the fair value of the Convertible Loan at the statement of financial position date. The fair value of the Convertible Loan as the end of the reporting year is measured to be approximately $1,700,000 (Level 2). This fair value was measured by discounting the future cash flows at the market rate for an equivalent non-convertible bond (Level 2).

24. LEASE LIABILITIES

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

	Group 2020 $'000	Company 2020 $'000
Lease liabilities, current	2,692	2,072
Lease liabilities, non-current	4,063	3,692
	6,755	5,764

Movements of lease liabilities for the reporting year are as follows:

	Group 2020 $'000	Company 2020 $'000
Total lease liabilities recognised at 1 April 2019	12,878	7,736
Additions	2,099	–
Accretion of interest	407	332
Lease payments	(8,629)	(2,304)
Total lease liabilities at end of reporting year	6,755	5,764

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

24. LEASE LIABILITIES (CONT'D)

The new standard on leases has been applied using the modified retrospective transition approach. Therefore, no comparative amounts for the year ended 31 March 2019 are presented.

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-to-use assets. The right-to-use assets are disclosed in Note 13.

On transition to the new standard on leases the weighted average incremental borrowing rate applied to lease liabilities recognised ranges from 3.85% to 5.43% per year. The finance leases, the right-of-use asset and lease liability before the date of initial application are measured at the same amounts as under the new standard.

Reconciliation of lease commitment and lease liability at the date of initial application:

	Group $'000	Company $'000
Operating lease commitments as at 31 March 2019	14,026	8,448
Relief option for short-term leases	(88)	–
Subtotal - Operating lease liabilities before discounting	13,938	8,448
Discounted using incremental borrowing rate	(1,060)	(712)
Total lease liabilities recognised at 1 April 2019	12,878	7,736

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

Group	Minimum payments $'000	Finance charges $'000	Present value $'000
2020:			
Minimum lease payments payable:			
Not later than one year	2,955	(262)	2,693
Later than one year and not later than five years	4,241	(179)	4,062
Total	7,196	(441)	6,755

Company	Minimum payments $'000	Finance charges $'000	Present value $'000
2020:			
Minimum lease payments payable:			
Not later than one year	2,304	(232)	2,072
Later than one year and not later than five years	3,840	(148)	3,692
Total	6,144	(380)	5,764

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

24. LEASE LIABILITIES (CONT'D)

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

	Group
	2020
	$'000
Expense relating to short-term leases included in administrative expenses	508
Total commitments on short-term leases at year end date	420

25. OTHER NON-FINANCIAL LIABILITIES

	Group	
	2020	2019
	$'000	$'000
Current:		
Deferred income (Note 25A)	–	3,200
Deferred income – others	68	121
Warranty provision (Note 25B)	739	410
Deposits from customers (Note 25C)	7,333	12,417
Total	8,140	16,148

25A. Deferred income

	Group	
	2020	2019
	$'000	$'000
At beginning of the year	3,200	6,533
Credit to profit or loss included in other income (Note 6)	(3,200)	(3,333)
At end of the year	–	3,200
Presented in the statement of financial position as:		
Current	–	3,200
	–	3,200

Pursuant to a conditional sale and purchase agreement dated 4 July 2012 between EuroSports Auto Pte Ltd and RBC Dexia Trust Services Singapore Limited (in its capacity as trustee of Cambridge Industrial Trust) (the "**Purchaser**"), EuroSports Auto Pte Ltd agreed to sell its leasehold interest in respect of 30 Teban Garden Crescent Singapore 608927, comprising the land, building and all mechanical and electrical equipment installed therein, to the Purchaser for a consideration of $41.0 million.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

25. OTHER NON-FINANCIAL LIABILITIES (CONT'D)

25A. Deferred income (cont'd)

On 17 March 2014, the sale of property was completed and EuroSports Auto Pte Ltd has leased the property from the Purchaser for six years commencing from 17 March 2014 at an average annual rent of $3,589,000 over the lease term, with an option to renew the lease for a further term of six years. Knight Frank Pte Ltd, a firm of independent professional valuers, valued the property as at 4 July 2012 at $21.0 million on the assumption that the 22 years lease extension from JTC has been or will be granted and the property is sold in the open market without the benefit of any leaseback agreement.

The difference between the consideration of $41.0 million and fair value of $21.0 million was deferred and amortised over the leaseback period of six years or at an annual amount of $3,333,000.

25B. Warranty provision

	Group	
	2020	**2019**
	$'000	**$'000**
Balance at beginning of the year	410	70
Provision charged to profit or loss included in cost of sales	468	420
Used	(139)	(80)
Balance at end of the year	739	410

Certain products of the Group are sold with warranty. These products have on occasions failed within the 5 year warranty period. If the customer does not have the option to purchase a warranty separately, the warranty is accounted as a provision in accordance with the financial reporting standard on provisions, contingent liabilities and contingent assets. Replacements are expected to be supplied evenly over that warranty period as the product failure is random, not related to particular batches. If the actual claims costs were to differ by 10% from management's estimates, the warranty obligations would be an estimated $73,900 (2019: $41,000) higher or $73,900 (2019: $41,000) lower. The amount at the end of the reporting year was $739,000 (2019: 410,000).

25C. Deposits from customers

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

26. OPERATING LEASE PAYMENT COMMITMENTS – AS LESSEE

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

	Group
	2019
	$'000
Not later than one year	6,120
Later than one year and not later than five years	6,181
Rental expense for the year	
- Continuing operations	7,075
- Discontinued operation	88
	7,163

Operating lease payments are for rentals payable for warehouses, office and showroom premises. The lease rental terms are negotiated for an average term of six years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

27. OPERATING LEASE INCOME COMMITMENTS - AS LESSOR

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

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Not later than one year	425	1,358	2,304	–
Between 1 and 2 years	74	427	2,304	–
Between 2 and 3 years	72	72	1,536	–
Between 3 and 4 years	15	60	–	–
Later than 4 years	–	30	–	–
Total	586	1,947	6,144	–
Rental income for the year				
- Continuing operations	1,396	2,246	2,304	–

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

28A. Categories of financial assets and liabilities

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

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets:				
Financial assets at amortised cost	11,172	14,000	5,949	8,225
Financial liabilities:				
Financial liabilities at amortised cost	18,670	29,260	6,907	298
Financial liabilities at fair value through profit or loss	7,202	6,000	5,494	6,000
At end of the year	25,872	35,260	12,401	6,298

Further quantitative disclosures are included throughout these financial statements.

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

28B. Financial risk management

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

28C. Fair values of financial instruments

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

28D. Credit risk on financial assets

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

However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

28E. Liquidity risk – financial liabilities maturity analysis

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

Group	Less than 1 year $'000	2 – 5 years $'000	Total $'000
2020:			
Non-derivative financial liabilities:			
Trade payables	6,278	–	6,278
Gross borrowing commitments	6,097	8,271	14,368
Lease liabilities	2,304	3,840	6,144
At end of the year	14,679	12,111	26,790
2019:			
Non-derivative financial liabilities:			
Trade payables	11,515	–	11,515
Liabilities in relation to assets held for sale	7,881	–	7,881
Gross borrowing commitments	8,793	8,273	17,066
At end of the year	28,189	8,273	36,462

Company	Less than 1 year $'000	2 – 5 years $'000	Total $'000
2020:			
Non-derivative financial liabilities:			
Trade payables	1,143	–	1,143
Gross borrowing commitments	–	5,769	5,769
Lease liabilities	2,304	3,840	6,144
At end of the year	3,447	9,609	13,056

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

28E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Group	Less than 1 year $'000	2 – 5 years $'000	Total $'000
2019:			
Non-derivative financial liabilities:			
Trade payables	298	–	298
Gross borrowing commitments	–	6,725	6,725
At end of the year	298	6,725	7,023

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

Bank facilities:

	Group	
	2020 $'000	2019 $'000
Undrawn borrowing facilities	21,632	18,238
Unused bank guarantees	445	131

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

28F. Interest rate risk

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

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Financial liabilities with interest:				
Fixed rates	6,485	7,603	11,258	6,000
Floating rates	5,637	16,142	–	–
Total at end of the year	12,122	23,745	11,258	6,000
Financial assets with interest:				
Fixed rates	8,891	7,890	30	351

The interest rates are disclosed in the respective notes.

Sensitivity analysis

For the floating rate financial assets and liabilities, a hypothetical increase of 100 (2019: 100) basis points in interest rate at the end of the reporting year would decrease pre-tax profit for the reporting year by the amounts shown below. A decrease of 100 (2019: 100) basis points in interest rate would have an equal but opposite effect. This analysis assumes all other variables remain constant.

	Group	
	2020 $'000	2019 $'000
Pre-tax profits for the reporting year	(56)	(161)

The hypothetical change in basis point is not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

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

28G. Foreign currency risks

Analysis of amounts denominated in non-functional currencies:

Group	USD $'000	GBP $'000	Euro $'000	Total $'000
2020:				
Financial assets:				
Cash and bank balances	30	16	33	79
Total financial assets	30	16	33	79
Financial liabilities:				
Trade payables	(11)	–	(1,144)	(1,155)
Total financial liabilities	(11)	–	(1,144)	(1,155)
Net financial assets / (liabilities) at end of the year	19	16	(1,111)	(1,076)

Group	GBP $'000	Euro $'000	Total $'000
2019:			
Financial assets:			
Cash and bank balances	3	17	20
Total financial assets	3	17	20
Financial liabilities:			
Trade payables	(1)	(279)	(280)
Total financial liabilities	(1)	(279)	(280)
Net financial assets / (liabilities) at end of the year	2	(262)	(260)

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

29. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	Company	
	2020 $'000	2019 $'000
Banker's guarantees in favour of subsidiaries	22,077	30,004

30. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements, except for SFRS(I) 16.

FRS No.	Title
SFRS(I) 16	Leases (and Leases – Illustrative Examples & Amendments to Guidance on Other Standards)
SFRS (I) 1-12	Improvements (2017) – Amendments: Income Taxes
SFRS (I) 1-23	Improvements (2017) – Amendments: Borrowing Costs

<u>Leases:</u>
The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessee, almost all leases are brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Thus, the entity has recognised a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. The amount by which each financial statement line item is impacted (debits / (credits)) in the current reporting year by the application of the new standard on leases are disclosed in the relevant notes to the financial statements. The reporting entity elected to apply the modified retrospective approach for this standard new standard on leases. Under the modified retrospective approach, the comparative Information is not restated and therefore there is no presentation of a third column for the statement of financial position. The cumulative effect of initially applying this standard of $626,000 and $244,000 has been adjusted against the opening balance of accumulated losses of the group and the company respectively at the date of initial application.

For leases previously classified as operating leases on 1 April 2019, the Group has applied the following transition provisions:

NOTES TO THE FINANCIAL STATEMENTS

31 March 2020

30. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS (CONT'D)

The Group chose to measure its right-of-use assets at carrying amounts as if SFRS(I) 16 had been applied since the commencement of the leases but discounted using the incremental borrowing rate for each individual lease, or if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic as at 1 April 2019.

The Group has recognised its lease liabilities by discounting the remaining lease payments using the incremental borrowing rate for each individual lease, or if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic as at 1 April 2019.

The cumulative effect of adopting SFRS(I) 16 has been recognised as an adjustment to the opening balance of retained earnings on 1 April 2019. Comparative information is not restated.

For the lease previously classified as a finance lease on 1 April 2019, the carrying amount of the leased asset and finance lease liability were determined as the carrying amount of the right-of-use asset and lease liability respectively.

31. NEW AND REVISED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

SFRS(I) No.	Title	Effective date for periods beginning on or after
Various	Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
SFRS(I) 1-1 and SFRS(I) 1-8	Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material	1 January 2020
SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	Amendments to SFRS(I) 9, and SFRS(I) 1-39 and SFRS(I) 7: Interest Rate Benchmark Reform	1 January 2020
SFRS(I) 16	Amendment to FRS 116: Covid-19 Related Rent Concessions	1 Jun 2020

32. EVENT DURING AND AFTER THE END OF THE REPORTING YEAR

The COVID-19 outbreak and heightened risk alerts have significantly limited travel and human interaction and led to a decline in global business activities. As the situation is still evolving, it is currently not possible to ascertain the full financial impact of the outbreak on the future financial performance and financial position of the group at this juncture.

STATISTICS OF SHAREHOLDINGS

As of 3 August 2020

NUMBER OF ISSUED SHARES (EXCLUDING OF TREASURY SHARES)	:	261,167,700
NUMBER / PERCENTAGE OF TREASURY SHARES	:	3,832,300 / 1.45%
NUMBER / PERCENTAGE OF SUBSIDIARY HOLDINGS HELD	:	NIL
CLASS OF SHARES	:	ORDINARY SHARES WITH EQUAL VOTING RIGHTS

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% Shareholders	No. of Shares	% Shareholdings
1 - 99	0	0.00	0	0.00
100 - 1,000	39	10.96	30,300	0.01
1,001 - 10,000	158	44.38	769,000	0.29
10,001 - 1,000,000	144	40.45	15,605,000	5.98
1,000,001 and above	15	4.21	244,763,400	93.72
Total	**356**	**100.00**	**261,167,700**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	No. of Shareholders	No. of Shares	% Shareholdings
1	CITIBANK NOMINEES SINGAPORE PTE LTD	82,218,000	31.48
2	GOH KIM SAN	66,900,200	25.62
3	GOH KIM HUP	51,815,600	19.84
4	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	12,278,000	4.70
5	RAFFLES NOMINEES (PTE) LIMITED	6,204,600	2.38
6	YAP BOH SIM	5,200,000	1.99
7	OCBC SECURITIES PRIVATE LTD	4,269,800	1.63
8	ONG SIEW GIM	3,088,900	1.18
9	LEO CHUN KONG	2,523,300	0.97
10	UOB KAY HIAN PTE LTD	2,198,900	0.84
11	GOH YI SHUN JOSHUA	1,935,700	0.74
12	CHEN YU YEN	1,760,000	0.67
13	KAN CHEE GIN	1,593,400	0.61
14	PENG YANAN	1,527,000	0.58
15	BEN CHNG BENG BENG	1,250,000	0.48
16	VSTL INVESTMENT LTD	701,500	0.27
17	YAP MEE LEE	700,000	0.27
18	FONG CHEE YAN	637,600	0.24
19	TAN KAR ENG JOEL	605,000	0.23
20	DBS NOMINEES PTE LTD	566,100	0.22
	Total	**247,973,600**	**94.94**

STATISTICS OF SHAREHOLDINGS

As of 3 August 2020

SUBSTANTIAL SHAREHOLDERS
(As per the Register of Substantial Shareholders)

No.	Name	Direct Interest	%	Deemed Interest	%
1	GOH KIM SAN [(1)]	66,900,200	25.45	52,409,000	19.94
2	GOH KIM HUP [(2)]	51,815,600	19.81	19,500,000	7.45

Notes:

(1) Mr Goh Kim San is treated as having an interest in the following shares by virtue of Section 7 of the Companies Act, Cap. 50.: -

(a) 20,000,000 shares are held in a nominee account held by Citibank Nominees Singapore Pte Ltd.

(b) 20,299,000 shares are held by Elite Steed Limited in a nominee account held by Citibank Nominees Singapore Pte Ltd.

(c) 12,110,000 shares are held in a nominee account held by CGS-CIMB Securities (Singapore) Pte Ltd.

(2) Mr Goh Kim Hup is deemed to be interested in 19,500,000 shares held in a nominee account held by Citibank Nominees Singapore Pte Ltd. by virtue of Section 7 of the Companies Act, Cap. 50.

PUBLIC FLOAT

Based on the Register of Substantial Shareholders and the information made available to the Company as at 3 August 2020, approximately 27.35% of the issued ordinary shares of the Company are held by the public. Rule 723 of the SGX Listing Manual has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of EuroSports Global Limited (the "**Company**") will be held by way of electronic means on Friday, 11 September 2020 at 2.00 p.m. for the following purposes:

AS ROUTINE BUSINESS:

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2020 and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr Goh Kim Hup, being a Director retiring by rotation pursuant to Article 113 of the Constitution of the Company. [See Explanatory Note (i)] **(Resolution 2)**

3. To re-elect Mr Tan Siok Sing, being a Director retiring by rotation pursuant to Article 113 of the Constitution of the Company. [See Explanatory Note (ii)] **(Resolution 3)**

4. To approve the payment of Directors' fees of $120,000 for the financial year ending 31 March 2021, to be paid quarterly in arrears. **(Resolution 4)**

5. To re-appoint Messrs RSM Chio Lim LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. To transact any other routine business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

7. SHARE ISSUE MANDATE

That pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**") and Rule 806 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Rules of Catalist**") and notwithstanding the provisions of the Constitution of the Company, authority be and is hereby given to the Directors of the Company (the "**Directors**") to:

(a) (i) allot and issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options that may or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares (collectively, "**Instruments**"),

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be granted other than on a pro-rata basis to shareholders of the Company with registered addresses in Singapore (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company shall be calculated based on the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company at the time of the passing of this Resolution, after adjusting for:

(1) new shares arising from the conversion or exercise of any convertible securities;

(2) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and

(3) any subsequent bonus issue, consolidation or subdivision of shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note (iii)] **(Resolution 6)**

NOTICE OF ANNUAL GENERAL MEETING

8. PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

That:-

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchase(s) on the SGX-ST; and/or

(ii) off-market purchase(s) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Rules of Catalist,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by shareholders in general meeting;

NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

"**Maximum Percentage**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date);

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an off-market purchase of a Share, 120% of the Average Closing Price of the Shares;

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days on which the Shares are transacted on the Catalist immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the Rules of Catalist, for any corporation action that occurs after the relevant five-day period; and

"**Date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.
[See Explanatory Note (iv)] **(Resolution 7)**

9. EUROSPORTS PERFORMANCE SHARE PLAN

That the Directors of the Company be and are hereby authorised to offer and grant awards in accordance with the provisions of the EuroSports Performance Share Plan (the "**Performance Share Plan**") and pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan, provided that the aggregate number of shares to be issued pursuant to the Performance Share Plan and any other share-based incentive schemes of the Company shall not exceed 15% of the total number of shares (excluding subsidiary holdings and treasury shares) of the Company from time to time.
[See Explanatory Note (v)] **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

10. EUROSPORTS EMPLOYEE SHARE OPTION SCHEME

That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the EuroSports Employee Share Option Scheme (the "**Scheme**") and pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Scheme, provided always that the aggregate number of shares to be issued pursuant to the Scheme and any other share-based incentive schemes of the Company shall not exceed 15% of the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company from time to time.
[See Explanatory Note (vi)] **(Resolution 9)**

To consider and, if thought fit, to pass the following resolution as a Special Resolution, with or without modifications:

11. PROPOSED AMENDMENTS TO THE CONSTITUTION

That:

(a) the Proposed Amendments to the Constitution as set out in the Schedule to the Appendix be and is hereby authorised and approved; and

(b) the Directors of the Company and/or any of them be and are hereby authorised and empowered to complete and do all such acts and things and (including, without limitation, to execute all documents as may be required, to approve any amendments, alterations or modifications to any documents and, to sign, file and/or submit any notices, forms and documents with or to the relevant authorities, if required) as they/he/she may consider necessary, desirable or expedient to give effect to this special resolution. **(Resolution 10)**

By Order of the Board

Lee Tiong Hock
Joint Company Secretary
Singapore
20 August 2020

EXPLANATORY NOTES:

(i) Mr Goh Kim Hup, upon re-election as a Director of the Company, will remain as an Executive Director and the Deputy Chief Executive Officer of the Company.

(ii) Mr Tan Siok Sing, upon re-election as a Director of the Company, will remain as the Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee of the Company. Mr Tan will be considered independent for the purposes of rule 704(7) of the Rules of Catalist.

NOTICE OF ANNUAL GENERAL MEETING

(iii) **Resolution 6** proposed in item 7 above, if passed, is to empower the Directors to allot and issue shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 6 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed 100% of the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company, with a sub-limit of 50% for shares issued other than on a pro-rata basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to shareholders with registered addresses in Singapore. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company will be calculated based on the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company at the time of the passing of Resolution 6, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of Resolution 6, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.

(iv) **Resolution 7** proposed in item 8 above, if passed, is to empower the Directors from the date of the above Meeting until the next AGM to purchase or otherwise acquire issued ordinary Shares by way of market purchases or off-market purchases of up to 10% of the total number of issued Shares (excluding subsidiary holdings and treasury shares) at the Maximum Price in accordance with the terms and conditions set out in Appendix dated 20 August 2020 to this Notice of AGM, the Companies Act and the Rules of Catalist. Please refer to Appendix dated 20 August 2020 circulated together with the Company's Annual Report for details.

(v) **Resolution 8** proposed in item 9 above, if passed, is to authorise the Directors to offer and grant awards in accordance with the provisions of the Performance Share Plan and to allot and issue shares thereunder.

(vi) **Resolution 9** proposed in item 10 above, if passed, is to authorise the Directors to offer and grant options in accordance with the provisions of the Scheme and pursuant to Section 161 of the Companies Act, to allot and issue shares under the Scheme. The size of the Scheme is limited to 15% of the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company for the time being.

Notes:

Participation in the AGM via live webcast or live audio feed

1. As the AGM will be held by way of electronic means, shareholders will NOT be able to attend the AGM in person. All shareholders or their representative (in the case of shareholders which are legal entities) will be able to participate in the AGM proceeding by accessing a live webcast or live audio feed. To do so, shareholders are required to pre-register their participation in the AGM ("**Pre-registration**") at this link: http://eurosportsglobal.listedcompany.com/agm-pre-register.html by 2.00 p.m. on Tuesday, 8 September 2020 ("**Registration Deadline**") for verification of their status as shareholders (or representatives of such shareholders which are legal entities). Registration will be open from 9.00 a.m. on Thursday, 20 August 2020 onwards.

2. Upon successful verification, each such shareholder or its representative (in the case of shareholders which are legal entities) will receive an email by 9.00 a.m. on Thursday, 10 September 2020. The email will contain instructions to access the live webcast or live audio feed of the AGM proceedings.

3. Shareholders or their representatives (in the case of shareholders which are legal entities) must not forward the email to other persons who are not shareholders and who are not entitled to participate in the AGM. Shareholders or their representatives (in the case of shareholders which are legal entities) who have pre-registered by the Registration Deadline but do not receive an email by 12.00 p.m. on Thursday, 10 September 2020 may contact the Company for assistance at +65 6565 5995.

NOTICE OF ANNUAL GENERAL MEETING

Voting by Proxy

1. Shareholders may only exercise their voting rights at the AGM via proxy voting. Shareholders who wish to vote on any or all of the resolutions at the AGM must appoint the Chairman of the AGM as their proxy to do so on their behalf. In the Proxy Form, a shareholder should specifically direct the Chairman on how he is to vote for or vote against or abstain from voting on each resolution to be tabled at the AGM, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

2. The instrument appointing the Chairman of the AGM as proxy must be deposited at the registered office of the Company at 24 Leng Kee Road, #01-03, Singapore 159096 or sent by email to proxyform@eurosportsglobal.com not less than 48 hours (i.e. by 2.00 p.m. on Wednesday, 9 September 2020), before the time appointed for holding the AGM. The Proxy Form can be downloaded from SGXNet or the Company's website at http://eurosportsglobal.listedcompany.com/agm-2020.html.

   In view of the current COVID-19 measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email to proxyform@eurosportsglobal.com.

   A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**") at least 48 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote on any or all of the resolutions at the AGM by appointing the Chairman of the AGM as his/her proxy to do so on his/her behalf. In view of Section 81SJ(4) of the Securities and Futures Act (Cap. 289), Singapore, a Depositor shall not be regarded as a shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP at least seventy-two (72) hours before the AGM. Any shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the AGM will not be entitled to attend and vote at the AGM. Accordingly, even if such shareholder deposits his/her proxy form forty-eight (48) hours before the AGM, the Chairman of the AGM who is appointed as his/her proxy will not be entitled to vote on his/her behalf at the AGM.

   CPF or SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM (i.e. by 2.00 p.m. on Wednesday, 2 September 2020), to ensure that their votes are submitted.

Access to documents or information relating to the AGM

All documents and information relating to the business of the AGM (including the Annual Report and the Proxy Form) have been published on SGXNet and the Company's website at http://eurosportsglobal.listedcompany.com/agm-2020.html.

Submission of questions prior to the AGM

1. Shareholders may submit questions related to the resolutions to be tabled at the AGM by post to the Company at 24 Leng Kee Road, #01-03, Singapore 159096 or send electronically via the pre-registration website. Questions must be submitted by 2.00 p.m. on Tuesday, 8 September 2020 so that they may be addressed during the AGM proceedings. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit questions by post, shareholders are strongly encouraged to submit questions electronically via the pre-registration website.

2. Shareholders or their representatives (in the case of shareholders which are legal entities) must state his/her full name and whether he/she is a shareholder or a representative of a shareholder which is a legal entity. Any question without the identification details will not be addressed.

NOTICE OF ANNUAL GENERAL MEETING

3. The Company shall address relevant and substantial questions (as may be determined by the Company in its sole discretion), received by 2.00 p.m. on Tuesday, 8 September 2020, before or during the AGM proceedings. The Company will publish the minutes of the AGM, including substantial and relevant comments or queries from shareholders relating to the agenda of the AGM, and responses from the Company, on SGXNet and the Company's website within one month after the date of AGM.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, or (b) completing the Pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

(i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as a proxy for the AGM (including any adjournment thereof);

(ii) the processing of the Pre-registration for purposes of granting access to shareholders (or their representatives in the case of shareholders which are legal entities) to the live webcast or live audio feed of the AGM proceedings and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from shareholders received before the AGM and if necessary, following up with the relevant shareholders in relation to such questions;

(iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

This Notice of AGM ("**Notice**") has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Mr Yee Chia Hsing, Head, Catalist, Investment Banking, Singapore. The contact particulars are 50 Raffles Place, #09-01, Singapore Land Tower, Singapore 048623, telephone: +65 6337 5115.

This page has been intentionally left blank

This page has been intentionally left blank

This page has been intentionally left blank

PROXY FORM

(Please see notes overleaf before completing this Form)

EUROSPORTS GLOBAL LIMITED

(Incorporated in Singapore)
(Registration No. 201230284Z)

IMPORTANT:
1. Shareholder who wish to vote on any or all of the resolutions at the Annual General Meeting ("**AGM**") must appoint the Chairman of the AGM as their proxy to do so on their behalf.
2. For investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF and/or SRS investors who wish to appoint Chairman of the AGM as their proxy should contact their respective CPF Agent Banks and/or SRS Operators at least seven (7) working days before the AGM to specify voting instructions and to ensure that their votes are submitted.

I/We, ______________________ NRIC/Passport/Company Registration No. ______________

of ____

being a shareholder/shareholders* of Eurosports Global Limited (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") as my/our* proxy to vote for me/us* on my/our* behalf at the AGM of the Company to be held by way of electronic means on Friday, 11 September 2020 at 2.00 p.m. and at any adjournment thereof.

Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes "For" or "Against" a resolution, please tick (x) within the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution.

If you wish the Chairman of the AGM as your proxy to abstain from voting a resolution, please tick (x) within the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes that the Chairman of the AGM as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution.

In the absence of specific direction in respect of a resolution, the appointment of Chairman of the AGM as your proxy for that resolution will be treated as invalid.

No.	Resolutions relating to:	For	Against	Abstain
	ROUTINE BUSINESS			
1	Adoption of the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2020 and the Auditors' Report thereon **(Resolution 1)**			
2	Re-election of Mr Goh Kim Hup as a Director **(Resolution 2)**			
3	Re-election of Mr Tan Siok Sing as a Director **(Resolution 3)**			
4	Approval of Directors' fees amounting to $120,000 for the financial year ending 31 March 2021, to be paid quarterly in arrears **(Resolution 4)**			
5	Re-appointment of Messrs RSM Chio Lim LLP as Auditors **(Resolution 5)**			
6	Any other business			
	SPECIAL BUSINESS			
7	Authority for Directors to allot and issue new shares **(Resolution 6)**			
8	Approval of the renewal of the Share Purchase Mandate **(Resolution 7)**			
9	Authority for Directors to offer and grant awards and to allot and issue shares in accordance with the provisions of the EuroSports Performance Share Plan **(Resolution 8)**			
10	Authority for Directors to offer and grant options and to allot and issue shares in accordance with the provisions of the EuroSports Employee Share Option Scheme **(Resolution 9)**			
11	Approval of the Proposed Amendments to the Constitution **(Resolution 10)**			

* Delete accordingly

Dated this ________ day of ______________ 2020

Total Number of Shares held in:	
CDP Register	
Register of Members	

____

Signature(s) of member(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. In light of the current COVID-19 measures in Singapore, shareholders will not be able to attend the AGM in person. A shareholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such shareholder wishes to exercise his/her/its voting rights at the AGM.

   CPF or SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM (i.e. by 2.00 p.m. on Wednesday, 19 August 2020), to ensure that their votes are submitted.

   Where a shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

3. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 24 Leng Kee Road, #01-03, Singapore 159096 or sent by email to proxyform@eurosportsglobal.com not less than 48 hours before the time set for holding the meeting. In view of the current COVID-19 measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

5. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

6. An investor who hold shares under the Central Provident Fund Investment Scheme and/or the Supplementary Retirement Scheme (as may be applicable), who wish to appoint the Chairman of the AGM as their proxy should contact their respective CPF Agent Banks and/or SRS Operators to submit their voting instruction at least seven (7) working days before the time appointed for the holding of the AGM.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 20 August 2020.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Melvin Goh
Executive Chairman and CEO

Andy Goh
Executive Director and Deputy CEO

Ng Tiak Soon
Non-Executive and
Lead Independent Director

Tan Siok Sing
Non-Executive Independent Director

***Lim Kim Quee**
Non-Executive Independent Director

AUDIT COMMITTEE

Ng Tiak Soon (Chairman)
Tan Siok Sing
***Lim Kim Quee**

NOMINATING COMMITTEE

Tan Siok Sing (Chairman)
Ng Tiak Soon
***Lim Kim Quee**

REMUNERATION COMMITTEE

***Lim Kim Quee** (Chairman)
Ng Tiak Soon
Tan Siok Sing

JOINT COMPANY SECRETARIES

Lee Tiong Hock
Yang Ee, CA (Singapore)

REGISTERED OFFICE

24 Leng Kee Road
#01-03
Singapore 159096
Tel: (65) 6565 5995
Fax: (65) 6567 5515

AUDITORS

RSM Chio Lim LLP
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095

Partner-in-charge: **Eu Chee Wei David**
(a member of the Institute of Singapore Chartered Accountants)

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road
#02-00
Singapore 068898

PRINCIPAL BANKERS

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Malayan Banking Berhad
2 Battery Road
Maybank Tower
Singapore 049907

CIMB Bank Berhad (Singapore Branch)
50 Raffles Place
#09-01
Singapore Land Tower
Singapore 048623

INVESTOR RELATIONS

Email: ir@eurosportsglobal.com

* *Mr Lim Kim Quee ceased to be a Director upon his demise on 10 June 2020.*

This document has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.

This document has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The contact person for the Sponsor is Mr Yee Chia Hsing, Head, Catalist, Investment Banking, Singapore.

The contact particulars are 50 Raffles Place, #09-01, Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.

EUROSPORTS GLOBAL

(Incorporated in the Republic of Singapore on 12 December 2012)
(Company Registration No.: 201230284Z)

EUROSPORTS GLOBAL LIMITED
24 Leng Kee Road
Singapore 159096

www.eurosportsglobal.com