

EUROSPORTS GLOBAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 201230284Z)

**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN ON THE AUDITED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board of Directors (the “**Board**”) of EuroSports Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s independent auditors, RSM SG Assurance LLP (the “**Auditors**”), has included a Material Uncertainty Related to Going Concern section in their report (the “**Independent Auditors’ Report**”) on the audited financial statements of the Group and the Company for the financial year ended 31 March 2024 (“**FY2024**”) (the “**Audited Financial Statements**”). The opinion of the Auditors is not modified in respect of this matter.

The following is an extract of the Independent Auditors’ Report and Note 1 to the Audited Financial Statements pertaining to the subject of this announcement:

Independent Auditors’ Report

Material uncertainty related to going concern

“We draw attention to Note 1 of the financial statements, which indicates that the group incurred a net loss of \$8,607,000 and has net cash outflows used in operating activities of \$2,817,000 during the year ended 31 March 2024, and, as of that date, the group and the company’s current liabilities exceeded their current assets by \$1,720,000 and \$8,024,000 respectively. These conditions, indicate that a material uncertainty exists that may cast significant doubt on the group and company’s ability to continue as going concerns. The management is however of the view that the use of going concern basis in the preparation of these financial statements is appropriate taking into consideration the matters disclosed in Note 1. If the going concern assumption is inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised for amounts other than those at which they are currently recorded in the statements of financial position. Our opinion is not modified in respect of this matter.”

Note 1 to the Audited Financial Statements

Basis for going concern

“The group incurred a net loss of \$8,607,000 and has negative net cash outflows used in operating activities of \$2,817,000 during the financial year ended 31 March 2024, and as of that date, the group and the company’s current liabilities exceeded their current assets by \$1,720,000 and \$8,024,000 respectively. These circumstances represent a material uncertainty on the group and company’s abilities to continue as going concerns.

Notwithstanding the negative working capital position, the management is however of the view that the use of going concern basis in the preparation of these financial statements is appropriate, after taking into account the following matters:

- *The group is confident of its Automobile Distribution business’ ability to generate sufficient operating cash flow to support its operating expenses in the next 12 months.*
- *Subsequent to the financial year end, and as of the date of this report, the group has received \$1,600,000 in loans and has entered into a loan agreement of \$3,000,000 to support the operations for the next 12 months.*
- *The electric motorcycle venture has made significant progress and achieved key milestones in FY2024. There is strong feedback from the public, potential distributors, and industry stakeholders. We have received a favourable opinion letter on the on the electric motorcycle venture, issued by an independent valuation specialist, management is confident in its ability to raise more funds to grow the business.*

If the group is unable to successfully conclude the above matters and the going concern assumption is inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised for amounts other than those at which they are currently recorded in the statements of financial position.”

The Board is of the opinion that it is appropriate for the Audited Financial Statements of the Group and the Company to be prepared and presented on a going concern basis, for the reasons as set out in Note 1 to the Audited Financial Statements. Further, the Board is of the opinion that sufficient information has been disclosed for the trading of the Company’s securities to continue in an orderly manner and the Board is not aware of any material information that requires disclosure but remains undisclosed as of the date of this announcement. The Auditors as part of their responsibility included the material uncertainty related to going concern paragraph in the Independent Auditors’ Report to draw the users’ attention to this matter as in their judgment, it is fundamental for the users to understand the basis of preparation of the Audited Financial Statements.

The Independent Auditors’ Report and the Audited Financial Statements will form part of the Company’s Annual Report for FY2024 (the “**FY2024 Annual Report**”) which will be released to the shareholders of the Company on the SGXNet in due course.

Shareholders and potential investors are advised to read this announcement in conjunction with the FY2024 Annual Report in their entirety. Shareholders and potential investors are reminded to exercise caution when dealing or trading in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

By Order of the Board

Goh Kim San
Executive Chairman and Chief Executive Officer
15 July 2024

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange 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.

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