

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

RESPONSES TO QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The Board of Directors (“**Board**”) of Eurosports Global Limited (the “**Company**”), and together with its subsidiaries, the “**Group**”) had received questions from Securities Investors Association (Singapore) on 21 July 2021 (the “**Questions**”). The Board and the Company wish to provide its responses to the Questions as follows:

Q1. Would the board/management provide shareholders with greater clarity on the following operational and financial matters? Specifically:

- (i) **Lamborghini: Does management have visibility on new car launches? Also, how does management determine the number of cars to bring in?**

Company's response:

Prior to the global launch of new vehicle models or facelifts of existing vehicles, Lamborghini does share some limited information on the launch with its network of dealers. Typically, management does receive these details a few weeks prior to the launch.

Management determines, 3 to 4 months prior to the start of a calendar year, the estimated number of cars of each particular vehicle model to bring in based on a combination of factors, including, but not limited to, (1) historical sales, (2) the expected price point and features of the vehicle (for new models or facelifted models), (3) market sentiment based on feedback from our team and third party industry sources, (4) expected changes to regulations from various relevant authorities, and (5) the forecast general macroeconomic conditions for the market the Group operates in.

- (ii) **Alfa Romeo/Fiat: Is the board satisfied with the level of sales under Alfa Romeo? How successful have the “Giulia” models been? How much will the group be investing to market Fiat? What is the strategy to compete against Japanese and other more popular European brands?**

Company's response:

The management is confident to perform better, in terms of the sales volume, of Alfa Romeo vehicles as the brand builds traction and increases its market visibility. Since its launch in mid-2018, the Group has delivered over a hundred Giulia vehicles. Currently, the Alfa Romeo brand has two (2) different vehicle models in product line up, namely the Giulia sedan and the Stelvio SUV. As and when the Alfa Romeo brand increases its product line up over the next few years, management would be able better target different segments of potential customers, and thereby potentially increasing the Group sales volume.

The various Covid-19 measures and restrictions put in place has limited the Group's options for marketing activities. While the Group has increased digital marketing efforts, there are still significant challenges in terms of marketing. The management believes these conditions should improve as the Covid-19 measures and restrictions are gradually eased.

The Group's marketing efforts for Fiat will be focused on digital marketing for the next 6 months, with a strong focus on targeted demographic audience. The management does not wish to disclose its planned quantum of marketing expenditure nor the strategy in terms of how it plans to compete against other Japanese or other European brands. However, the management believes Fiat vehicles has a unique value proposition and other qualitative aspects that would make it a compelling purchase for a targeted audience of potential buyers. The Group will focus efforts to communicate the Fiat's unique selling points to these buyers.

- (iii) **Scorpio Electric: What is the group's experience and track record in business-to-business ("B2B") and business-to-government ("B2G") markets?**

Company's response:

Scorpio Electric is a global brand and electric vehicle company, specialising in electric motorcycle manufacturing with a focus on performance. Scorpio Electric is a premium electric motorcycle for general consumers, not targeted at the B2B and B2G markets.

The management is contemplating to launch a new brand and business that is focused on the B2B and B2G market and will make the appropriate announcement(s) in due time, when there are material development and updates.

Q2. The group's subsidiary, EuroSports Technologies Pte. Ltd. (EST), is currently developing a next-generation motorcycle that is fully electric. EST and Strides Transportation, a wholly-owned subsidiary of SMRT Road Holdings Ltd, entered into a Memorandum of Understanding ("MOU") in April 2021 to develop and distribute Smart Electric Motorcycles in Singapore and the Asia Pacific Region.

- (i) **What is the stage of development of the electric motorcycle? When does the group expect EST to start generating sales?**

Company's response:

EST is in the midst of revealing its first prototype for this new initiative and expect to showcase EST development to key stakeholders by the end of 2021. EST expects to generate sales in calendar year 2022.

- (ii) **Who is responsible for driving the R&D of the electric motorcycle? What is the size and depth of the technical team?**

Company's response:

EST has separate teams of more than 20 engineers in Eurosports Technologies that are focused in development of electric mobility.

Attracting earnest and skilled individuals to join a start-up is a challenging affair, especially so for a start-up that is operating in a nascent or almost non-existent industry in Singapore. Over the years, EST has attracted some talented individuals who have solid experience in the motorcycle and electric vehicle industries. The younger members of the team will benefit from this transfer of knowledge.

- (iii) **What are the remaining milestones before the electric motorcycle is certified to be roadworthy?**

Company's response:

Roadworthiness is an important aspect that we are cognisant of. EST immediate priority is to showcase new prototype development to key stakeholders by the end of 2021.

- (iv) **Does EST have the production capability or capacity to mass produce the motorcycles?**

Company's response:

EST is working closely with various government agencies like A*STAR and the Advanced Remanufacturing and Technology Centre, on building the first electric motorcycle in Singapore.

On 30 October 2020, the company announced that Mr Goh Yi Shun, Joshua would be transferred to EST and be appointed as the CEO of EST based on his involvement in the daily operations and the recommendation and feedback of the management team.

- (v) **Can the board help shareholders understand the contributions to EST by Mr Goh Yi Shun, Joshua? As the CEO of EST, what are his roles, responsibilities and deliverables?**

Company's response:

As announced on 30 October 2020, Mr Goh Yi Shun Joshua was re-designated to the position of Executive – CEO Office, which is an executive in the CEO's Office and not the CEO himself. He assists Mr Melvin Goh, the CEO of EST, in Melvin's daily affairs. Melvin is responsible for the overall management, formulating EST's strategic focus and direction and developing and maintaining relationships with key stakeholders.

- (vi) **Based on the pre-money valuation (before dilution) of EST of \$30 million, what is the post-money valuation of EST?**

Company's response:

The Company will announce EST latest fundraising milestone in due time.

Q3. The attendance of directors at board and board committee meetings is shown on page 44 and reproduced below:

The frequency of meetings and the attendance of each Director at every Board and Board committees meetings for FY2021 are disclosed in the table below:-

	Board		AC		NC		RC	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Melvin Goh	4	4	4	4#	2	2#	2	2#
Andy Goh	4	4	4	4#	2	2#	2	2#
Ng Tiak Soon	4	4	4	4	2	2	2	2
Tan Siok Sing	4	4	4	4	2	2	2	2
Foo Say Tun*	4	3	4	3	2	1	2	1

* Mr Foo Say Tun appointed as Non-Executive Independent Director of the Company on 8 September 2020.

Attended as invitees

(Source: company annual report)

As seen from the table above, the executive directors attend the board committee meetings by invitation. It would appear the board committee meetings are attended by all directors, making them the same as board meetings.

Mr Melvin Goh and Mr Andy Goh are the co-founders of the group and are the CEO and deputy CEO respectively. They are each a controlling shareholder of the company, with 46.03% and 21.71% interest in the company respectively.

- (i) **Can the board help shareholders understand if it is the usual practice for non-board committee members (i.e. the executive directors) to attend board committee meetings?**

- (ii) **What is the group dynamics at the board committee meetings when the independent directors on the board committee may be reviewing and discussing matters that are related to or affect the executive directors?**

Such board committee meetings would have included agenda items on interested person transactions, performance assessment, remuneration of the executive directors and on the audit/financial reporting/internal controls of the group.

- (iii) **Do the executive directors also actively participate in the discussions during the board committee meetings? If so, how are board committee meetings different from board meetings?**
- (iv) **Are the independent directors able to conduct the board committee meetings without the executive directors in attendance?**

The Board delegates duties to the Board committees namely, Audit Committee, Nominating Committee and Remuneration Committee in addition to its statutory responsibilities. The duty of the Board committees is to assist the Board and to improve the efficiency of Board work by preparing matters falling within the competence of the Board. The Board remains responsible for the duties it assigns to the Board committees and the Board committees report to the Board on the matters addressed and measures taken by them. All other Board members and the Chief Executive Officer shall also normally have the right to attend the meetings of the Board committees.

The Board committees have full discretion to invite members of management and Executive Directors who are non-members to attend their meetings and provide pertinent information, as necessary to discharge its function properly. The Independent Directors communicated among themselves without the presence of management as and when the need arose. Where appropriate, the Independent Directors provide feedback to the Board after such discussion or meetings.

The Board noted that the personal interests of directors or persons associated with the directors must not be allowed to prevail over the interests of the Company and its shareholders. As such, the Executive Directors who are not members of the Board committees and who attend the relevant meetings have no voting powers and are not involved in deliberations on any matter where potential conflict of interests exist. Each member of the Board committee also abstains from reviewing and voting on any resolution or in any matter where he or his associates have any interest.

An internal auditor, External Auditor or other professional or expert may also be invited to attend AC meetings in connection with the processing of AC matters. The AC met with the Internal Auditor and External Auditor without the presence of the management once during FY2021 for them to communicate matters of mutual concern and discuss the matter privately.

By Order of the Board

EuroSports Global Limited
Goh Kim San
Executive Chairman and Chief Executive Officer
2 August 2021

This announcement has been prepared by the Company and its content 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 Catalyst.

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

The contact person for the Sponsor is Mr Eric Wong, Director, Investment Banking, Singapore. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone: +65 63375115.