EUROSPORTS GLOBAL

PURSUIT of PERFECTION

ANNUAL REPORT 2019

CONTENTS & FEATURES

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 Eric Wong, Director, Investment Banking, Singapore.

The contact particulars are 50 Raffles Place, #09-01, Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.

CORPORATE PROFILE

Lamborghini / SVJ Roadster

In Singapore, our Group is the only authorised dealer for Lamborghini automobiles since 2001 and the exclusive distributor of Alfa Romeo automobiles since 2004. We also carry other high-end automobile brands including Pagani as well as customised automobiles supplied by Touring Superleggera.

We offer after-sales services including sales of automobile parts and accessories. We also operate as the sole authorised service centre in Singapore for all the automobile brands that 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., ("**EST**")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

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 as well as the provision of after-sales services.

OUR BRANDS AND VALUES

EUROSPORTS GLOBAL

CORPORATE VALUES

- 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.

OUR MOTTO

“Walk in as a Customer, Walk out as a Friend”

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

AUTOMOBILES

LAMBORGHINI

ALFA ROMEO

PAGANI AUTOMOBILI MODENA

TOURING Superleggera

TECHNOLOGY

SCORPIO MOBILITY

LUXURY WATCHES

deLaCour GENÈVE

CORPORATE STRUCTURE

EUROSPORTS GLOBAL

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 e-vehicles

Prosper Auto Pte. Ltd. — 51%

Trading and distribution of automobiles and automobile related parts and accessories

deLaCour Asia Pacific Pte. Ltd. — 100%

Trading and distribution of watches and related accessories

THE PERFORMANCE EVOLUTION

The Huracán EVO represents the natural evolution of the most successful V10 in Lamborghini history.

A state-of-the-art control system and innovative touchscreen easily manage the car's functions and entertainment system. This, combined with dazzling aerodynamic design, elevate the performance and driving emotions to unprecedented levels.

The front bumper adopts unmistakable Lamborghini design cues such as signature Y-shape stylistic elements, bonnet lines inspired by the Countach, skirt air ducts reminiscent of the Murciélago, and high-mounted exhaust tailpipes that recall the highest performing models of the Lamborghini range.

Huracán EVO. Everyday Amplified.

Lamborghini / Huracán EVO Spyder

Lamborghini / Huracán EVO

A STATE-OF-THE-ART CONTROL SYSTEM AND INNOVATIVE TOUCHSCREEN

The Huracán EVO was developed to *amplify your daily routine* by anticipating the needs of the driver, making your day-to-day experience behind the wheel unique and totally personal.

THE MASTERPIECE

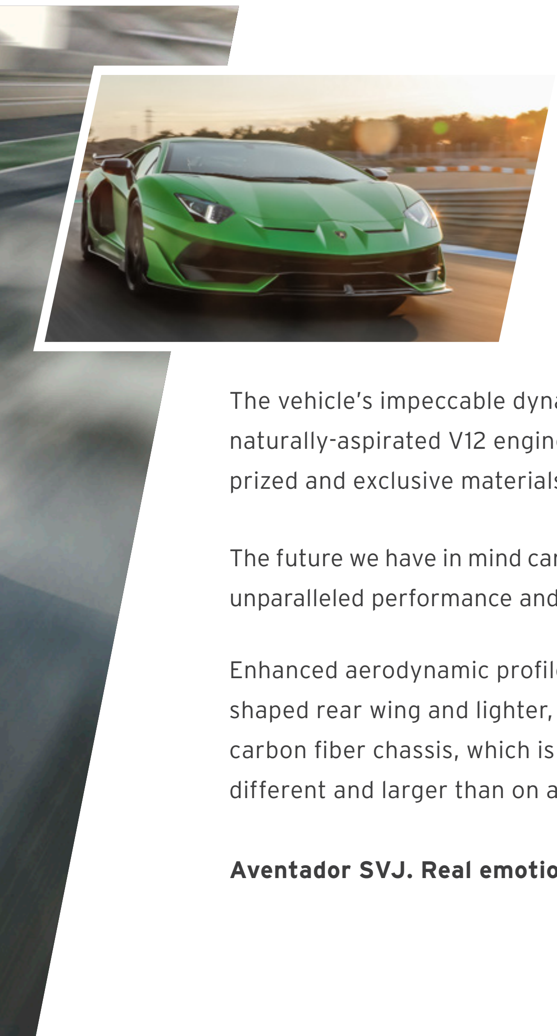
Lamborghini has never shied away from challenges, which is precisely why it created the new Aventador SVJ.

Lamborghini / Aventador SVJ

Lamborghini / Aventador SVJ Roadster

AESTHETIC PERFECTION MEETS UNPARALLELED PERFORMANCE

Aventador SVJ combines cutting edge technology with extraordinary design, without ever coming to compromises



The vehicle's impeccable dynamics and the outstanding performance of the new 770 CV naturally-aspirated V12 engine combine with the mastery of a superior design, in which prized and exclusive materials forge a symbiosis with the car's ultra-lightweight body.

The future we have in mind can only exist when uncompromising aesthetic perfection meets unparalleled performance and thrill-inducing aerodynamics.

Enhanced aerodynamic profiles, a fully redesigned front, larger side skirts, the omega-shaped rear wing and lighter, higher exhaust outlets are implanted into the featherlight carbon fiber chassis, which is equipped with wisely-distributed air intakes that are both different and larger than on any previous Aventador models.

Aventador SVJ. Real emotions shape the future.

LAMBORGHINI

THE GAME CHANGER

A super sports car soul and the functionality typical for an SUV: this is Lamborghini Urus, the world's first Super Sport Utility Vehicle.

Urus' distinctive silhouette with a dynamic flying coupé line shows its super sports origins, while its outstanding proportions convey strength, solidity and safety.

Without a doubt, the factors at the heart of Urus' success are advanced design, extraordinary driving dynamics and thrilling performance. These features culminate into a Super Sport Utility Vehicle that stays true to the Lamborghini DNA.

Urus. #SinceWeMadeItPossible

Lamborghini / Urus

A SUPER SPORTS CAR SOUL AND THE FUNCTIONALITY TYPICAL FOR AN SUV

Introducing the Lamborghini Urus, the world's first Super Sport Utility Vehicle. Identifiable as an authentic Lamborghini with its unmistakable DNA, Urus is at the same time a groundbreaking car: the extreme dimensions, the pure Lamborghini design and the outstanding performance make it absolutely unique.

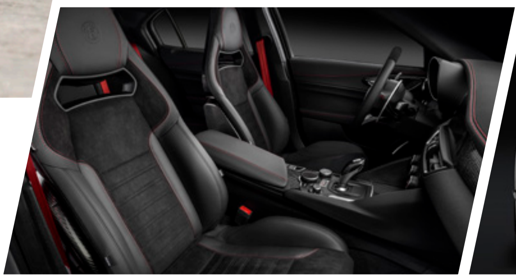
THE NEW GENERATION

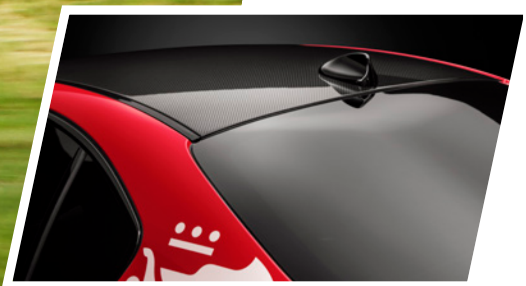
Combining perfect weight distribution with all new rear-wheel drive architecture, it offers best in class power-to-weight ratios and innovative engine and driver technologies.

The Alfa Romeo Giulia Quadrifoglio represents more than just the most powerful Alfa Romeo sports car ever created for road use. It represents a convergence of engineering and emotion that can only belong to a brand as fabled as Alfa Romeo.

Exclusive to the Quadrifoglio version, the 2.9-litre V6 Biturbo Petrol Engine produces 510BHP and 600Nm of maximum torque. Inspired by Ferrari, the power unit is entirely made of aluminium to minimise the Quadrifoglio's absolute weight. With a top speed of 307 km/h and acceleration from 0 to 100 km/h in only 3.9 seconds, the Quadrifoglio provides exhilarating performance.

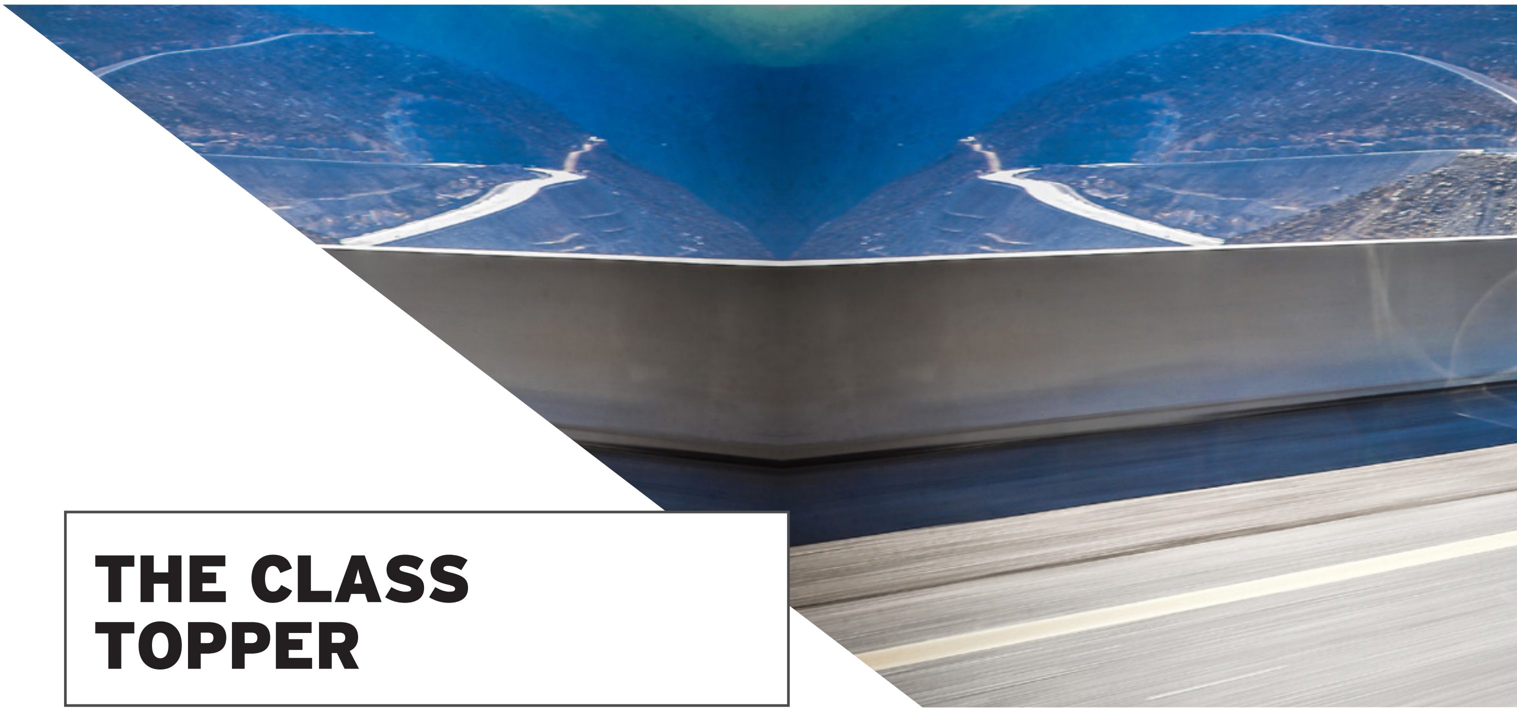
Alfa Romeo / Giulia Quadrifoglio





ENGINEERING AND EMOTION CONVERGED

Since its foundation, Alfa Romeo has taken a unique and original approach to creating cars, striving for a point of convergence between style and passion. Blending iconic Italian design, cutting-edge technology and a bold dynamic spirit to continually inspire authentic emotions. Now there is a new chapter in the Brand's history.



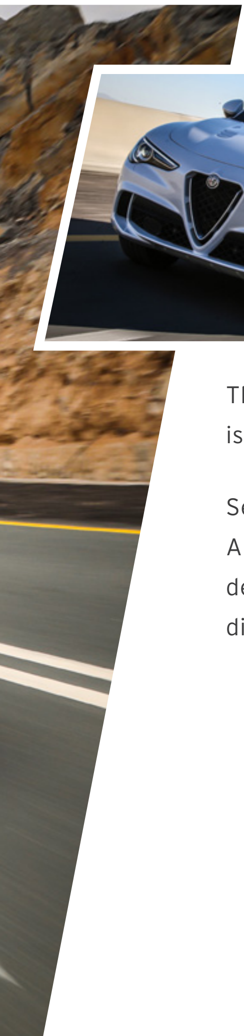
THE CLASS TOPPER

The new model with many class-topping features, which immediately becomes the new benchmark in the premium SUV segment.

Alfa Romeo / Stelvio Quadrifoglio

A LEGACY OF PRIMACY

All the Brand's sportiest models have borne the Quadrifoglio and Stelvio, the very first SUV by Alfa Romeo, is no exception. Conceived to be the best in its class, it excels in terms of power, dynamic performance and handling capabilities and truly embodies "La Meccanica delle Emozioni" in all its purity.



The Alfa Romeo Stelvio Quadrifoglio is the brand's first sports SUV in over a century of history, and is poised to deliver an exhilarating driving experience with its sporty, Italian styling.

Set to become the benchmark for the premium SUV segment, the Stelvio expresses the authentic Alfa Romeo spirit, embodying the five ingredients that make Alfa Romeo one of the world's most desirable automotive brands: distinctive Italian styling, state-of-the-art engines, impeccable weight distribution, unique technical solutions, and an outstanding power-to-weight ratio.

A BRAND NEW MOBILITY SOLUTION

EST is a Singapore start-up that aims to bring sustainable mobility to the masses.

EST believes that it can solve the problems of pollution and congestion across emerging Asia cities by building high-quality but affordable and practical electric motorcycles. In fact, EST believes this is not only possible, but also absolutely essential for the region to continue to develop into an economic powerhouse with high quality of life.

EST-X1 prototype, the new e-bike is designed as a cross between an underbone motorcycle and a scooter with high level of connectivity which allows for live updates as well as a mobile application that allows riders to connect with their e-bikes.

Riders will be able to locate nearby charging stations, the location of their e-bikes as well as accessing the functionality of their e-bikes.

SCORPIO / EST-X1

SCORPIO MOBILITY

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

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

2008

Awarded "Best Sales Performance 2008" by the Lamborghini manufacturer

2011

Marked the 10th anniversary of Lamborghini dealership

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)

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

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

2007

Celebrated the delivery of the 100th Lamborghini in Singapore

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

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 - Huracán Performante & Aventador S

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

- EuroSports Technologies Pte. Ltd. is looking to set up an assembly facility in Singapore and to develop a sustainable mobility solution in the form of a fully electric motorcycle.
- Disposal of shares in Ultimate Drive EuroSports Pte. Ltd. to fully focus on the core business

JOINT LETTER TO OUR SHAREHOLDERS

ANDY GOH
Executive Director and Deputy CEO

MELVIN GOH
Executive Chairman and CEO

DEAR SHAREHOLDERS,

The financial year ended 31 March 2019 ("**FY2019**") was a year of hard decisions. The management took several measures which we believe would enhance the profitability of the Group and ensure the sustainability of our business. During the year, we also witnessed the exciting launch of several highly anticipated new models and variations of existing models under our Lamborghini and Alfa Romeo brands, which boosted our revenue from the sale of new cars.

FY2019 CORPORATE DEVELOPMENTS

In May 2018, we announced the intention to dispose our properties at Nos. 7 and 9 Chang Charn Road for $16.5 million. As the properties do not form an integral part of our business operations, the proceeds from the sale of the properties will be deployed for better use.

In 2018, we embarked on an ambitious project through our wholly-owned subsidiary, EuroSports Technologies Pte. Ltd. ("**EST**"), to develop a sustainable mobility solution in the form of a fully electric motorcycle (the "**e-bike**"). EST is involved in the research and development of the e-bike and clean energy charging ecosystems. EST will also be responsible for the regional distribution of the e-bikes upon its expected launch as well as its start of sales at the end of 2020.

We envisage that the technology developed for the e-bike can also be replicated for use in other sustainable mobility solutions, which we believe will be key to reducing pollution from vehicle emissions and the reliance on fossil fuels especially in populous countries such as China, Indonesia, Vietnam and Thailand. Our intention is to develop a homegrown, affordable but high-performance alternative to replace motorcycles on our roads.

In August 2018, the Group raised $6.0 million through the placement and issuance of 5% redeemable, convertible and exchangeable bonds, out of which $2.0 million has been allocated in seed capital via EuroSports' intercompany loan to EST and the balance $4.0 million for the general working capital purposes and daily operations of the Group.

" We envisage that the technology developed for the e-bike can also be replicated for use in other sustainable mobility solutions, which we believe will be key to reducing pollution from vehicle emissions and the reliance on fossil fuels especially in populous countries such as China, Indonesia, Vietnam and Thailand. **"**

During the year, we introduced several extensions of new and existing Lamborghini models including the Lamborghini Aventador SVJ, the Huracán EVO Coupe and Huracán EVO Spyder. We organised several launch events to introduce the new models to existing and potential customers who responded with very high interest to the new additions and the pre sales of these new models picked up very well. We also delivered our very first Lamborghini sports utility vehicle, the Lamborghini Urus, in September 2018. Its sales have been phenomenal and we expect to deliver our 50th unit of this model in Singapore by July 2019.

To spice up our year even more, Alfa Romeo has also successfully launched five new models in FY2019 in extensions to revive enthusiasm for this fabled brand. We introduced Giulia Super, Giulia Veloce, Giulia Quadrifoglio, Stelvio Super and Stelvio Quadrifoglio to encouraging response from the Singapore market.

We are optimistic that the new additions from both of our key brands will continue to contribute significantly to the sales for the financial year ending 31 March 2020 ("**FY2020**").

Meanwhile, we made a decision to dispose under-performing businesses in FY2019 to focus our energies and resources on our core business segments and on the development of our new e-bike and sustainable mobility solutions for several markets within the region. In December 2018, we announced the completion of disposal in AutoInc EuroSports Pte. Ltd., which was primarily involved in the sale and leasing of pre-owned luxury automobiles. In March 2019, we also completed the disposal of our wholly-owned subsidiary Ultimate Drive EuroSports Pte. Ltd. which ran our experiential business of operating a membership fee-based supercar club and short term rental of premium sports and luxury cars.

The Board and management felt the cessation of both these businesses was in the best interest of the Group as they had not performed up to expectations due to intense competition and the adverse impact of weak

Lamborghini / Huracán EVO

economic conditions. The proceeds from both sales have been deployed towards the working capital needs of the Group.

Meanwhile, we continue to review our luxury watch distribution business, which we incorporated in 2012 for the exclusive distribution of the deLaCour brand in Singapore, Malaysia, Indonesia and Thailand. While we still believe that it is a desirable brand with unique designs and mechanisms, we will re-assess our marketing efforts before deciding on next steps.

FY2019 PERFORMANCE REVIEW

FY2019 was a turnaround year for EuroSports mainly as a result of the new model launches by both Lamborghini and Alfa Romeo. We were able to turnaround after past few years of losses to achieve a net profit of $0.03 million on the back of strong double-digit growth of 58.0% in revenue to $96.2 million in FY2019.

The Group is optimistic that the aforementioned corporate developments and the new business opportunities will lead to further improvement of our performance in FY2020.

BUSINESS OUTLOOK AND STRATEGIES

While the automobile industry remains competitive and challenging in the highly regulated environment in Singapore and the regional markets in which we operate, we are cautiously optimistic about the prospects of the automobiles distribution segment. Given the strong dynamic of the brands and collected orders for the new Lamborghini and Alfa Romeo models, we look towards a better performance for the next 12 months.

We expect EST to continue incurring expenses for the next 12 months, given that its e-bike is still in the developmental stage. However, we are excited about the launch of this new, sustainable, and economic urban mobility solution, which forms a part of our larger strategy to extend our distribution network for our products locally and into other emerging markets in the region.

We will also look into other luxury businesses and products to expand our portfolio as well as seeking out strategic alliances or joint ventures that we believe will complement our existing or future businesses.

SUSTAINABILITY MATTERS

EuroSports is pleased to include as part of this Annual Report, our second Sustainability Report, which is guided by the Global Reporting Initiative ("**GRI**") 'GRI Standards: Core Option'. We are committed to adopting responsible and sustainable business practices guided by our core values. We strive to save energy and conserve water in our operations. Customer satisfaction remains our top priority. We continue to collaborate with our business partners and customers to support a number of community initiatives.

> ... we are excited about the launch of this new, sustainable, and economic urban mobility solution, which forms a part of our larger strategy to extend our distribution network for our existing products locally and into other emerging markets in the region.

APPRECIATION

In closing, we would like to thank our Principals, in particular Automobili Lamborghini S.p.A. and Alfa Romeo Automobiles S.p.A. for their continued support and understanding of the unique challenges we face as a luxury car distributor in Singapore.

We also want to thank our fellow directors on the Board for their contribution and we look forward to their ongoing expertise to guide the Group forward, and to all our staff for their hard work and dedication to their areas of responsibility.

We also want to express our great appreciation to all shareholders for their trust and confidence in the business of the Group.

We remain committed to our vision to be a luxury lifestyle company offering bespoke products and services and we will work hard towards this goal.

deLaCour Watch / City Triplezone

MELVIN GOH
Executive Chairman and CEO

ANDY GOH
Executive Director and Deputy CEO

BOARD OF DIRECTORS

MELVIN GOH

Executive Chairman and 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. 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 34 years of automobile industry experience and knowledge.

ANDY GOH

Executive Director and 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 and re-elected at the last Annual General Meeting on 27 July 2018, 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 33 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 and re-elected at the last Annual General Meeting on 27 July 2018. He has more than 34 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 800 Super Holdings Limited and Parkson Retail Asia Limited, listed on the Catalist and the Mainboard of the SGX-ST respectively. 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 22 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 Dukang Distillers Holdings Limited and QingMei Group Holdings Limited.

LIM KIM QUEE

Independent Director

Mr Lim Kim Quee was appointed as the Group's Independent Director on 29 November 2013. He has more than 33 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.

EXECUTIVE TEAM

TAN JUN WEI

Director, Operations,
Strategy & Business Development

Tan Jun Wei joined our Group in April 2016 as Director of Operations, Strategy and Business Development. 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 and mergers and acquisitions. He had worked in various financial institutions including Religare Capital Markets Corporate Finance, Overseas-Chinese Banking Corporation and Maybank Kim Eng Corporate Finance.

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 14 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.

ALEXANDER SCHUCHERT

Director, Marketing & Communications

Alexander Schuchert joined our Group in February 2018 as Director Marketing & Communications. A native of Germany, he has 13 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 wholesale 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.

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.

JOEL CHANG

Chief Operating Officer, EuroSports Technologies

Joel Chang joined our Group in October 2017 as Chief Operating Officer of our recently incorporated wholly-owned subsidiary, EuroSports Technologies. He is responsible for its operations, strategic growth and business development.

Joel has 13 years of experience in the automotive dealership industry having helmed regional BMW dealer group, Munich Automobiles Pte Ltd, as Group CEO until June 2016 where he was in charge of the management of its retail, aftersales and finance operations in Singapore and Mainland China. He has also been directly involved in setting up new dealerships in Singapore and in the north and south of China as well as negotiating mergers and acquisition deals and conducting due diligence for existing dealerships in China.

Joel has a degree in Liberal Arts and Sciences from the University of Melbourne.

YANG EE

Group Financial Controller

Yang Ee joined our Group in September 2015 as Group Financial Controller.

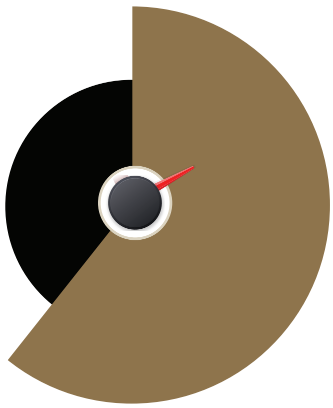
Yang Ee has over 23 years of experience in the accounting industry and has relevant exposure in corporate and operation finance, budget, SGX reporting, internal controls and treasury matters. Before joining our Group, Mr Yang was the Group Financial Controller of Lumina Looque International Pte Ltd since 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.

FINANCIAL HIGHLIGHTS

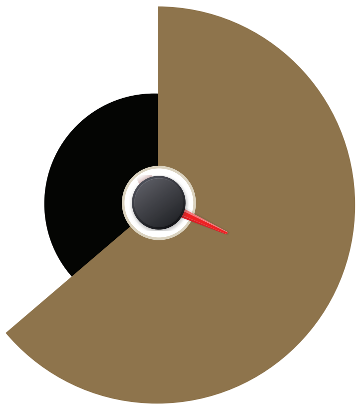
REVENUE
$ Million

- FY2019 96.2
- FY2018 60.9



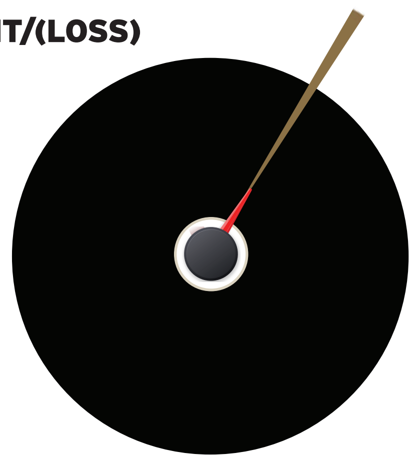
GROSS PROFIT
$ Million

- FY2019 15.9
- FY2018 8.8



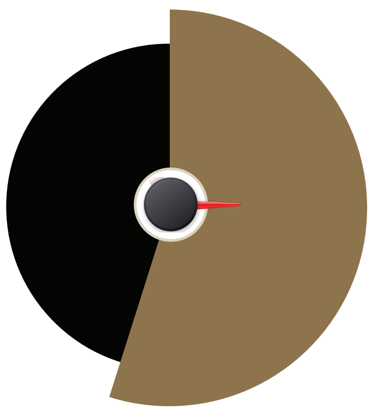
NETT PROFIT/(LOSS)
$ Million

- FY2019 0.03
- FY2018 (4.0)



GROSS PROFIT MARGIN
% Percent

- FY2019 16.6
- FY2018 14.4



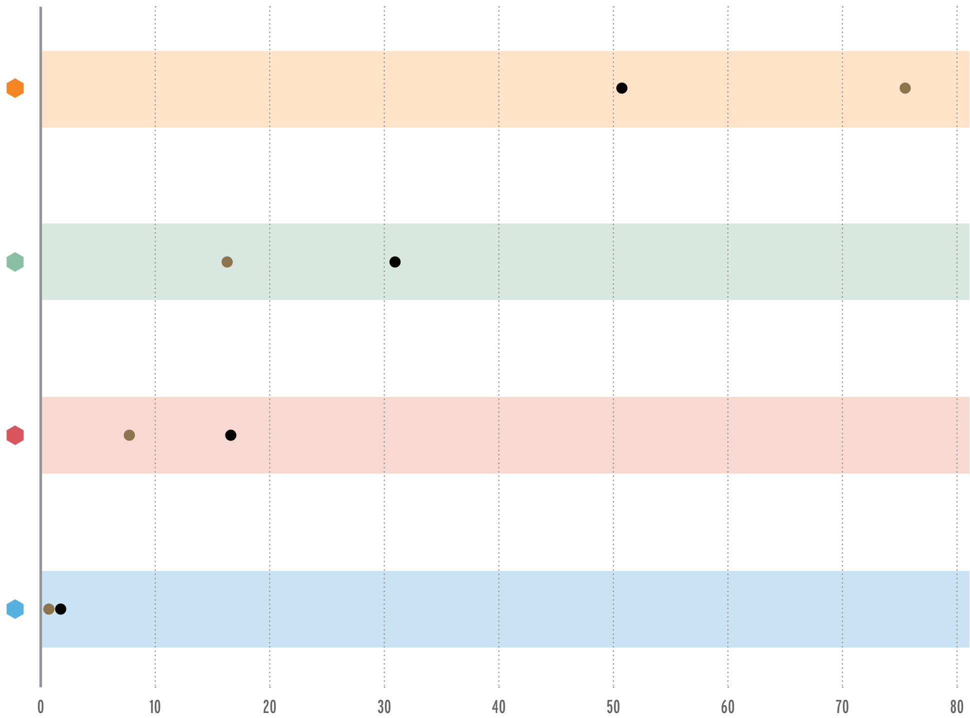
REVENUE CONTRIBUTION BY SEGMENT

FY2019

- 76.0 %
- 15.7 %
- 7.7 %
- 0.6 %

FY2018

- 50.9 %
- 31.0 %
- 16.7 %
- 1.4 %



Sales of New Automobiles   Sales of Pre-owned Automobiles   Sales of Parts and Services   Others

OPERATING AND FINANCIAL REVIEW

FINANCIAL PERFORMANCE

REVENUE

Revenue of the Group increased by approximately $35.35 million or 58.0%, from $60.89 million in FY2018 to $96.24 million in FY2019 mainly contributed by higher sales of new Lamborghini and Alfa Romeo automobiles, which amounted to $62.52 million or 65.0% (FY2018: $29.09 million or 47.8%) and $10.35 million or 10.75% (FY2018: $1.86 million or 3.05%) of total revenue of the Group respectively.

COST OF SALES

Cost of sales of the Group rose in tandem with the increase in revenue, rising by approximately $28.19 million or 54.1%, from $52.11 million in FY2018 to $80.30 million in FY2019.

GROSS PROFIT AND GROSS PROFIT MARGIN

Gross profit of the Group increased by approximately $7.16 million or 81.5%, from $8.78 million in FY2018 to $15.94 million in FY2019, while gross profit margin rose 2.2 percentage points, from 14.4% in FY2018 to 16.6% in FY2019. The slightly 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 approximately $1.86 million or 19.7%, from $9.42 million in FY2018 to $7.56 million in FY2019 mainly due to:

(a) decrease in commission income of $1.05 million; and

(b) decrease in other income from forfeited non-refundable deposit by $0.76 million.

OTHER (CHARGES) CREDITS, NET

Other charges, net of $0.66 million is mainly due to the additional provision of $0.90 million in impairment loss on assets held for sale is in relation to the assignment levy imposed by Jurong Town Corporation ("**JTC**"). The Company is appealing with JTC on the levy.

MARKETING AND DISTRIBUTION EXPENSES

Marketing and distribution expenses of the Group increased by approximately \$0.52 million or 23.7%, from \$2.19 million in FY2018 to \$2.71 million in FY2019. The increase was mainly due to:

(a) increase in marketing expenses incurred for participation in motor show and launch of new Lamborghini and Alfa Romeo models; and

(b) increase in sales commission which is in line with increase of revenue of the Group.

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group increased by approximately $1.23 million or 7.1%, from $17.26 million in FY2018 to $18.49 million in FY2019, mainly due to:

(a) increase in consultancy fee of $0.45 million mainly due to issuance of redeemable, convertible and exchangeable bonds; and

(b) increase in rental expense of $0.71 million mainly due to the rental for office, showroom and workshop at 24 Leng Kee Road.

FINANCE COSTS

Finance costs of the Group increased by approximately $0.21 million or 25.3%, from $0.83 million in FY2018 to $1.04 million in FY2019, mainly due to increase in accrual of bond interest of $0.18 million for redeemable, convertible and exchangeable bonds.

FINANCIAL POSITION

NON-CURRENT ASSETS

Non-current assets of the Group decreased by $2.75 million, from $11.81 million as at 31 March 2018 to $9.06 million as at 31 March 2019, mainly due to

(a) decrease in plant and equipment by $4.28 million mainly due to disposal of plant and equipment arising in the event of disposal of subsidiaries; and offset by

(b) additions to intangible assets by $0.69 million, which relates to development cost of electric motorcycles in sustainable mobility segment; and

(c) increase in trade and other receivables by $0.84 million.

deLaCour Watch / City Medium Tech 2

CURRENT ASSETS

Current assets of the Group decreased by $2.42 million, from $53.36 million as at 31 March 2018 to $50.94 million as at 31 March 2019. This was mainly due to:

(a) decrease in inventories of $6.55 million mainly due to reduce in inventories level for new automobiles and pre-owned automobiles, which is in line with increase in the revenue of automobiles; and offset by

(b) increase in trade and other receivables of $1.55 million mainly due to receivables from the sales of new automobiles; and

(c) increase in cash and cash equivalents of $3.53 million mainly due to cash inflow from operating activities and investing activities.

EQUITY

Equity comprises share capital, accumulated losses and non-controlling interest. The decrease in equity of $0.24 million was due to:

(a) the loss attributable to owners of the Company for the year of $0.18 million; and
(b) the purchase of treasury share of $0.42 million; offset by
(c) increase in non-controlling interest of $0.37 million arising from
    (i) share of non-controlling interest profit of $0.21 million and
    (ii) disposal of subsidiaries with a change in control of $0.16 million.

NON-CURRENT LIABILITIES

Non-current liabilities of the Group decreased by $0.25 million, from $7.71 million as at 31 March 2018 to $7.46 million as at 31 March 2019, mainly due to:

(a) decrease in non-current other liabilities of $3.40 million. Non-current other liabilities comprises long-term portion of the deferred income recognised under the sales and leaseback arrangement; offset by
(b) increase in non-current other financial liabilities of $3.18 million mainly due to issuance of redeemable, convertible and exchangeable bond payable of $6.00 million issued on September 2018 with maturity of 3 years and offset by reclassification of non-current loans and borrowings and non-current finance lease to current loans and borrowings and current finance lease of $0.91 million and $1.48 million respectively.

deLaCour Watch / City Episode S

CURRENT LIABILITIES

Current liabilities of the Group decreased by $4.69 million, from $48.64 million as at 31 March 2018 to $43.95 million as at 31 March 2019, mainly due to:

(a) decrease in current other financial liabilities of $5.14 million mainly due to decrease in short-term bank facilities; and
(b) decrease in current other liabilities of $1.85 million mainly due to decrease in deposits from overseas dealer; and offset by
(c) increase in trade and other payables of $3.04 million mainly due to increase in purchases of automobiles at year end.

CASH FLOWS

Net cash flows from operating activities amounted to $6.75 million in FY2019. This was mainly due to net working capital inflow of $6.02 million.

Net cash flows from investing activities amounted to $1.29 million in FY2019. This was mainly due to:

(a) cash from (i) disposal of plant and equipment of $2.68 million and (ii) disposal of subsidiaries of $0.18 million; and offset by

(b) cash used in (i) addition to intangible assets of $0.69 million, and (ii) purchase of plant and equipment of $0.92 million.

Net cash flows used in financing activities amounted to $5.94 million in FY2019. This was mainly due to repayment of financial liabilities and offset by proceeds from issue of redeemable, convertible and exchangeable bond.

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

Loh Lee Eng, ACIS
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

SUSTAINABILITY REPORT 2019

ABOUT THIS REPORT

This is EuroSports Global Limited's ("**EuroSports**") second Sustainability Report. The report provides information about how EuroSports addresses its material Environmental, Social and Governance ("**ESG**") impacts, risks and opportunities. The report reflects our commitment to sustainability.

Reporting Period and Scope

The report covers our ESG performance data for the financial year ended 31 March 2019 relating to the Group's operations in Singapore. The Group's customers and business activities are located primarily in Singapore.

Reporting Framework

This report has been prepared in accordance with the *GRI standards: Core option*. The GRI Standards, issued by the Global Reporting Initiative, are the most widely used standards for sustainability reporting. This report is also set out on a "comply or explain" basis in accordance with Rule 711B and Practice Note 7F of the SGX-ST Listing Manual Section B: Rules of Catalist.

Reporting Process

We have applied the GRI Standards (GRI 101: Foundation 2016 and GRI 102: General Disclosures 2016) to identify EuroSports' material economic, environmental and social impacts. We have selected the relevant disclosures from the topic-specific GRI Standards for reporting.

Report Content

We have determined the report content by applying GRI's principles of stakeholder inclusiveness, sustainability context, materiality, and completeness. To ensure the quality of the content, we have used GRI's principles of accuracy, balance, clarity, comparability, reliability and timeliness in presenting the information in the report.

ESG data provided in the report has been extracted from internal information systems and records to ensure accuracy.

Restatements

The report includes the following two minor restatements: Carbon emissions have been restated for FY2017 and FY2018 due to revision in grid emissions factors by the Energy Management Authority, and the national turnover rate for the retail trade sector for 2017 has been restated as the full year data became available from the Ministry of Manpower's Labour Market Report 2018.

External Assurance

Our current practice is to rely on internal verification to ensure the accuracy of ESG data. As such, we have not sought external assurance for ESG information. Our ESG performance is reported in good faith and to the best of our knowledge.

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	FY2019	FY2018	FY2017
ENVIRONMENTAL			
Total electricity consumption (kWh)[1]	1,063,762	1,076,665	1,150,140
Total energy consumption (GJ)[2]	5,295	4,540	4,707
CO_2 emissions (tCO_2)[3]	545	496	520
SOCIAL			
Employees			
Total number of full-time employees	70	103	89
New hires	31	44	50
Female employees	24%	26%	23%
Employee turnover	31%	29%	28%
FINANCIAL ($000)			
Revenue	96,237	60,891	51,155
Gross profit	15,941	8,784	4,410
Profit / (Loss), net of tax	656	(3,397)	(6,928)
Total employee benefits expense	6,386	6,277	6,605
Income tax income / (expenses)	6	None	(103)
Dividends to shareholders	None	None	None

Notes

1. *FY2019 electricity consumption is lower due to divestment of AutoInc EuroSports Pte Ltd in October 2018, and energy efficient lighting at our new headquarters in Leng Kee Road.*
2. *Total energy includes electricity, petrol and diesel consumptions. FY2019 energy data is higher as it includes diesel consumption for the first time and an increase in petrol consumption due to introduction of new models.*
3. *Includes Scope-1 and Scope-2 emissions. The increase in FY2019 is due to higher fuel consumption as we introduced the Alfa Romeo Stelvio and Lamborghini Urus, resulting in more activities such as test drives.*

OUR APPROACH TO SUSTAINABILITY

We are focused on growing our business sustainably. As part of our business strategy, it's important for us to manage the economic, environmental, social and governance impacts, risks and opportunities stemming from our business operations to ensure value creation for our shareholders and stakeholders. We do so by identifying, prioritising and monitoring the most material sustainability topics. Making continuous improvement across our business functions is at the heart of our sustainability approach.

Sustainability Governance

Under the guidance from the Board, the Chief Executive Officer ("**CEO**") oversees the implementation of the sustainability strategy. The CEO chairs the sustainability management committee that is responsible for sustainability policies and programmes. A sustainability reporting team has the responsibility to monitor, collect and verify the sustainability performance data.

Board Statement

EuroSports is committed to conducting its business responsibly and sustainably. The Board provides the strategic direction for the development of sustainability approaches. The Board considers sustainability issues, risks and opportunities as part of strategy formulation. The Board determines the material ESG factors covered in this report. The Board provides oversight of the management and monitoring of these material ESG factors, through periodic review of the Group's sustainability performance. The Board has ultimate responsibility for the sustainability report as required by the SGX-ST guidelines on sustainability reporting.

STAKEHOLDERS

Our approach is to build long-term relations with our primary stakeholders. We regularly engage with our stakeholders to ensure we understand their expectations and concerns. Our engagement with stakeholders is driven by our goal of creating value for our customers, people and shareholders.

Our primary stakeholders are those 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.

We are in the business of selling new luxury and ultra-luxury cars aimed at the very high end of the market. Maintaining trusted relationships with customers who are usually high net worth individuals is at the core of our business success. The insight gained from our dialogues with our existing and potential customers allows us to improve our product offerings and services continuously.

Our main stakeholders, how we engage with them 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 Employees*
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 Employees*
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

Our sustainability efforts are focused on addressing those issues which reflect our significant impacts, risks or opportunities or are important to our stakeholders. Effectively managing material issues helps us create value for our business and stakeholders.

In 2017, we conducted a comprehensive materiality assessment to ascertain our most relevant sustainability topics for reporting. An external sustainability expert facilitated the materiality assessment through a series of engagement sessions with internal stakeholders, including the senior management executives. In the current financial year, we revisited the material topics and decided to continue our reporting on the same issues after a review.

While reviewing our material issues, we have also considered a range of insights and inputs including the legislative requirements, sustainability trends in the luxury car dealership industry, broader trends in the automobile industry, customer preferences and stakeholders' views and expectations.

Our materiality assessment process follows the principles advocated by the *GRI Standards* for sustainability reporting. The process allows us to map sustainability topics across our value chain.

The Board has reviewed, determined and approved the material factors for reporting.

Goals and Targets

Our ESG goals and targets are aimed at maximising value for our stakeholders and shareholders through effective management of associated risks and opportunities.

Material Topics

The below table provides a snapshot of EuroSports' ESG impacts, where the impact occurs, our involvement and the management approach we have adopted. An indirect involvement indicates that the impacts arise outside of EuroSports, such as in the value chain where we may have limited or no control.

Material Factors	Where the Impacts Occur	Our Involvement	Management Approach and Goals
Environment			
Energy Consumption	Electricity used in offices, showroom and workshops, and fuel consumption in cars for leasing operation.	Direct	Minimise energy consumption where possible.
Waste and Effluent	Waste and wastewater are generated as a result of automobile servicing operations in our workshops.	Direct	Reduce waste and effluent, ensure safe disposal of waste.
Water	Water is used for automobile washing and servicing in workshops.	Direct	Conserve and save water where possible.

MATERIALITY

Material Factors	Where the Impacts Occur	Our Involvement	Management Approach and Goals
Environment			
Greenhouse Gas Emissions	Our carbon emissions result from the use of electricity and fuel.	Direct	Minimise carbon footprint through energy efficiency.
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.
People			
Attracting and Developing Talent	EuroSports 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	EuroSports Group	Indirect	Support community initiatives through charitable giving and fundraising.
Economic			
Economic Performance	EuroSports Group	Direct	Ensure long-term value creation and positive economic contribution.
Anti-Corruption	EuroSports Group	Direct	Maintain zero-tolerance for corruption.

CUSTOMERS

Our goal is to exceed our customers' expectations in service and quality.

Our motto of "Walk in as a Customer, Walk out as a Friend" is central to our core values that guide our management. Customer delight is the single most important driver of our business.

Our customers are ultra-high net worth individuals with distinguished lifestyle needs who expect the very best in service and support. Our distinct customer-centric culture has enabled us to forge long-lasting relationships with our customers. Our customer-centric approach is defined by our friendly engagement with customers to respond to their needs and expectations.

Our new showroom for Lamborghini and Alfa Romeo at Leng Kee Road that opened in 2018 means we are now more conveniently located for our existing and potential customers.

Customer Experience

Ensuring an exceptional customer experience is our top priority. The customers of luxury marques expect and admire the superb design, supreme driving dynamics, advanced technology, passionate workmanship and extreme quality. As a dealer of luxury and ultra-luxury supercars, our priority is to offer our customers flawless service and experience. Our service standards are at par with high levels of quality that define the supercars we sell.

We actively engage our customers before, during and after the purchase to ensure their ultimate satisfaction.

In collaboration with our brand partner Lamborghini, we have implemented a Customer Contact Programme that includes 3 very exclusive gifts for the customers at different stages of their purchasing experience.

Our journey does not end with selling the car to a customer. We actively engage with our customers, before as well as after they have purchased vehicles to nurture a life-long relationship built on trust.

We nurture the relationship with our customers by sending flowers for family weddings and cakes for birthdays. We also regularly invite our customers for dialogue sessions over meals and to attend our social events.

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.

Customer Service

Any issues or concerns raised by our customers are attended to by senior management executives for a prompt resolution. We have dedicated Customer Relations Managers who are trained to provide personalised service to our customers.

24x7 Assistance

Our customers are assured of 24x7 roadside assistance when they need it. Whether it is an unfortunate event involving an accident or stopped vehicle, our trained staff are ever ready to provide prompt and timely recovery of their car.

CUSTOMERS

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-sales service. Our After-Sales Services include maintenance, repair services and breakdown assistance services and sales of automobile parts and accessories.

Our factory-authorised Lamborghini service centre is operated by a team of specialist technicians, mechanics and service advisers, who have been trained by Lamborghini.

Genuine Spare Parts

We maintain the necessary stock 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

Our fleet of pre-owned Lamborghini adheres to the highest standards of quality and performance. We ensure these standards are strictly followed for every pre-owned model through the Lamborghini Quality Program.

Training

We organise training sessions and field trips to educate customers in the handling of their cars.

Financial Services

We work closely with our brand partner Lamborghini to assist our customers in availing the right financing options for pre-owned or new cars. For example, we partner with Lamborghini Finance, which offers flexible leasing and financing solutions for customers who want to own a Lamborghini.

Lamborghini Club

We support Lamborghini Club, which organises overseas driving tours. In FY2019, we took part in nine events with Lamborghini Club. The programmes supported by Lamborghini Club included the National Neuroscience Institute's ("**NNI**") Neuro Awareness Drive and Brain Tumour Society Singapore's Brainy Car Rally.

A fleet of 25 Lamborghinis participated in the NNI event which is a part of the road show aimed at increasing awareness of neurological conditions in Singapore and preventive measures. The Brainy Car Rally, a part of the Brain Tumour Awareness Day in Singapore, saw 30 Lamborghinis taking part in the campaign.

Professional Standards

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

Customer Privacy

Customers' privacy is a serious matter for us. We have implemented the necessary measures to safeguard customers' data and privacy in line with Singapore's Personal Data Protection Act.

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

ENVIRONMENT

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

As an authorised dealer of automobiles, EuroSports' direct environmental impact is relatively small and limited.

Our main environmental impacts stem from the use of electricity, water and fuel. We use power for lighting and air conditioning of our offices, showrooms and the servicing workshops. Power is also used to operate some of the equipment in the workshop. Fuel is consumed in our vehicles.

We periodically review our approaches and processes to ensure compliance with 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. Our approach is to minimise energy use.

Our head office and showroom in Leng Kee Road are fitted with energy-saving LED lights and motion sensors to turn off the lights in the areas which are not in use. We encourage our employees to adopt energy-saving habits that include 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.

This year, due to comparability concerns, we have not reported electricity intensity data (consumption per square foot space) due to operational changes including the divestments taking place during the year. However, we have continued to report the total electricity consumption as well as the total energy usage attributed to power, petrol and diesel.

Electric motorbike: A cleaner and greener transport

In 2018, we ventured into electric motorbike manufacturing with an aim to develop an affordable exhaust-free carrier for South-east Asia's growing motorcycle market.

Our newly set up wholly-owned subsidiary EuroSports Technologies Pte. Ltd. is working toward a prototype of a battery-powered scooter, code named EST-X. The EST-X will be developed in Singapore making it the Republic's first electric scooter.

To be first launched in South-east Asia, the motorbike will be launched internationally in phases.

The planned bike will also help reduce air pollution.

ENVIRONMENT

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

Waste

Our approach is to reduce waste and ensure safe disposal. Waste is mainly generated from our car servicing, maintenance and repair operations. Liquid waste from car workshop activities includes engine oil, transmission fluid, power steering fluid, brake fluid, antifreeze, solvents, degreasers, cleaning solutions and sludge and paints. Our waste also includes worn-out parts, decommissioned batteries and tires, used oil filters and soiled rags and towels.

We comply with applicable environmental regulations and dispose of waste in accordance with laws. Decommissioned batteries and tires are returned to their respective dealers or manufacturers for safe disposal. We plan to include measures to collect waste data in the coming year.

Water

We use water in our car servicing activities. Our approach is to use water efficiently to minimise total usage. We monitor our water consumption and make conservation efforts where possible. Our entire water supply is from public utility provider.

Our water consumption figures for FY2019 are lower as water usage at our new headquarters at Leng Kee Road is included in the rent and we don't have access to the actual consumption data. The divestment of AutoInc EuroSports Pte. Ltd. also reduced our total water consumption.

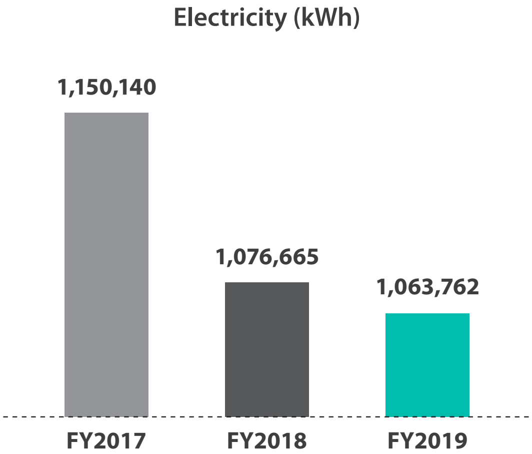
Paper

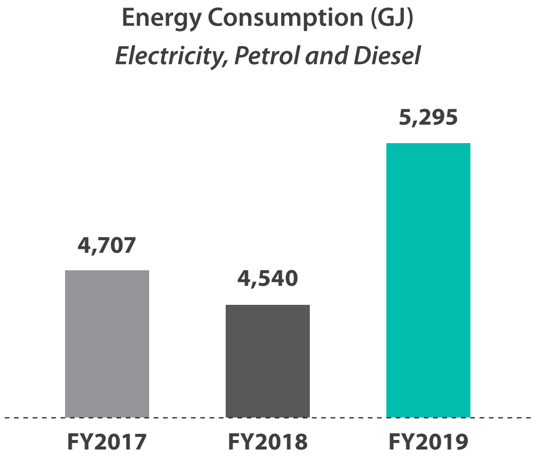
Our approach is to minimise the use of paper in our offices. We encourage employees to use paper judiciously, print on both sides and reuse and recycle where possible. Use of communication technology also helps us reduce paper consumption.

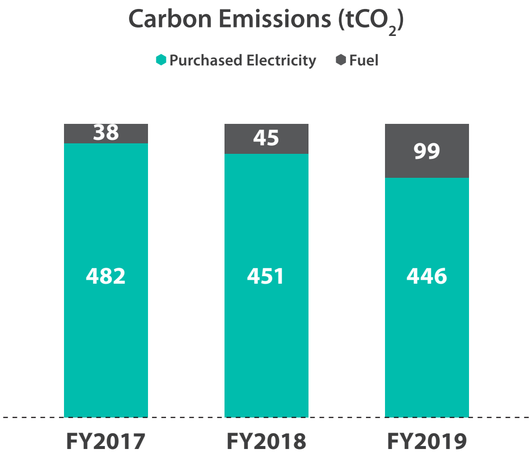
Sustainability Initiatives by our Brand Partner Lamborghini

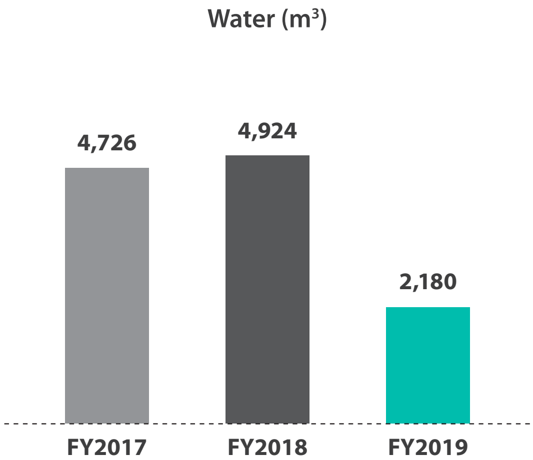
- Sustainability goal included in Lamborghini's 2025 Strategy announced in 2017;
- Automobili Lamborghini's the new office building in Sant'Agata Bolognese achieved LEED certification in 2017;
- Automobili Lamborghini's factory and headquarters became CO_2-neutral in 2015;
- Lamborghini Park – open to all residents of Sant'Agata Bolognese – where a biodiversity study is being conducted together with major universities was opened in 2011.

OUR ENVIRONMENTAL PERFORMANCE









PEOPLE

Empowering a performance-driven workplace

Our human resource policies are aimed at building and retaining a team of talented people who are passionate about driving customer experience. Nurturing conducive working environment and employees' overall well-being are important to us. Our policies promote hiring, developing and retaining the best talent by providing an empowering and friendly work culture.

Our people are passionate about selling ultra-luxury automobiles and lifestyle products and providing after-sales services. Our people's commitment to delivering the highest levels of customer service and building long-term trusted relationships plays an important role in our success.

As of 31 March 2019, we employed full-time 70 people, compared with 103 employees in the preceding year. The decrease in employee numbers is due to the divestment of our subsidiaries AutoInc EuroSports Pte. Ltd., Exquisite Marques Holding Pte. Ltd. and Ultimate Drive EuroSports Pte. Ltd.

We did not have part-time or temporary employees. Women represented 24% of our team. During the financial year, we hired 31 new employees, which included 7 women.

Health and Safety

Our employees' health and safety are important issues for us. Our approach is to maintain a zero accident workplace.

We have implemented measures to prevent accidents and occupational diseases. We actively promote safe work practices. In our workshops, we have put in place strict safety procedures to prevent injuries or accidents. Our workshop employees are required to use the necessary personal protective equipment while at work.

Fire safety and evacuation drills are regularly conducted to ensure emergency preparedness.

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 year.

Training

Ongoing professional development of our employees is an important area for us. Our employees receive regular product and job training and briefings to stay updated.

Employee Engagement

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

We also get together to celebrate various festivals such as Christmas and Chinese New Year.

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 year.

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.

PEOPLE

Empowering a performance-driven workplace

Performance Management

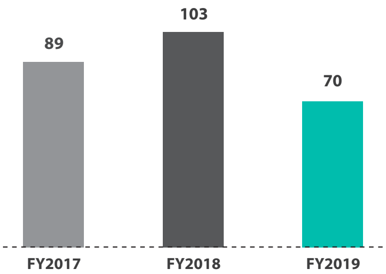
Our performance appraisal policy supports a fair and objective assessment of employee performance. All permanent employees take part in periodic performance assessment. Through regular performance discussions, we also identify the development needs of our employees.

Turnover

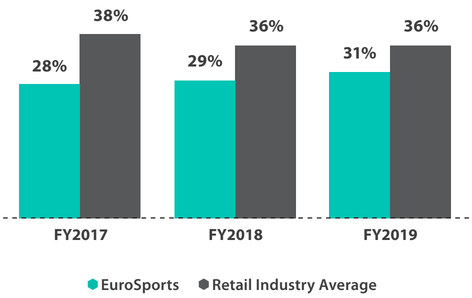
Our approach is to build and retain a high-performance team. We regularly monitor employee turnover to improve our retention strategies.

In FY2019, the number of leaving employees was 22, including 9 female employees. Our employee turnover rate continues to remain well below the national average for the Retail Trade sector (Source: Labour Market Survey, Manpower Research and Statistics Department, Ministry of Manpower). The turnover rate in FY2019 was 31% as against the national average of 36% for the sector.

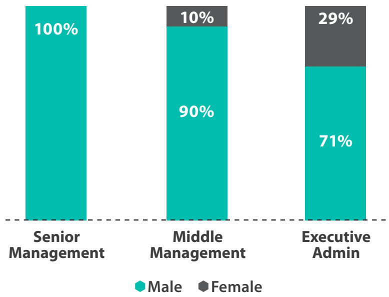
Full-Time Employees



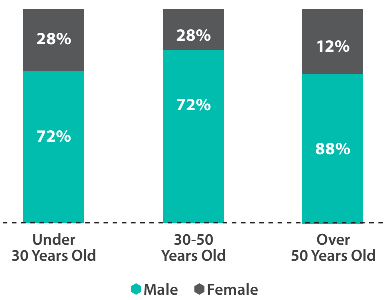
Employee Turnover



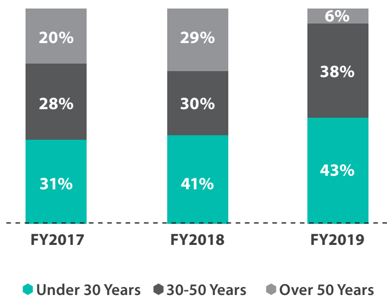
Employees by Employment Category



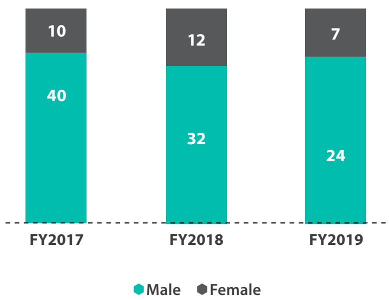
Age and Gender Diversity



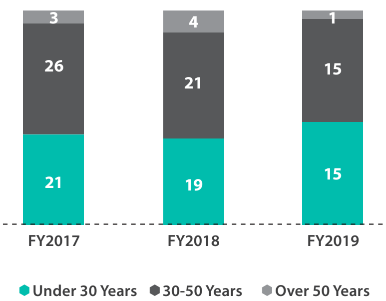
Employee Turnonover by Age Group



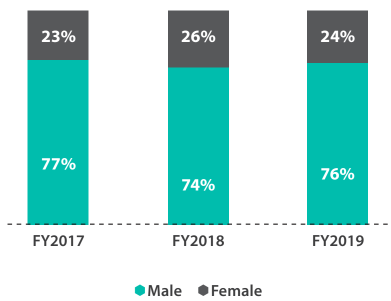
New Hires



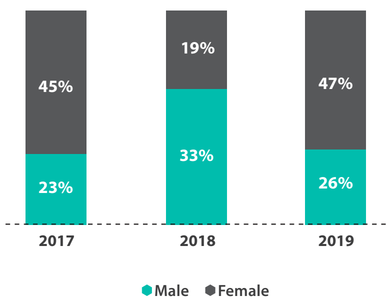
New Hires by Age Group



Gender Diversity



Employee Turnover by Gender



COMMUNITY

EuroSports actively supports community programmes.

Our approach is to be a responsible corporate citizen and contribute to community initiatives.

We also engage our high net worth customers to join in our community efforts through fundraising programmes for the needy.

We support several community events throughout the year in partnership with Lamborghini Club. In these programmes, Lamborghini owners are invited to support social awareness and fund raising campaigns.

We continue to support the Punggol Charity Drive to raise funds for needy children living in Punggol. Lamborghini owners treat beneficiary children to a spin in their luxurious marques.

We support Brainy Car Rally, organised by the Brain Tumour Society Singapore to spread awareness about brain tumour. In FY2019, a fleet of 30 Lamborghinis gave a ride to brain tumour patients.

In another initiative, 25 Lamborghini owners participated in the NNI Neuro Awareness Drive. The event is a part of the road show aimed at increasing awareness of neurological conditions in Singapore.

Student Attachment Programme

Started in 2014, EuroSports continues to partner with Ngee Ann Polytechnic Singapore to provide practical learning to mechanical engineering students. As part of the student attachment programme, we host 2 final year students from the Mechanical Engineering faculty every year to intern at our facilities for 6 months. Working with our experienced technicians, the students learn about the technical aspects of vehicles.

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

The Group is 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 year.

Tax Contribution

Due to premium pricing, the luxury and ultra-luxury cars we sell generate higher tax revenue for the government. In FY2019, the vehicles sold by us contributed S$28.09 million in various taxes and levies to the government.

Suppliers

The vehicles sold by us are supplied by our OEM brand partners. Our other 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	1-14
	102-3 Location of headquarters	Singapore
	102-4 Location of operations	1
	102-5 Ownership and legal form	51, 58, 162-163
	102-6 Markets served	1-3
	102-7 Scale of the organisation	1-3, 26
	102-8 Information on employees and other workers	48-49
	102-9 Supply chain	51
	102-10 Significant changes to the organisation and its supply chain	None
	102-11 Precautionary Principle or approach	41, 45
	102-12 External initiatives	36
	102-13 Membership of associations	40
	Strategy	
	102-14 Statement from senior decision-maker	18-21
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behaviour	2
	Governance	
	102-18 Governance structure	58-59
	102-19 Delegating authority	38, 58
	102-20 Executive-level responsibility for economic, environmental, and social topics	38
	102-21 Consulting stakeholders on economic, environmental, and social topics	38, 58
	102-22 Composition of the highest governance body and its committees	34, 74, 80, 89
	102-23 Chair of the highest governance body	69-70
	102-24 Nominating and selecting the highest governance body	70-72
	102-25 Conflicts of interest	60, 64, 81
	102-26 Role of highest governance body in setting purpose, values, and strategy	58
	102-27 Collective knowledge of highest governance body	61
	102-28 Evaluating the highest governance body's performance	72

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	38
	102-30 Effectiveness of risk management processes	58, 79
	102-31 Review of economic, environmental, and social topics	38, 58
	102-32 Highest governance body's role in sustainability reporting	38
	Stakeholder Engagement	
	102-40 List of stakeholder groups	39-40
	102-41 Collective bargaining agreements	48
	102-42 Identifying and selecting stakeholders	39-40
	102-43 Approach to stakeholder engagement	39-40
	102-44 Key topics and concerns raised	39-40
	Reporting Practice	
	102-45 Entities included in the consolidated financial statements	136
	102-46 Defining report content and topic Boundaries	36
	102-47 List of material topics	41
	102-48 Restatements of information	36
	102-49 Changes in reporting	36, 37
	102-50 Reporting period	36
	102-51 Date of most recent report	July 2018
	102-52 Reporting cycle	36
	102-53 Contact point for questions regarding the report	36
	102-54 Claims of reporting in accordance with the GRI Standards	36
	102-55 GRI content index	52
	102-56 External assurance	36
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	42
	103-2 The management approach and its components	42, 51
	103-3 Evaluation of the management approach	42, 51
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	37, 51, 99-103, 126
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	51

GRI CONTENT INDEX

GRI Content Index "in accordance" - Core			
GRI Standard	**Disclosure**		**Page Number(s) and/or URL(s)**
Anti-corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	42, 51
	103-2	The management approach and its components	42, 51
	103-3	Evaluation of the management approach	42, 51
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	51
Energy			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	41, 45
	103-2	The management approach and its components	41, 45
	103-3	Evaluation of the management approach	41, 45
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	47
Water			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	41, 46
	103-2	The management approach and its components	41, 46
	103-3	Evaluation of the management approach	41, 46
GRI 303: Water 2016	303-1	Water withdrawal by source	47
Emissions			
GRI103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	42
	103-2	The management approach and its components	42
	103-3	Evaluation of the management approach	42
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	47
	305-2	Energy indirect (Scope 2) GHG emissions	47
Effluents and Waste			
GR 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	41, 46
	103-2	The management approach and its components	41, 46
	103-3	Evaluation of the management approach	41, 46
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal methods	46

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	Explanation of the material topic and its Boundaries	42
	103-2	The management approach and its components	42
	103-3	Evaluation of the management approach	42
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	None
Employment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	42, 48
	103-2	The management approach and its components	42, 48
	103-3	Evaluation of the management approach	42, 48
GRI 401: Employment 2016	401-1	New Employee hires and employee turnover	48-49
Occupational Health & Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	42, 48
	103-2	The management approach and its components	42, 48
	103-3	Evaluation of the management approach	42, 48
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.	48
Training and Education			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	42, 48, 49
	103-2	The management approach and its components	42, 48, 49
	103-3	Evaluation of the management approach	42, 48, 49
GRI 404: Training and Educations 2016	404-3	Percentage of employees receiving regular performance and career development reviews	49

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	103-1	Explanation of the material topic and its Boundaries	42, 50
	103-2	The management approach and its components	42, 50
	103-3	Evaluation of the management approach	42, 50
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	50
Customer Privacy			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	44
	103-2	The management approach and its components	44
	103-3	Evaluation of the management approach	44
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	44

FINANCIAL REPORT 2019

CORPORATE GOVERNANCE

EuroSports Global Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") is committed to maintaining a high standard of corporate governance in complying with the Code of Corporate Governance 2012 (the "**Code**") which forms part of the continuing obligations of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") listing rules.

In line with the commitment by the Company to maintaining a high standard of corporate governance, the Company will continually review its corporate governance processes to strive to fully comply with the Code. The Board of Directors (the "**Board**") is pleased to report compliance of the Company with the Code where applicable except otherwise stated.

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board's primary role is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board oversees the business affairs of the Group.

The Board is also 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

All Directors exercise due diligence and independent judgement, and make decisions objectively in the best interest of the Group. At the date of this report, the members of the Board and their membership on the Board committees of the Company are as follows:

Director	Board Appointment	Audit Committee	Nominating Committee	Remuneration Committee
Melvin Goh	Executive Chairman and Chief Executive Officer ("**CEO**")	–	–	–
Andy Goh	Executive Director and Deputy CEO	–	–	–
Lim Kim Quee	Non-Executive and Independent Director	Member	Member	Chairman
Ng Tiak Soon	Non-Executive and Lead Independent Director	Chairman	Member	Member
Tan Siok Sing	Non-Executive and Independent Director	Member	Chairman	Member

Delegation by the Board

The Board has delegated certain functions to various Board committees, namely the Audit Committee, Nominating Committee and Remuneration Committee. Each of the Board committees has its own written terms of reference and whose actions are reported to and monitored by the Board. 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.

Key features of board processes

The dates of Board and Board committee 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 committee meetings are allowed under the Company's Constitution.

CORPORATE GOVERNANCE

Directors' attendance at Board and Board committee meetings

The details of the number of Board and Board committees meetings held in the financial year ended 31 March 2019 ("**FY2019**"), as well as the attendance of each Director at those meetings, are disclosed as below:

	Board Meetings		Audit Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Melvin Goh	6	4	5*	4*	1*	1*	1*	1*
Andy Goh	6	5	5*	4*	1*	-	1*	-
Lim Kim Quee	6	6	5	5	1	1	1	1
Ng Tiak Soon	6	6	5	5	1	1	1	1
Tan Siok Sing	6	5	5	5	1	1	1	1

Note:
(*) Attended as invitees

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.

CORPORATE GOVERNANCE

Training of Directors

The Company has an open policy for professional training for all Directors. The Company encourages Directors to attend the relevant courses and training programmes and the cost incurred will be borne by the Company.

The Company will regularly organise internal trainings for the Directors, which include technical training on the Company's products.

Induction, briefings, updates to Directors in FY2019

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.

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. 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.

The Directors can request for further explanations, briefings or information on any aspect of the Company's operation or business issues from the management.

BOARD COMPOSITION AND GUIDANCE
Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from the Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Board size and board composition

The present Board comprises five members. There is strong and independent element on the Board. Of the five members, three are Non-Executive Independent Directors.

On an annual basis, the Nominating Committee reviews the size and composition of the Board and Board committees and the skills and core competencies of their members to ensure an appropriate balance of skills and experience. These competencies include accounting and finance, banking, business acumen, customer based knowledge, familiarity with regulatory requirements, industry knowledge, risk management knowledge, management experience, and 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 believes that the current composition and size provide sufficient diversity without interfering with efficient decision-making.

As and when required, the Non-Executive and Independent Directors will hold meetings without the presence of management and the Executive Directors, in order to facilitate a more effective check on the management and/or the Executive Directors.

Directors' independence review

Directors who have no relationship with the Group, its related corporations, officers or its shareholders with shareholdings of 10% or more in the voting shares of the Company 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 Group, is considered to be independent.

The Nominating Committee is tasked to determine on an annual basis, and as and when the circumstances require, whether or not a Director is independent, bearing in mind the Guidelines 2.3 and 2.4 set forth in the Code.

Annually, each Director is required to complete a Director's Declaration of Independence ("**Declaration**") to confirm his independence. The Declaration is drawn up based on the guidelines provided in the Code. Thereafter, the Nominating Committee reviews the Declaration completed by each Director, assesses the independence of the Directors and recommends its assessment to the Board.

The Nominating Committee has affirmed that Mr Ng Tiak Soon, Mr Lim Kim Quee and Mr Tan Siok Sing are Independent Directors. None of the Independent Directors has served on the Board beyond nine years from their respective date of appointment. Guideline 2.4 of the Code is therefore not applicable to the Board.

Directors' time commitments and multiple directorships

All Directors are required to declare their board appointments. The Nominating Committee 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.

CORPORATE GOVERNANCE

The key information on the Directors is set out below:

Name of Director	Appointment	Date of Appointment / Last Re-appointment	Directorships in other listed companies: Current	Directorships in other listed companies: For the past 3 years	Due for Re-appointment at the AGM
Melvin Goh	Chairman and CEO	12 December 2012 / 28 July 2017	Nil	Nil	Retirement by Rotation (Article 113)
Andy Goh	Deputy CEO	12 December 2012 / 27 July 2018	Nil	Nil	NA
Lim Kim Quee	Independent Director	29 November 2013 / 28 July 2016	Nil	Nil	Retirement by Rotation (Article 113)
Ng Tiak Soon	Independent Director	29 November 2013 / 27 July 2018	800 Super Holdings Limited Parkson Retail Asia Limited Kinergy Corporation Ltd	MDR Limited	NA
Tan Siok Sing	Independent Director	29 November 2013 / 28 July 2017	Dukang Distillers Holdings Limited QingMei Group Holdings Limited	Changtian Plastic & Chemical Limited Li Heng Chemical Fibre Technologies Limited	NA

The Nominating Committee 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 22 and 23 of this annual report.

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

	Name of person: Melvin Goh	Name of person: Lim Kim Quee
Date Of Appointment	12 December 2012	29 November 2013
Date of last re-appointment (if applicable)	28 July 2017	28 July 2016
Age	62	68
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 Melvin Goh's contribution and performance, the NC has recommended that Mr Melvin Goh be re-elected as Director of the Company.	After assessing Mr Lim Kim Quee's contribution and performance, the NC has recommended that Mr Lim Kim Quee be re-elected as Director of the Company.

CORPORATE GOVERNANCE

	Name of person	
	Melvin Goh	**Lim Kim Quee**
Whether appointment is executive, and if so, the area of responsibility	Executive. 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.	Non-Executive Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and CEO	Non-Executive Independent Director. Chairman of Remuneration Committee and a member of Audit Committee and Nominating Committee
Professional Qualifications	Nil	Bachelor of Social Science (Honours)
Working experience and occupation(s) during the past 10 years	More than 34 years of experience and industry knowledge of the automobile industry	Consultant of NTUC Income Insurance Cooperative Ltd
Shareholding interest in the listed issuer and its subsidiaries	66,900,200 (Direct Interest) 52,409,000 (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 Andy Goh, Executive Director and Deputy CEO of the Group, and Father to Mr Joshua Goh Yi Shun, Assistant Manager – Operations 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
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. Present EuroSports Auto Pte Ltd EuroAutomobile Pte. Ltd. deLaCour Asia Pacific Pte. Ltd. EuroSports Technologies Pte. Ltd. Prosper Auto Pte. Ltd. RB Investment Holding Pte Ltd Elite Steed Ltd	Nil

CORPORATE GOVERNANCE

	Name of person	
	Melvin Goh	**Lim Kim Quee**
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
(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

CORPORATE GOVERNANCE

	Name of person	
	Melvin Goh	**Lim Kim Quee**
(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
(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

CORPORATE GOVERNANCE

	Name of person	
	Melvin Goh	**Lim Kim Quee**
(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
(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	
	Melvin Goh	**Lim Kim Quee**
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.	This relates to re-appointment of 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. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable). **Note:** N.A. – Not Applicable	N.A.	N.A.

CORPORATE GOVERNANCE

The Nominating Committee views that the effectiveness of each Director is best assessed by a qualitative assessment of the Director's contributions, as well as taking into account each Director's listed company board directorships, and any other relevant time commitments. While having a numerical limit on the number of directorships may be considered by some other companies to be suitable for their circumstances, at present, the Board considers the former to be more effective for its purposes. The Company also does not wish to omit from considering outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board.

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

Currently, there is an informal succession plan put in place by the Executive Chairman and CEO. Going forward and at the relevant time, the Nominating Committee will look into a formal succession plan in close consultation with the Executive Chairman and CEO.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER
Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr Melvin Goh is the Chairman of the Board and the CEO. He 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.

CORPORATE GOVERNANCE

The Board has not adopted the recommendation of the Code to have separate Directors appointed as the 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.

The Board has appointed Mr Ng Tiak Soon as the Lead Independent Director. Shareholders with concerns may contact him directly, when contact through the normal channels to the Executive Chairman and CEO and/or the Group Financial Controller ("**GFC**") has failed to provide satisfactory resolution, or when such contact is inappropriate.

All the Board committees are chaired by Independent Directors and more than half of the Board consists of Independent Directors.

BOARD MEMBERSHIP
Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The Nominating Committee comprises Mr Tan Siok Sing, Mr Ng Tiak Soon and Mr Lim Kim Quee, all of whom are Non-Executive Independent Directors. Mr Tan Siok Sing is the Chairman of the Nominating Committee.

The Nominating Committee, which has written terms of reference, is responsible for making recommendations to the Board on all appointments and re-appointments. The key terms of reference of the Nominating Committee, 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).

(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;

CORPORATE GOVERNANCE

(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.

Process for selection and appointment of new Directors

The Nominating Committee leads the process of selection and appointment of new Directors. The Nominating Committee 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 Nominating Committee 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 Nominating Committee may:

- Advertise or use services of external advisers to facilitate a search;
- Approach alternative sources such as the 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 Nominating Committee 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.

Article 117 of Company's Constitution provides that the Directors shall have the power at any time to appoint additional Directors who shall hold office only until the next AGM. No new Director has been appointed in FY2019.

CORPORATE GOVERNANCE

Process for re-appointment of directors

The Nominating Committee is responsible for the re-appointment of Directors. In its deliberation on the re-appointment of existing Directors, the Nominating Committee 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 the quality of intervention and special contribution.

All Directors submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years. 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.

Pursuant to the one-third rotation rule, Mr Melvin Goh and Mr Lim Kim Quee will retire and submit themselves for re-election at the forthcoming AGM. Each member of the Nominating Committee abstains from making any recommendations and/or participating in any deliberation of the Nominating Committee and from voting on any resolution, in respect of the assessment of his own performance or re-nomination as Director.

BOARD PERFORMANCE
Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each Director to the effectiveness of the Board.

A review of the Board's performance is conducted by the Nominating Committee. On the recommendation of the Nominating Committee, 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 Nominating Committee Chairman for evaluation. Based on the evaluation results, the Nominating Committee Chairman will present his recommendations to the Board.

The Nominating Committee Chairman evaluates the performance and contribution of each Director on an informal basis. The Nominating Committee 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.

The Board has not engaged any external facilitator in conducting the assessment of the Board's performance. When relevant, the Nominating Committee will consider such engagement.

CORPORATE GOVERNANCE

ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to the Board Meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The management recognises the importance of ensuring the flow of complete, adequate and timely information to the Directors on an on-going basis to enable them to make informed decisions to discharge their duties and responsibilities.

To allow Directors sufficient time to prepare for the meetings, Board and Board committee papers are distributed to Directors a week in advance of the meeting. Any additional material or information requested by the Directors is promptly furnished.

The management's proposals to the Board for approval provide background and explanatory information such as facts, resources needed, financial impact, regulatory implications, expected outcomes, conclusions and recommendations. Employees who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board committee meetings. In order to keep Directors abreast of the Group's operations, the Directors are also updated on initiatives and developments on the Group's business as soon as practicable and/or possible and on an ongoing basis.

To facilitate direct access to the management, the Directors are also provided with the names and contact details of the management team.

The management also provides the Board with management reports. These reports include budgets, forecasts and monthly management accounts. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board.

Company Secretary

The Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, amongst others, ensuring that the Board's procedures are observed and the Company's Memorandum and Constitution, relevant 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 assists the Chairman in ensuring good information flows within the Board and its Board committees.

The Company Secretary attends Board and Board committee meetings and prepares minutes for the meetings and, where appropriate, provides advice, secretarial support and assistance to the Board and ensures adherence to the board procedures and relevant rules and regulations applicable to the Company. Under Article 151 of the Constitution of the Company, the Company Secretary may be appointed and removed by the Directors.

CORPORATE GOVERNANCE

Independent professional advice

The Board has a process for Directors, either individually or as a group, in the furtherance of their duties, to engage independent professional advisers, if necessary, at the Group's expense.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES
Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

The Remuneration Committee comprises Mr Lim Kim Quee, Mr Tan Siok Sing and Mr Ng Tiak Soon, all of whom are Non-Executive Independent Directors. Mr Lim Kim Quee is the Chairman of the Remuneration Committee.

The Remuneration Committee 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.

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

(a) Review and recommend for endorsement by the Board, a general framework of remuneration for the Board and key management personnel;
(b) Review and recommend for endorsement by the Board, specific remuneration packages for each Director and key management personnel;
(c) Review whether Executive Directors and key management personnel 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 key management personnel;
(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 key management personnel's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

CORPORATE GOVERNANCE

The Remuneration Committee 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 key management personnel. The Board has not engaged any external remuneration consultant to advise on remuneration matters for FY2019.

No Director is involved in determining his own remuneration.

LEVEL AND MIX OF REMUNERATION
Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company; and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

DISCLOSURE ON REMUNERATION
Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the Company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

In setting remuneration packages, the Remuneration Committee 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.

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.

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.

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

There are, at present, no provisions allowing the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel 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.

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.

CORPORATE GOVERNANCE

The ESOS is administered by the Remuneration Committee. 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 Remuneration Committee, 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 the Remuneration Committee 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 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.

The PSP is administered by the Remuneration Committee and 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 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.

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.

CORPORATE GOVERNANCE

Remuneration of directors and the CEO

The remuneration paid to or accrued to each Director for FY2019 is as follows:

	Fees $'000	Salary $'000	Fixed Bonus (1) $'000	Variable or Performance Related Income / Bonus $'000	Allowances And Benefits (2) $'000	Total $'000
Melvin Goh	-	393	96	-	60	549
Andy Goh	-	330	79	-	58	467
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.

The remuneration received by the top five key management personnel (who are not Directors or the CEO) in FY2019 is approximately $0.9 million, and a breakdown showing the level and mix of remuneration of each of the top five key management personnel (who are not Directors or the CEO) in bands of $250,000 for FY2019 are as follow:

	Salary %	Variable or Performance Related Income / Bonus %	Allowances And Benefits (1) %	Total %
$250,000 to $500,000				
Tan Jun Wei	88	7	5	100
Below $250,000				
Roy Ng	57	42	1	100
Joel Chang	100	0	0	100
Yang Ee	89	3	8	100
Benjamin Solomon Tan	85	0	15	100

Note:

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

CORPORATE GOVERNANCE

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 key management personnel due to the competitiveness of the industry for key talent.

Mr Benjamin Solomon Tan was previously a director of AutoInc EuroSports Pte. Ltd. ("**AutoInc**") and ceased to be employed by the Group on 18 December 2018 when the Group fully divested its stake in AutoInc as announced on 18 October 2018 and 18 December 2018 in the SGX-NET.

Mr Joel Chang Chung Yhow joined as Chief Operating Officer, EuroSports Technologies Pte. Ltd. with effect on 01 October 2017.

Mr Goh Kim Siew, brother of Mr Melvin Goh and Mr Andy Goh, who are the Directors of the Company, was appointed as Director – System and Business Development. He resigned on 09 May 2019. His remuneration in FY2019 was in the band of between $50,000 to $100,000.

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. His remuneration in FY2019 was in the band of between $50,000 to $100,000.

Save as disclosed, there are no employees who are immediate family members of a Director or the CEO, and whose remuneration exceeds $50,000 during FY2019.

(C) ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

The Board believes that it should conduct itself in ways that deliver maximum sustainable value to its shareholders. Timely releases of the Group's financial results and all significant information to shareholders, as well as the prompt fulfilment of statutory requirements, are ways to maintain shareholder's confidence and trust in the Board's capability and integrity.

Currently, the Company is required to release half year and full year results announcements pursuant to the Catalist Rules. The Board, with the assistance of the management, strives to provide a balanced and understandable assessment of the Group's performance and position. The Board also undertakes such effort with respect to other price sensitive public reports and reports to regulators, when required.

The management is responsible to the Board and the Board itself is accountable to the shareholders of the Company.

CORPORATE GOVERNANCE

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that the management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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 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.

For FY2019, the Executive Chairman and CEO, Executive Director and Deputy CEO, Director of operations, strategy & business development and the GFC have provided their confirmation that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and regarding the effectiveness of the Company's risk management and internal control systems.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by the management, various Board committees and/or the Board, the Board, with the concurrence of the Audit Committee, 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, compliance and information technology controls for FY2019.

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.

In the financial year ended 31 March 2015, the Board has engaged the professional services of BDO LLP to assist the Board to determine the Company's levels of risk tolerance and risk policies. In the financial year ended 31 March 2016, the Board has appointed a Chief Risk Officer and a Risk Management Team. The Board will oversee the management in the design, implementation and monitoring of the risk management and internal control systems.

CORPORATE GOVERNANCE

AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee comprises Mr Ng Tiak Soon, Mr Lim Kim Quee, and Mr Tan Siok Sing, all of whom are Non-Executive Independent Directors. Mr Ng Tiak Soon is the Chairman of the Audit Committee.

The members of the Audit Committee possess many years of experience in accounting, finance, banking, business and management. The Board considers that the members of the Audit Committee are appropriately qualified to discharge the responsibilities of the Audit Committee.

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

I. 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 Audit Committee shall include, amongst others, the following:

    (a) Review the scope and results of the external audit and the independence and objectivity of the external auditors;
    (b) Review the internal and external audit plans and the audit reports;
    (c) Review the internal control and procedures;
    (d) Review risk management policies and systems and potential business risk management process;
    (e) Review the co-operation given by management to the internal and external auditors; and
    (f) 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.

II. 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 Audit Committee shall include, amongst other things, the following:

    (a) 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;
    (b) Monitor the integrity of the financial information on the relevance and consistency of the accounting standards used and to review the financial statements, 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
    (c) Review the half year and full year financial statements and results announcements before submission to the Board for approval.

CORPORATE GOVERNANCE

III. To examine the adequacy of the Company's internal controls, and evaluate adherence. In pursuance of this function, the duties of the Audit Committee, shall include, amongst others, the following:

(a) 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 Audit Committee to discharge its functions properly;

(b) Review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;

(c) 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;

(d) 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;

(e) 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;

(f) Review transactions (if any) falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules;

(g) Review potential conflicts of interest (if any) and set out a framework to resolve or mitigate any potential conflicts of interests; and

(h) 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.

Summary of the Audit Committee's activities

The Audit Committee 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.

The Audit Committee met five times in FY2019. Details of members and their attendance at meetings are provided in page 60. The Executive Chairman and CEO, Executive Director and Deputy CEO, GFC and company secretary were invited to these meetings. Internal auditors and external auditors were invited to two of the above meetings as well.

CORPORATE GOVERNANCE

For FY2019, the Audit Committee has met with external and internal auditors, without the presence of management.

The principal activities of the Audit Committee during FY2019 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 significant accounting policies, judgement and estimate applied by the management in preparing the annual financial statements. Following the review and discussions, the Audit Committee 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; and

(h) 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.

External Audit Processes

The Audit Committee manages the relationship with the Group's external auditors, on behalf of the Board. For FY2019, the Audit Committee carried out its annual assessment of the cost effectiveness of the audit process, together with the auditor's approach to audit quality and transparency. The Audit Committee concluded that the auditors demonstrated appropriate qualifications and expertise and that the audit process was effective. Therefore, the Audit Committee recommended to the Board that RSM Chio Lim LLP be re-appointed as the external auditor.

The Board accepted this recommendation and has proposed a resolution (set out on page 164) to the shareholders of the Company for the re-appointment of RSM Chio Lim LLP.

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.

In appointing external auditors for the Group, the Company is in compliance with Rules 712 and 715 of the Catalist Rules.

CORPORATE GOVERNANCE

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 Audit Committee 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 Audit Committee received an audit report from the external auditors setting out the non-audit services provided and the fees charge for FY2019. The aggregate amount of fees paid to the external auditors for audit and non-audit services for FY2019 are as follows:

	$'000
Audit Fees	105
Non-audit Fees	30

Having undertaken a review of the non-audit services provided during the year, the Audit Committee 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 Audit Committee is satisfied that these services were provided efficiently by the external auditors as a result of their existing knowledge of the business.

Whistle Blowing

The Audit Committee 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 honored. The policy is communicated via the Company's website under the "Code of Conduct and Ethics".

The Audit Committee 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.

CORPORATE GOVERNANCE

INTERNAL AUDIT

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

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 Audit Committee 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 Audit Committee on the Group's controls and governance processes.

The internal audit function is outsourced to BDO LLP who reports primarily to the Audit Committee. BDO LLP is an international auditing firm and 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 Audit Committee reviews and approves the internal audit plan submitted by the internal audit function. On an on-going basis, the internal audit function reports to the Audit Committee 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.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

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.

The Company strongly encourages shareholder participation during the AGM which will be held in a central location in Singapore. Shareholders are able to proactively engage the Board and the management on the Group's business activities, financial performance and other business related matters.

CORPORATE GOVERNANCE

COMMUNICATIONS WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company is committed to maintaining high standards of corporate disclosure and transparency. The Company values dialogue sessions with the shareholders. The Company believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

The AGM of the Company is a principal forum for dialogue and interaction with all shareholders. All shareholders will receive the annual report and the notice of AGM. At the AGM, shareholders will be given the opportunity to voice their views and to direct questions regarding the Group to the Directors including the Chairman of the Board and respective Chairman for each of the Board committees. The external auditors are also present to assist the Directors in addressing any relevant queries from the shareholders.

Material information is disclosed in a comprehensive, accurate and timely manner via SGX-NET. To ensure a level playing field and provide confidence to shareholders, unpublished price sensitive information is not selectively disclosed. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGX-NET.

In view of its financial performances, the Company is not proposing the payment of dividends for the year.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The Group supports and encourages active shareholder participation at general meetings. The Board believes that general meetings serve as an opportune forum for shareholders to meet the Board and key management personnel, and to interact with them. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders. The notices are also released via SGX-NET and published in local newspapers, as well as posted on the Company's website.

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, email or fax.

CORPORATE GOVERNANCE

The company secretary, with the assistance of his representative, prepare minutes of shareholders' meetings, which incorporate substantial comments or queries from shareholders and responses from the Board and the management. These minutes are available to shareholders upon request.

With effect from 2015 AGM, the Company has adopted electronic poll voting by shareholders for greater transparency in the voting process. The number of votes cast for or against each resolution will be displayed immediately after the voting of each resolution. After the meeting, the results will be posted on the SGX-NET website.

(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 Group has not obtained a general mandate from shareholders for interested person transactions. The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that the transactions are carried out on an arm's length basis. There were no interested person transactions above $100,000 entered into by the Group since the Company is listed except one which has announced on 21 December 2018 on the SGX-NET.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Mr Jeff Goh, brother of Mr Melvin Goh and Mr Andy Goh	$431,316[(1)]	Nil

Note:

(1) The transaction value excluding all applicable government taxes is approximately$431,316 and represents 4.89% of the Group's audited net tangible assets ("**NTA**"). The Group's audited NTA as at 31 March 2018 was approximately $8.82 million.

CORPORATE GOVERNANCE

Use of IPO Proceeds

	Amount allocated as stated in the offer document ($' million)	Amount after reallocation ($' million)	Amount utilised as at 31 March 2019 ($' million)	Balance of net proceeds as at 31 March 2019 ($' million)
Expansion of our operations locally and in other markets and diversification into other luxury lifestyle business	6.00	4.56	4.56[1)]	-
General working capital	2.46	3.90	3.90[(2)]	-
Total	**8.46**	**8.46**	**8.46**	**-**

Notes:

(1) Amount utilised as at 31 March 2016 was $1.50 million. An amount of $2.50 million was utilised on 24 May 2016 for Ultimate Drive EuroSports Pte. Ltd. ("**UDE**"). An amount of $0.30 million was utilised on 23 February 2017 to fund the Shareholder Loan provided by AutoInc EuroSports Pte. Ltd. to Exquisite Marques Holding Pte. Ltd. for the Business Transfer. An amount of $0.26 million was utilised on 11 October 2017 to fund the subscription of new shares in Prosper Auto Pte. Ltd.

(2) The amount of $3.90 million deployed for general working capital includes the purchase of inventories and operating expenses.

Use of Proceeds from Convertible Bond

	Amount allocated ($' million)	Amount utilised as at 31 March 2019 ($' million)	Balance of bond proceeds as at 31 March 2019 ($' million)
General working capital purposes (Company)	3.73	3.73[(1)]	-
General corporate purposes (EST)	2.00	2.00	-
Total	**5.73**	**5.73**	**-**

Notes:

(1) Amount utilised as at 31 March 2019 was $3.73 million for general working capital purposes, such as the purchase of new automobiles, the payment of salaries, rental charges, the purchase of new spare parts, and supplier bills which is in line with the intended use of the bond proceeds as disclosed.

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 2019, or if not then subsisting, entered into in FY2019:

- Service agreements of Mr Melvin Goh and Mr Andy Goh previously disclosed in the Offer Document.
- Sale and purchase agreement of UDE with Ultimately Pte. Ltd. ("**Purchaser**") as announced on 14 February 2019. Mr Goh Kim Siew, the brother of Mr Melvin Goh and Mr Andy Goh, is a shareholder holding less than 30% of the Purchaser.

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 2019

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 2019.

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
Lim Kim Quee

STATEMENT BY DIRECTORS

Year Ended 31 March 2019

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:

Name of directors and companies in which interests are held	Direct interest		Deemed interest	
	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	66,829,200	66,900,200	52,409,000	52,409,000
Goh Kim Hup	59,815,600	53,815,600	14,500,000	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 2019 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.

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

STATEMENT BY DIRECTORS

Year Ended 31 March 2019

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

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

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.

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.

STATEMENT BY DIRECTORS

Year Ended 31 March 2019

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

EuroSports Performance Share Plan ("PSP") (cont'd)

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.

6. INDEPENDENT AUDITOR

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

STATEMENT BY DIRECTORS

Year Ended 31 March 2019

7. AUDIT COMMITTEE

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

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

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.

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 2019.

STATEMENT BY DIRECTORS

Year Ended 31 March 2019

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 30 May 2019, 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

02 July 2019

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2019

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 2019, 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 2019 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 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 2019

Key audit matters (cont'd)

Assessing the net realisable of inventory (cont'd)

Inventories amounted to $21,045,000, representing 35.1% of the group's total assets as at 31 March 2019.

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.

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 $9,208,000 and amount due from subsidiaries amounted to $7,804,000 as at 31 March 2019. 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. No additional exposure was noted during the year.

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 2019

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 financial reporting standards, 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 2019

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 2019

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

02 July 2019

Engagement partner – effective from year ended 31 March 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

Year Ended 31 March 2019

	Notes	Group 2019 $'000	Group 2018 $'000
Revenue	5	96,237	60,891
Cost of sales		(80,296)	(52,107)
Gross profit		15,941	8,784
Other income	6	7,559	9,421
Interest income		46	2
Other gains	7	464	74
Marketing and distribution expenses	8	(2,707)	(2,185)
Administrative expenses	8	(18,488)	(17,264)
Other losses	7	(1,121)	(1,398)
Finance costs	8	(1,044)	(831)
Profit / (Loss) before tax from continuing operations		650	(3,397)
Income tax income	10	6	-
Profit / (Loss) from continuing operations, net of tax		656	(3,397)
Loss from discontinued operation, net of tax		(627)	(570)
Profit / (Loss), net of tax, representing total comprehensive profit / (loss)		29	(3,967)
Profit / (Loss) for the year, net of tax and total comprehensive income attributable to:			
Owners of the parent			
Continuing operations		449	(3,335)
Discontinued operation		(627)	(570)
		(178)	(3,905)
Non–controlling interests			
Continuing operations		207	(62)
		29	(3,967)
		Cents	**Cents**
Earnings / (Loss) per share:			
Basic and diluted	12		
Continuing operations		0.17	(1.25)
Discontinued operation		(0.24)	(0.22)

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2019

	Notes	Group 31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
ASSETS				
Non-current assets				
Property, plant and equipment	13	7,526	11,811	27,733
Intangible assets	14	692	-	-
Trade and other receivables	18	838	-	-
Total non-current assets		9,056	11,811	27,733
Current assets				
Assets held for sale	16	14,286	15,186	-
Inventories	17	21,045	27,592	36,039
Trade and other receivables	18	5,272	3,727	2,936
Other assets	19	2,445	2,497	1,443
Cash and cash equivalents	20	7,890	4,357	5,055
Total current assets		50,938	53,359	45,473
Total assets		59,994	65,170	73,206
EQUITY AND LIABILITIES				
Equity				
Share capital	21	18,047	18,469	18,469
Accumulated losses		(10,063)	(9,885)	(5,980)
Equity attributable to owners of the parent		7,984	8,584	12,489
Non-controlling interests		602	237	54
Total equity		8,586	8,821	12,543
Non-current liabilities				
Other financial liabilities	23	7,457	4,273	13,766
Other liabilities	24	-	3,433	6,610
Total non-current liabilities		7,457	7,706	20,376
Current liabilities				
Liabilities in relation to assets held for sale	16	7,881	8,620	-
Trade and other payables	22	11,515	8,478	4,784
Other financial liabilities	23	8,407	13,550	15,808
Other liabilities	24	16,148	17,995	19,695
Total current liabilities		43,951	48,643	40,287
Total liabilities		51,408	56,349	60,663
Total equity and liabilities		59,994	65,170	73,206

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2019

	Notes	Company 31.03.2019 $'000	Company 31.03.2018 $'000	Company 01.04.2017 $'000
ASSETS				
Non-current assets				
Investment in subsidiaries	15	3,097	2,097	5,261
Other receivables	18	275	-	-
Total non-current assets		3,372	2,097	5,261
Current assets				
Other receivables	18	7,599	5,196	7,227
Other assets	19	67	65	42
Cash and cash equivalents	20	351	16	62
Total current assets		8,017	5,277	7,331
Total assets		11,389	7,374	12,592
EQUITY AND LIABILITIES				
Equity				
Share capital	21	18,047	18,469	18,469
Accumulated losses		(12,956)	(11,203)	(6,065)
Equity attributable to owners of the parent		5,091	7,266	12,404
Non-controlling interests		-	-	-
Total equity		5,091	7,266	12,404
Non-current liabilities				
Other financial liabilities	23	6,000	-	-
Total non-current liabilities		6,000	-	-
Current liabilities				
Trade and other payables	22	298	108	188
Total current liabilities		298	108	188
Total liabilities		6,298	108	188
Total equity and liabilities		11,389	7,374	12,592

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

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2019

	Total equity $'000	Non-controlling interests $'000	Attributable to parent $'000	Share capital $'000	Accumulated losses $'000
Group:					
Current 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)
Previous year:					
Opening balance at 1 April 2017	12,543	54	12,489	18,469	(5,980)
Movements in equity:					
Total comprehensive loss for the year	(3,967)	(62)	(3,905)	-	(3,905)
Capital contribution by non-controlling interests of subsidiaries	245	245	-	-	-
Closing balance at 31 March 2018	8,821	237	8,584	18,469	(9,885)

	Total equity $'000	Share capital $'000	Accumulated losses $'000
Company:			
Current 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)
Previous year:			
Opening balance at 1 April 2017	12,404	18,469	(6,065)
Movements in equity:			
Total comprehensive loss for the year	(5,138)	-	(5,138)
Closing balance at 31 March 2018	7,266	18,469	(11,203)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 March 2019

	Group	
	2019 $'000	2018 $'000
Cash flows from operating activities		
Profit / (Loss) before tax from continuing operations	650	(3,397)
Loss before tax from discontinued operation	(627)	(570)
Adjustments for:		
Deferred income	(3,333)	(3,333)
Depreciation of plant and equipment	2,262	2,742
Amortisation of other assets	-	40
Gain on disposal of plant and equipment	(5)	(22)
Gain on disposal of subsidiary	(237)	-
Impairment loss on assets held for sale	900	1,301
Impairment loss on plant and equipment	101	-
Interest income	(46)	(2)
Interest expense	1,066	898
Operating cash flows from / (used in) before changes in working capital	731	(2,343)
Inventories	5,215	9,581
Trade and other receivables	(4,065)	(791)
Other assets	(308)	(1,094)
Other liabilities	(1,306)	(1,544)
Trade and other payables	6,480	3,694
Net cash flows from operations	6,747	7,503
Income taxes refund	6	-
Net cash flows from operating activities	**6,753**	**7,503**
Cash flows from / (used in) investing activities		
Additions to intangible assets	(692)	-
Purchase of plant and equipment (Notes 13 and 20B)	(924)	(2,807)
Disposal of plant and equipment	2,678	290
Disposal of subsidiaries	177	-
Interest received	46	2
Net cash flows from / (used in) investing activities	**1,285**	**(2,515)**
Cash flows used in financing activities		
Increase of other financial liabilities	-	673
Decrease of other financial liabilities	(5,786)	(3,481)
Security deposits for bank facilities	(1,430)	(1,560)
Capital contribution by non-controlling interests of subsidiaries	-	245
Finance lease repayment	(3,406)	(2,225)
Proceeds from issue of redeemable, convertible and exchangeable bond	6,000	-
Purchase of treasury shares	(422)	-
Interest paid	(891)	(898)
Net cash flows used in financing activities	**(5,935)**	**(7,246)**
Net increase / (decrease) in cash and cash equivalents	2,103	(2,258)
Cash and cash equivalents, statement of cash flows, beginning balance	2,437	4,695
Cash and cash equivalents, statement of cash flows, ending balance (Note 20A)	**4,540**	**2,437**

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

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 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).

These are the first financial statements prepared in accordance with the SFRS(I), and the SFRS(I) 1 First-time adoption of SFRS(I) has been applied. For all reporting periods up to and including the reporting year ended 31 March 2018, the financial statements were prepared in accordance with the Singapore Financial Reporting Standards (FRS). An explanation of how the transition from FRS to SFRS(I) have affected the reported financial statements is provided in Note 29.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

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 2019

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 2019

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 2019

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%
Addition and alteration	–	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.

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 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:

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

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

2A. Intangible assets (cont'd)

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

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

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

2A. Significant accounting policies (cont'd)

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 2019

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.

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with SFRS(I) 1-32 and SFRS(I) 9. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under SFRS(I) 3. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

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 2019

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 2019

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 fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.

4. Financial asset classified as measured at fair value through profit or loss (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 fair value through profit or loss (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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

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

2A. Significant accounting policies (cont'd)

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

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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 2019

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.

NOTES TO THE FINANCIAL STATEMENTS

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

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.

<u>Assessing the net realisable value of inventory</u>

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.

<u>Impairment of cost of investments and net receivables due from subsidiaries</u>

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 2019

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 $7,526,000.

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 $7,526,000.

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.

Finance and operating leases

The group as lessor has certain automobiles that are under three to five years leases to lessees. Judgement is used in determining lease classification into operating leases or finance leases. The titles to the automobiles do not pass to the lessees at the end of the lease terms. The present value of the minimum lease payments is not greater than nor equal to substantially all of the fair value of the automobiles concerned. As substantially all the risks and rewards of the automobiles are with the group based on these qualitative factors the leases have been accounted as operating leases. The carrying amount of automobiles in property, plant and equipment subject to operating leases at the end of the reporting year was $4,196,000 (2018: $5,314,000). The operating lease income commitments are included in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

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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	
	2019 $'000	**2018 $'000**
Salaries and other short-term employee benefits	1,283	1,360

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

	Group	
	2019 $'000	**2018 $'000**
Remuneration of directors of the company	898	776
Remuneration of directors of subsidiaries	192	333
Fees to directors of the company	120	120
Other benefits	72	131

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 2019

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	
	2019 $'000	2018 $'000
Group		
Other payables:		
Balance at beginning of year	169	150
Amounts (paid out) / paid in and settlement of liabilities on behalf of the company	(169)	19
Balance at end of year (Note 22)	-	169

The related party is a director and a 40% shareholder of the subsidiary, AutoInc EuroSports Pte. Ltd., that was sold on 30 September 2018.

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, (2) experiential business, and (3) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

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

4A. Information about reportable segment profit or loss, assets and liabilities (cont'd)

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) Experiential business which engages in short term rental of premium sports cars and membership fee based supercar club.

(3) 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 discontinued operation relates to the disposal of the subsidiary of the experiential business (see Note 11).

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.

4B. Profit or loss from continuing operations and reconciliation

	Group	
	2019 $'000	**2018 $'000**
Continuing operations		
Revenue by segment		
Automobiles distribution	95,617	60,043
Sustainable mobility	-	-
Other	620	848
Total	96,237	60,891
Segment result		
Automobiles distribution	1,370	(2,750)
Sustainable mobility	(560)	(241)
Other	(160)	(406)
Consolidated profit / (loss) before tax	650	(3,397)
Income tax credit	6	-
Profit / (Loss) for the year	656	(3,397)

NOTES TO THE FINANCIAL STATEMENTS

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

4C. Assets and reconciliation

	Group	
	2019 $'000	2018 $'000
Segment assets		
Continuing operations		
Automobiles distribution	56,624	58,290
Sustainable mobility	1,643	105
Other	2,475	3,293
	60,742	61,688
Discontinued operation		
Experiential business	-	3,380
	60,742	65,068
Elimination of inter-segment assets	(748)	102
Total	59,994	65,170

4D. Liabilities and reconciliation

	Group	
	2019 $'000	2018 $'000
Segment liabilities		
Continuing operations		
Automobiles distribution	51,314	53,631
Sustainable mobility	2,099	381
Other	4,894	5,552
	58,307	59,564
Discontinued operation		
Experiential business	-	4,093
	58,307	63,657
Elimination of inter-segment liabilities	(6,899)	(7,308)
Total	51,408	56,349

NOTES TO THE FINANCIAL STATEMENTS

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

4E. Other material items and reconciliation

	Group	
	2019 $'000	2018 $'000
Continuing operations		
Depreciation		
Automobiles distribution	2,044	2,027
Sustainable mobility	9	1
Other	9	112
Total	2,062	2,140
Finance costs		
Automobiles distribution	1,044	831
Total	1,044	831
Discontinued operation		
Depreciation		
Experiential business	200	602
Finance costs		
Experiential business	22	67

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.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

5. REVENUE

Revenue from contracts with customers

	Group	
	2019 $'000	2018 $'000
Continuing operations		
Sales of automobiles	88,212	49,868
Sales of watches	620	848
Sales of parts and servicing	7,405	10,175
	96,237	60,891
Discontinued operation		
Experiential business	509	1,192

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.

6. OTHER INCOME

	Group	
	2019 $'000	2018 $'000
Continuing operations		
Commission income	902	1,956
Rental income	2,246	2,426
Deferred income earned (Note 24A)	3,333	3,333
Other income	1,078	1,706
	7,559	9,421
Discontinued operation		
Other income	3	23

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

7. OTHER GAINS AND (OTHER LOSSES)

	Group	
	2019 $'000	2018 $'000
Continuing operations		
Allowance for impairment on trade receivables (Note 18)	(141)	(80)
Bad trade debts written off	(36)	(17)
Foreign exchange adjustments (loss) / gains	(44)	52
Gain on disposal of plant and equipment	227	22
Gain on disposal of subsidiary	237	-
Impairment loss on assets held for sale (Note 16)	(900)	(1,301)
Net	(657)	(1,324)
Presented in profit or loss as:		
Other gains	464	74
Other losses	(1,121)	(1,398)
Net	(657)	(1,324)
Discontinued operation		
Allowance for impairment on trade receivables (Note 18)	(37)	13
Loss on disposal of plant and equipment	(222)	-
Impairment loss on motor vehicles	(101)	-
	(360)	13

NOTES TO THE FINANCIAL STATEMENTS

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

The major components include the following:

	Group	
	2019 $'000	2018 $'000
Continuing operations		
Marketing and distribution expenses		
Advertising and promotions	1,433	1,203
Employee benefits expense (Note 9)	763	530
Entertainment	396	379
Administrative expenses		
Rental expense of premises (Note 25)	7,075	6,268
Depreciation expense (Note 13)	2,062	2,140
Employee benefits expense (Note 9)	5,277	5,487
Finance costs	1,044	831
Discontinued operation		
Marketing and distribution expenses		
Advertising and promotions	38	50
Employee benefits expense (Note 9)	28	6
Administrative expenses		
Rental expense of premises (Note 25)	88	186
Depreciation expense (Note 13)	200	602
Employee benefits expense (Note 9)	199	504
Finance costs	22	67

NOTES TO THE FINANCIAL STATEMENTS

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9. EMPLOYEE BENEFITS EXPENSE

	Group 2019 $'000	Group 2018 $'000
Continuing operations		
Employee benefits expense	5,500	5,221
Contributions to defined contribution plan	506	588
Other benefits	380	468
Total employee benefits expense	6,386	6,277
Presented in profit or loss as:		
Cost of sales	346	260
Marketing and distribution expenses (Note 8)	763	530
Administrative expenses (Note 8)	5,277	5,487
	6,386	6,277
Discontinued operation		
Employee benefits expense	171	382
Contributions to defined contribution plan	30	63
Other benefits	26	65
Total employee benefits expense	227	510
Presented in profit or loss as:		
Marketing and distribution expenses (Note 8)	28	6
Administrative expenses (Note 8)	199	504
	227	510

10. INCOME TAX INCOME

10A. Components of income tax recognised in profit or loss include:

	Group 2019 $'000	Group 2018 $'000
Income tax credit in respect to prior periods	6	-
Income tax credit attributable to continuing operations	6	-

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

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% (2018: 17%) to loss before income tax as a result of the following differences:

	Group	
	2019 $'000	2018 $'000
Profit / (Loss) before tax from continuing operations	650	(3,397)
Loss before tax from discontinued operation	(627)	(570)
Profit / (Loss) before tax	23	(3,967)
Income tax income at the above rate	4	(674)
Non-deductible expenses	392	468
Income not subject to tax	(603)	(570)
Deferred tax not recognised	229	776
Tax exemption	(22)	-
Income tax credit in respect to prior periods	6	-
Total income tax credit	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	
	2019 $'000	2018 $'000
Depreciation on non-qualifying property, plant and equipment	2,262	2,357
Impairment loss on assets held for sale	900	1,301
Deferred income earned	(3,333)	(3,333)

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

	Group	
	2019 $'000	2018 $'000
Excess of tax values over net book value of plant and equipment	(142)	(627)
Tax loss carryforwards	(87)	(149)
Deferred tax not recognised	229	776
Total deferred tax expense recognised in profit or loss	-	-

NOTES TO THE FINANCIAL STATEMENTS

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10. INCOME TAX (CONT'D)

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

	Group	
	2019 $'000	2018 $'000
Deferred tax assets recognised in profit or loss:		
Excess of tax values over net book value of plant and equipment	242	100
Tax loss carryforwards	3,666	3,579
Deferred tax not recognised	(3,908)	(3,679)
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. LOSS FROM DISCONTINUED OPERATION, NET OF TAX

Arising from the disposal of subsidiary, Ultimate Drive EuroSports Pte. Ltd., the financial performance of the discontinued operation has been presented separately in the consolidated statement of comprehensive income as this segment represents a major line of operating segment that has been disposed. The subsidiary was sold to Ultimately Pte. Ltd. ("**Purchaser**"). Mr Goh Kim Siew, the brother of Mr Melvin Goh and Mr Andy Goh, is a shareholder holding less than 30% of the Purchaser.

The results of the discontinued operation for the reporting period from 1 April 2018 to 31 October 2018 and the results for the previous reporting year, which have been included in the consolidated financial statements, were as follows

	Group	
	Period ended 31.10.2018 $'000	Year ended 31.03.2018 $'000
Revenue	509	1,192
Expenses	(1,136)	(1,762)
Loss before tax	**(627)**	**(570)**
Income tax	-	-
Loss, net of tax	**(627)**	**(570)**

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

11. LOSS FROM DISCONTINUED OPERATION, NET OF TAX (CONT'D)

The following table is a summary of the carrying amounts of the assets and liabilities of subsidiary, Ultimate Drive EuroSports Pte. Ltd., that was sold on 31 October 2018.

	Group	
	Period ended 31.10.2018 $'000	Year ended 31.03.2018 $'000
Plant and equipment	875	3,184
Trade and other receivables	62	58
Other assets	33	139
Cash and cash equivalents	27	105
Other financial liabilities	(549)	(1,987)
Other liabilities	(115)	(272)
Trade and other payables	(47)	(314)
Net assets	**286**	**913**
Net assets disposed of	286	
Gain on disposal	-	
Total consideration	286	
Satisfied by:		
Cash proceeds	286	
Total consideration	286	

	Group	
	Period ended 31.10.2018 $'000	Year ended 31.03.2018 $'000
Net cash inflow on disposal:		
Cash consideration	286	-
Cash balance disposed of	(27)	-
Net cash inflow	259	-

NOTES TO THE FINANCIAL STATEMENTS

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11. LOSS FROM DISCONTINUED OPERATION, NET OF TAX (CONT'D)

The cash flows of subsidiary, Ultimate Drive EuroSports Pte. Ltd., for the reporting period from 1 April 2018 to 31 October 2018 and the results for the previous reporting year, which have been included in the consolidated financial statements, were as follows:

	Group	
	Period ended 31.10.2018 $'000	Year ended 31.03.2018 $'000
Operating cash flows	(404)	(6)
Investing activities	1,786	171
Financing activities	(1,460)	(156)
Net (decrease) / increase in cash and cash equivalents	(78)	9

11A. Disposal of subsidiary

The results of the subsidiary, AutoInc Eurosports Pte. Ltd., for the reporting period from 1 April 2018 to 30 September 2018 and the results for the previous reporting year, which have been included in the consolidated financial statements, were as follows:

	Group	
	Period ended 30.09.2018	Year ended 31.03.2018
Revenue	7,224	14,677
Expenses	(7,698)	(14,731)
Loss before tax	**(474)**	**(54)**
Income tax	-	-
Loss, net of tax	**(474)**	**(54)**

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

11. LOSS FROM DISCONTINUED OPERATION, NET OF TAX (CONT'D)

11A. Disposal of subsidiary

The following table is a summary of the carrying value assets and liabilities of the subsidiary AutoInc EuroSports Pte Ltd that was sold on 30 September 2018.

	Group	
	Period ended 30.09.2018	Year ended 31.03.2018
Plant and equipment	581	618
Inventories	1,327	4,767
Trade and other receivables	1,620	1,489
Other assets	326	227
Cash and cash equivalents	82	64
Other financial liabilities	(233)	(2,503)
Other liabilities	(709)	(426)
Trade and other payables	(3,389)	(4,157)
Net (liabilities) / assets	**(395)**	**79**
Net liabilities disposed of	(395)	
Non-controlling interests	158	
Gain on disposal of subsidiary	237	
Total consideration	-	

	Group	
	Period ended 30.09.2018	Year ended 31.03.2018
Net cash outflow on disposal:		
Cash consideration	-	-
Cash balance disposed of	(82)	-
Net cash outflow	(82)	-

The cash flows of the disposed subsidiary for the reporting period from 1 April 2018 to 30 September 2018 and the result for the previous reporting year, which have been included in the consolidated financial statements, were as follows:

	Group	
	Period ended 30.09.2018	Year ended 31.03.2018
Operating cash flows	2,356	(1,584)
Investing activities	(66)	(373)
Financing activities	(2,272)	1,294
Net increase / (decrease) in cash and cash equivalents	18	(663)

NOTES TO THE FINANCIAL STATEMENTS

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12. LOSS PER SHARE

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

	Group	
	2019 $'000	2018 $'000
Net loss attributable to ordinary equity holders of the company	(178)	(3,905)

	Group	
	2019	2018
	Number of equity shares	
Weighted average number of equity shares	264,759	265,000

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

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13. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold properties $'000	Plant and equipment $'000	Motor vehicles $'000	Addition and alteration $'000	Total $'000
Cost:					
At 1 April 2017	16,487	1,835	14,797	1,763	34,882
Additions	-	232	844	2,499	3,575
Disposals	-	(2)	(371)	-	(373)
Transfer to held for sale (Note 16)	(16,487)	-	-	-	(16,487)
At 31 March 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
Accumulated depreciation:					
At 1 April 2017	-	1,474	4,455	1,220	7,149
Depreciation for the year	-	225	2,027	490	2,742
Disposals	-	(1)	(104)	-	(105)
At 31 March 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
Carrying value:					
At 1 April 2017	16,487	361	10,342	543	27,733
At 31 March 2018	-	367	8,892	2,552	11,811
At 31 March 2019	-	351	5,117	2,058	7,526

Notes:

(a) Depreciation expense is included under administrative expenses.

(b) Certain items are under finance lease agreements (see Note 23C). The carrying amount of automobiles in plant and equipment pledged as security for the bank facilities was $4,196,000 (2018: $5,314,000).

(c) Leasehold properties includes the acquisition costs for 7 and 9 Chang Charn Road, Singapore 159638 of $16,487,000, with a land area of approximately 1,860 square meters. These are 99-year leasehold properties from 1958 from the proprietor Housing and Development Board. At the end of reporting year, these properties are vacated and available for sale. These properties have been reclassified to assets held for sale (Note 16) following the decision by management to sell the properties.

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14. INTANGIBLE ASSETS

Group	Development cost $'000	Total $'000
Cost:		
At 1 April 2017 and 31 March 2018	-	-
Additions	692	692
At 31 March 2019	692	692
Accumulated amortisation and impairment:		
At 1 April 2017 and 31 March 2018	-	-
Amortisation charge for the year	-	-
At 31 March 2019	-	-
Carrying value:		
At 1 April 2017 and 31 March 2018	-	-
At 31 March 2019	692	692

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.

15. INVESTMENT IN SUBSIDIARIES

	Company		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Movements during the year. At cost:			
Balance at beginning of the year	2,097	5,261	7,953
Additions	1,000	255	1,000
Disposals	(2,500)	-	-
Written off / (Allowance) for impairment	2,500	(3,419)	(3,692)
Cost at the end of the year	3,097	2,097	5,261
Total cost comprising:			
Unquoted equity shares at cost	9,208	10,708	10,453
Allowance for impairment	(6,111)	(8,611)	(5,192)
	3,097	2,097	5,261
Net book value of subsidiaries	(4,938)	(8,868)	(2,649)

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15. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Company		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Movements in above allowance:			
Balance at beginning of the year	8,611	5,192	1,500
Impairment loss charged to profit or loss	-	3,419	3,692
Impairment allowance written off	(2,500)	-	-
Balance at the end of the year	6,111	8,611	5,192

The following subsidiaries are incorporated and operate in Singapore:

Name of subsidiaries	Principal activities	Carrying value of investment		Effective percentage of equity held by group	
		2019 $'000	2018 $'000	2019 %	2018 %
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. (formerly known as Spania GTA Asia Pacific Private Ltd.)	Developing innovative new technologies, services and solutions for e-vehicles	1,000	_[(a)]	100	100
deLaCour Asia Pacific Pte. Ltd.	Trading and distribution of watches and related accessories	_[(a)]	_[(a)]	100	100
AutoInc EuroSports Pte. Ltd. [(c)]	Trading of pre-owned automobiles and provision of maintenance and grooming services for luxury automobiles	_	_[(b)]	_	60
Ultimate Drive EuroSports Pte. Ltd. [(e)]	Membership fee based supercar club and short term rental of premium sports car	_	_[(b)]	_	100
Prosper Auto Pte. Ltd. [(d)]	Distribution of automobiles, parts and accessories in Indonesia	255	255	51	51
Held by AutoInc EuroSports Pte. Ltd.					
Exquisite Marques Holding Pte. Ltd. [(c)]	One-stop shop automobile service and enhancement centre for premium and luxury car brands	_	_[(a)]	_	60

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15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Notes:

(a) The cost of investment is less than $1,000.

(b) The cost of investment has been fully impaired.

(c) Although the group does not own more than half of the voting power of Exquisite Marques Holding Pte. Ltd., it is able to govern the financial and operating policies of the subsidiary by virtue of agreement with other shareholders of the subsidiary. The nature of this agreement results in the group having the power over Exquisite Marques Holding Pte. Ltd.'s variable returns. The transaction was completed on 28 February 2017. The effective beneficial interest of the group in Exquisite Marques Holding Pte. Ltd. is assessed to be 60%. Therefore, in accordance with the requirements of FRS 110, Exquisite Marques Holding Pte. Ltd. has been accounted for as a subsidiary of the group with its financial statements consolidated with those of the group.

Subsequent to the disposal of AutoInc EuroSports Pte. Ltd. on 30 September 2018, the Group no longer have the interest on Exquisite Marques Holding Pte. Ltd.

(d) On 19 June 2017, the group incorporated and subscribed for 51 ordinary shares for a cash consideration of $51, representing 51% equity interest in a company, Prosper Auto Pte. Ltd. ("**PA**"). On 11 October 2017, PA increased its issued and paid-up share capital by way of an allotment and issuance of 500,000 new shares ("**New Shares**") to its existing shareholders. The company acquired 255,000 units of the New Shares for a cash consideration of $255,000. The non-controlling interest acquired 245,000 units of the New Shares for a cash consideration of $245,000. The total issued and paid up capital of Prosper Auto Pte. Ltd. is $500,100 as of 31 March 2018 and 31 March 2019.

(e) On 31 October 2018, the group disposed Ultimate Drive EuroSports Pte. Ltd. (see Note 11).

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.

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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 to sell the properties.

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

	Group	
	2019 $'000	2018 $'000
Current Assets:		
Leasehold properties at carrying amount	16,487	16,487
Impairment loss	(2,201)	(1,301)
Net carrying amount of the assets held for sale	14,286	15,186
Movement in the above allowance:		
Balance at the beginning of the year	1301	-
Impairment loss included in other losses in profit or loss (Note 7)	900	1,301
Balance at the end of the year	2,201	1,301
Current Liability:		
Bank loan (Note 23A)	7,881	8,620
Liability directly associated with the disposal of assets held for sale	7,881	8,620
Net assets directly associated with the disposal of assets held for sale	6,405	6,566

The group has recorded an impairment loss of $900,000 (2018: $1,301,000), after taking into account the estimated expense of $2,214,000, which includes levy fee of $1,900,000 to be imposed by Jurong Town Corporation (JTC), property agent's commission fee of $165,000, bank charges on early settlement of loan of $135,000 and professional fee of $14,000. The group is appealing with JTC on the levy. In the event that the appeal is successful, any reduction will result in a reversal of the impairment provision.

17. INVENTORIES

		Group	
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Automobiles	17,082	22,286	30,477
Automobile parts and accessories	1,606	2,703	2,530
Watches	2,357	2,603	3,032
	21,045	27,592	36,039
Inventories are stated after allowance.			
Movements in allowance:			
Balance at beginning of the year	2,027	2,868	1,792
Charge to profit or loss included in cost of sales	799	666	2,144
Used	(376)	(1,507)	(1,068)
Balance at end of the year	2,450	2,027	2,868

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17. INVENTORIES (CONT'D)

	Group		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Changes in inventories	(6,547)	(8,447)	(16,360)
The amount of inventories included in cost of sales	77,533	49,081	44,934
The write-downs of inventories charged to profit or loss included in cost of sales	799	666	2,144

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

18. TRADE AND OTHER RECEIVABLES

	Group		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Non-current			
Trade receivables:			
Outside parties	16	-	-
Other receivable:			
Outside parties	822	-	-
Total trade and other receivables	838	-	-
Current			
Trade receivables:			
Outside parties	4,307	3,550	3,054
Less allowance for impairment	(243)	(454)	(435)
Net trade receivables – subtotal	4,064	3,096	2,619
Other receivables:			
Outside parties	1,411	631	317
Less allowance for impairment	(203)	-	-
Net other receivables – subtotal	1,208	631	317
Total trade and other receivables	5,272	3,727	2,936
Movements in above allowance:			
Balance at beginning of the year	454	435	294
Charge for trade receivables to profit or loss included in other losses (Note 7)	178	67	141
Bad trade debts written off	(186)	(48)	-
Balance at end of the year	446	454	435

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18. TRADE AND OTHER RECEIVABLES (CONT'D)

	Company		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Non-current			
Other receivable:			
Outside parties	275	-	-
Current			
Other receivables:			
Subsidiaries	7,804	6,276	7,594
Outside parties	143	-	-
Less allowance for impairment	(348)	(1,080)	(367)
Net other receivables – subtotal	7,599	5,196	7,227
Total trade and other receivables	7,874	5,196	7,227
Movements in above allowance:			
Balance at beginning of the year	1,080	367	-
(Reversal) / Charge for other receivables to profit or loss included in other losses	(732)	713	367
Balance at end of the year	348	1,080	367

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 $243,000 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 $203,000 is recognised.

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.

NOTES TO THE FINANCIAL STATEMENTS

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18. TRADE AND OTHER RECEIVABLES (CONT'D)

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	
	2019 $'000	2018 $'000
Trade receivables:		
Less than 30 days	65	497
31 to 60 days	129	145
61 to 90 days	88	90
Over 90 days	541	378
Total	823	1,110

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

	Group	
	2019 $'000	2018 $'000
Trade receivables:		
Over 365 days	243	454
Total	243	454

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 2019 and 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

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19. OTHER ASSETS, CURRENT

	Group		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Current:			
Deposits	2,180	2,448	1,270
Land premium (Note 19A)	-	-	40
Prepayments	265	49	133
Total	2,445	2,497	1,443

	Company		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Current:			
Deposits	-	10	-
Prepayments	67	55	42
Total	67	65	42

19A. LAND PREMIUM

	Group		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
At beginning and end of the year	1,719	1,719	1,719
Accumulated amortisation:			
At beginning of the year	1,719	1,679	1,443
Amortisation for the year included under administrative expenses	-	40	236
At the end of the year	1,719	1,719	1,679
Balance to be amortised:			
Not later than one year	-	-	40

The amount pertains to upfront land premium paid pursuant to the sale and leaseback of the properties (Note 24A). The land premium is amortised on the straight line method over the period up to 31 May 2017, the original expiry of the land lease.

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20. CASH AND CASH EQUIVALENTS

	Group		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Not restricted in use	4,540	2,437	4,695
Security deposits for bank facilities	3,350	1,920	360
Total	7,890	4,357	5,055

	Company		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Not restricted in use	351	16	62

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

	Group		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Amount as shown above	7,890	4,357	5,055
Security deposits for bank facilities	(3,350)	(1,920)	(360)
Cash and cash equivalents for statement of cash flows purposes at end of the year	4,540	2,437	4,695

	Company		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Amount as shown above	351	16	62
Cash and cash equivalents for statement of cash flows purposes at end of the year	351	16	62

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 1.30% (2018: 0.10%) per annum for the group during the reporting year. As at 31 March 2019, the security deposits for bank facilities of $3,350,000 (2018: $1,920,000) 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 $485,000 (2018: $768,000) and $791,000 (2018: $1,134,000) respectively acquired by means of finance leases.

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20. CASH AND CASH EQUIVALENTS (CONT'D)

20C. Reconciliation of liabilities arising from financing activities:

	Group					
			Non-cash changes			
	2018 $'000	Cash flows $'000	Acquisition(1) $'000	Disposal(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 disposal of subsidiaries during the reporting year.

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

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20. CASH AND CASH EQUIVALENTS (CONT'D)

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

	Group					
			Non-cash changes			
	2017 $'000	Cash flows $'000	Acquisition[1] $'000	Assets held for Sale[2] $'000	Other[3] $'000	2018 $'000
Liabilities in relation to assets held for sale						
- current	-	-	-	8,620	-	8,620
Loans and borrowings						
- current	14,251	(2,808)	-	-	324	11,767
- non-current	10,581	-	-	(8,620)	(324)	1,637
Finance lease						
- current	1,557	(2,225)	1,902	-	549	1,783
- non-current	3,185	-	-	-	(549)	2,636
	29,574	(5,033)	1,902	-	-	26,443

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.

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 2017 and 31 March 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

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.

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21. SHARE CAPITAL (CONT'D)

Treasury shares:

Under the mandate approved at the last the annual general meeting, 2,191,400 treasury shares were acquired during the reporting year on the Singapore Stock Exchange for a consideration of $422,000.

	Number of treasury shares		Fair value	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Balance at beginning of the year	-	-	-	-
Purchase during the year	2,191,400	-	422	-
Balance at the end of the year	2,191,400	-	422	-

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.

	2019 $'000	2018 $'000
Net debt:		
All current and non-current borrowings including finance leases	23,745	26,443
Less cash and cash equivalents	(7,890)	(4,357)
Net debt	15,855	22,086
Adjusted capital:		
Total equity	8,586	8,821
Adjusted capital	8,586	8,821
Debt-to-adjusted capital ratio	1.85	2.50

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21. SHARE CAPITAL (CONT'D)

Capital management: (cont'd)

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.

22. TRADE AND OTHER PAYABLES

	Group		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Trade payables:			
Outside parties and accrued liabilities	11,515	8,309	4,634
Trade payables – subtotal	11,515	8,309	4,634
Other payables:			
Related party (Note 3C)	-	169	150
Other payables – subtotal	-	169	150
Total trade and other payables	11,515	8,478	4,784

	Company		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Trade payables:			
Outside parties and accrued liabilities	298	108	188
Total trade and other payables	298	108	188

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23. OTHER FINANCIAL LIABILITIES

	Group		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Non-current:			
Financial instruments with floating interest rates			
Bank loans (secured) (Note 23A)	726	1,637	10,581
Financial instruments with fixed interest rates			
Finance leases (Note 23C)	731	2,636	3,185
Bond payable (Note 23D)	6,000	-	-
Non-current, total	7,457	4,273	13,766
Current:			
Financial instruments with floating interest rates			
Bank loans (secured) (Note 23A)	4,085	3,673	4,518
Trust receipts and bills payables (secured) (Note 23B)	3,450	8,094	9,733
Financial instruments with fixed interest rates			
Finance leases (Note 23C)	872	1,783	1,557
Current, total	8,407	13,550	15,808
Total	15,864	17,823	29,574
The non-current portion is repayable as follows:			
Due within 2 to 5 years	7,457	4,273	8,090
After 5 years	-	-	5,676
Total non-current portion	7,457	4,273	13,766

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

	Group		
	31.03.2019 %	31.03.2018 %	01.04.2017 %
Bank loans	3.14 – 4.77	1.96 – 3.98	2.38 – 3.25
Trust receipts and bill payables	2.25 – 7.00	2.83 – 5.08	2.38 – 4.25

	Company		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Non-current			
Financial instruments with fixed interest rates			
Bond payable (Note 23D)	6,000	-	-
The non-current portion is repayable as follows:			
Due within 2 to 5 years	6,000	-	-

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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;
(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); 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% (2018: 2.25%) per annum over Singapore Inter Bank Offer Rate (SIBOR) prevailing from time to time.

23C. Finance lease payables

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
2018:			
Minimum lease payments payable:			
Due within one year	1,913	(130)	1,783
Due within 2 to 5 years	2,888	(252)	2,636
Total	4,801	(382)	4,419
Net book value of plant and equipment and inventories under finance leases			8,279

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

23. OTHER FINANCIAL LIABILITIES (CONT'D)

23C. Finance lease payables (cont'd)

Group	Minimum payments $'000	Finance charges $'000	Present value $'000
2017:			
Minimum lease payments payable:			
Due within one year	1,668	(111)	1,557
Due within 2 to 5 years	3,462	(277)	3,185
Total	5,130	(388)	4,742
Net book value of plant and equipment and inventories under finance leases			7,267

There are leases for certain of its plant and equipment and inventories under finance leases. The lease terms range from 2 to 5 years. The average effective interest rate is about 3.85% to 5.43% (2018: 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.

23D. Convertible bond

During the reporting year, 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 balance sheet 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 Convertible Bond at the end of the reporting year was not recognised as the difference was not significant.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

24. OTHER LIABILITIES

	Group		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Non-current:			
Deferred income (Note 24A)	-	3,200	6,533
Deferred income – others	-	233	77
Non-current, total	-	3,433	6,610
Current:			
Deferred income (Note 24A)	3,200	3,333	3,333
Deferred income – others	121	750	836
Warranty provision (Note 24B)	410	70	59
Deposits from customers	12,417	13,842	15,467
Current, total	16,148	17,995	19,695
Total	16,148	21,428	26,305

24A. Deferred income

	Group		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
At beginning of the year	6,533	9,866	13,199
Credit to profit or loss included in other income (Note 6)	(3,333)	(3,333)	(3,333)
At end of the year	3,200	6,533	9,866
Presented in the statement of financial position as:			
Current	3,200	3,333	3,333
Non-current	-	3,200	6,533
	3,200	6,533	9,866

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 "**Purchase**r"), 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. 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 is deferred and amortised over the leaseback period of six years or at an annual amount of $3,333,000.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

24. OTHER LIABILITIES (CONT'D)

24B. Warranty provision

	Group		
	31.03.2019 $'000	31.03.2018 $'000	01.04.2017 $'000
Balance at beginning of the year	70	59	53
Provision charged to profit or loss included in cost of sales	420	61	46
Used	(80)	(50)	(40)
Balance at end of the year	410	70	59

25. 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	2018 $'000
Not later than one year	6,120	6,736
Later than one year and not later than five years	6,181	7,771
Rental expense for the year		
- Continuing operations	7,075	6,268
- Discontinued operation	88	186
	7,163	6,454

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.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

26. 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	
	2019 $'000	2018 $'000
Not later than one year	1,358	1,750
Later than one year and not later than five years	589	1,770
Rental income for the year		
- Continuing operations	2,246	2,426

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.

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

27A. 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	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Financial assets:				
Cash and cash equivalents	7,890	4,357	351	16
Loans and receivables	6,110	3,727	7,874	5,196
At end of the year	14,000	8,084	8,225	5,212
Financial liabilities:				
Liabilities in relation to assets held for sale at amortised cost	7,881	8,620	-	-
Financial liability at fair value through profit or loss	6,000	-	-	-
Other financial liabilities at amortised cost	9,864	17,823	6,000	-
Trade and other payables at amortised cost	11,515	8,478	298	108
At end of the year	35,260	34,921	6,298	108

Further quantitative disclosures are included throughout these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27B. 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.

27C. 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.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27D. 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 2019

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27E. 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
2019:			
Non-derivative financial liabilities:			
Trade and other 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
2018:			
Non-derivative financial liabilities:			
Trade and other payables	8,478	-	8,478
Liabilities in relation to assets held for sale	8,620	-	8,620
Gross borrowing commitments	13,801	4,555	18,356
At end of the year	30,899	4,555	35,454

Company	Less than 1 year $'000	2 – 5 years $'000	Total $'000
2019:			
Non-derivative financial liabilities:			
Trade and other payables	298	-	298
Gross borrowing commitments	-	6,725	6,725
At end of the year	298	6,725	7,023
2018:			
Non-derivative financial liabilities:			
Trade and other payables	108	-	108
At end of the year	108	-	108

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.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. Purchases of new automobiles are generally conducted on a cash on delivery basis and for purchase of new demo automobiles, a credit period of 90 days may be granted. The average credit period taken to settle purchases of automobile parts and accessories and other trade payables is about 30 days (2018: 30 days). The other payables are with short-term durations. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

Financial guarantee contracts - For financial guarantee contracts the maximum earliest period in which the guarantee amount can be claimed by the other party is used. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The financial guarantee contracts relates to the corporate guarantees given by the company on the banking facilities of certain subsidiaries (Notes 23 and 28).

Bank facilities:

	Group	
	2019 $'000	**2018 $'000**
Undrawn borrowing facilities	19,369	15,538

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.

27F. 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	
	2019 $'000	**2018 $'000**
Financial liabilities with interest:		
Fixed rates	7,604	4,419
Floating rates	16,141	22,024
Total at end of the year	23,745	26,443
Financial assets with interest:		
Fixed rates	7,890	4,357

The interest rates are disclosed in the respective notes.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27F. Interest rate risk (cont'd)

Sensitivity analysis

For the floating rate financial assets and liabilities, a hypothetical increase of 100 (2018: 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 (2018: 100) basis points in interest rate would have an equal but opposite effect. This analysis assumes all other variables remain constant.

	Group	
	2019 $'000	2018 $'000
Pre-tax loss for the reporting year	(161)	(220)

The hypothetical change in basis point is not based on observable market data (unobservable inputs).

27G. Foreign currency risks

Analysis of amounts denominated in non-functional currencies:

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 and other payables	(1)	(279)	(280)
Total financial liabilities	(1)	(279)	(280)
Net financial assets / (liabilities) at end of the year	2	(262)	(260)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

27. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

27G. Foreign currency risks (cont'd)

Group	GBP $'000	Euro $'000	Total $'000
2018:			
Financial assets:			
Cash and bank balances	13	11	24
Trade and other receivables	-	85	85
Total financial assets	13	96	109
Financial liabilities:			
Trade and other payables	-	(402)	(402)
Total financial liabilities	-	(402)	(402)
Net financial assets / (liabilities) at end of the year	13	(306)	(293)

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis: The effect on post-tax profit is not significant.

28. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	Group	
	2019 $'000	2018 $'000
Banker's guarantee in favour of subsidiaries	30,004	30,679

29. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

Singapore incorporated companies listed on the Singapore Exchange Securities Trading Limited are required to adopt SFRS(I), as issued by the Singapore Accounting Standards Council, for the reporting year ended 31 March 2019 onwards. Accordingly, the group has prepared financial statements that comply with the SFRS(I) applicable for the reporting year ended 31 March 2019. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the reporting year ended 31 March 2019, the comparative information presented in the financial statements for the reporting year ended 31 March 2018 and in the preparation of the opening SFRS(I) statements of financial position as at 1 April 2017 which is the date of transition to SFRS(I), subject to the mandatory exceptions and optional exemptions under SRFS(I) 1 First-time Adoption of SFRS(I).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

29. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS (CONT'D)

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 January 2018.

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.

SFRS (I) No.	Title
SFRS(I) 1-28	Amendments to, Investments in Associates and Joint Venture – Sale or Contribution of Assets
SFRS(I) 1-40	Amendments to, Transfer of Investment Property
SFRS(I) 1	First-time Adoption of Singapore Financial Reporting Standards (International)
SFRS(I) 9	Financial Instruments
SFRS(I) 15	Revenue from Contracts with Customers. Amendments to, Clarifications to SFRS(I) 15 Revenue from Contracts with Customers
SFRS(I) INT 22	Foreign Currency Transactions and Advance Consideration

SFRS(I) 9 Financial Instruments

The standard on financial instruments contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition. It requires all recognised financial assets to be subsequently measured at amortised cost or fair value (through profit or loss or through other comprehensive income), depending on their classification. For financial liabilities, it also has requirements to cases where the fair value option is taken. For the impairment of financial assets, it introduces an "expected credit loss" ("**ECL**") model; recognition of a credit loss should no longer wait for there to be objective evidence of impairment. For hedge accounting, it allows financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risk exposures. Prior reporting periods need not be restated. The entity may restate prior periods if, and only if, it is possible without the use of hindsight. Therefore, the standard has been applied for the reporting year ended 31 March 2019 only.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2019

30. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting year, certain new and revised SFRS(I) applicable to the group were issued by the Singapore Accounting Standards Council as below and these will only be effective for future reporting periods.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 1-28	Amendments: Long-Term Interests In Associates And Joint Ventures	1 Jan 2019
SFRS(I) 16	Leases (and Leases – Illustrative Examples & Amendments to Guidance on Other Standards)	1 Jan 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 Jan 2019
SFRS(I) 1-12	Improvements (2017) – Amendments: Income Taxes	1 Jan 2019
SFRS(I) 1-23	Improvements (2017) – Amendments: Borrowing Costs	1 Jan 2019
SFRS(I) 3	Improvements (2017) – Amendments: Business Combinations	1 Jan 2019
SFRS(I) 11	Improvements (2017) – Amendments: Joint Arrangements	1 Jan 2019
SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Except for SFRS(I) 16 Leases, the group expects that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes on adoption of SFRS(I) 16 is described below.

SFRS(I) 16 Leases

SFRS(I) 16 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, the biggest change introduced is that almost all leases will be brought onto 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 lease. For the lessor, the accounting remains largely unchanged and the distinction between operating and finance leases is retained. SFRS(I) 16 will be adopted in the financial statements when it becomes mandatory, with the following effects: For the entity's non-cancellable operating lease commitments as at 31 March 2019 shown in Note 25, a preliminary assessment indicates that these arrangements will continue to meet the definition of a lease under SFRS(I) 16. As disclosed in Note 25, the group's future minimum lease payments under non-cancellable operating lease for its office amounted to $12,301,000 as at 31 March 2019. These leases are expected to be recognised as lease liabilities, with corresponding right-of-use assets, once SFRS(I) 16 is adopted. The amount will be adjusted for the effects of discounting and transition relief available to the group.

STATISTICS OF SHAREHOLDINGS

As at 24 June 2019

NUMBER OF ISSUED SHARES (EXCLUDING OF TREASURY SHARES)	:	262,308,600
NUMBER / PERCENTAGE OF TREASURY SHARES	:	2,691,400 / 1.02%
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	40	10.99	31,300	0.01
1,001 - 10,000	156	42.86	761,800	0.29
10,001 - 1,000,000	154	42.31	16,388,700	6.25
1,000,001 and above	14	3.84	245,126,800	93.45
Total	**364**	**100.00**	**262,308,600**	**100.00**

TWENTY-THREE LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% Shareholdings
1	CITIBANK NOMINEES SINGAPORE PTE LTD	85,938,900	32.76
2	GOH KIM SAN	66,900,200	25.50
3	GOH KIM HUP	53,815,600	20.52
4	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	12,310,000	4.69
5	RAFFLES NOMINEES (PTE) LIMITED	6,821,000	2.60
6	YAP BOH SIM	4,400,000	1.68
7	ONG SIEW GIM	3,168,900	1.21
8	LEO CHUN KONG	2,498,300	0.95
9	UOB KAY HIAN PTE LTD	2,413,000	0.92
10	KAN CHEE GIN	1,593,400	0.61
11	PENG YANAN	1,527,000	0.58
12	GOH YI SHUN JOSHUA	1,346,800	0.51
13	BEN CHNG BENG BENG	1,200,000	0.46
14	OCBC SECURITIES PRIVATE LTD	1,193,700	0.46
15	VSTL INVESTMENT LTD	948,500	0.36
16	YAP MEE LEE	700,000	0.27
17	FONG CHEE YAN	675,600	0.26
18	TAN KAR ENG JOEL	605,000	0.23
19	WONG QUEE QUEE JEFFREY (HUANG GUIGUI JEFFREY)	525,000	0.20
20	DBS NOMINEES PTE LTD	500,000	0.19
21	NG KIM SWEE	500,000	0.19
22	PETER TEO @ZHANG QINGYING	500,000	0.19
23	YAN KAM MING	500,000	0.19
	Total	**250,580,900**	**95.53**

STATISTICS OF SHAREHOLDINGS

As at 24 June 2019

SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Interest	%	Deemed Interest	%
1	GOH KIM SAN (1)	66,900,200	25.50	52,409,000	19.98
2	GOH KIM HUP (2)	53,815,600	20.52	19,500,000	7.43

Notes:

(1) Mr Goh Kim San is deemed to be interested 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 information available to the Company as at 24 June 2019, approximately 26.57% of the Company's issued ordinary shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Catalist Rule.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of EuroSports Global Limited (the "**Company**") will be held at Empress Ballroom 2, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Monday, 29 July 2019 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 2019 and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr Goh Kim San, 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 Lim Kim Quee, 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 2020, 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 Annual General Meeting.

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 one hundred per cent (100%) of the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) 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 fifty per cent (50%) of the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) 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 (as defined in the Rules of Catalist) and treasury shares of the Company shall be calculated based on the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) 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 Annual General Meeting of the Company or the date by which the next Annual General Meeting 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 Annual General Meeting 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 fifteen per cent (15%) of the total number of shares excluding subsidiary holdings (as defined in the Rules of Catalist) 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 fifteen per cent (15%) of the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury shares of the Company from time to time.
[See Explanatory Note (vi)] **(Resolution 9)**

By Order of the Board

Loh Lee Eng
Joint Company Secretary
Singapore
12 July 2019

Notes:

1. Save as provided in the Constitution, a member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

3. 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.

4. The instrument appointing a proxy or proxies, duly executed must be deposited at the Registered Office of the Company at 24 Leng Kee Road, #01-03, Singapore 159096 not less than 48 hours before the time appointed for holding the Annual General Meeting.

5. 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 attorney duly authorised.

NOTICE OF ANNUAL GENERAL MEETING

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

EXPLANATORY NOTES:

(i) Mr Goh Kim San, upon re-election as a Director of the Company, will remain as an Executive Chairman and the Chief Executive Officer of the Company.

(ii) Mr Lim Kim Quee, upon re-election as a Director of the Company, will remain as the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee of the Company. Mr Lim will be considered independent for the purposes of rule 704(7) of the Rules of Catalist.

(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 one hundred per cent (100%) of the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury shares of the Company, with a sub-limit of fifty per cent (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 (as defined in the Rules of Catalist) and treasury shares of the Company will be calculated based on the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) 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 Annual General Meeting to purchase or otherwise acquire issued ordinary Shares by way of market purchases or off-market purchases of up to ten per cent (10%) of the total number of issued Shares (excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury shares) at the Maximum Price in accordance with the terms and conditions set out in Appendix dated 12 July 2019 to this Notice of Annual General Meeting, the Companies Act and the Rules of Catalist. Please refer to Appendix dated 12 July 2019 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.

NOTICE OF ANNUAL GENERAL MEETING

(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 fifteen per cent (15%) of the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury shares of the Company for the time being.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This Notice of Annual General Meeting ("**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 Eric Wong, Director, Investment Banking, Singapore. The contact particulars are 50 Raffles Place, #09-01, Singapore Land Tower, Singapore 048623, telephone: +65 6337 5115.

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PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:
1. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Scheme**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRA Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

EUROSPORTS GLOBAL LIMITED

(Incorporated in Singapore)
(Registration No. 201230284Z)

I/We, ______________________________ NRIC/Passport/Company Registration No. ____________________

of ____

being a member/members of EuroSports Global Limited (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or failing him/her (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company ("**Meeting**") to be held at Empress Ballroom 2, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Monday, 29 July 2019 at 2.00 p.m. and at any adjournment thereof.

The proxy/proxies shall vote on the Resolutions set out in the notice of Meeting in accordance with my/our directions as indicated with an "x" in the appropriate space below. Where no such direction is given, the proxy/proxies may vote or abstain from voting at his/their discretion, on any matter at the Meeting or at any adjournment thereof.

No.	**Resolutions relating to:**	**For**	**Against**
	ROUTINE BUSINESS		
1	Adoption of the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2019 and the Auditors' Report thereon **(Resolution 1)**		
2	Re-election of Mr Goh Kim San as a Director **(Resolution 2)**		
3	Re-election of Mr Lim Kim Quee as a Director **(Resolution 3)**		
4	Approval of Directors' fees amounting to $120,000 for the financial year ending 31 March 2020, 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)**		

* Please indicate your vote "For" or "Against" with a tick (x) within the box provided.

Dated this ________ day of ______________ 2019

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. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint up to two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

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 not less than 48 hours before the time set for holding the meeting.

4. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).

6. Subject to Note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

7. 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.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50 and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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 12 July 2019.

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