

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

VARIANCES BETWEEN THE UNAUDITED FULL YEAR FINANCIAL RESULTS ANNOUNCEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The Board of Directors (“**Board**”) of Eurosports Global Limited (the “**Company**”), and together with its subsidiaries, the “**Group**”) refers to the announcement made on 25 May 2021 in relation to the Company’s unaudited full year financial statements and related announcement for the financial year ended 31 March 2021 (“**FY2021**”) and announcements made on 30 May 2021 and 16 June 2021 in relation to the update on the disposal of shares in AutoInc EuroSports Pte. Ltd. (“**Previous Announcements**”).

Further to the Previous Announcements, pursuant to Rule 704(5) of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalist (“**Catalist Rules**”), the Company wishes to announce that certain items were adjusted and reclassified in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Statements of Financial Position and Consolidated Statement of Cash Flows for FY2021.

Details and clarification of the variances are summarised below.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group			
	Year Ended 31 March			
	2021	2021		
	Audited	Unaudited	Variance	Note 1
	S\$’000	S\$’000	S\$’000	
Revenue	49,123	49,710	(587)	a
Cost of sales	(40,483)	(41,070)	587	a
Gross profit	8,640	8,640	-	
Other income	2,774	2,774	-	
Interest income	47	47	-	
Other gains	352	288	64	b(i)
Marketing and distribution expenses	(1,606)	(1,606)	-	
Administrative expenses	(11,661)	(11,661)	-	
Other losses	(1,524)	(1,157)	(367)	b(i),b(ii)
Finance costs	(632)	(632)	-	
Loss before tax	(3,610)	(3,307)	(303)	a,b
Income tax (expense) / income	(117)	(117)	-	
Loss for the year, net of tax	(3,727)	(3,424)	(303)	a,b
Other comprehensive loss:				
Item that will not be reclassified to profit or loss:				
Fair value changes attributable to changes in the credit risk of convertible bond	(21)	(21)	-	
Total comprehensive loss for the year, net of tax	(3,748)	(3,445)	(303)	a,b

STATEMENTS OF FINANCIAL POSITIONS

	Group		Variance	Note 2
	As at			
	31-Mar-21	31-Mar-21	S\$'000	
	Audited	Unaudited	S\$'000	
	S\$'000	S\$'000	S\$'000	
ASSETS				
<u>Non-current assets</u>				
Plant and equipment	3,526	3,526	-	
Right-of-use assets	3,498	3,498	-	
Intangible assets	3,089	3,089	-	
Investment in subsidiaries	-	-	-	
Trade and other receivables	-	454	(454)	a
Total non-current assets	10,113	10,567	(454)	a
<u>Current assets</u>				
Inventories	13,317	13,317	-	
Trade and other receivables	918	759	159	b
Other non-financial assets	1,039	1,039	-	
Cash and cash equivalents	16,608	16,608	-	
Total current assets	31,882	31,723	159	b
Total assets	41,995	42,290	(295)	a,b
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share capital	17,624	17,624	-	
Other reserves	206	229	(23)	d
Accumulated losses	(2,602)	(2,357)	(245)	e
Equity attributable to owners of the parent	15,228	15,496	(268)	d,e
Non-controlling interests	2,397	2,432	(35)	f
Total equity	17,625	17,928	(303)	d,e,f
<u>Non-current liabilities</u>				
Other financial liabilities	5,000	-	5,000	c
Lease liabilities	1,951	1,951	-	
Total non-current liabilities	6,951	1,951	5,000	c
<u>Current liabilities</u>				
Trade payables	3,648	3,640	8	b(ii)
Other financial liabilities	3,744	8,744	(5,000)	c
Lease liabilities	2,768	2,768	-	
Other non-financial liabilities	7,205	7,205	-	
Income tax payables	54	54	-	
Total current liabilities	17,419	22,411	(4,992)	b(ii),c
Total liabilities	24,370	24,362	8	b(ii),c
Total equity and liabilities	41,995	42,290	(295)	b(ii),c,d,e,f

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group			Note 3
	Year Ended 31 March		Variance	
	2021	2021		
	Audited	Unaudited	S\$'000	
	S\$'000	S\$'000	S\$'000	
<u>Cash flows from operating activities</u>				
Loss before tax	(3,610)	(3,307)	(303)	a
Adjustments for:				
Depreciation of plant and equipment	1,191	1,191	-	
Depreciation right-of-use asset	2,099	2,099	-	
Performance share expense	106	106	-	
Loss on disposal of plant and equipment	90	90	-	
Fair value loss on convertible bond	968	968	-	
Provision of warranty expenses	276	-	276	b(i)
Reversal of prior year impairment loss on deposit	(50)	-	(50)	b(ii)
Reversal of prior year impairment loss on assets held for sale	(135)	-	(135)	b(iii)
Interest income	(47)	(47)	-	
Interest expense on financial liabilities	490	490	-	
Interest expense on lease liabilities	142	142	-	
Other gain	19	19	-	
Operating cash flows before changes in working capital	1,539	1,751	(212)	a,b
Inventories	5,552	5,552	-	
Trade and other receivables	1,344	1,049	295	c
Other non-financial assets	1,620	1,570	50	b(ii)
Other non-financial liabilities	(1,211)	(935)	(276)	b(i)
Trade payables	(2,611)	(2,754)	143	d
Net cash flows from operations	6,233	6,233	-	
Income tax expense	(88)	(88)	-	
Net cash flows from operating activities	6,145	6,145	-	
<u>Cash flows used in investing activities</u>				
Additions to intangible assets	(854)	(854)	-	
Purchase of plant and equipment	(956)	(956)	-	
Disposal of plant and equipment	1,511	1,511	-	
Interest received	47	47	-	
Acquisition of non-controlling interest of a subsidiary without a change in control	-	(35)	35	e
Net cash flows used in investing activities	(252)	(287)	-	
<u>Cash flows from financing activities</u>				
Acquisition of non-controlling interest of a subsidiary without a change in control	(35)	-	(35)	e
Decrease of other financial liabilities	(376)	(376)	-	
Security deposits for bank facilities	2,480	2,480	-	
Proceeds from issue of share capital to non-controlling interests in a subsidiary	6,725	6,725	-	
Purchase of treasury shares	(875)	(875)	-	
Sale of treasury shares	698	698	-	
Payment of lease liabilities	(3,939)	(3,939)	-	
Interest paid	(374)	(374)	-	
Net cash flows from financing activities	4,304	4,339	-	
Net increase in cash and cash equivalents	10,197	10,197	-	
Cash and cash equivalents, statement of cash flows, beginning balance	1,966	1,966	-	
Cash and cash equivalents, statement of cash flows, ending balance	12,163	12,163	-	

NOTE: EXPLANATION ON VARIANCES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Note 1a Revenue and cost of sales were adjusted by S\$587k. The group had previously disclosed the revenue based on gross amount of consideration for subcontract services. The related revenue and cost of sales are adjusted to be presented as net amount.

Note 1b Loss before tax adjusted by S\$303k, due to:

- (i) Reclassification of S\$64k debit balance in other gains to other losses; and
- (ii) On 30 May 2021, the Company announced that the Company and EuroSports Auto had on 28 May 2021 signed an addendum to the SPA with Purchaser to revise the Purchase Consideration from S\$1,412k to S\$1,050k. The changes to the Purchase Consideration arising from the addendum to the SPA was an adjusting event that resulted in net impact of S\$303k in Other Losses. The Group has recognised S\$362k of negotiated discount in exchange for an accelerated payment and offset by reversal of discounted interest of S\$59k that was recognised in prior year. For further details, please refer to the Company's announcement made on 30 May 2021 and 16 June 2021.

STATEMENTS OF FINANCIAL POSITIONS

Note 2a Further to Note 1b(ii), receivables from Purchaser had reduced by S\$303k and S\$151k which were reclassified to trade and other receivables, current.

Note 2b (i) Please refer to Note 2a; and
(ii) Reclassification of S\$8k debit balance in trade payables to trade and other receivable.

Note 2c Reclassification of S\$5 million of other financial liabilities from current liabilities to non-current liabilities, which is related to temporary bridging loan under Enterprise Financing Scheme.

Note 2d Adjustment of S\$23k on performance share expenses from equity attributable to owners of the parent to non-controlling interest.

Note 2e (i) Please refer to Note 1b. The changes in Note 1b were partially offset by
(ii) Adjustment of S\$58k on disposal of interest in subsidiary without a change in control from non-controlling interest to equity attributable to owners of the parent.

Note 2f Please refer to Note 2d and Note 2e(ii).

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from operating activities

Note 3a Please refer to Note 1b.

Note 3b Note 3b(i), 3b(ii) and 3b(iii), this is to disclose non-cash expense items.

Note 3c Please refer to Note 2a offset by Note 2b(ii).

Note 3d Please refer to Note 2b(ii) and Note 3b(iii).

Cash flows used in investing activities

Cash flows from financing activities

Note 3e Reclassification of the disclosure of "Acquisition of non-controlling interest of a subsidiary without a change in control" as financing activities.

By Order of the Board

EuroSports Global Limited
Goh Kim San
Executive Chairman and Chief Executive Officer
6 July 2021

*This announcement has been prepared by the Company and its content have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

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

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