

ANNUAL REPORT 2022

ULTIMATE SHIFT





LAMBORGHINI, AVENTADOR ULTIMAE

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Report 2022

Corporate
Information

EUROSPORTS
GLOBAL



CORPORATE PROFILE

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

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

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

Our subsidiary EuroSports Technologies Pte. Ltd., is currently developing a next-generation motorcycle that is fully electric.

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

CORPORATE VALUES

EUROSPORTS
GLOBAL

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

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

MAIN CORPORATE STRUCTURE



» EuroSports Auto Pte Ltd

Trading and distribution of automobiles and automobile related parts and accessories

» EuroAutomobile Pte. Ltd.

Trading and distribution of automobiles and automobile related parts and accessories

» EuroSports Technologies Pte. Ltd.

Developing a next-generation motorcycle that is fully electric

» Prosper Auto Pte. Ltd.

Trading and distribution of automobiles and automobile related parts and accessories

100%

100%

75.93%

51%

This document has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

This document has not been examined or approved by the SGX-ST and 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 Mah How Soon, Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com



CORPORATE MILESTONES

1998

EuroSports Auto Pte Ltd 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 Pte. Ltd.) for the purpose of securing the Alfa Romeo distributorship

2003

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

2014

Successfully launched IPO on 17 January 2014

Successfully completed the Sales and Leaseback Arrangement regarding our premises at 30 Teban Gardens Crescent on 17 March 2014

Acquired a 60% stake in a new subsidiary specialising in the trading of pre-owned sports and luxury automobiles in August 2014 and renamed it AutoInc EuroSports Pte. Ltd.

Set up boutique to retail deLaCour watches at Wisma Atria and launched Lamborghini Huracán model

2015

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

2016

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

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., is developing a next-generation motorcycle that is fully electric

Incorporated Prosper Auto Pte. Ltd. for the purpose of distribution of automobiles and related products overseas

Purchase of "Exquisite Marques Holding Pte. Ltd.", a one-stop shop automobile service and enhancement centre for premium and other luxury car brands

Launched 2 new Lamborghini models - Huracan Performante & Aventador S

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



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)

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

2008

Awarded "Best Sales Performance 2008" by the Lamborghini manufacturer

2011

Marked the 10th anniversary of Lamborghini dealership

2007

Celebrated the delivery of the 100th Lamborghini in Singapore

2019

Disposal of shares in Ultimate Drive EuroSports Pte. Ltd. to fully focus on the core business

EuroSports Technologies Pte. Ltd. received funding to develop next-generation fully electric motorcycles

2020

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

2021

Lamborghini launched the new Huracan EVO RWD virtually for the very first time in EuroSports Auto Pte Ltd's history

EuroSports Technologies Pte. Ltd., raised US\$6.3 million for its Electric Motorcycle Brand

EuroSports Technologies Pte. Ltd. and Strides Transportation Pte. Ltd. entered into a MOU to develop and distribute Smart Electric Motorcycles in Singapore and the Asia Pacific Region

2022

Lamborghini launched the Huracan STO, a racing-inspired, road legal sports car and Aventador Ultimae, the latest and most powerful variant of the Aventador model range

Scorpio Electric launched pre-orders of the X1, the First Singapore Electric Motorcycle



JOINT LETTER TO OUR SHAREHOLDERS



ANDY GOH

Executive Director
and Deputy CEO

MELVIN GOH

Executive Chairman
and CEO

DEAR SHAREHOLDERS,

It has been a difficult two years because of the COVID-19 pandemic but we are glad to bring this message to you in much happier times as the situation continues to improve with countries gradually opening their borders and more restrictions on business and lifestyle activities are lifted.

Like everyone else, we look forward to moving past the pandemic and for pre-COVID-19 normalcy to be restored. Although the financial year ended 31 March 2022 ("FY2022") was a challenging year for the Group, it was an improvement over the previous financial year ended 31 March 2021 ("FY2021"), which had included the Circuit Breaker from 7 April 2020 to 1 June 2020. Our topline performance reflected the more positive operating environment with overall revenue coming in at \$54.36 million in FY2022 as compared to \$49.12 million in FY2021.

During the year under review, sales of Lamborghini remained our main revenue generator, contributing more than 75.0%

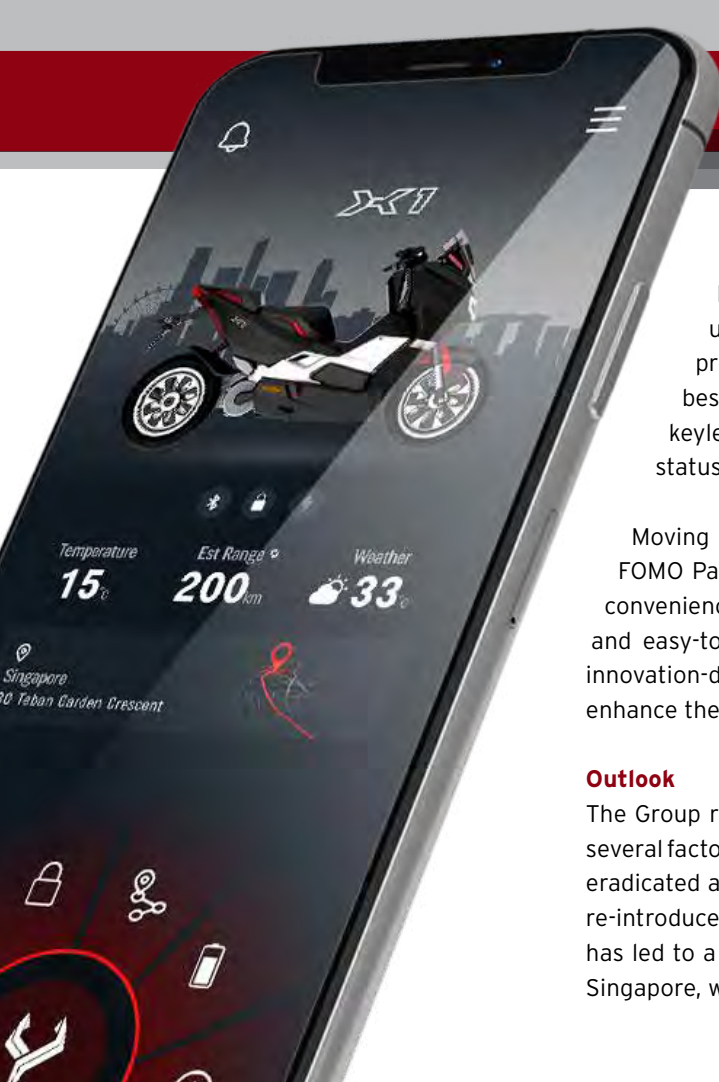
of the Group's revenue.

Key Developments in FY2022

FY2022 was a very exciting year for EuroSports. We made great strides towards fulfilling our aspirations to offer sustainable mobility solutions to motorists both in Singapore and in the region, while continuing to work on building our customer base and sales for our core Lamborghini, Alfa Romeo and Fiat brands.

In April 2021, our subsidiary EuroSports Technologies Pte. Ltd. ("EST") had inked a Memorandum of Understanding ("MOU") with Strides Transportation Pte. Ltd. ("Strides"), a wholly-owned subsidiary of SMRT Road Holdings Ltd to jointly develop, market and supply smart electric motorcycles to both commercial and corporate customers both locally as well as regionally.





In October 2021, EST launched Singapore's first electric motorcycle under its Scorpio Electric brand. Named Scorpio Electric X1 ("X1"), the premium electric motorcycle is limited in annual production and possesses best-in-category performance and smart connectivity features such as keyless entry, remote bike lock, smart navigation and real-time vehicle status among other highlights.

Moving ahead to the current financial year, EuroSports is in partnership with FOMO Pay, started accepting payments in cryptocurrency in April 2022 for the convenience of our customers and to address the increasing demand for flexible and easy-to-use payment platforms for cryptocurrencies. As a company that is innovation-driven, we believe that embracing the latest payment platforms will enhance the interaction and experience of our customers.

Outlook

The Group remains cautious about the outlook for the next 12 months because of several factors in the macro environment. The COVID-19 virus has not been completely eradicated and should there be further flare-ups, it could lead to restrictions being re-introduced. Since the start of 2022, the lockdowns in various cities in China has led to a decline in the number of high net-worth Chinese nationals residing in Singapore, which has impacted the demand for ultra-luxury automobiles.



“Alfa Romeo Singapore is expected to roll out its new sub-compact luxury crossover SUV (C-segment), Alfa Romeo Tonale, by the end of 2022 or early 2023. This model is expected to compete with the likes of Audi Q3, BMW X1, Mercedes GLA250. We intend to bring in the 1.5L mild hybrid, which will be the first variant to be marketed. This will be followed by the 1.3L plug-in hybrid, which will be launched further down the road. In addition, we expect to launch upgraded versions of the Alfa Romeo Giulia and Alfa Romeo Stelvio in 2023.”

Meanwhile, the automobile manufacturing industry worldwide continues to grapple with the global shortage of semiconductor chips, which has caused delays in production and delivery to customers, including for the brands we carry. We are also mindful of the geopolitical tensions in Eastern Europe and rising global inflation, which has driven up the cost of operations for our business.

In February 2022, the Singapore government increased the Additional Registration Fee (“ARF”) Tier for luxury automobiles to 220% from 180% previously. This has impacted the pricing for luxury automobiles and may potentially affect demand for Lamborghinis.

In view of these challenges, we will continue to maintain financial prudence by keeping a tight lid on our costs and expenses.

Over the years, our Group has put in place measures to increase our resilience and to cushion our business against short-term demand shocks. These included diversification into other automobile brands as well as into sustainable mobility offerings to capitalise on the current interest for such solutions. EST has also been incubating a new business venture and is expected to unveil a new and separate sustainable mobility brand, focused on serving business-to-business customers, which we will announce in due course.


Separately, we are preparing for some new launches, which may generate new purchases from customers.

Alfa Romeo Singapore is expected to roll out its new sub-compact luxury crossover SUV (C-segment), Alfa Romeo Tonale, by the end of 2022 or early 2023. This model is expected to compete with the likes of Audi Q3, BMW X1, Mercedes GLA250. We intend to bring in the 1.5L mild hybrid, which will be the first variant to be marketed. This will be followed by the 1.3L plug-in hybrid, which will be launched further down the road. In addition, we expect to launch upgraded versions of the Alfa Romeo Giulia and Alfa Romeo Stelvio in 2023.





SCORPIO ELECTRIC, X1



“ We strongly believe that green mobility is the way forward and that we can play a part as an industry player to contribute to the push towards cleaner energy vehicles. This belief had driven our Group to go beyond the distribution of luxury marques to establish EST as a subsidiary to focus specifically on fulfilling these green ambitions.

Meanwhile, Lamborghini has announced its roadmap for electrification with the first hybrid model expected to be launched in 2023 and the entire range to be electrified by the end of 2024. We are very much looking forward to this upcoming launch as it will be an appealing offering to customers who are keen on the EV route.

On 26 April 2022, the Singapore government removed most of the COVID-19 rules that had been imposed since the start of the outbreak. These include limits on group sizes as well as the requirement for contact tracing and safe-check-ins.

We are very excited about this as it means that we can soon resume the customer events that we used to hold regularly, albeit with masks on. Such events give rise to opportunities for both existing and potential customers to try out new models in a social environment and create excitement for the brands and models we carry. It enhances the customer experience as it opens the door for them to befriend and be part of a larger community of enthusiasts. This in turn helps us to develop long term customer relationships, which then drives sales for our Group. With the new models that we are expecting to launch in the coming months, we are optimistic that the resumption of such activities will have a positive impact on sales.

Driving sustainability

We strongly believe that green mobility is the way forward and that we can play a part as an industry player to contribute to the push towards cleaner energy vehicles. This belief had driven our Group to go beyond the distribution of luxury marques to establish EST as a subsidiary to focus specifically on fulfilling these green ambitions.

As an early mover in this space, our Group had developed and launched the X1, which was a significant milestone in our sustainability mission to promote low carbon mobility. It was also our greatest achievement in our sustainability journey in FY2022. We



FIAT, 500

will continue to invest in research and development to enhance our capacity and ability in this area with the objective of offering more mobility solutions to the market.

In tandem with our brand principals' plans to introduce clean fuel cars, we intend to upgrade our service centres and also upskill our staff in preparation to support their launch of new energy models and to further cement our own commitment to promote green mobility. At the same time, we continue to make efforts to address significant environmental, social and governance ("**ESG**") issues in our own operations. This report provides details of our sustainability performance.

Appreciation

In closing, we would like to thank our Principals, in particular Automobili Lamborghini S.p.A. and Stellantis N.V. for their strong support in both good times and bad, which has enabled us to stay focused on driving automobile sales and on offering the best customer experience without compromise.

We would like to express our appreciation to our fellow directors on the Board for their guidance and for their collective experience, which had steered the Group through some of the most challenging times in our corporate history due to COVID-19.

We want to acknowledge our hardworking staff for their dedication to their responsibilities and also for their understanding and flexibility in embracing new arrangements that we had to implement in accordance with prevailing COVID-19 measures in FY2022 in order to keep both our workforce and our customers safe.

Finally, we want to thank all shareholders for your unwavering trust and confidence in the Group and our customers, many of whom have become friends over the years.

We remain committed to our vision to be a luxury lifestyle company that offers bespoke products and services to discerning customers.

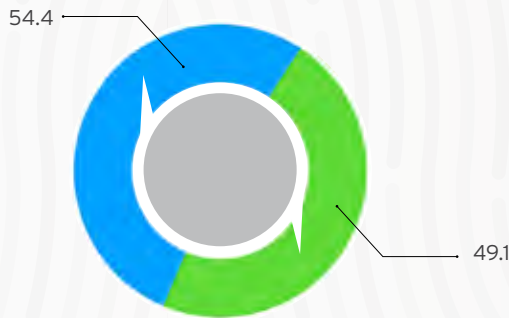


FINANCIAL HIGHLIGHTS

● FY2022 ● FY2021

REVENUE \$ Million

FY2022	54.4
FY2021	49.1



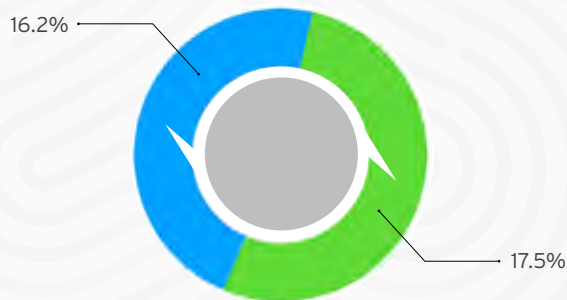
GROSS PROFIT \$ Million

FY2022	8.8
FY2021	8.6



GROSS PROFIT MARGIN % Percent

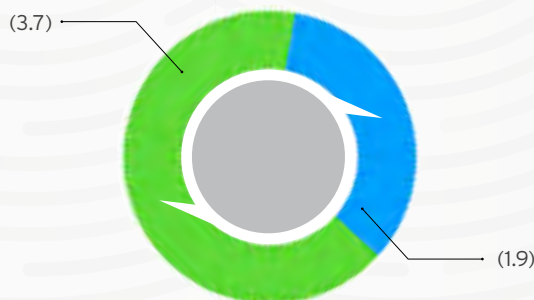
FY2022	16.2%
FY2021	17.5%



LOSS FOR THE YEAR, NET OF TAX

\$ Million

FY2022	(1.9)
FY2021	(3.7)





OPERATING & FINANCIAL REVIEW



LAMBORGHINI, HURACAN STO

Revenue

In overall, revenue of the Group increased by \$5.24 million or 10.7%, from \$49.12 million in financial year ended 31 March 2021 ("FY2021") to \$54.36 million in financial year ended 31 March 2022 ("FY2022"). Automobiles Distribution segment remains the major contributor to the Group's total revenue in FY2022.

The revenue from Automobiles Distribution segment has improved by \$5.18 million or 10.5%, from \$49.11 million in FY2021 to \$54.29 million in FY2022. This movement is mainly due to higher sales in new Lamborghini that increase by \$6.22 million in FY2022, which made up \$41.95 million or 77.2% (FY2021: \$35.73 million or 72.7%) of the Group's total revenue, offset by drop in sales of Alfa Romeo by \$0.31 million from \$7.21 million in FY2021 to \$6.90 million in FY2022.

Cost of Sales

Cost of sales of the Group increased by \$5.06 million or 12.5%, from \$40.48 million in FY2021 to \$45.54 million in FY2022. This is in tandem with the increase in revenue.

Gross Profit and Gross Profit Margin

Gross profit of the Group increased by \$0.18 million or 2.1%, from \$8.64 million in FY2021 to \$8.82 million in FY2022. However, gross profit margin of the Group decreased by 1.3 percentage point, from 17.5% in FY2021 to 16.2% in FY2022.

Increase in gross profit mainly due to improvement in Other segment, where the gross loss has reduced by \$1.26 million or 88.7%, from gross loss of \$1.42 million in FY2021 to \$0.16 million in FY2022, offset by decrease in gross profit of Automobiles Distribution segment by \$1.08 million or 10.7%, from \$10.06 million in FY2021 to \$8.98 million in FY2022. On the other hand, decrease in gross profit margin mainly due to gross profit margin of Automobiles Distribution segment decreased by 4.0 percentage point, from 20.5% in FY2021 to 16.5% in FY2022. The lower gross profit margin was mainly due to lower sales price in some new car sales.

Other Income

Other income of the Group increased by \$0.41 million or 14.8%, from \$2.77 million in FY2021 to S\$3.18 million in FY2022. The increase in other income mainly due to increase in commission income by \$0.16 million and increase in incentives from manufacturers by \$1.27 million, offset by decrease in government grant by \$0.67 million, reduce in rental income derived from car leasing by \$0.32 million and rental relief by \$0.38 million.

Other Gains / (Other Losses), Net

Other gains, net of \$0.55 million is mainly due to adjustment on fair value gain on Convertible Bond of \$0.48 million and reversal of impairment on trade receivables of \$0.22 million, offset by loss on disposal of plant and equipment of \$0.08 million and foreign exchange adjustment loss of \$0.09 million.

Marketing and Distribution Expenses

Marketing and distribution expenses of the Group increased by \$0.49 million or 30.4%, from S\$1.61 million in FY2021 to S\$2.10 million in FY2022, mainly due to increase in entertainment of \$0.20 million, following the easing of COVID-19 restrictions which allows the management to meet up with customers in person. Besides, employee benefits expense increased by \$0.21 million, mainly due to increase in sales commissions and referral fee which is in tandem with increase in revenue.

“ The revenue from Automobiles Distribution segment has improved by \$5.18 million or 10.5%, from \$49.11 million in FY2021 to \$54.29 million in FY2022. This movement is mainly due to higher sales in new Lamborghini that increase by \$6.22 million in FY2022,...



Administrative Expenses

Administrative expenses of the Group increased by \$0.39 million or 3.3%, from \$11.66 million in FY2021 to \$12.05 million in FY2022, mainly due to increase in consultancy expenses by \$0.15 million, distributor support fee by \$0.25 million and employee benefits expenses by \$0.37 million, offset by decrease in rental expense of premises by \$0.29 million.

Finance Costs

Finance costs of the Group decreased by \$0.29 million or 46.0%, from \$0.63 million in FY2021 to \$0.34 million in FY2022, mainly due to decrease in interest expense of convertible bond by \$0.18 million as convertible bond fully redeemed on 9 September 2021. In addition, interest expense of right-of-use assets has reduced by \$0.07 million.

Review of Group's Financial Position

Non-Current Assets

Non-current assets of the Group decreased by \$0.64 million, from \$10.11 million as at 31 March 2021 to \$9.47 million as at 31 March 2022, mainly due to decrease in net book value of plant and equipment by \$0.52 million, right-of-use assets depreciated by \$2.10 million, offset by increase in intangible assets by \$1.88 million, which relates to development cost of electric motorcycles.





“ Current assets of the Group increased by \$5.33 million, from \$31.88 million as at 31 March 2021 to \$37.21 million as at 31 March 2022. This was mainly due to increase in other non-financial assets by \$8.33 million for deposit paid to factory for order of new automobiles,...



Current Assets

Current assets of the Group increased by \$5.33 million, from \$31.88 million as at 31 March 2021 to \$37.21 million as at 31 March 2022. This was mainly due to increase in other non-financial assets by S\$8.33 million for deposit paid to manufacturer for order of new automobiles, offset by inventories level that was lowered by \$2.09 million and decrease in cash and cash equivalents by \$1.32 million.

Equity

Equity comprises share capital, other reserves, accumulated losses and non-controlling interests. The increase in equity of \$1.75 million was due to net capital contribution by a non-controlling interest of \$3.94 million (gross proceeds of \$4.10 million offset with transaction cost of \$0.16 million), offset by loss, net of tax for the year of \$1.93 million and purchase of treasury shares of S\$0.39 million.

&

Non-Current Liabilities

Non-current liabilities of the Group decreased by \$4.13 million, from \$6.95 million as at 31 March 2021 to \$2.82 million as at 31 March 2022, mainly due to reclassification of term loan of \$1.23 million and lease liabilities from non-current liabilities to current liabilities.



ALFA ROMEO, GIULIA QUADRIFOGLIO AND STELVIO QUADRIFOGLIO

Current Liabilities

Current liabilities of the Group increased by \$7.07 million, from \$17.42 million as at 31 March 2021 to \$24.49 million as at 31 March 2022, mainly due to:

- (a) increase in other non-financial liabilities by \$9.22 million, mainly attributable to deposit from customers for sale of new automobiles, offset by
- (b) de-recognise convertible bond of \$3.48 million upon full redemption of convertible bond with principal amount of \$3.00 million on 9 September 2021.

Review of Group's Cash Flows

Net cash flows from operating activities amounted to \$3.86 million in FY2022. This was mainly due to positive operating

cash flows before changes in working capital of \$1.22 million and net working capital inflow of \$2.69 million, offset by income tax expense of \$0.05 million.

Net cash flows used in investing activities amounted to \$2.44 million in FY2022. This was mainly due to addition to intangible assets of \$1.88 million and purchase of plant and equipment of \$1.14 million, offset by cash from disposal of plant and equipment of \$0.57 million.

Net cash flows used in financing activities amounted to \$2.74 million in FY2022. This was mainly due to payment of lease liabilities of \$3.11 million and repayment convertible bond of \$3.00 million, offset by proceeds from issue of share capital to a non-controlling interest in a subsidiary of \$4.10 million.

BOARD OF DIRECTORS



MELVIN GOH

Executive Chairman & CEO

Mr Melvin Goh is one of the co-founders of the Group. He was appointed to the Board as Executive Chairman on 12 December 2012 in addition to his role as CEO. 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 Pte Ltd, 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 37 years of automobile industry experience and knowledge.

ANDY GOH

Executive Director & Deputy CEO

Mr Andy Goh is the other co-founder of the Group. He was appointed to the Board as Executive Director on 12 December 2012 in addition to his role as Deputy CEO. He assists the CEO in all matters relating to general management and administration. Prior to the establishment of the Group's wholly-owned subsidiary, EuroSports Auto Pte Ltd, 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 36 years of industry experience and knowledge of the automobile industry.



NG TIAK SOON

Lead Independent Director

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

CALVIN TAN SIOK SING

Independent Director

Mr Calvin Tan Siok Sing was appointed as the Group's Independent Director on 29 November 2013. He has more than 18 years of experience in the financial industry; he held the position of Executive Director in 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 the Managing Director of Ironman Minerals & Ores Pte Ltd, an energy resources and minerals trading company.

FOO SAY TUN

Independent Director

Mr Foo Say Tun was appointed as the Group's Independent Director on 8 September 2020. He has more than 20 years of experience in the civil litigation, arbitration and corporate law industry. He is an advocate & solicitor of High Court of Malaya and Supreme Court of Singapore. He retired from legal practice in 2013. He obtained Bachelor degree of Laws (Hons) from the University of East Anglia, England in 1990. He was admitted to the Middle Temple, England as a barrister-at-law in 1991 and as an Advocate & Solicitor of the Supreme Court of Singapore in 1995. He is currently an Independent Director of a SGX-ST listed company namely Moneymax Financial Services Limited.

EUROSPORTS EXECUTIVE TEAM

ROY NG WOON PIEOW

Director, Sales & Customer Service

Roy Ng Woon Pieow joined the Group in July 2016 as Director, Sales & Customer Service. Having worked in the motoring industry for over 17 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 the Group in February 2018 as Director, Marketing & Communications. A native of Germany, with over 15 years' experience leading strategy & growth, sales management, marketing communications, and project management to deliver high-growth revenue results and best-in-class customer experience for luxury brands across Asia Pacific & Europe. He has worked at premium automobile brands including BMW, Porsche and now Lamborghini in various capacities at both 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 followed by Hannover where he headed the new vehicle sales department for BMW and MINI for 3 years until 2015.

YANG EE

Group Financial Controller

Yang Ee joined the Group in September 2015 as Group Financial Controller. He has over 26 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.

EUROSPORTS TECHNOLOGIES PTE. LTD.

EXECUTIVE TEAM

GOH YI SHUN, JOSHUA

Deputy CEO

Joshua Goh is the Deputy CEO of EuroSports Technologies Pte. Ltd. ("EST") since September 2021. He assists the CEO in all matters relating to the overall management, strategy planning and general administration of the EST's business. Since Joshua joined the Group in 2017, he has undertaken a variety of roles from strategic planning, business development and general operations. Having been with EST since 2020 as an executive of the CEO office, Joshua is a leader with a variety of industry experience in automotive, capital markets, corporate finance and restructuring.

JULIAN LEGAZPI

Chief Commercial Officer

Julian Legazpi joined EST in January 2020 as Chief Commercial Officer. Prior to joining the Group, Julian spent nearly a decade at KTM AG, Europe's largest motorcycle brand. He started his career at KTM opening up new markets in Latin America, Middle East, Africa, and the Asia Pacific region. He served as the Managing Director for KTM Asia, helped grow its assembly operations in Malaysia and China, and eventually led and served as Director for KTM's Asia manufacturing hub in the Philippines. Julian is a Canadian citizen who has completed his Master's degree from the Gustavson School of Business at the University of Victoria, Canada, along with a Bachelor of Business Administration from the Beedie School of Business at Simon Fraser University, Canada.

MUHAMMAD TAUREZA

Head of Engineering and Acting Chief Operating Officer

Dr. Muhammad Taureza joined EST in October 2020. Prior to joining the Group, he was consulting for Scorpio Electric project in his capacity as Senior Research Engineer with Singapore Institute of Manufacturing Technologies ("SIMTech"), an institute within the Agency for Science, Technology & Research ("A*STAR"), a technology powerhouse and incubator under the Ministry of Trade and Industry. He had been an engineering consultant for many industries including Aerospace (SIA Engineering Company, Fidel Engineering, Windsor Airmotive Asia (subsidiary of Barnes Aerospace) and Consumer and Industrial Electronics (Molex, Laird Technologies) in his A*STAR career since 2014. Before that, Dr. Taureza held a researcher position at Nanyang Technological University specializing in Design for Manufacturing, Metal and Polymer Material Selection and Processing, Stamping and Forging Tooling, and Finite Element Simulation.



SUSTAINABILITY REPORT 2022

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ABOUT THIS REPORT

This is the fifth sustainability report from EuroSports Global Limited ("**EuroSports**" or the "**Company**") and its subsidiaries (collectively, the "**Group**"). The report provides an account of the Group's Environmental, Social and Governance ("**ESG**") performance on material topics.

Reporting Period and Scope

The report covers the sustainability performance of our operations in Singapore, where the Group's customers and business activities are mainly located, for the financial year ending 31 March 2022.

Reporting Framework

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

Reporting Process

We have applied the GRI Standards (GRI 101: Foundation 2016 and GRI 102: General Disclosures 2016) to identify the Group's material ESG impacts. We then selected the relevant disclosures from the topic-specific GRI Standards for reporting based on the identified material topics. We also report on the ESG actions taken by EuroSports that contribute towards specific UN Sustainable Development Goals ("**SDGs**"), further confirming our commitment to sustainable development.

Report Content

We have continued to apply GRI's principles of stakeholder inclusiveness, sustainability context, materiality and completeness to develop the report content. We have used the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness to ensure report quality. Data presented in the report has been extracted from internal information systems and records to ensure consistency, comparability, accuracy and reliability.

Restatements

There are no restatements in this report.

External Assurance

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

Availability

This report is published as a part of our Annual Report, and is available for download in PDF format on our website at www.eurosportsglobal.com.

Feedback

We welcome stakeholders' questions and feedback on this report. Email your comments or questions to: sustainability@eurosportsglobal.com.

ESG PERFORMANCE SUMMARY

ESG FACTORS	FY2022	FY2021	FY2020
ENVIRONMENTAL			
Total electricity consumption (kWh)	769,166	852,275	946,979
Total energy consumption (GJ) ¹	3,797	4,091	4,828
Energy intensity (GJ/\$m revenue) ³	69	83	60
CO ₂ emissions (tCO ₂) ²	383	417	492
Emission intensity (tCO ₂ /\$m revenue) ³	7.0	8.5	6.1
Office paper user (Number of sheets) ⁴	152,494	N/A	N/A
SOCIAL			
Employees			
Total number of full-time employees	76	81	72
Female employees	28%	31%	29%
New hires	20	6	30
Employee turnover	37%	27%	31%
Number of workplace fatalities	0	0	0
Number of high-consequence work-related injuries	0	0	0
Number of recordable workplace injuries	0	0	0
GOVERNANCE			
Confirmed incidents of corruption	0	0	0
Incidents of non-compliance with Personal Data Protection Act ("PDPA")	0	0	0
Incidents of non-compliance with environmental regulations	0	0	0
Incidents of non-compliance with socio-economic laws	0	0	0
Notes			
1. Energy data covers purchased electricity, petrol and diesel consumption.			
2. Includes Scope-1 and Scope-2 carbon dioxide ("CO ₂ ") emissions. The CO ₂ emissions are attributed to electricity, petrol and diesel consumption.			
3. Energy intensity and emission intensity are higher in FY2021 due to lower revenue.			
4. We started monitoring paper usage from FY2022.			

OUR APPROACH TO SUSTAINABILITY

As an ultra-luxury car dealership business, our key priority is building and nurturing long-term trusted relationships with our customers and brand partners. Our organisational values place our customers at the centre of everything we do. As such, we have built a strong culture and reputation for providing the best-in-class pre-sales and after-sales service – ensuring every customer interaction is of the highest quality and exceeds customer expectations.

We also focus on creating long-term value for our shareholders and stakeholders by driving long-term sustainable growth. To deliver consistent value and ensure sustainable growth, we analyse, identify, prioritise and address the most significant economic, social, environmental and governance issues throughout our operations, which include robust corporate governance, high standards of ethics and integrity, data protection, environmental responsibility and a friendly and safe workplace.

Reducing global greenhouse gas emissions is a collective responsibility for all businesses across all industries and sectors, and in 2017, we began venturing into the electric motorcycle business in order to promote sustainable mobility in the regions in which we operate. Our brand, Scorpio Electric is focused on creating visually appealing and smart electric motorcycles that have a symbiotic relationship with the users while reducing the world's carbon footprint. By combining art with technology, we can create a high quality, smart electric motorcycle, mobilising a new era of ultra-luxury low-carbon transportation.

COVID-19

The coronavirus pandemic continued to disrupt economies and societies globally in this reporting period, although not as intensely as in previous years. In Singapore, the government began lifting restrictions in a cautious, phased manner, while still requiring certain measures to remain in place.

To guarantee the health, safety and welfare of our employees and customers, we retained COVID-19 procedures in line with the guidelines issued by government agencies. Our preventive measures covered the showrooms, service centre, test drive and vehicle delivery. The initiatives included the mandatory use of face masks, safe distancing, safe entry and exit, temperature checks, frequent cleaning and sanitising and displaying notices and instructions for compliance. Safe Management Officers were deputed to enforce the guidelines at each of our premises.

In order to improve our preparedness for future episodes of pandemics, we continue to review our risk management and business continuity plan, having learned important lessons and refined our processes during the COVID-19 pandemic.

See more about our COVID-19 measures on page 41.

Sustainability Governance

At EuroSports, the Board of Directors has oversight over sustainability and ESG reporting. Under the Board's guidance, the Chief Executive Officer ("**CEO**") is accountable for implementing the sustainability strategy. The CEO chairs the Sustainability Management Committee, which is responsible for sustainability policies, programmes, targets, and performance monitoring. A sustainability reporting team assists the Committee by monitoring, collecting and verifying the sustainability data.

Board Statement

The Board is committed to creating sustainable growth for the Group and for steering the development of sustainability strategies. The Board takes sustainability issues, risks, opportunities and stakeholder expectations into account in the formulation of sustainability strategies, while also determining the material ESG factors for sustainability reporting. The Board also provides oversight of the management and monitoring of the material ESG factors through periodic reviews of the Group's sustainability performance. This sustainability report has been reviewed and endorsed by the Board.

STAKEHOLDERS

Ongoing engagement and maintaining trusted relationships with our stakeholders is a key business priority for us. We engage with all stakeholders who are affected by our operations or those whose actions can affect our business. Our primary stakeholders include customers, business partners, employees, government agencies, media and the local community.

Our approach is to actively listen to our stakeholders to understand their concerns, expectations, needs and wishes. The insights gained from constructive interaction with our stakeholders helps us to foresee future trends or risks and make better business decisions that align with both the business need and those of our stakeholders. In particular, our proactive engagement with our customers and brand partners allows us to continuously improve our product offerings and service quality.

The ways we engage with our stakeholders and address their expectations are summarised below.

Stakeholders	Stakeholder Expectations	How We Engage	Outcome in FY2022
Customers	<ul style="list-style-type: none"> Comprehensive product information, including features and specifications. Test drive opportunities. Timely delivery of cars in pristine condition, free from defects or problems. Prompt resolution of complaints. Prompt, reliable and high-quality after-sales service. 	<ul style="list-style-type: none"> 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 social events, driving trips and car clubs and associations. Ongoing digital communication. <p><i>Read more in the chapter on Customers.</i></p>	<ul style="list-style-type: none"> Comprehensive product information provided to customers. Frequent engagement with customers to understand their concerns or complaints before, during and after purchase. Implementing appropriate safe distancing measures in showrooms.
Business Partners - Vehicle Manufacturers or Original Equipment Manufacturers ("OEMs")	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Regular visits and meetings. Product launches and promotions. Trade shows. 	<ul style="list-style-type: none"> Management has regular virtual meetings with business partners and OEMs to be in close communication.
Employees	<ul style="list-style-type: none"> Competitive wages and benefits. Learning and development opportunities. Respect and recognition. Workplace safety, health and well-being. Job satisfaction. 	<ul style="list-style-type: none"> Regular meetings and briefings. Product training. Performance appraisal. <p><i>Read more in the chapter on Employees</i></p>	<ul style="list-style-type: none"> Review employment benefits. Implement appropriate safe distancing measures in the showroom, office and workshop.

STAKEHOLDERS

Stakeholders	Stakeholder Expectations	How We Engage	Outcome in FY2022
Government & Regulators	<ul style="list-style-type: none"> Regulatory compliance. 	<ul style="list-style-type: none"> Regulatory filings. Responding to request for information. Inspections and audits. 	<ul style="list-style-type: none"> Proper policies and procedures are put in place to ensure compliance with the applicable laws and regulations. Strict adherence to safe distancing measures. \$22.03 million in taxes and levies to the government, compared with \$17.11 million in FY2021.
Community	<ul style="list-style-type: none"> Support for social causes. Responsible corporate citizen. 	<ul style="list-style-type: none"> Charity and fundraising events. <p><i>Read more in the chapter on Community</i></p>	<ul style="list-style-type: none"> Ongoing Student Attachment Programme.
Media	<ul style="list-style-type: none"> Timely information about new product launches and key developments. Exclusive interviews and briefings. 	<ul style="list-style-type: none"> Interviews. Trade shows. Press releases. 	<ul style="list-style-type: none"> Any material information related to the Group is made available to the public via press release or SGXNET on a timely basis.
Investors and Shareholders	<ul style="list-style-type: none"> Good governance. Sustainable business growth. Consistent dividends. Disclosure and transparency. 	<ul style="list-style-type: none"> Annual General Meeting ("AGM"). Dedicated Investor Relations page on the website. Important announcements, including financial performance, on the website. <p><i>Read more in the chapter on Corporate Governance</i></p>	<ul style="list-style-type: none"> Important announcements are communicated to investors and shareholders through an announcement on SGXNET and our company's website. Before AGM, shareholders were able to raise their queries in the AGM registration portal. Alternatively, shareholders could send in their queries via email or mailing.

Membership of Associations

We actively participate in the activities of relevant trade and industry associations to share knowledge, maximise our networking opportunities and access the latest information regarding industry trends and policies and regulations. Our association memberships include:

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

MATERIALITY

We identify our most significant ESG impacts, risks and opportunities in order to prioritise and manage them effectively

Our sustainability strategy addresses the most significant ESG impacts, risks and opportunities associated with our business operations. Following our first comprehensive materiality assessment in 2017, we have reviewed our material ESG topics annually. We apply GRI's principles of materiality, stakeholder inclusiveness and sustainability context for materiality assessment.

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

We carry out most of our business activities from rented premises where we have limited or no control over improving building energy efficiency. However, we continue monitoring and reporting on our electricity consumption and related carbon emissions as important but not material topics.

We engage with our primary stakeholders on an ongoing basis to seek their views and feedback to inform our material ESG issues. Insights gathered from stakeholders, including customers, partners and regulators, is frequently discussed in management meetings to develop appropriate responses and determine material topics for reporting.

Material ESG Factors

An overview of our material ESG issues is as follows:

Material Factors	Where the Impact Occurs	Management Approach
ENVIRONMENT		
Paper Consumption	Printing of documents and forms in our office.	Reduce, reuse and recycle paper. Ensure we are using certified PEFC-certified sustainable paper.
Environmental Compliance	Our automobile servicing workshop is subject to local environmental regulations, particularly concerning waste and wastewater.	Ensure compliance with environmental rules and regulations.
SOCIAL		
Occupational Health and Safety	Showrooms, workshops and test drives.	Implement systems and processes to ensure safe working practices.
GOVERNANCE		
Anti-Corruption	In our dealings with brand partners, suppliers and stakeholders.	Maintain zero tolerance to corruption, bribery and fraud.
Customer Privacy and Data Protection	In managing customer and employee personal data.	Protect and safeguard all personal data within our possession.
Regulatory Compliance	In our business operations and activities.	Ensure compliance with applicable socio-economic laws and regulations.
Important topics but not considered material		
Energy Consumption	- Electricity used in office, showrooms and workshop. - Fuel consumption in vehicles for test drives.	Minimise energy consumption within our operations.

CUSTOMERS

Our motto of "Walk in as a Customer, Walk out as a Friend" remains our core guiding principle.

Our customers are ultra-high net worth individuals with distinguished lifestyle needs who expect the best quality service, support and personalised attention. We constantly invest in building trusted relationships with each of our customers, and our teams work tirelessly to exceed our customers' expectations. As a result, we have built a loyal customer base.

Customer Journey

As a dealer of luxury supercars, our priority is to offer our customers flawless service and experience. We support our customers along every step of their journey in purchasing our products – a journey that does not just start and end with the sale: we actively engage our customers before, during and after the purchase to ensure their ultimate satisfaction. We know that customers of luxury marques expect and admire the stunning design, supreme driving dynamics, advanced technology, passionate workmanship and build quality, and our service standards are on par with the highest standards of quality that define the supercars that we sell.

We forge close relationships with our customers by showing that we care. We host our customers regularly for dialogue sessions over meals and social events that we organise throughout the year. This frequent engagement with customers provides friendly opportunities for our customers to share feedback on our products and services – a vital component in our business development approach. We also like to show that we care by sending flowers or cakes to mark important anniversaries and birthdays.

Customer Service

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

24x7 Assistance

We assure round the clock roadside assistance to our customers. Whether it is an unfortunate event involving an accident or a mechanical issue, our trained technicians are always ready to provide speedy and timely recovery of the car.

After-Sales Service

As the only authorised service centre in Singapore for all the automobile brands in our portfolio, we take our responsibility to provide after-sales service seriously. To guarantee top quality, reliable after-sales services, including the sale of automobile parts and accessories, we work closely with our brand partners Lamborghini, Alfa Romeo and Touring Superleggera. Our regular services cover maintenance, cleaning and repair, breakdown assistance, and genuine automobile parts and accessories sales. Trained by Lamborghini, a team of specialist technicians, mechanics and service advisers operate our factory-authorised Lamborghini service centre for impeccable service and quality.

Genuine Spare Parts

We maintain the necessary inventory of genuine spare parts for the models we sell to ensure our customers can continue to enjoy the full experience of their cars without disruption. Authentic spare parts also guarantee optimal performance, quality and safety of automobiles.

CUSTOMERS

Our motto of "Walk in as a Customer, Walk out as a Friend" remains our core guiding principle.

Pre-Owned Cars

Besides selling new models, we also maintain a fleet of pre-owned Lamborghini cars which fully adhere to the Lamborghini Quality Program to ensure the highest quality and reliability.

Training

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

Financial Services

Whether a customer wants to lease or purchase a Lamborghini, we assist in availing of suitable financing options. Our partnership with Lamborghini Financial Services offers flexible leasing and financing solutions for customers who want to own a Lamborghini without purchasing it outright.

Professional Standards

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

Customer Privacy

Customer privacy and personal data protection is one of our material topics and we take our responsibilities in this area very seriously. Following Singapore's Personal Data Protection Act ("PDPA"), we have implemented robust measures to safeguard our customers' and employees' data and privacy. Our target is to have no breaches of personal data. There were no incidents of breaches of customer privacy and losses of customer data in the reporting period.

Target	FY2022 Performance
No incidents of non-compliance with PDPA	Zero cases of PDPA non-compliance

ENVIRONMENT

We are committed to conducting our business in an environmentally responsible manner.

The environmental impact of our car dealership business is relatively low and we take proactive steps to ensure it remains as low as possible. We do this by implementing energy-saving measures, reducing waste, conserving water and minimising paper use. We also ensure our operations comply with the applicable environmental regulations.

Energy

Our energy consumption mainly results from the electricity used in our office, showrooms and workshop, and fuel consumption in vehicles for test drives. Some of the equipment in the maintenance and repair workshop also consumes energy.

Our facilities are mainly located in rented properties where we do not have much control over building energy management. However, we strive to save energy wherever possible within our operations. Our head office and showrooms in Leng Kee Road are fitted with energy-saving LED lights and motion sensors to conserve electricity. We also promote environmental awareness among our employees, educating them on the best ways to conserve energy and resources, including lighting (when motion sensors are not installed), air-conditioning units and presentation equipment.

Climate Change

Scientists have warned that there is an urgent need to act to avert the catastrophic effects of climate change. The Paris Agreement, a global climate deal signed by the international community, has set a goal to limit the global temperature rise to well below 2 degrees Celsius and aspire for a 1.5-degree Celsius increase by 2030 compared with pre-industrial levels. A longer-term goal is to achieve net zero by 2050. Deep decarbonisation of economies will be required to meet these climate goals. Therefore, several governments and businesses are taking steps to cut emissions and make an orderly transition to a lower-carbon economy.

We recognise that climate mitigation measures would significantly impact the automobile industry. For example, the International Energy Association's ("IEA") Roadmap to Net Zero indicates that 60% of global car sales would have to be electric cars by 2030 and 50% of heavy truck sales to be electric by 2035, and no new Internal Combustion Engine ("ICE") cars from 2035 onwards to achieve net-zero by 2050.

In Singapore, the government's vision is to have 100% cleaner-energy vehicles by 2040. The government is taking several steps to promote cleaner-energy vehicles and has set a target to cease new registrations of diesel cars and taxis from 2025. In addition, all new car and taxi registrations are to be of cleaner-energy models from 2030.

Our Scorpio Electric project is well-positioned to tap into the growing green mobility demand.

Given these global and local developments, we will be undertaking a study to understand climate-related risks and opportunities for our business during FY2023, using the Taskforce on Climate-Related Financial Disclosures ("TCFD") Recommendations.

EuroSports Technologies Pte. Ltd. - Scorpio Electric

Scorpio Electric is a Singaporean brand dedicated to accelerating the adoption of sustainable mobility and reducing the carbon footprint of its vehicles, predominantly carbon emissions. We have combined art with cutting-edge technology to create premium, stylish and smart electric motorcycles aimed at revolutionising mobility while minimising pollution and emissions.

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

ENVIRONMENT

We are committed to conducting our business in an environmentally responsible manner.

Fuel and energy consumption within our value chain

Ultra-luxury supercars and sports cars are known to consume more fuel to deliver the performance desired by customers compared with conventional vehicles. As a distributor, we do not have any control over the vehicles' fuel efficiency. However, our brand partner Lamborghini has committed to sustainable manufacturing. For example, Automobili Lamborghini has made its entire production facility carbon neutral and has committed to achieving a 50% reduction in product CO₂ emissions by the beginning of 2025. Automobili Lamborghini also ensures that 95% of the paint colours used in manufacturing are water-based, and solvent emissions are kept low by using a centralised scrubber system that recovers the heat used in the production process. Cutting-edge technologies used in the air-misting paint systems enable 80% of the paint to be applied to the vehicles, compared to around 40% in conventional systems, thereby significantly reducing paint waste.

CO₂ Emissions

Since our first report, we have reported our CO₂ emissions as a good practice rather than as a requirement since they are not considered a material topic for EuroSports. Our CO₂ emissions are generated from our use of electricity and motor fuel during test drives. We remain committed to minimising our emissions by adopting energy-saving measures wherever possible.

Paper

We make efforts to minimise the use of paper in our offices. We encourage our employees to use paper judiciously, print on both sides and reuse and recycle where possible. Extensive use of digital forms of communication also helps us reduce the paper requirement.

In line with our target, we have switched to buying only sustainably sourced office paper. All paper we now use is PEFC-certified.

FY2022, we used 152,494 sheets of office paper which amounted to 2,805 sheets per million dollars in revenue. We will monitor paper usage to minimise the amount of paper we use and maximise recycling of used paper.

Circular Economy: A New Purpose for Production Waste

In 2021, Lamborghini announced a collaboration with Cartiera, an ethical fashion enterprise based in the Bologna area that produces high-quality Made in Italy leather and fabric accessories.

Cartiera will use leftover materials from the manufacturing of Lamborghini car interiors to produce a new re-purposed line of luxury accessories. The collection comprises a tote bag, a cellphone case, a keychain, and a paper holder—all enriched with the detail of the iconic Automobili Lamborghini shield.

The new initiative comes on the back of two circular economy projects Automobili Lamborghini had launched in 2020. The projects have helped give a second life to 56% of production waste. The collaboration with Cartiera is one of many projects that Lamborghini has in store to support the circular economy and the sustainability and ethics it represents.

The collection initially available at the Lamborghini flagship store in Sant'Agata Bolognese, will be available online at the Lamborghini Store and at Lamborghini car dealerships worldwide.

ENVIRONMENT

We are committed to conducting our business in an environmentally responsible manner.

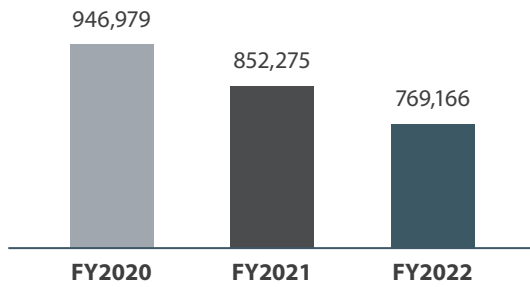
Sustainability Highlights at our Brand Partner Automobili Lamborghini

- In April 2022, Automobili Lamborghini received the Green Star Award for the second year in a row. The Green Star Award is a top corporate award in Italy given to companies in recognition for their contribution to green economy.
- Siàn, Lamborghini's first hybrid super sports car, won in the category Electric Car of the Year at the Top Gear UK's Electric Awards 2021.
- The Top Employers Institute awarded the "Top Employer Italy 2022" award to Automobili Lamborghini for the ninth year in a row.
- In 2020, Lamborghini launched two recycling and regeneration projects that have since been turning production leftovers into new resources for the community and the environment. In 2021, 51% of production leftovers were reused and recycled.
- Lamborghini became the first and only EMAS (Eco-Management and Audit Scheme) certified automotive company in Italy in 2009.
- Automobili Lamborghini's factory and historic headquarters have been certified carbon-neutral since 2015.
- The first automotive company in Italy to use a district heating system and the emissions saved approximately 1,800 tons of CO₂ every year.
- 95% of the colours used in the paint shop are water-based and with E-Cube technology, which allows overspray to be captured during the painting process.
- Lamborghini received the Green Star 2021 award from by the German Institute for Quality and Finance (ITQF) in collaboration with the Institute for Management and Economic Research (IMWF) of Hamburg – a ranking of the most sustainable companies with regards to their intent of minimising industrial impacts on the environment and society.
- In May 2021, Lamborghini signed an agreement with ÖBB Rail Carg to deliver Urus body shells from the Volkswagen facility in Zwickau, Germany, to Lamborghini headquarters in Sant'Agata Bolognese via a sustainable route which reduces CO₂ emissions by 85%.
- Plan to launch first hybrid series production car in 2023, and by the end of 2024 the entire range to be electrified.
- Target to reduce product CO₂ emissions by 50% by the beginning of 2025.
- Target to launch first fully-electric Lamborghini in the second half of the decade.

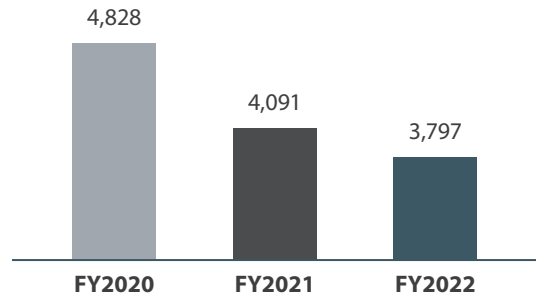
OUR ENVIRONMENTAL PERFORMANCE

We are committed to conducting our business in an environmentally responsible manner.

Electricity (kWh)

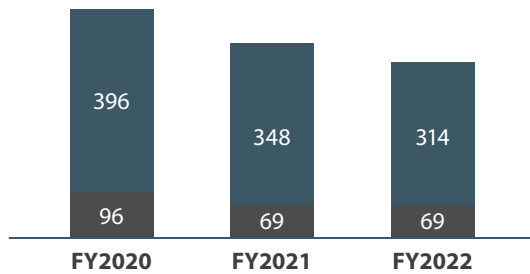


Energy Consumption (GJ)
Electricity, Petrol and Diesel

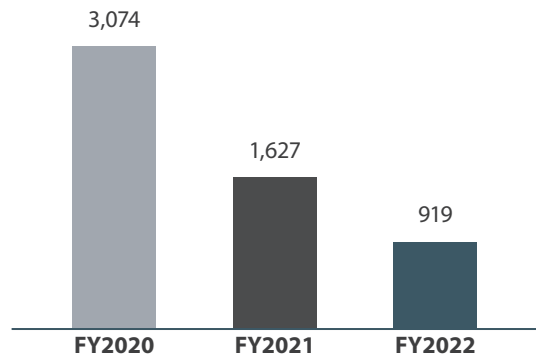


Carbon Dioxide Emissions (tCO₂)

● Scope 1 emissions ● Scope 2 emissions

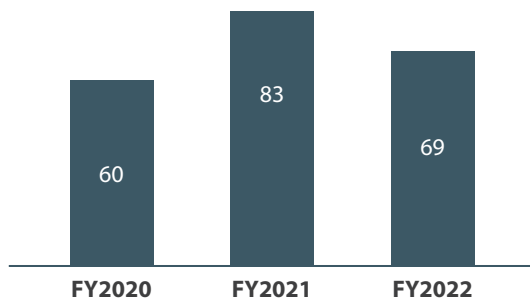


Water (m³)



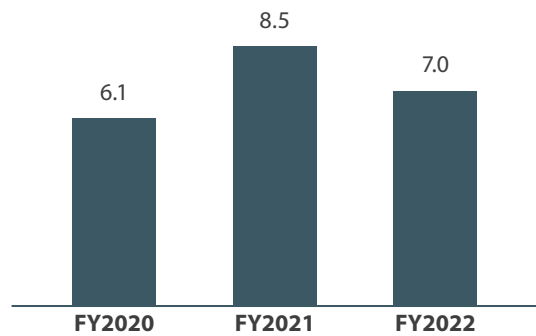
Energy Intensity

● Energy intensity (GJ/\$m revenue)



Carbon Emissions Intensity

● Carbon emissions intensity (tCO₂/\$m revenue)



PEOPLE

We are committed to maintaining a safe, friendly and empowering workplace that enables our people to thrive.

Our employees all have one thing in common: their passion for ultra-luxury automobiles and lifestyle products and their commitment to providing the highest quality service. Their passion helps them to go the extra mile in building long-term trusted relationships with our customers, which forms the foundation of our business.

In order to attract and retain the best talent, we have fostered an empowering, inclusive and friendly work culture, helping our people to thrive in their roles. We prioritise health and safety in the workplace, provide professional development opportunities to our employees, and promote open communication between team members and supervisors to ensure everyone feels heard, valued, and respected.

As of 31 March 2022, we employed 76 full-time employees. There were no part-time or temporary employees. Women represented 28% of our team. During the financial year, we hired 20 new employees, which included 3 female staff.

Health, Safety and Well-being

Our employees' health, safety, and well-being are our top priorities, and our target is to maintain a zero-accident workplace. We actively promote a safety culture across our operations, including but not limited to during test drives and in our maintenance and repair workshop.

Our workplace safety and health management system is based on BizSafe, a nationally recognised capability building programme designed to help companies build workplace safety and health capabilities. BizSafe offers a structured five-step programme covering awareness about legal obligations and the Workplace Safety and Health ("WSH") policy, risk assessment and management, risk management audit, WSH management training and management system audit.

We have implemented health and safety measures to prevent accidents and occupational diseases based on a risk assessment. We require employees to follow strict safety procedures to avoid injuries or mishaps in our workshops. They are also required to use the necessary personal protective equipment while at work. Employees also receive first aid training from the Singapore Red Cross to ensure they can take immediate action in the event of an accident or emergency.

We regularly monitor the health of our employees to protect them from potential occupational hazards. For example, we arrange an annual health screening for our workshop employees, which includes hearing checks, as our workshop employees are potentially exposed to noise hazards.

Our emergency preparedness measures include periodic fire safety and evacuation drills. Our showrooms and workshops are fitted with the required firefighting and alarm equipment.

As part of our health and safety policy, any contractors we work with are required to comply with the necessary safe work processes as mandated by the relevant regulating agencies; however, it is rare for us to have contractors or their workers at our workplace.

PEOPLE

We are committed to maintaining a safe, friendly and empowering workplace that enables our people to thrive.

To maintain oversight over our health and safety policies and procedures, we have established a Workplace Safety and Health Committee headed by Deputy CEO. Other committee members comprise Group HR & Admin Manager, our WSH Officer and representatives from various key functions. The Committee regularly reviews safety and health policies and procedures to ensure they remain optimal and in line with national regulations and best practices.

There were no reportable injuries or occupational disease incidents in the reported period. However, if any incident occurs, our policy is to thoroughly investigate each incident to determine corrective actions and improvements needed to mitigate similar risks in the future.

Target	FY2022 Performance
No work-related fatalities	No fatalities
No high-consequence work-related injuries	Zero high-consequence work-related injuries
No incidents of recordable work-related injuries	Zero recordable work-related injuries

COVID-19 and Staff Wellbeing

Keeping our employees safe from the COVID-19 pandemic remains an ongoing priority. We continue taking measures to protect our employees' health, safeguard them from COVID-19 and promote overall well-being. The initiatives have included appointing a Safe Management Officer, compulsory wearing of a face mask, safe distancing, safe entry and exit, temperature checks, frequent cleaning and sanitising, minimising physical contact and displaying notices and instructions for compliance.

For the employees working from home due to the government-imposed lockdowns or "work from home" directives and "split teams arrangements", we provided all necessary resources such as laptops and secure email connections to enable our employees to continue their work as normal. In addition, we ensure that our teams stay connected through frequent virtual meetings and phone calls to function effectively as a team and ensure they have the social contact necessary for their well-being.

In addition, we actively encouraged all employees to take the vaccine.

See more about our COVID-19 measures on page 30.

PEOPLE

We are committed to maintaining a safe, friendly and empowering workplace that enables our people to thrive.

Training

To ensure our employees remain up to date with their skills and knowledge, we provide product and job training and briefings and other professional development opportunities to expand their skills. In FY2022, due to travel restrictions to curb the spread of COVID-19, we arranged numerous product webinar training sessions to keep our front office team members abreast with the latest product information and updates.

Employee Engagement

Building a trusting and friendly working environment is essential for employee well-being. We promote open communication between team members and supervisors and encourage strong teamwork principles. Our open-door policy enables employees to raise any concerns or offer suggestions directly to senior management.

We organise social events to help promote good working relationships. For example, we hold events to celebrate Christmas and Chinese New Year festivals. In FY2022, these events could not be conducted due to Covid related restrictions and precautions.

Fair Employment

Our policies promote fairness and inclusiveness in the workplace. Staff are hired, paid and promoted based on qualification, merit and performance. Our policy prohibits any discrimination in employment. There were no confirmed incidents of discrimination in the reporting period.

Performance Management

We practice 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.

Code of Conduct and Ethics

EuroSports has formulated a Code of Conduct and Ethics which applies to all our employees in the Group and all our business partners. The Code of Conduct and Ethics sets out clear guidance on social and ethical behaviour, including competition and anti-trust legislation, bribery, conflicts of interest, the whistle-blowing company policy, and more.

Turnover

Our approach is to build and retain an engaged workforce motivated to achieve high levels of performance. We regularly monitor employee turnover to improve our retention strategies.

In FY2022, the number of leaving employees was 28, including eight female employees. The turnover rate for the financial year was 37%. The turnover rate was higher than the national average of 30% for the national average for Retail Trade sector in the year 2021 (Source: Labour Market Survey, Manpower Research and Statistics Department, Ministry of Manpower). We will review and monitor our retention strategies to keep our turnover rate well below the national average.

Freedom of Association

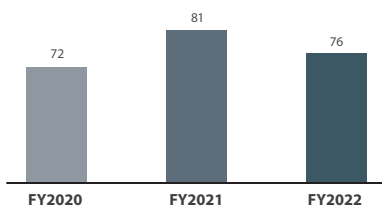
We respect the right of our employees to freedom of association. Our employees are currently not part of any collective bargaining agreement. Our employees are empowered to directly raise any issues of concern to the management for a prompt resolution.

PEOPLE

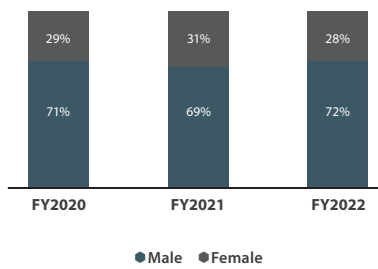
We are committed to maintaining a safe, friendly and empowering workplace that enables our people to thrive.

Our People Performance

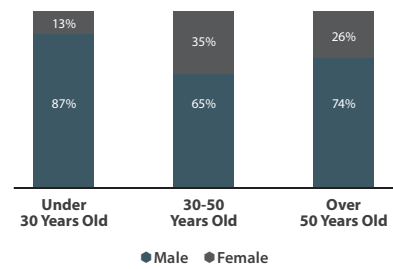
Full-Time Employees



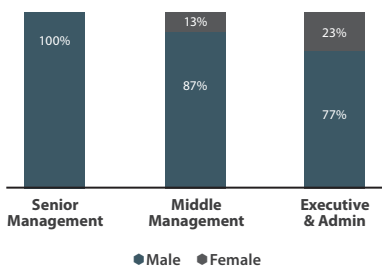
Gender Diversity



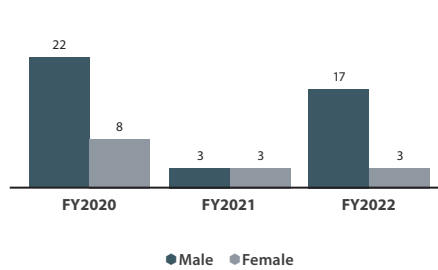
Age and Gender Diversity



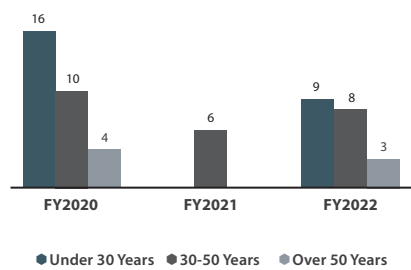
Employees by Employment Category



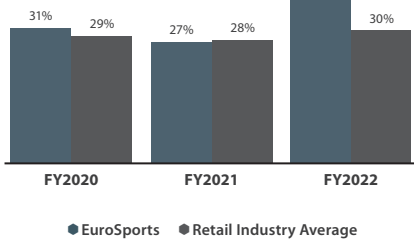
New Hires



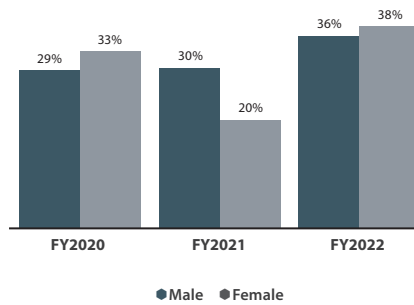
New Hires by Age Group



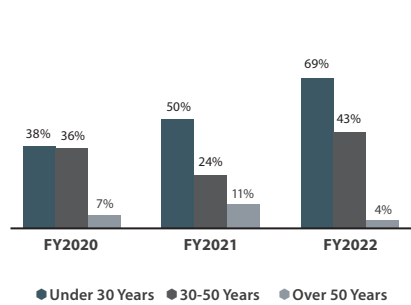
Employee Turnover



Employee Turnover by Gender



Employee Turnover by Age Group



COMMUNITY

We are committed to supporting the communities in which we operate through various initiatives, including internship opportunities for students.

At the EuroSports Group, we recognise our responsibility to give back to the communities in which we operate, and we do this by supporting various social causes. We also create opportunities for our customers to engage in community programmes. In FY2022, our regular engagement with various community programmes was affected due to lockdown and sporadic social distancing measures and restrictions on events.

Student Attachment Programme

Since 2014, the Group has been awarding annual internships to Mechanical Engineering students from the National University of Singapore, Ngee Ann Polytechnic and Singapore Polytechnic. Known as the student attachment programme, it provides four final year students with internship opportunities at our facilities for a period of six months. Students gain practical, hands-on work experience that is highly valued by future employers. During the programme, the students are given the opportunity to develop skills such as planning, problem-solving, communication and technical work.

ECONOMIC PERFORMANCE

The Group remains committed to delivering sustainable value for our shareholders and stakeholders.

According to various market research reports, Singapore is one of the most promising and fastest-growing automobile markets in the region. Furthermore, the government of Singapore prioritises the automotive segment as a key revenue generator. As one of the key players in Singapore's automobile market, EuroSports provides an ultra-luxury lifestyle choice for high-net-worth individuals and contributes to the national tax revenue. Our latest venture to produce electric motorcycles will promote sustainable commuting around the region, contributing to Singapore's aspirations of establishing a green industry and economy.

Delivering sustainable financial returns for our shareholders and investors remains a key driver of our business. As a company listed on the Singapore Exchange ("**SGX-ST**"), we comprehensively report on our financial performance, provided in the Annual Report sections of this report. Please refer to the financial statements in this report for more information.

Tax Contribution

Our policy is to pay government taxes and levies where they are due. In Singapore, cars attract a unique tax structure that includes registration fee, additional registration fee, quota premium for a certificate of entitlement, road tax and excise duty. The car-related tax system has created a source of revenue for the government while also helping to contain the number of cars on the road within sustainable levels.

The luxury and ultra-luxury cars sold by us generate higher tax revenue for the government due to premium pricing. The vehicles sold by us contributed \$22.03 million in various taxes and levies to the government in FY2022. These taxes and levies include additional registration fee, quota premium for Certificate of Entitlement ("**COE**"), Carbon Emission-Based Vehicle Scheme ("**CEVS**") surcharge, road tax and registration fee.

Anti-Corruption

Our policy is to conduct our business with integrity and adhere to ethical business principles. We maintain zero tolerance for bribery, fraud and corruption as set out in our Code of Conduct and Ethics, available on our website.

There were no corruption, bribery, or fraud incidents in the reporting period.

Suppliers

Our OEM brand partners supply the vehicles that we sell to our customers. In addition to vehicles, our significant purchases from suppliers include body components, undercarriage components, engine parts, batteries, oil and lubricants. We focus on procurement efficiency and nurturing a reliable supply chain.

Regulatory Compliance

Our policy is to comply with laws and regulations applicable to our business. There were no incidents of significant fines or non-compliance with socio-economic rules and regulations.

GRI CONTENT INDEX

GRI Content Index 'In accordance' - Core		
GRI Standard	Disclosure	Page Number(s)
GRI 101: Foundation 2016 (GRI 101 does not include any standards)		
GRI 102: General Disclosures 2016		
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GRI 102-1	Name of the organisation	1
GRI 102-2	Activities, brands, products, and services	1
GRI 102-3	Location of headquarters	1
GRI 102-4	Location of operations	1
GRI 102-5	Ownership and legal form	1
GRI 102-6	Markets served	1
GRI 102-7	Scale of the organisation	14, 29, 40, 43, 105-106
GRI 102-8	Information on employees and other workers	28, 40, 43
GRI 102-9	Supply chain	45
GRI 102-10	Significant changes to the organisation and its supply chain	None
GRI 102-11	Precautionary principle or approach	30, 36
GRI 102-12	External initiatives	28, 36
GRI 102-13	Membership of associations	32
Strategy		
GRI 102-14	Statement from senior decision-maker	6-13
GRI 102-15	Key impacts, risks, and opportunities	6-13, 33
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GRI 102-17	Mechanisms for advice and concerns about ethics	85
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GRI 102-25	Conflicts of interest	53
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	30, 53
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GRI 102-28	Evaluating the highest governance body's performance	73
GRI 102-29	Identifying and managing economic, environmental, and social impacts	30
GRI 102-30	Effectiveness of risk management processes	80-82
GRI 102-31	Review of economic, environmental, and social topics	30
GRI 102-32	Highest governance body's role in sustainability reporting	30,53
GRI 102-33	Communicating critical concerns	85
GRI 102-35	Remuneration policies	74-76
GRI 102-36	Process for determining remuneration	74-76

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GRI 102-41	Collective bargaining agreements	42
GRI 102-42	Identifying and selecting stakeholders	31-32
GRI 102-43	Approach to stakeholder engagement	31-32
GRI 102-44	Key topics and concerns raised	31-32
Reporting Practice		
GRI 102-45	Entities included in the consolidated financial statements	2, 28
GRI 102-46	Defining report content and topic boundaries	28
GRI 102-47	List of material topics	33
GRI 102-48	Restatement of information	28
GRI 102-49	Changes in reporting	None
GRI 102-50	Reporting period	28
GRI 102-51	Date of most recent report	July 2021
GRI 102-52	Reporting cycle	Annual
GRI 102-53	Contact point for questions regarding the report	28
GRI 102-54	Claims of reporting in accordance with the GRI Standards	28
GRI 102-55	GRI content index	46-49
GRI 102-56	External assurance	28
ECONOMIC TOPICS		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	45
	103-2 The management approach and its components	45
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GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	105-106
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	45
	103-2 The management approach and its components	45
	103-3 Evaluation of the management approach	45
GRI 203: Indirect Economic Performance 2016	203-2 Significant indirect economic impacts	45
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GRI 302: Energy 2016	302-1 Energy consumption within the organisation	29, 39
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GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	39
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	33, 36
	103-2 The management approach and its components	33, 36
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GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	29
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	403-3 Occupational health services	40-41
	403-4 Worker participation, consultation, and communication on occupational health and safety	40-41
	403-5 Worker training on occupational health and safety	40-41
	403-6 Promotion of worker health	40-41
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	40-41
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	29, 41

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GRI Content Index 'In accordance' - Core		
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GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	42
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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
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GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	44
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	33, 35
	103-2 The management approach and its components	33, 35
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CORPORATE GOVERNANCE

The Board and Management of EuroSports Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to achieving the highest standards of corporate governance by adhering to the principles and provisions set out in the Code of Corporate Governance 2018 (the “**Code**”), where appropriate. These principles and provisions reflect the Board’s commitment in having effective corporate practices to safeguard against, amongst others, fraud and dubious financial transactions, with the aim of protecting shareholders’ interests as well as maximising long-term success of the Company and Group. Management believes that sound corporate governance supports long-term value creation.

The Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) requires all listed companies to describe in their annual reports, their corporate governance practices, with specific reference to the principles of the Code.

This report sets out the corporate governance practices that were adopted by the Group during the financial year ended 31 March 2022 (“**FY2022**”) (“**Report**”), with specific reference to the principles and provisions of the Code as well as accompanying practice guidance, which forms part of the continuing obligations of the Catalist Rules of the SGX-ST.

The Board confirms that, for FY2022, the Group has generally adhered to the principles and provisions set out in the Code and practice guidance, where they are applicable, relevant and practicable to the Group. Where there were deviations from the provisions of the Code, appropriate explanations are provided. The Board will continue to assess the needs of the Company and improve on its corporate governance practices as appropriate. The Annual Report should be read in totality for Company’s full compliance.

(A) BOARD MATTERS

THE BOARD’S CONDUCT OF ITS AFFAIRS

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

Provision 1.1

Principal Duties of the Board

The Board’s principal function is to provide entrepreneurial leadership and direction and work with management of the Company (“**Management**”) to enhance the long-term value of the Group to shareholders of the Company and other stakeholders.

The Board sets the appropriate tone-from-the-top and desired organisational culture monitoring Management’s performance, establishing a framework for prudent and effective internal controls to manage risk, safeguarding shareholders’ interests and the Group’s assets as well as setting values and standards (including ethical standards) for the Group.

CORPORATE GOVERNANCE

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

- Review the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices;
- Set the Group's strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- Oversee the process of evaluation on the adequacy of internal controls, financial reporting and compliance;
- Oversee the adequacy and effectiveness of the Group's risk management framework and policies;
- Review the remuneration policies and guidelines for the Board and Management;
- Review the performance of management and oversee the succession planning of senior management;
- Set up 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 including environmental, social and governance factors, as part of the strategic formulation of the Group.

The Board exercises due diligence and independent judgement, and is obliged to act in good faith and in the best interest of the Group, in dealing with the business affairs of the Group and works with Management to take objective decisions to enhance the long term value of the Group to its shareholders and in the interest of the Group. Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. Where a potential conflict of interest arises, the Director concerned will recuse himself from participating in any discussions and voting on the subject matter and refrains from exercising any influence over other members of the Board in respect of the issues, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. The abstention is recorded within the minutes and/or resolutions of the Board and/or Committees. During FY2022, no conflict of interests from the Directors had arisen.

All Directors update the Board on a timely basis, through the Company Secretary, of interest in new companies that were not previously disclosed to the Board. Additionally, at the start of each financial year, all Directors are to submit a letter to the Company Secretary of all their interest in other companies, which are to be read and acknowledged by the Board. This is to better monitor any related or interested persons' transactions.

CORPORATE GOVERNANCE

Provision 1.2

Induction, Continuous Training and Development of the Directors

The Company recognises the importance of appropriate training for the Directors. All new Directors are given appropriate briefings by senior management when they are first appointed to the Board. All new Directors appointed to the Board are 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. During the FY2022, there were no new director appointments in the Company.

The Company will regularly organise internal trainings for the Directors, which include technical training on the Group's products. The Directors are encouraged to keep themselves abreast of the latest developments relevant to the Group and the Company will arrange and continue to fund courses and seminars attended by the Directors. The NC reviews and makes recommendations on the training and professional development programs to the Board. In addition, the external auditors brief 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 are relevant to the Group's business are circulated to the Directors. Our Company's continuing sponsor, RHT Capital Pte. Ltd. and Company Secretary, provide updates to the Board whenever there are changes to the Catalist Rules or the Code of Corporate Governance.

In FY2022, the Company's auditor provided updates to the Audit Committee ("**AC**") on new and revised financial reporting standards that are applicable to the Company and Group. The Management has provided updates on business and strategic developments pertaining to the Group's business to the Non-Executive Directors. Relevant new releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") and news articles which are relevant to the Group's business were circulated to the Board during FY2022. Directors also attended seminars, conferences and presentations to supplement and keep themselves updated on areas such as accounting, legal and sustainability reporting related knowledge.

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

CORPORATE GOVERNANCE

Provision 1.3

Matters Requiring Board Approval

The Group has adopted and documented internal guidelines setting forth matters that require Board's approval.

Matters which are specifically reserved for the Board's approval include:

- 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 and fund-raising (both via debt and/or equity);
- Share issuances, interim dividends and other returns to shareholders;
- Expenditures exceeding the material limit set;
- 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;
- Determine the remuneration policy for the directors and other senior executives including the introduction of share incentive plans or major changes to existing plans, to be put to shareholders for approval;
- Any decision likely to have a material impact on the Company or Group from any perspective, including but not limited to financial, operational, strategic or reputational;
- Convening of shareholders' meetings; and
- Commitments to terms loans and lines of credits from banks and financial institutions.

The Group has established financial authorisation limits for matters such as capital budgets, credit limits and the acquisition and disposal of investments, while delegating the authority for transactions below those limits to management in order to optimise operational efficiency.

CORPORATE GOVERNANCE

Provision 1.4

Delegation of Authority to Board Committees

To assist the Board in discharging its oversight functions and execution of its responsibilities, the Board has established three Board committees, namely the Audit Committee (the "**AC**"), Nominating Committee (the "**NC**") and Remuneration Committee (the "**RC**") (collectively, the "**Board Committees**"). Each of the Board Committees has its clearly defined scope of duties and terms of reference and whose actions are reported to and monitored by the Board. These committees are chaired by Independent Directors and function within clearly defined terms of reference and operating procedures.

At the date of this report, the composition of the Board and Board Committees are as follows:

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

These terms of reference are reviewed on a regular basis, along with the committee structures and membership. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during such Board Committee meetings. 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.

CORPORATE GOVERNANCE

Provision 1.5

Meetings of Board and Board Committees

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

Notwithstanding the above, the Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. Ad hoc meetings are also convened as and when they are deemed necessary. Each Director exercises equal responsibility in overseeing the business and affairs of the Company and objectively takes decision in the interest of the Company.

The frequency of meetings and the attendance of each Director at every Board and Board Committee meetings for FY2022 are disclosed in the table below:-

	Board		AC		NC		RC	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Melvin Goh	5	5	4	4 [#]	1	1 [#]	3	3 [#]
Andy Goh	5	5	4	4 [#]	1	1 [#]	3	3 [#]
Ng Tiak Soon	5	5	4	4	1	1	3	3
Tan Siok Sing	5	5	4	4	1	1	3	3
Foo Say Tun	5	5	4	4	1	1	3	3

Attended as invitees

CORPORATE GOVERNANCE

Multiple Board Representations

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

The Directors had committed considerable amount of time towards Board and Board Committee meetings held in FY2022 and adjusted their schedules to ensure participation in meetings for the deliberation of issues. The NC has reviewed and is satisfied that each Director is able to devote sufficient time and attention to the affairs of the Company to adequately discharge his duties as a Director of the Company.

The NC views that it would not be appropriate to set a limit on the number of directorships that a Director may hold because Directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities. It is for each Director to personally determine the demands of his competing directorships and obligations and assess the number of directorships they could hold and serve effectively. The directorships of the Board members in other listed companies are set out in page 67 of the annual report.

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

Provision 1.6

Board's Access to Information

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

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

CORPORATE GOVERNANCE

Provision 1.7

Board's Access to Management and Company Secretary

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

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

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

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

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

BOARD COMPOSITION AND GUIDANCE

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

Provisions 2.1, 2.2 and 2.3

Independent Element of the Board, Composition of the Independent Directors and Non-Executive Directors on the Board

Independent Directors

The Code defines an “independent” Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of the Director’s independent business judgement in the best interests of the Company. The Code also clarifies that a Director who falls under the circumstances described in Rule 406(3)(d) of the Catalist Rules is not independent. Such circumstances apply to, inter alia, the following: (a) a Director being employed by the Company or any of its related corporations for the current or any of the past three financial years; (b) a Director who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC; (c) a Director who has been a Director for an aggregate period of more than nine (9) years (whether before or after listing) and his continued appointment as an Independent Director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders excluding Directors, Chief Executive Officer of the Company, and their associates.

CORPORATE GOVERNANCE

The NC assesses and determines the independence of the Directors. There is presently a strong and independent element on the Board as majority of the Board comprising Independent and Non-Executive Directors whose independence is reviewed on an annual basis by the NC. For FY2022, the Independent Directors have confirmed that they do not have any relationships including immediate family relationship between the Directors, the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be perceived to interfere, with the exercise of their independent business judgement in the best interest of the Company, and do not fall under any of circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Board, based on the review conducted by the NC, has determined the Non-Executive Independent Directors are independent.

The independence of each Non-Executive Independent Director is assessed at least annually by the NC. In accordance with Rule 406(3)(d)(iii) of the Catalist Rules which came into effect on 1 January 2022, a Director who has been a Director for an aggregate period of more than 9 years (whether before or after listing), approval for his/her continued appointment as an Independent Director must be sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders excluding Directors, Chief Executive Officer of the Company, and their associates ("**Two-tier Voting**"). Such resolutions may remain in force until the earlier of (i) the retirement or resignation of the Director, or (ii) the conclusion of the third AGM of the Company following the passing of the resolutions. As at the date of this report, none of the Non-Executive Independent Directors have served on the Board beyond nine years from their respective date of first appointment.

The Board notes that Mr Ng Tiak Soon and Mr Tan Siok Sing who were first appointed as an Independent Director of the Company on 29 November 2013 will have served for 9 years on the Board of the Company on 28 November 2022 and they will be subject to the mandatory Two-tier Voting process. The Board has subjected their independence to a particularly rigorous review by all Directors, with both of them abstaining from the review, before deciding if they should continue with the appointment.

After due consideration and with the concurrence of the NC, the Board is of the view that both Mr Ng Tiak Soon and Mr Tan Siok Sing have demonstrated strong independence character and judgement over the years in discharging their duties and responsibilities as Independent Directors of the Company. They have expressed individual viewpoints, debated issues and objectively scrutinised and challenged Management. They also sought clarification and amplification of relevant matters, as deemed required.

Taking into account of the above, and to avoid an abrupt loss of members with experience and institutional memory, the Board with the concurrence of the NC has affirmed their independence status and resolved that both Mr Ng Tiak Soon and Mr Tan Siok Sing continue to be considered as Independent Directors, notwithstanding they would have served on the Board for nine years after 28 November 2022. In determination of the independence of both Mr Ng Tiak Soon and Mr Tan Siok Sing by the NC, they recused themselves.

Mr Ng Tiak Soon, who has been re-elected last year, would have served for 9 years as Non-Executive and Lead Independent Director after 28 November 2022. However, Mr Ng Tiak Soon decided to retire from the Board and will relinquish his position as the Chairman of AC and a member of NC and RC before reaching full 9 years on Board as part of the Board rejuvenation process.

Accordingly, Mr Tan Siok Sing, who would have served for 9 years as Non-Executive Independent Director after 28 November 2022 will be subjected to the mandatory Two-tier Voting at the Company's forthcoming AGM to be held on 28 July 2022. If the relevant resolutions are not passed, Mr Tan Siok Sing will be re-designated as a Non-Independent Non-Executive Director and the NC will identify and nominate appropriate candidate for Board's consideration for appointment as an Independent Director in the course of ensuring that at least half of the Board comprises Independent Directors, the Board is not expected to compromise on the business imperative and make unwieldy changes to its composition.

CORPORATE GOVERNANCE

Provision 2.4

Composition and Size of the Board and Board Committees

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

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

Our Board currently consists of 5 members, 3 of whom are Independent Non-Executive Directors, 2 of whom are Executive Directors. 60% of the Board comprised of Independent Non-Executive Directors. The Board believes that the current composition and size to be adequate and provides sufficient diversity without interfering with efficient decision-making. The Board will however continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole so as to avoid groupthink and foster constructive debate.

Further information on the individual Director's background, experience and skills can be found in the Directors' profiles set out on pages 22 and 23 of the annual report.

In support of the principles of good corporate governance, the Board has adopted a Board Diversity Policy relating to Director's appointment and Board composition. By practising diversity at Board level, the Directors believe that such differences may, collectively, enhance the attainment of corporate strategic objectives and reach greater heights of achievement. However, it is noted that differences should be appropriately balanced so that the Board can function as a whole, and effectively within its leadership role in the Company. All Board appointments are based on merit of candidates.

CORPORATE GOVERNANCE

Provision 2.5

Regular Meetings of Non-Executive Directors and Independent Directors

The Board and Management openly discuss issues of the Company at Board and Board Committee meetings. The Non-Executive Independent Directors actively participated in such meetings held in FY2022. Minutes of the Board and Board Committee meetings are circulated to the Board so that Directors are kept aware and updated of the matters discussed. During FY2022, the Non-Executive Independent Directors, led by the Lead Independent Director, communicate among themselves without the presence of Management and Executive Directors. They also communicate regularly to discuss matters relating to the Group, including reviewing the performance of Management in meeting agreed goals and objectives and monitoring the reporting of performance. The Lead Independent Director provides feedback to the Board and/or the Chairman of the Board as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Provisions 3.1, 3.2 and 3.3

Roles and Responsibilities of Chairman & Executive Director and Lead Independent Director

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

Mr Melvin Goh assumes the following responsibilities:-

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

CORPORATE GOVERNANCE

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

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

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

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

CORPORATE GOVERNANCE

BOARD MEMBERSHIP

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

Provisions 4.1 and 4.2

NC Membership and Terms of Reference

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

The NC comprises Mr Tan Siok Sing, Mr Ng Tiak Soon and Mr Foo Say Tun, all of whom are Non-Executive Independent Directors. Mr Tan Siok Sing is the NC Chairman.

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

- (a) Make recommendations to the Board relating to:
 - the review of Board succession plans for Directors, in particular, for the Chairman of the Board and the CEO and key management personnel;
 - 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;
- (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.

CORPORATE GOVERNANCE

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

Provision 4.4

Determining Directors’ Independence

Each Director completes a declaration to confirm his independence on an annual basis. The NC has reviewed the independence of the Directors under the guidelines provided in the Code and the Catalist Rules and any other salient factors, and is of the view that Mr Ng Tiak Soon, Mr Tan Siok Sing and Mr Foo Say Tun are independent based on the criteria given in the Catalist Rules and the Code and their respective declarations.

Provisions 4.3 and 4.5

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

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

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

Upon endorsement by the Board of the key attributes, the NC may:

- Advertise or use services of external advisers to facilitate a search;
- Approach alternative sources such as Singapore Institute of Directors; and/or
- Consider candidates from a wide range of backgrounds from internal or external sources.

After short-listing the candidates, the NC shall:

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

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

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

CORPORATE GOVERNANCE

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

Mr Andy Goh and Mr Tan Siok Sing will retire from office by rotation at the forthcoming AGM pursuant to Article 113 of the Company's Constitution. Being eligible, Mr Andy Goh and Mr Tan Siok Sing have submitted themselves for re-election. Accordingly, the NC has recommended the aforesaid re-election of the Directors and the Board has accepted the NC's recommendation. In recommending the re-election of Mr Andy Goh and Mr Tan Siok Sing, the NC has considered the Directors' overall contribution and performance, Mr Tan Siok Sing, being the NC Chairman had abstained from deliberation in respect of his own nomination and assessment. In addition, there are no relationships, including immediate family relationships, between Mr Tan Siok Sing and the other Directors, the Company, its related corporations, its substantial shareholders or officers which may affect his independence. The Board considers Mr Tan Siok Sing to be independent for the purpose of Catalist Rule 704(7).

Alternate Directors

The Board provides for the appointment of alternate directors only in exceptional cases. The Board will take into consideration the same criteria for selection of Directors such as his qualifications, competencies and independence. The Company currently does not have any alternate director.

CORPORATE GOVERNANCE

Key information on Directors

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

Name of Director	Appointment	Date of Appointment / Last Re-appointment	Directorships in other listed companies		Due for Re-appointment at the AGM
			Current	For the past 5 years	
Melvin Goh	Executive Chairman and CEO	12 December 2012 / 29 July 2021	Nil	Nil	NA
Andy Goh	Deputy CEO	12 December 2012 / 11 September 2020	Nil	Nil	Yes (under Article 113 of the Company's Constitution)
Ng Tiak Soon	Independent Director	29 November 2013 / 29 July 2021	Nil	<ul style="list-style-type: none"> • 800 Super Holdings Limited • Parkson Retail Asia Limited • Kinergy Corporation Ltd • MDR Limited 	NA
Tan Siok Sing	Independent Director	29 November 2013 / 11 September 2020	Nil	<ul style="list-style-type: none"> • QingMei Group Holdings Limited (delisted) • China Shenshan Orchard Holdings Co. Ltd (f.k.a Dukang Distillers Holdings Limited) • Libra Group Limited (delisted) • Changtian Plastic & Chemical Limited (delisted) • Li Heng Chemical Fibre Technologies Limited (delisted) 	Yes (under Article 113 of the Company's Constitution)
Foo Say Tun	Independent Director	8 September 2020 / 29 July 2021	<ul style="list-style-type: none"> • Moneymax Financial Services Limited 	<ul style="list-style-type: none"> • QingMei Group Holdings Limited (delisted) • Sino Techfibre Limited (delisted) • Fu Yu Corporation Limited 	NA

The NC has reviewed the contribution by each Director taking into account their listed company board representations and other principal commitments. Key information about the Board members, including their principal commitments are set out on pages 22 and 23 of the annual report.

CORPORATE GOVERNANCE

Information as set out in Appendix 7F of the Catalist Rules relating to Directors seeking re-election at the AGM 2022 pursuant to the requirements under Rule 720(5) of the Catalist Rules are set out below:

	Name of person	
	Andy Goh	Tan Siok Sing
Date of appointment	12 December 2012	29 November 2013
Date of last re-appointment (if applicable)	11 September 2020	11 September 2020
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)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the past contribution and suitability of Mr Andy Goh for re-appointment as Director of the Company. The Board has reviewed and concluded that Mr Andy Goh possesses the experience, expertise, knowledge and skills to continue contribute towards the existing businesses of the Group.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the past contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Tan Siok Sing for re-appointment as Non-Executive Independent Director of the Company. The Board has reviewed and concluded that Mr Tan Siok Sing possesses the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Company.
Whether appointment is executive, and so, the area of responsibility	Executive. Assisting CEO in all matters in relation to Group's general management and administration.	Non-Executive Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Deputy CEO.	Non-Executive Independent Director. Chairman of NC and a member of AC and RC.
Professional Qualifications	Nil	Master in Business Administration
Working experience and occupation(s) during the past 10 years	More than 36 years of experience and industry knowledge of the automobile industry.	More than 18 years of experience in finance industry. Managing Director of Ironman Minerals & Ores Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	36,815,600 (Direct Interest) 19,500,000 (Deemed Interest)	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Brother to Mr Melvin Goh, Executive Chairman and CEO of the Group.	Nil
Conflict of interest (including any competing business)	Nil	Nil

CORPORATE GOVERNANCE

	Name of person	
	Andy Goh	Tan Siok Sing
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<p>Other Principal Commitments* including Directorships#</p> <p>* "Principal Commitments" has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p> <p>Past (for the last 5 years)</p>	<p>Past</p> <ul style="list-style-type: none"> • AutoInc Pte. Ltd. (f.k.a. AutoInc EuroSports Pte. Ltd.) • Ultimate Drive EuroSports Pte. Ltd. • Exquisite Marques Holding Pte. Ltd. <p>Present</p> <ul style="list-style-type: none"> • EuroSports Auto Pte. Ltd. • EuroAutomobile Pte. Ltd. • Prosper Auto Pte. Ltd. • deLaCour Asia Pacific Pte. Ltd. • EuroSports Technologies Pte. Ltd. • JES Auto Pte. Ltd. • EVI Electric Pte. Ltd. 	<p>Past</p> <ul style="list-style-type: none"> • Changtian Plastic & Chemical Limited (delisted) • QingMei Group Holdings Limited (delisted) • Sampaguita Energy Private Limited • China Shenshan Orchard Holdings Co. Ltd (f.k.a Dukang Distillers Holdings Limited) • Libra Group Limited (delisted) • PT Pacific Metalurgi Indo Smelter • Sunny Max Investment Limited <p>Present</p> <ul style="list-style-type: none"> • Shong Sing Pte. Ltd. • Ironman Marketing Pte. Ltd. • Ironman Minerals & Ores Pte. Ltd. • Ironman International Inc. • Ironman – JS Investments (La Tahzan) Inc. • Goh Loo Club Limited (f.k.a. Goh Loo (2012) Limited)
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, general manager or other officer of equivalent rank.</p> <p>If the answer to any question is "yes", full details must be given.</p> <p>(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?</p>	No	No

CORPORATE GOVERNANCE

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

CORPORATE GOVERNANCE

	Name of person	
	Andy Goh	Tan Siok Sing
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	Yes ⁽¹⁾

CORPORATE GOVERNANCE

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

Note:

- (1) (a) Mr Tan Siok Sing was an Independent Director of Libra Group Limited ("**Libra**"), a company listed on the Catalist Board of the SGX-ST.

On 21 August 2021, SGX RegCo sent Libra a reminder letter for breaches of Catalist Rules 704(7), 705(1), 705(3)(b)(ii), 707(1) and 711A. Since then, Libra has yet to ratify the past breaches and continues to breach the following Catalist Rules:

- (i) Catalist Rule 705(3)(b)(ii) – failure to announce unaudited financial results for the first half year ended 30 Jun 2021;
- (ii) Catalist Rule 705(3)(b)(i) – failure to announce unaudited financial statements for the third quarter ended 30 Sep 2021;
- (iii) Catalist Rule 704(7) – failure to fulfil the minimum number (not less than three) of directors in the audit committee; and
- (iv) Catalist Rule 1304 – failure to submit a trading resumption proposal within 12 months of the date of suspension.

On 3 September 2021, Central Provident Fund ("**CPF**") Board has brought charges against Libra for non-payment of CPF contributions pursuant to sections 123 – 125 of the Criminal Procedure Code (Cap. 68, Rev Ed 2012) and on 1 September 2021, the Court imposed a fine of \$2,000 on Libra in relation to the charges.

- (b) Mr Tan Siok Sing was an executive director of Millennium Securities Pte Ltd ("**Millennium**"), a Singapore stockbroking firm. Mr Tan Siok Sing had on separate occasions assisted in investigations conducted by the Commercial Affairs Department ("**CAD**") in 2000 concerning the dealing activities of some of Millennium's clients. Mr Tan Siok Sing was not personally involved in the dealings and these clients were not Mr Tan Siok Sing's direct clients. Mr Tan Siok Sing was not a subject matter of any such investigations and merely acted as the liaison between Millennium and CAD in his capacity as an executive director.

CORPORATE GOVERNANCE

BOARD PERFORMANCE

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

Provisions 5.1 and 5.2

Board Performance

The NC is responsible for recommending and implementing a process to assess the effectiveness of the Board and the Board Committees as well as to assess the contribution of the Chairman and each Director to the overall effectiveness of the Board.

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

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

Performance Criteria for Board Evaluation

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

The performance criteria does not change unless circumstances deem it necessary and the decision to change them would be justified by the Board.

Evaluation of Individual Directors

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

For FY2022, the NC having reviewed the overall performance of the Board as a whole, its Board Committees as well as the performance of each individual Director, was satisfied with their performance for the period under review.

No external facilitator has been engaged to perform the Board assessment process in FY2022. When relevant and when the need arises, NC will consider such an engagement.

CORPORATE GOVERNANCE

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1, 6.2 and 6.3

Remuneration Committee and Terms of Reference

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

The RC comprises Mr Foo Say Tun, Mr Tan Siok Sing and Mr Ng Tiak Soon all of whom are Non-Executive Independent Directors. Mr Foo Say Tun is the RC Chairman.

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

- (a) Review and recommend for endorsement by the Board, a general framework of remuneration for the Board and KMP;
- (b) Review and recommend for endorsement by the Board, specific remuneration packages for each Director and KMP;
- (c) Review whether Executive Directors and KMP should be eligible for benefits under long-term incentive schemes;
- (d) Review annually the remuneration packages of all employees who are related to any of the Directors, controlling shareholders or the executive officers;
- (e) Ensure that the remuneration packages are comparable within the industry and with similar companies and include a performance-related element;
- (f) Ensure that there are appropriate and meaningful measures of assessing the performance of Executive Directors and KMP;
- (g) Ensure that the remuneration package of key executives related to Directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities;
- (h) Implement and administer performance share plan and employee share option scheme in accordance with the rules of the share plan and option scheme adopted by members of the Company from time to time; and
- (i) Review the Group's obligations arising in the event of termination of the Executive Director's and KMP's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

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

CORPORATE GOVERNANCE

Provision 6.4

RC's Access to Advice on Remuneration Matters

The RC may from time to time and where necessary seek advice from external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and KMP. The Board has not engaged any external remuneration consultant to advice on remuneration matters for FY2022.

LEVEL AND MIX OF REMUNERATION

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

Provisions 7.1 and 7.3

Remuneration of Executive Director and Key Management Personnel

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

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

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

There are, at present, no provisions allowing the Company to reclaim incentive components of remuneration from Executive Directors and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty 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.

Provision 7.2

Remuneration of Non-Executive Director

The Non-Executive Independent Directors receive Directors' fees, in accordance with their contributions, taking into account factors such as effort, time spent, responsibilities of the Directors and the need to pay competitive fees to attract, motivate and retain the Non-Executive Independent Directors. For FY2023, Directors' fees of \$120,000 are recommended by the Board and are subject to the approval of the shareholders at the AGM.

CORPORATE GOVERNANCE

DISCLOSURE ON REMUNERATION

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

Provisions 8.1 and 8.2 Remuneration Report

Details on the remuneration of Directors and KMP for FY2022 are presented in the following tables.

Remuneration of Directors and the CEO

The remuneration paid to and accrued to each Director for FY2022 is as follows:-

Name of Directors	Fees \$'000	Salary \$'000	Fixed Bonus ⁽¹⁾ \$'000	Variable or Performance Related Income / Bonus \$'000	Allowances And Benefits ⁽²⁾ \$'000	Total \$'000
Melvin Goh	-	488	120	-	68	676
Andy Goh	-	405	99	-	64	568
Ng Tiak Soon	50	-	-	-	-	50
Tan Siok Sing	35	-	-	-	-	35
Foo Say Tun	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.

CORPORATE GOVERNANCE

Remuneration of Key Management Personnel

The remuneration received by the top eight KMP (who are not Directors or the CEO) in FY2022 is approximately \$1.25 million, and a breakdown showing the level and mix of remuneration of each of the top eight KMP (who are not Directors or the CEO) in bands of \$250,000 for FY2022 as follows:

Name of KMP	Salary %	Variable or Performance Related Income / Bonus %	Allowances And Benefits ⁽¹⁾ %	Total %
\$250,000 to \$500,000				
Tan Jun Wei ⁽²⁾	90	7	3	100
Below \$250,000				
Roy Ng	63	36	1	100
Yang Ee	88	7	5	100
Julian Legazpi	100	–	–	100
Marc Alexander Schuchert	82	7	11	100
Muhammad Taureza	100	–	–	100
Tham Kwang Sheun ⁽³⁾	100	–	–	100
Joshua Goh Yi Shun ⁽⁴⁾	93	–	7	100

Notes:

- (1) Allowances and benefits include transport allowances, usage of car and others.
- (2) Mr Tan Jun Wei had resigned as the Chief Operating Officer of the Company with effect from 31 March 2022.
- (3) Mr Tham Kwang Sheun had resigned as the Chief Technology Officer of EuroSports Technologies Pte. Ltd. with effect from 28 February 2022.
- (4) Mr Joshua Goh Yi Shun had been promoted to Deputy Chief Executive Officer and Director of EuroSports Technologies Pte. Ltd. and Director of subsidiaries (EuroSports Auto Pte Ltd, EuroAutomobile Pte. Ltd., deLaCour Asia Pacific Pte. Ltd. and Prosper Auto Pte. Ltd.) with effect from 1 September 2021.

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

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 13 January 2017. Mr Joshua Goh Yi Shun has been assisting the Management with the overall operations of the subsidiary, EuroSports Technologies Pte. Ltd. Upon reviewing his involvement in the aforementioned role and considering the recommendation and feedback from the Management, the Board of Directors has approved the promotion of Mr Joshua Goh Yi Shun from Executive – CEO office to Deputy Chief Executive Officer and Director of EuroSports Technologies Pte. Ltd. with effect from 1 September 2021. His remuneration in FY2022 was in the band of below \$250,000.

CORPORATE GOVERNANCE

Except for Mr Andy Goh, who is the brother of Mr Melvin Goh and Mr Joshua Goh Yi Shun, who is the son of Mr Melvin Goh, there are no employees who are immediate family members of a Director or the CEO, and whose remuneration exceeds \$100,000 during FY2022.

There were no terminations, retirement or post-employment benefits granted to Directors, the CEO and KMP other than standard contractual notice period termination payment in lieu of service for FY2022.

Provision 8.3

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

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

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

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

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

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

The total number of shares over which the RC may grant the options under the ESOS and the total number of shares which may be delivered pursuant to the vesting of awards under the PSP on any date, when added to the number of shares issued and issuable in respect of (i) all options granted under the ESOS; (ii) all awards granted under the PSP; and (iii) all outstanding options, shares or awards issued/issuable or granted under such other share-based incentive schemes or share plans of the Company, shall not exceed 15% of the total number of issued shares (excluding treasury shares, as defined in the Companies Act 1967) of the Company on the day immediately preceding the offer date of the option or from time to time.

CORPORATE GOVERNANCE

During FY2022, no option to take up unissued shares of the Company or its subsidiaries was granted and 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 share awards were granted pursuant to the PSP and no share awards remained outstanding as at 31 March 2022.

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

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

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

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

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

EST awarded 30,875 shares to the participants. Further details of the Plan can be found in the Statement by Directors on page 97 of the annual report.

CORPORATE GOVERNANCE

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

Provision 9.1

Nature and Extent of Risks

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

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

Risk Tolerance and Risk Policies

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

CORPORATE GOVERNANCE

Provision 9.2

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

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

Based on the internal controls established and maintained by Group, work performed by the internal and external auditors, and review performed by the Management, various Board Committees and/or the Board, the Board, with the concurrence of the AC, is of the opinion that there are adequate and effective risk management and internal controls systems in place to address the risks relating to financial, operational, information technology and compliance controls for FY2022.

The Board and the AC are also responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any Sanction Law, and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities. The Company will inform shareholders on any sanction-related risks on the Company, the impact on such risk on the financials and operations of the Group, if any, and also the cessation of sanctions-related risks via announcement to SGXNET.

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

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

CORPORATE GOVERNANCE

Assurance from CEO, Deputy CEO and GFC

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

In addition, the Company had received undertakings from all the Directors and executive officers that they each shall, in the exercise of their powers and duties as Directors and officers, comply to the best of their abilities with the provisions of the Catalist Rules, the Securities and Future Act, the Code on Takeover and Mergers, and the Companies Act and will also procure the Company to do so.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1 and 10.2

Roles, Responsibilities and Authorities of AC and Membership

The AC comprises Mr Ng Tiak Soon, Mr Tan Siok Sing and Mr Foo Say Tun, all of whom are Non-Executive Independent Directors. Mr Ng Tiak Soon is the AC Chairman.

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

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

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

CORPORATE GOVERNANCE

- (b) To serve as an independent and objective party to review the financial information presented by the management to shareholders, regulators and the general public. In pursuance of this function, the duties of the AC shall include, amongst other things, the following:
- Review the Company's key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, and make the appropriate disclosure to the Board and in the Company's annual report;
 - Monitor the integrity of the financial information on the relevance and consistency of the accounting standards used and to review the financial statements (and any announcements relating to financial performance), significant financial reporting issues and judgements of the Company and of the Group with the management and external auditor before submission to the Board; and
 - Review the half year and full year financial statements and results announcements before submission to the Board for approval.
- (c) To examine the adequacy of the Company's internal controls, and evaluate adherence. In pursuance of this function, the duties of the AC, shall include, amongst others, the following:
- Exercise authority to investigate any matter within its terms of reference, with full access to and co-operation by the Company's management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable the AC to discharge its functions properly;
 - Review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, information technology and compliance controls;
 - Review and discuss with the auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the management's response;
 - Commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations which has or is likely to have a material impact on the Company's operating results and/or financial position;
 - Review policies and arrangements by which staff of the Company and any other persons may in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow up action;
 - Review transactions (if any) falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules;
 - Review potential conflicts of interest (if any) and set out a framework to resolve or mitigate any potential conflicts of interests; and
 - Review and approve foreign exchange hedging policies and instruments (if any) implemented by the Group and conduct periodic review of foreign exchange transactions and hedging policies and procedures.

CORPORATE GOVERNANCE

Summary of the Audit Committee's Activities

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

For FY2022, the AC has met with external and internal auditors, without the presence of management.

The principal activities of the AC during FY2022 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 discussed with the management, the GFC and the external auditor the key audit matters, significant accounting policies, judgement and estimate applied by the management in preparing the annual financial statements. Following the review and discussions, the AC then recommended to the Board for approval of the audited financial statements;
- (d) Recommended to the Board for re-appointment of RSM Chio Lim LLP as auditor of the Company for the ensuing year;
- (e) Undertook a review of the independence and objectivity of the external auditor through discussions with the external auditor 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 auditor;
- (g) Reviewed the reports and findings from the internal auditor;
- (h) Reviewed the adequacy, effectiveness and independence of the internal audit function;
- (i) Reviewed the Group's interested person transactions to ensure that the transactions were carried out on normal commercial terms and are not prejudicial to the interests of the Company or its non-controlling shareholders;
- (j) Reviewed the Chairman/Directors expenses;
- (k) Reviewed significant matters raised through the whistle-blowing channel; and
- (l) Met with the external auditor and internal auditor without the presence of Management.

Authority of the AC

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

CORPORATE GOVERNANCE

Whistle-Blowing Policy

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

The Group has in place a whistle-blowing policy. The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud. The Group will treat all information received confidentially and protect the identity and the interest of all whistle blowers. Anonymous disclosures will be accepted and anonymity honoured. The whistle-blowing policy, its procedures and contact details have been made available in the Company's website under the "**Code of Conduct and Ethics**".

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

There were no reported incident pertaining to whistle-blowing during FY2022.

Financial Reporting Matters

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

In review of the financial statements, the AC has discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The significant matters impacting the financial statements which were discussed with Management and the external auditor have been included as key audit matters in its auditor's report for FY2022.

Significant matters	How does the AC address the matter
Accounting for assessing the net realisable value of inventories	AC has reviewed the reasonableness of Management's judgement used in determining the allowance for inventories. AC has considered and is satisfied that the Group's valuation of inventories as at 31 March 2022 was appropriate.
Accounting for assessing the carrying value of intangible assets	AC has reviewed the appropriateness of Management's assessment in identifying any potential indications of impairment loss on intangible assets. AC has considered and is satisfied that the impairment assessment of intangible assets as at 31 March 2022 was appropriate.

The above items were also areas of focus for the external auditor and the external auditor has included these items as key audit matters in its audit report for FY2022.

CORPORATE GOVERNANCE

Auditor Independence

The AC undertook a review of the independence and objectivity of the external auditor through discussions with the external auditor as well as reviewing the non-audit fees awarded to them. The AC received an audit report from the external auditor setting out the non-audit services provided and the fees charge for FY2022. The aggregate amount of fees paid to the external auditor for audit and non-audit services for FY2022 are as follows:

	\$'000
Audit Fees	114
Non-audit Fees	29

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

The AC manages the relationship with the Group's external auditor, on behalf of the Board. For FY2022, the AC carried out its annual assessment of the cost effectiveness of the audit process, together with the auditor's approach to Audit Quality Indicators relating the RSM Chio Lim LLP at the firm level and on the audit engagement level. The AC concluded that the auditor demonstrated appropriate qualifications and expertise and that the audit process was effective. Therefore, the AC recommended to the Board the nomination of RSM Chio Lim LLP for re-appointment as external auditor at the forthcoming AGM of the Company.

Pursuant to the Rule 713 of the Catalist Rules, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. Accordingly, there is a change of RSM Chio Lim LLP's audit partner for the financial year ended 31 March 2022.

For FY2022, the Company has complied with Rules 712 and 715 of the Catalist Rule in relation to the appointment of its external auditor. The AC and the Board are satisfied with the standards and the effectiveness of the audit performed by the independent external auditor of the subsidiaries of the Group.

AC to Keep Abreast of Changes to Accounting Standard

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

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

Provision 10.3

Partners and Directors of the Company's Auditing Firm

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

CORPORATE GOVERNANCE

Provision 10.4

Internal Audit

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

Internal Audit Function

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

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

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

The AC annually reviews the independence, effectiveness and adequacy of the internal audit function. For FY2022, the AC has reviewed and is satisfied that the internal audit function is independent, effective and adequately resourced.

Provision 10.5

Meeting with External and Internal Auditors

During FY2022, the external auditor and internal auditor were invited to attend the AC meetings to present their audit plan and audit findings report to the AC. The AC has met with the external auditor and the internal auditor at least once during FY2022 without the presence of Management.

CORPORATE GOVERNANCE

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Provision 11.1

Conduct of General Meetings

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

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

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

In light of the COVID-19 situation, the last AGM of the Company was held and the forthcoming AGM will be held by way of electronic means, through "live webcast" and "audio-only means" pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders will not be able to attend the forthcoming AGM in person, but they may observe the proceedings of the AGM by live audio means. The notice of AGM was published on SGXNET as well as the Company's website. Shareholders participated in the AGM via electronic means, and their questions in relation to any resolution set out in the notice of AGM were sent to the Company in advance of the meetings. The Company provided their responses to the substantial queries and relevant comments from shareholders at the AGM via electronic means, and the responses were subsequently published on the SGXNET and the Company's website together with the minutes of the AGM.

CORPORATE GOVERNANCE

Provision 11.2

Separate Resolutions at General Meeting

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

All resolutions at the Company's general meeting are put to vote by poll and shareholders are entitled to vote in accordance with established voting rules and procedures so as to better reflect shareholders' shareholding interest and promote greater transparency. The detailed results showing the number of votes cast for or against each resolution and the respective percentage on each resolution are tallied and instantaneously displayed at the meeting and also disclosed via SGXNET on the same day.

For FY2021, as the AGM was held by electronic means, voting at the AGM was by proxy only. Shareholders who wish to vote on any or all the resolutions at the AGM, appointed the Chairman of the AGM as their proxy by completing the proxy form for the AGM, and submitted the proxy form by post or by email to the Company. The resolutions tabled at the general meetings are on each substantially separate issue, including treating the election or re-election of each Director as a separate subject matter. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the Notice of AGM in the annual report.

Provision 11.3

Interaction with Shareholders

All Directors, including Chairman of the Board and respective Chairman for each of the Board Committees, attend the general meetings of shareholders, and the external auditor will also be present to assist in addressing queries from shareholders relating to the conduct of audit and the preparation and content of the auditor's report. For the AGM held on 29 July 2021, all Directors were present.

Provision 11.4

Absentia Voting

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

Provision 11.5

Minutes of General Meetings

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

For the AGM of the Company held on 29 July 2021 via electronic means, the Company had published the minutes of the AGM on its website and the SGXNET within one month from the conclusion of the AGM.

CORPORATE GOVERNANCE

Provision 11.6

Dividend Policy

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

No dividend is declared for FY2022 as the Group is in a loss position and need to conserve cash amid COVID-19 and uncertain economic outlook.

ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1

Communication with Shareholders

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

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

Provisions 12.2 and 12.3

Investor Relations Policy

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

CORPORATE GOVERNANCE

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

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

Provisions 13.1 and 13.2

Relationship with Stakeholders

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

The Company's approach to its stakeholders' engagement can be found in the Company's Sustainability Report 2022 on pages 31 and 32 of the Annual Report.

Provision 13.3

Communication with Stakeholders

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

(F) ADDITIONAL INFORMATION

Dealings in Securities

In compliance with Rule 1204(19) of the Catalyst 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 Catalyst Rules on dealings in securities.

CORPORATE GOVERNANCE

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on an arm's length basis and will not be prejudicial to the interests of the Company and its minority shareholders. During FY2022, the Group did not enter into any interested person transactions of \$100,000 or more. The Group does not have a general mandate pursuant to Rule 920 of the Catalist Rules for interested person transactions.

Material Contracts

Save for the following contracts disclosed below, there were no other material contracts entered into by the Company and its subsidiaries involving the interest of any Director or controlling shareholders subsisting as at 31 March 2022, or if not then subsisting, entered into in FY2022:

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

Non-sponsor fees

In compliance with Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid/payable to the Company's sponsors, RHT Capital Pte. Ltd. and CIMB Bank Berhad, Singapore Branch ("**CIMB**") for FY2022.

With effect from 16 August 2021, the Company has appointed RHT Capital Pte. Ltd. as its continuing sponsor in place of CIMB due to CIMB cessation of its Catalist sponsorship business.

STATEMENT BY DIRECTORS

Year Ended 31 March 2022

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 2022.

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
Foo Say Tun

STATEMENT BY DIRECTORS

Year Ended 31 March 2022

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 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 1967 (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				
<u>The company – EuroSports Global Limited</u>				
Goh Kim San	66,900,200	79,010,200	52,513,300	40,403,300
Goh Kim Hup	36,815,600	36,815,600	19,500,000	19,500,000

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

The directors' interests as at 21 April 2022 were the same as those at the end of the reporting year.

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

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

STATEMENT BY DIRECTORS

Year Ended 31 March 2022

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:

Foo Say Tun	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

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.

STATEMENT BY DIRECTORS

Year Ended 31 March 2022

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

EuroSports Performance Share Plan ("PSP")

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

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

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

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

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

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

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

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

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

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

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

STATEMENT BY DIRECTORS

Year Ended 31 March 2022

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

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

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

Participants under the Plan are not required to pay for the grant of shares upon achieving the performance target, if any, or upon fulfilment of the conditions specified for the vesting of, and release of the EST shares comprised in the awards. Notwithstanding the foregoing, the Committee may at its absolute discretion grant EST shares which require the payment of an exercise price for the issuance of EST shares as a condition for release of the EST shares. The exercise price for each EST shares shall not be less than the fair market value of the EST shares on the grant date, and such fair market value shall be as reasonably determined by the Committee in good faith in accordance with accepted industry practices. The vesting period ranges from 3 to 5 years, and it is dependent on the performance targets set being satisfied (whether fully or partially) at the end of the performance period to be assessed by the committee.

At the end of the reporting year, there were 30,875 (2021: 53,000) shares in EST awarded to the participants pursuant to the Plan.

The details of options granted and exercised during the financial year were as follows:

	Options Granted for Financial Year 31.3.2022	Since Commencement of Scheme to 31.3.2022			Aggregate Options Outstanding as at 31.3.2022
		Aggregate Options Granted	Aggregate Options Exercised	Aggregate Options Lapsed	
Name of Participants					
- Employees of the subsidiary	-	53,000	-	(22,125)	30,875
	-	53,000	-	(22,125)	30,875

No participant has been awarded 5% or more of the aggregate number of performance shares which may be issued under the Plan since its commencement.

For the reporting year ended 31 March 2022, nil performance shares are awarded to employees. In reporting year 2021, an aggregate of 23,000 performance shares were awarded to employees of the Group.

STATEMENT BY DIRECTORS

Year Ended 31 March 2022

6. AUDIT COMMITTEE

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

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

7. INDEPENDENT AUDITOR

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

STATEMENT BY DIRECTORS

Year Ended 31 March 2022

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 controls and risk management, are adequate as at the end of the reporting year 31 March 2022.

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 2022, 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
Director

.....
Goh Kim Hup
Director

5 July 2022

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2022

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 2022, 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 1967 (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 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

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

Key audit matters

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

Assessing the net realisable value of inventories

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 16 for the breakdown details of the inventories at the reporting year end.

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2022

Key audit matters (cont'd)

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

Inventories amounted to \$11,227,000, representing 24.0% of the group's total assets as at 31 March 2022.

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 the inventory allowance, taking into consideration historical information and latest available market information. We checked the mechanical accuracy of the allowance by reviewing the calculation criteria and recalculating them to ensure that they are in line with the group policy. We have also reviewed the ageing of the inventory items and compared selected inventory's carrying value to recent sales transactions.

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

Assessing the carrying value of intangible assets

Refer to Notes 2A and 2C to the financial statements for the relevant accounting policy and key estimates used in the valuation of intangibles respectively, and Note 14 on intangible assets at the reporting year end.

Intangible assets amounted to \$4,973,000, representing 10.7% of the group's total assets as at 31 March 2022.

Management applied judgement in assessing the carrying value of intangible assets as at the reporting date. Management used the "value in use" method to determine the recoverable value. This required management making estimates that take into consideration of the various factors, including revenue growth rates, profit margins, prevailing market conditions, future demand anticipated selling prices, terminal growth rates and discount rates.

We have discussed with management the processes over the determination of the forecasted revenue growth of the sale of electric motorcycles, the profit margins, terminal growth rates and discount rates. We assessed management's estimates applied in the value in use model based on our knowledge of the operations. Our in-house valuation specialists also performed a review of the management's methodology, expectations and the discount rates used in the impairment assessment and tested the accuracy of the computations.

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

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2022

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT

Year Ended 31 March 2022

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 2022

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 Tan Beng Teck.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

5 July 2022

Engagement partner – effective from year ended 31 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 March 2022

	Notes	Group	
		2022 \$'000	2021 \$'000
Revenue	5	54,363	49,123
Cost of sales		(45,544)	(40,483)
Gross profit		8,819	8,640
Other income	6	3,176	2,774
Interest income		14	47
Other gains	7	713	352
Marketing and distribution expenses	8	(2,095)	(1,606)
Administrative expenses	8	(12,047)	(11,661)
Other losses	7	(168)	(1,524)
Finance costs	8	(335)	(632)
Loss before tax		(1,923)	(3,610)
Income tax expense	10	(2)	(117)
Loss for the year, net of tax		(1,925)	(3,727)
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)
Total comprehensive loss for the year, net of tax		(1,925)	(3,748)
Loss for the year, net of tax attributable to:			
Owners of the parent		(1,319)	(3,688)
Non-controlling interests		(606)	(39)
Loss for the year, net of tax		(1,925)	(3,727)
Total comprehensive loss for the year, net of tax attributable to:			
Owners of the parent		(1,319)	(3,709)
Non-controlling interests		(606)	(39)
Total comprehensive loss for the year, net of tax		(1,925)	(3,748)
		Cents	Cents
Earnings per share (loss):			
Basic and diluted	11	(0.51)	(1.41)

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2022

	Notes	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
ASSETS					
Non-current assets					
Plant and equipment	12	3,011	3,526	–	–
Right-of-use assets	13	1,399	3,498	1,399	3,498
Intangible assets	14	4,973	3,089	–	–
Investment in subsidiaries	15	–	–	10,208	7,197
Other non-financial assets	18	90	–	–	–
Total non-current assets		9,473	10,113	11,607	10,695
Current assets					
Inventories	16	11,227	13,317	–	–
Trade and other receivables	17	1,326	918	982	1,341
Other non-financial assets	18	9,365	1,039	445	418
Cash and cash equivalents	19	15,291	16,608	1,079	3,849
Total current assets		37,209	31,882	2,506	5,608
Total assets		46,682	41,995	14,113	16,303
EQUITY AND LIABILITIES					
Equity					
Share capital	20	17,231	17,624	17,231	17,624
Other reserves		177	206	–	123
Accumulated losses		(937)	(2,602)	(9,487)	(12,646)
Equity attributable to owners of the parent		16,471	15,228	7,744	5,101
Non-controlling interests		2,899	2,397	–	–
Total equity		19,370	17,625	7,744	5,101
Non-current liabilities					
Other financial liabilities	22	2,820	5,000	–	–
Lease liabilities	23	–	1,951	–	1,523
Total non-current liabilities		2,820	6,951	–	1,523
Current liabilities					
Trade payables	21	4,018	3,648	4,846	3,969
Other financial liabilities	22	2,355	3,744	–	3,483
Lease liabilities	23	1,690	2,768	1,523	2,227
Other non-financial liabilities	24	16,421	7,205	–	–
Income tax payables		8	54	–	–
Total current liabilities		24,492	17,419	6,369	9,679
Total liabilities		27,312	24,370	6,369	11,202
Total equity and liabilities		46,682	41,995	14,113	16,303

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

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2022

Group	Share capital \$'000	Other reserves \$'000	Accumulated losses \$'000	Attributable to parent \$'000	Non-controlling interests \$'000	Total equity \$'000
Current year:						
Opening balance at 1 April 2021	17,624	206	(2,602)	15,228	2,397	17,625
Movements in equity:						
Capital contribution from a non-controlling interest in subsidiary (Note 15B)	-	-	-	-	3,940	3,940
Changes in ownership interests without a change in control (Note 15B)	-	-	2,861	2,861	(2,861)	-
Purchase of treasury shares (Note 20)	(393)	-	-	(393)	-	(393)
Share-based payment (Note 9)	-	94	-	94	29	123
Loss for the year, net of tax	-	-	(1,319)	(1,319)	(606)	(1,925)
Other comprehensive income:						
Transfer of fair value changes attributable to changes in the credit risk of convertible bond upon redemption (Note 22C)	-	(123)	123	-	-	-
Closing balance at 31 March 2022	17,231	177	(937)	16,471	2,899	19,370
Previous year:						
Opening balance at 1 April 2020	17,801	144	(8,521)	9,424	622	10,046
Movements in equity:						
Acquisition of non-controlling interest of a subsidiary	-	-	32	32	(67)	(35)
Changes in ownership interest without a change in control (Note 15A)	-	-	9,575	9,575	1,858	11,433
Purchase of treasury shares (Note 20)	(875)	-	-	(875)	-	(875)
Sale of treasury shares (Note 20)	698	-	-	698	-	698
Share-based payment (Note 9)	-	83	-	83	23	106
Loss for the year, net of tax	-	(21)	(3,688)	(3,709)	(39)	(3,748)
Closing balance at 31 March 2021	17,624	206	(2,602)	15,228	2,397	17,625

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

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 March 2022

Company	Share capital \$'000	Other reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Current year:				
Opening balance at 1 April 2021	17,624	123	(12,646)	5,101
Movements in equity:				
Purchase of treasury shares (Note 20)	(393)	–	–	(393)
Profit for the year, net of tax	–	–	3,036	3,036
<u>Other comprehensive income:</u>				
Transfer of fair value changes attributable to changes in the credit risk of convertible bond upon redemption (Note 22C)	–	(123)	123	–
Closing balance at 31 March 2022	17,231	–	(9,487)	7,744
Previous year:				
Opening balance at 1 April 2020	17,801	144	(16,366)	1,579
Movements in equity:				
Purchase of treasury shares (Note 20)	(875)	–	–	(875)
Sales of treasury shares (Note 20)	698	–	–	698
Profit for the year, net of tax	–	(21)	3,720	3,699
Closing balance at 31 March 2021	17,624	123	(12,646)	5,101

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 March 2022

	Group	
	2022 \$'000	2021 \$'000
<u>Cash flows from operating activities</u>		
Loss before tax	(1,923)	(3,610)
Adjustments for:		
Depreciation of plant and equipment	1,008	1,191
Depreciation of right-of-use assets	2,099	2,099
Loss on disposal of plant and equipment	76	90
Fair value (gain) / loss on convertible bond	(483)	968
Interest income	(14)	(47)
Interest expense on financial liabilities	259	490
Interest expense on lease liabilities	76	142
Other losses	–	19
Performance share expense	123	106
Provision of warranty expenses	(5)	276
Reversal of prior year impairment loss on deposit	–	(50)
Reversal of prior year impairment loss on assets held for sale	–	(135)
Operating cash flows from before changes in working capital	1,216	1,539
Inventories	2,090	5,552
Trade and other receivables	(408)	1,344
Other non-financial assets	(8,416)	1,620
Other non-financial liabilities	9,221	(1,211)
Trade payables	209	(2,611)
Net cash flows from operations	3,912	6,233
Income taxes expense	(48)	(88)
Net cash flows from operating activities	3,864	6,145
<u>Cash flows used in investing activities</u>		
Additions to intangible assets	(1,884)	(854)
Purchase of plant and equipment (Notes 12 and 19B)	(1,141)	(956)
Disposal of plant and equipment	572	1,511
Interest received	14	47
Net cash flows used in investing activities	(2,439)	(252)
<u>Cash flows (used in) / from financing activities</u>		
Acquisition of non-controlling interest of a subsidiary	–	(35)
Decrease of other financial liabilities	(86)	(376)
Security deposits for bank facilities	–	2,480
Proceeds from issue of share capital to non-controlling interests in a subsidiary (Note 15A and 15B)	4,101	6,725
Purchase of treasury shares	(393)	(875)
Payment of lease liabilities	(3,105)	(3,939)
Repayment of convertible bond	(3,000)	–
Sale of treasury shares	–	698
Interest paid	(259)	(374)
Net cash flows (used in) / from financing activities	(2,742)	4,304
Net (decrease) / increase in cash and cash equivalents	(1,317)	10,197
Cash and cash equivalents, statement of cash flows, beginning balance	12,163	1,966
Cash and cash equivalents, statement of cash flows, ending balance (Note 19A)	10,846	12,163

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

1. GENERAL

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

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

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

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

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

Uncertainties relating to the COVID-19 pandemic

The COVID-19 pandemic and the aftermath of the pandemic has caused and continues to cause disruptions resulting in uncertainties surrounding the group’s business, including affecting its relationships with its existing and future customers, suppliers and employees, and which had and will continue to have an adverse effect on its financial position, financial performance of operations, cash flows and medium and long-term prospects for the foreseeable future. The group incurred a loss after tax of \$1,925,000 (2021: \$3,727,000) for the reporting year. The management’s assessment of the group’s ability to generate sufficient cash flows from its operations and the availability of sufficient funds for its operations amidst the ongoing economic conditions were important considerations in the use of going concern assumption to prepare the financial statements. The management is monitoring the situation closely and to mitigate the financial impact, it is carefully managing its operations by adopting an operating cost reduction strategy. 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)**”) 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 1967 and with the International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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 consolidation 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 1967, the company's separate statement of comprehensive income is not presented.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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 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. 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 2022

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 2022

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

2A. Significant accounting policies (cont'd)

Plant and equipment

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

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

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss.

The residual value and the useful life of an asset is reviewed at least at the end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted. Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Right-of-use assets

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

Premises	–	Over the terms of lease of up to 5 years
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NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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

2A. Significant accounting policies (cont'd)

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:

Development costs – 5 Years

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

Leases of lessee

Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded in property, plant and equipment. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an expense. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases of lessor

For a lessor each of lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. 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.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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

2A. Significant accounting policies (cont'd)

Segment reporting

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

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.

Business combinations

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.

There were no business combinations during the reporting year.

Non-controlling interests

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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

2A. Significant accounting policies (cont'd)

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.

Carrying amounts 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.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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

2A. Significant accounting policies (cont'd)

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.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment classified as measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at FVTPL: There were no financial assets classified in this category at reporting year end date.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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 liabilities:

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

Cash and cash equivalents

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

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. 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 (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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.

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

31 March 2022

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.

Assessing the net realisable value of inventories

A review is made periodically on inventory for excess inventory and declines in net realisable value below cost. 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. These reviews require management to consider the future demand for the products. Other considerations 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 Note 16 on inventories.

Assessing the carrying value of intangible assets

The intangible assets are costs incurred to develop the electric motorcycles. The realisation of the benefits of intangibles assets is dependent upon the successful market acceptance of the electric motorcycles. An assessment is made of the carrying value of identifiable intangible assets annually, or more frequently if events or changes in circumstances indicate that such carrying value may not be recoverable. The assessment process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. As a result, judgement is required in evaluating the assumptions and methodologies used by management, in particular those relating to the forecasted revenue growth and profit margins. Details on the assumptions used in the determination of the recoverable amount of intangible assets are disclosed in Note 14 on Intangible assets.

Useful lives of plant and equipment

The estimates for the useful lives and related depreciation charges for plant and equipment are 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 shorter 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 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 \$3,011,000 (Note 12).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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

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

Assessing the impairment of cost of investments and amount due from subsidiaries ("Company only")

Where an investee is in net equity deficit and or has suffered recurring losses, a test is made to determine 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 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 Notes 15 and Note 17.

Impairment of 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 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 is disclosed in Note 12 on plant and equipment.

Allowance for doubtful trade and other receivables

An allowance is made for doubtful trade accounts for estimated losses resulting from the 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 Note 17 on trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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.

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	
	2022 \$'000	2021 \$'000
Salaries and other short-term employee benefits	1,430	1,328

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

	Group	
	2022 \$'000	2021 \$'000
Remuneration of directors of the company	1,112	1,102
Remuneration of a director of subsidiaries	66	-
Fees to directors of the company	120	111
Other benefits	132	115

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 and one director of subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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

3C. Other receivables from 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 receivables from related parties are as follows:

	Related parties	
	2022 \$'000	2021 \$'000
Group		
<u>Other receivables:</u>		
Balance at beginning of year	–	35
Amounts paid in and settlement of liabilities on behalf of the company	–	(35)
Balance at end of year	–	–

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

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

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

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

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

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

- (1) Automobiles distribution business retails new luxury automobiles as well as pre-owned automobiles.
- (2) Sustainable mobility (electric motorcycles).
- (3) Other includes sales of watches.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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

4B. Profit or loss from continuing operations and reconciliation

	Group	
	2022 \$'000	2021 \$'000
Revenue by segment		
Automobiles distribution	54,292	49,108
Sustainable mobility	3	–
Other	68	15
Total	54,363	49,123
Segment result		
Automobiles distribution	832	(325)
Sustainable mobility	(2,573)	(1,842)
Other	(182)	(1,443)
Consolidated loss before tax	(1,923)	(3,610)
Income tax expense	(2)	(117)
Loss for the year	(1,925)	(3,727)

4C. Assets and reconciliation

	Group	
	2022 \$'000	2021 \$'000
Segment assets		
Automobiles distribution	37,137	35,165
Sustainable mobility	9,641	8,061
Other	42	293
	46,820	43,519
Elimination of inter-segment assets	(138)	(1,524)
Total	46,682	41,995

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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

4D. Liabilities and reconciliation

	Group	
	2022 \$'000	2021 \$'000
Segment liabilities		
Automobiles distribution	26,845	24,250
Sustainable mobility	498	136
Other	4,767	4,832
	32,110	29,218
Elimination of inter-segment liabilities	(4,798)	(4,848)
Total	27,312	24,370

4E. Other material items and reconciliation

	Group	
	2022 \$'000	2021 \$'000
Depreciation of plant and equipment:		
Automobiles distribution	746	1,010
Sustainable mobility	259	177
Other	3	4
Total	1,008	1,191
Depreciation of right-of-use assets:		
Automobiles distribution	2,099	2,099
Finance costs:		
Automobiles distribution	335	628
Sustainable mobility	–	4
Total	335	632

4F. Geographical Information

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 2022

5. REVENUE

Revenue from contracts with customers

	Group	
	2022 \$'000	2021 \$'000
Sales of automobiles	49,356	45,999
Sales of watches	68	15
Sales of merchandise, parts and servicing	4,939	3,109
	54,363	49,123

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

6. OTHER INCOME

	Group	
	2022 \$'000	2021 \$'000
Commission income	430	270
Government income	114	783
Rental income	182	504
Rental relief	–	384
Incentives from manufacturers	1,516	245
Other income	934	588
	3,176	2,774

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

7. OTHER GAINS AND (OTHER LOSSES)

	Group	
	2022 \$'000	2021 \$'000
Reversal / (Allowance) for impairment on trade receivables (Note 17)	224	(144)
Bad debts recovered	6	64
Fair value gain / (loss) on convertible bond (Note 22C)	483	(968)
Foreign exchange adjustments (loss) / gain	(92)	103
Loss on disposal of plant and equipment	(76)	(90)
Negotiated discount in exchange for an accelerated payment	–	(303)
Reversal of deposit previously written off	–	50
Reversal of prior year impairment loss on assets held for sale	–	135
Other losses	–	(19)
Net	545	(1,172)
Presented in profit or loss as:		
Other gains	713	352
Other losses	(168)	(1,524)
Net	545	(1,172)

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

The major components include the following:

	Group	
	2022 \$'000	2021 \$'000
Marketing and distribution expenses		
Advertising and promotions	741	798
Employee benefits expense (Note 9)	684	472
Entertainment	448	249
Administrative expenses		
Rental expense of premises (Note 23)	601	895
Depreciation of plant and equipment (Note 12)	1,008	1,191
Depreciation of right-of-use assets (Note 13)	2,099	2,099
Employee benefits expense (Note 9)	5,382	5,012
Finance costs		
Interest expense on financial liabilities	259	490
Interest expense on lease liabilities	76	142

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

9. EMPLOYEE BENEFITS EXPENSE

	Group	
	2022 \$'000	2021 \$'000
Employee benefits expense	5,494	5,021
Contributions to defined contribution plan	601	544
Other benefits	188	138
Performance share scheme	123	106
Total employee benefits expense	6,406	5,809
Presented in profit or loss as:		
Cost of sales	340	325
Marketing and distribution expenses (Note 8)	684	472
Administrative expenses (Note 8)	5,382	5,012
	6,406	5,809

The company's subsidiary, EuroSports Technologies Pte. Ltd. ("**EST**") adopted a Performance Share Plan by shareholders of the subsidiary at general meeting on 27 September 2019. The purpose of the EST Plan is to assist EST in recruiting and retaining individuals with ability and initiative by enabling such persons to participate in the future success of EST and to associate their interests with those of EST and its shareholders. The vesting period ranges from 3 to 5 years, and it is dependent on the performance targets set being satisfied (whether fully or partially) at the end of the performance period to be assessed by the Committee.

The exercise price for each EST shares shall not be less than the fair market value of the EST shares on the grant date, and such fair market value shall be as reasonably determined by the Committee in good faith in accordance with accepted industry practices.

For the reporting year ended 31 March 2022, nil performance shares are awarded to employees. In reporting year 2021, an aggregate of 53,000 performance shares were awarded to employees of the Group. The fair value of the performance share granted at the grant date is determined by reference to the market value of the shares of the subsidiary issued to non-controlling interests for US\$5 million (equivalent to \$6,723,000). \$123,000 is expensed in the profit or loss statement for financial year ended 31 March 2022 (2021: \$106,000). The corresponding increase is made in the Other Reserves.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

10. INCOME TAX

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

	Group	
	2022 \$'000	2021 \$'000
<u>Current tax expense:</u>		
Current tax expense	–	53
Under adjustment in respect to prior periods	2	64
Total income tax expense	2	117

The income tax in profit or loss varied from the income tax amount determined by applying the Singapore income tax rate of 17% (2021: 17%) to loss before income tax as a result of the following differences:

	Group	
	2022 \$'000	2021 \$'000
Loss before tax	(1,923)	(3,610)
Income tax income at the above rate	(327)	(614)
Non-deductible expenses	426	228
Income not subject to tax	(5)	(20)
Deferred tax not recognised	–	476
Previously unrecognised deferred tax assets recognised this year	(94)	–
Tax exemption	–	(17)
Under adjustment to tax in respect to prior periods	2	64
Total income tax expense	2	117

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

The major expense items not subject to tax include the following:

	Group	
	2022 \$'000	2021 \$'000
Depreciation on non-qualifying plant and equipment	1,008	1,191

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

10. INCOME TAX (CONT'D)

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

	Group	
	2022 \$'000	2021 \$'000
Excess of net book value over tax values/ (tax values over net book value) of plant and equipment	–	27
Tax loss carryforwards	(94)	449
Deferred tax not recognised	–	(476)
Previously unrecognised deferred tax assets recognised this year	94	–
Total deferred tax expense recognised in profit or loss	–	–

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

	Group	
	2022 \$'000	2021 \$'000
<u>Deferred tax assets recognised in profit or loss:</u>		
Excess of (net book value over tax values)/ tax values over net book value of plant and equipment	(112)	(112)
Tax loss carryforwards	3,014	3,108
Deferred tax not recognised	(2,902)	(2,996)
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.

NOTES TO THE FINANCIAL STATEMENTS

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11. EARNINGS PER SHARE (LOSS)

Basic earnings 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	
	2022	2021
	\$'000	\$'000
Net loss attributable to ordinary equity holders of the company	(1,319)	(3,688)

	Group	
	Number of equity shares	
	2022	2021
	'000	'000
Weighted average number of equity shares	258,699	260,656

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.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

12. PLANT AND EQUIPMENT

Group	Plant and equipment \$'000	Motor vehicles \$'000	Additions and alterations \$'000	Total \$'000
<u>Cost:</u>				
At 1 April 2020	2,162	6,360	3,930	12,452
Additions	440	905	109	1,454
Disposals	(8)	(2,975)	–	(2,983)
At 31 March 2021	2,594	4,290	4,039	10,923
Additions	275	789	77	1,141
Disposals	(11)	(1,515)	–	(1,526)
At 31 March 2022	2,858	3,564	4,116	10,538
<u>Accumulated depreciation:</u>				
At 1 April 2020	1,634	3,538	2,416	7,588
Depreciation for the year	231	408	552	1,191
Disposals	(8)	(1,374)	–	(1,382)
At 31 March 2021	1,857	2,572	2,968	7,397
Depreciation for the year	294	149	565	1,008
Disposals	(11)	(867)	–	(878)
At 31 March 2022	2,140	1,854	3,533	7,527
<u>Carrying value:</u>				
At 1 April 2020	528	2,822	1,514	4,864
At 31 March 2021	737	1,718	1,071	3,526
At 31 March 2022	718	1,710	583	3,011

Notes:

- a) Depreciation expense is included under administrative expenses.
- b) The carrying amount of motor vehicles that are right-of-use assets under lease agreements was \$170,000 (2021: \$560,000). The remaining term of the lease liabilities is less than one year and there were no variable payments linked to an index. The leases transfer the ownership of motor vehicles to the group at the end of the lease term.
- c) Certain items (right-of-use-assets) are under finance lease agreements (see Note 23).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

13. RIGHT-OF-USE ASSETS

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

Group and Company	Premises \$'000
<u>Cost:</u>	
At 1 April 2020	10,475
Disposal	(2,982)
Remeasurement	(183)
At 31 March 2021 and 31 March 2022	<u>7,310</u>
<u>Accumulated depreciation:</u>	
At 1 April 2020	(5,026)
Depreciation for the year	(2,099)
Disposal	2,982
Remeasurement	331
At 31 March 2021	<u>(3,812)</u>
Depreciation for the year	(2,099)
At 31 March 2022	<u>(5,911)</u>
<u>Carrying value:</u>	
At 1 April 2020	<u>5,449</u>
At 31 March 2021	<u>3,498</u>
At 31 March 2022	<u>1,399</u>

The depreciation is charged to administrative expenses.

Other information about the leasing activities relating to the right-of-use assets are summarised as follows: The remaining term of 8 months (2021: 1 year and 8 months); there are usually no options to purchase; there are no variable payments linked to an index.

The leases are for warehouses, office and showroom.

There are restrictions or covenants imposed by the leases to sublet the asset to another party. The right-of-use asset can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. Typically the leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term.

NOTES TO THE FINANCIAL STATEMENTS

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14. INTANGIBLE ASSETS

Group	Development cost \$'000
<u>Cost:</u>	
At 1 April 2020	2,235
Additions	854
At 31 March 2021	3,089
Additions	1,884
At 31 March 2022	4,973
<u>Accumulated amortisation and impairment:</u>	
At 1 April 2020, 31 March 2021 and 31 March 2022	-
<u>Carrying value:</u>	
At 1 April 2020	2,235
At 31 March 2021	3,089
At 31 March 2022	4,973

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.

The intangible assets were tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs of disposal or its value in use. The recoverable amounts of cash-generating units have been measured based on the value in use method.

The value in use was measured by management. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed and is analysed as follows:

The value in use is prepared on the assumption that the electric motorcycles are expected to generate revenue from year 2023 onwards.

Valuation technique and unobservable inputs

Discounted cash flow method:

	Range (weighted average)	
	2022	2021
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the intangible assets	50%	50%
Terminal growth rate	4%	4%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management	5 years	5 years

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

14. INTANGIBLE ASSETS (CONT'D)

Actual outcomes could vary from these estimates. There would be no impairment loss on the carrying value of the intangible assets:

- a) If the estimated discount rate applied to the discounted cash flows had been 2.5% less favourable than management's estimates; or
- b) If the estimated terminal growth rate applied to the discounted cash flows had been 2.5% less favourable than management's estimates.

Management believes that any reasonably possible change in the key assumptions on which this division's recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 \$'000	2021 \$'000
Carrying value of investment:		
Balance at beginning of the year	7,197	2,162
Additions	–	35
Reversal of impairment	3,111	5,000
Allowance for impairment	(100)	–
Carrying value at the end of the year	<u>10,208</u>	<u>7,197</u>
Total cost comprising:		
Unquoted equity shares at cost	10,308	10,308
Allowance for impairment	(100)	(3,111)
	<u>10,208</u>	<u>7,197</u>
Movements in above allowance:		
Balance at beginning of the year	3,111	8,111
Impairment loss reversed to profit or loss	(3,011)	(5,000)
Balance at the end of the year	<u>100</u>	<u>3,111</u>

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

In reporting year 2022, the improving performance of EuroSports Auto Pte. Ltd. ("ES") was considered sufficient evidence to reverse the impairment loss made in prior years to its net asset value (which approximates fair value less cost to sell). ES has achieved stable performance over the past three financial years.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

In reporting year 2022, the launch of pre-orders of electric motorcycle, X1 in October 2021 and recent rounds of successful fund-raising in EuroSports Technologies Pte. Ltd. ("EST") were considered sufficient evidence to reverse the impairment loss made in prior years.

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	
		2022 \$'000	2021 \$'000	2022 %	2021 %
EuroSports Auto Pte Ltd	Distribution and retailing of imported automobiles, import of parts and accessories and repairs and servicing of automobile	7,953	6,842	100	100
EuroAutomobile Pte. Ltd.	Distribution and retailing of imported automobiles, import of parts and accessories and repairs and servicing of automobile	— ^(a)	— ^(a)	100	100
EuroSports Technologies Pte. Ltd.	Developing a next-generation motorcycle that is fully electric	2,000	— ^(b)	75.93	78.46
deLaCour Asia Pacific Pte. Ltd.	Trading and distribution of watches and related accessories	— ^(a)	— ^(a)	100	100
Prosper Auto Pte. Ltd.	Distribution of automobiles, parts and accessories in Indonesia	255	255	51	51
JES Auto Pte. Ltd.	Distribution of automobiles, parts and accessories in Indonesia	— ^(b)	100	100	100
<u>Held through EuroSports Technologies Pte. Ltd.</u>					
EVI Electric Pte. Ltd.	Electric mobility manufacturer and energy system provider	— ^(a)	—	75.93	—

Notes:

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

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

All subsidiaries are audited by RSM Chio Lim LLP.

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

There is a subsidiary that have non-controlling interests (“**NCI**”) that are considered material to the reporting entity and additional disclosures on them (amounts before inter-company eliminations) are presented below.

	Group	
	2022 \$'000	2021 \$'000
<u>EuroSports Technologies Pte. Ltd.:</u>		
The loss allocated to NCI of the subsidiary during the reporting year	(613)	(174)
Total comprehensive loss allocated to NCI of the subsidiary during the reporting year	(613)	(174)
Accumulated NCI of the subsidiary at the end of the reporting year	2,203	1,707

The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and amounts before inter-company eliminations) is as follows:

	Group	
	2022 \$'000	2021 \$'000
<u>EuroSports Technologies Pte. Ltd.:</u>		
Current assets	3,888	4,339
Non-current assets	5,702	3,783
Current liabilities	(440)	(198)
Non-current liabilities	–	–
Revenue	3	–
Loss for the reporting year	(2,838)	(2,102)
Other comprehensive income	–	–
Total comprehensive loss	(2,838)	(2,102)
Net cash flows used in operating activities	(2,776)	(4,442)
Net cash flows used in investing activities	(2,176)	(1,338)
Net cash flows generated from financing activities	3,939	9,721

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

15A Changes in ownership interest without a change in control

In reporting year 2021, EST issued 549,080 ordinary shares to non-controlling interest ("NCI") for a consideration of \$11.43 million. Part of the consideration was satisfied by cash consideration of \$6.73 million. The remaining consideration was settled by way of conversion of \$3.0 million of convertible bond (Note 22C) and \$1.71 million of convertible loan (Note 22D) to share capital in EST. Consequently, the company's ownership percentage in EST is diluted from 100% to 78.46%. This change in ownership interest that does not result in a change of control and, therefore, is considered an equity transaction. Any difference between the amount by which the carrying value of the company's share in EST is adjusted and the fair value of the consideration received is recognised directly in equity and attributed to the controlling interest.

	2021 \$'000
Consideration from issuance of shares to NCI	6,725
Conversion of convertible bond to shares in ESG by NCI	3,000
Conversion of convertible loan to shares in ESG by NCI	1,708
Total consideration	11,433
Net assets attributable to NCI	(1,858)
Increase in equity attributable to parent	9,575

15B. Changes in ownership interest without a change in control

During the reporting year, EST issued 84,969 ordinary shares to non-controlling interest ("NCI") for a net cash consideration of \$3.94 million. The gross cash consideration received of \$4.10 million, net off transaction costs directly attributable to raising fund of \$161,000. The transactions costs were accrued as at 31 March 2022. Consequently, the company's ownership percentage in EST is diluted from 78.46% to 75.93%. This change in ownership interest does not result in a change of control and, therefore, is considered an equity transaction. Any difference between the amount by which the carrying value of the company's share in EST is adjusted and the fair value of the consideration received is recognised directly in equity and attributed to the controlling interest.

	2022 \$'000
Consideration from issuance of shares to NCI	3,940
Net assets attributable to NCI	(1,079)
Increase in equity attributable to parent	2,861

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

15C. Acquisition of subsidiary

In reporting year 2021, an equity interest of 35% of subsidiary JES Auto Pte. Ltd. was acquired during the reporting year for a cash consideration of \$35,000. This increased the equity interest of the group from 65% to 100%. Changes in the ownership interest in a subsidiary that do not result in change of control are accounted as transactions with owners in their capacity as owners (as equity transactions). The carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interest in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity and attributed to the owners of the parent. The schedule below shows the effects of the changes.

	Before 2021 \$'000	After 2021 \$'000	Change 2021 \$'000
Group			
Proportionate share of the carrying amount of the net assets of JES Auto Pte. Ltd. has been transferred from non-controlling interest	125	192	67
Gain on acquisition included in accumulated losses	–	32	32
Company			
Investment in subsidiary	65	100	35

16. INVENTORIES

	Group	
	2022 \$'000	2021 \$'000
Automobiles	9,254	11,432
Automobile parts and accessories	1,973	1,646
Watches	–	239
	11,227	13,317

Inventories are stated after allowance.

	Group	
	2022 \$'000	2021 \$'000
<u>Movements in allowance:</u>		
Balance at beginning of the year	3,347	2,470
Charge to profit or loss included in cost of sales	248	1,482
Used	–	(605)
Balance at end of the year	3,595	3,347
Changes in inventories	(2,090)	(4,437)
The amount of inventories included in cost of sales	44,536	38,290
The write-downs of inventories charged to profit or loss included in cost of sales	248	1,482

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

16. INVENTORIES (CONT'D)

The carrying amount of inventories under lease agreements was \$604,000 (2021: \$1,334,000). The remaining term of the lease liability is less than 1 year and there was no variable payments linked to an index. The leases transfer the ownership of automobile to the group at the end of the lease term.

Certain inventories are pledged as security for the bank facilities and finance leases (Note 22).

17. TRADE AND OTHER RECEIVABLES

	Group	
	2022 \$'000	2021 \$'000
Current		
<u>Trade receivables:</u>		
Outside parties	1,392	744
Less allowance for impairment	(225)	(497)
Net trade receivables – subtotal	1,167	247
<u>Other receivables:</u>		
Outside parties	428	1,377
Less: allowance for impairment	(269)	(706)
Net other receivables – subtotal	159	671
Total trade and other receivables	1,326	918
<u>Movements in above allowance:</u>		
Balance at beginning of the year	1,203	1,084
(Reversed) / Charge for receivables to profit or loss included in (other gains) / other losses (Note 7)	(224)	144
Bad debts written off	(485)	(25)
Balance at end of the year	494	1,203
	Company	
	2022 \$'000	2021 \$'000
Current		
<u>Other receivables:</u>		
Subsidiaries	1,583	1,489
Outside parties	43	200
Less allowance for impairment	(644)	(348)
Total other receivables	982	1,341
<u>Movements in above allowance:</u>		
Balance at beginning and end of the year	348	348
Charge for receivables to profit or loss	296	–
Balance at the end of the year	644	348

The group has graded its customers as low risk individually. These trade and other receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade receivables are considered to have low credit risk individually.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

17. TRADE AND OTHER RECEIVABLES (CONT'D)

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 \$225,000 (2021: \$497,000) is recognised. There are no collaterals held as security and other credit enhancements for the trade receivables.

The group generally does not grant credit terms except for distributors of watches where an average credit term of 30 days (2021: 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	
	2022 \$'000	2021 \$'000
Trade receivables:		
Less than 30 days	977	64
31 to 60 days	18	53
61 to 90 days	32	75
Over 90 days	140	55
Total	1,167	247

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

	Group	
	2022 \$'000	2021 \$'000
Trade receivables:		
Less than 365 days	158	77
Over 365 days	67	420
Total	225	497

The other receivables of the group and company aged over 90 days that are not impaired are Nil (2021: \$525,000 and \$363,000) respectively.

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 \$269,000 (2021: \$706,000) 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

31 March 2022

18. OTHER NON-FINANCIAL ASSETS

	Group	
	2022 \$'000	2021 \$'000
Non-current		
Prepayments	90	–
Non-current, total	90	–
Current		
Deposits placed to purchase automobiles and secure services	8,511	843
Prepayments	854	196
Current, total	9,365	1,039
Total	9,455	1,039

	Company	
	2022 \$'000	2021 \$'000
Current		
Deposits placed to secure services	384	384
Prepayments	61	34
Total	445	418

19. CASH AND CASH EQUIVALENTS

	Group	
	2022 \$'000	2021 \$'000
Not restricted in use	10,846	12,163
Security deposits for bank facilities	4,445	4,445
Total	15,291	16,608

	Company	
	2022 \$'000	2021 \$'000
Not restricted in use	1,079	3,849

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

19. CASH AND CASH EQUIVALENTS (CONT'D)

19A. Cash and cash equivalents in the statement of cash flows:

	Group	
	2022 \$'000	2021 \$'000
Amount as shown above	15,291	16,608
Security deposits for bank facilities	(4,445)	(4,445)
Cash and cash equivalents for statement of cash flows purposes at end of the year	10,846	12,163

	Company	
	2022 \$'000	2021 \$'000
Amount as shown above	1,079	3,849

The security deposits for bank facilities bear interest of 0.05% to 1.30% (2021: 0.10% to 1.68%) per annum for the group during the reporting year. As at 31 March 2022, the security deposits for bank facilities of \$4,445,050 (2021: \$4,445,000) of the group have been pledged to banks.

19B. Non-cash transactions:

During the reporting year, there were no acquisitions of plant and equipment and inventories by means of finance leases. As at 31 March 2021, there were acquisitions of plant and equipment and inventories with a total cost of \$498,000 and \$1,115,000 respectively acquired by means of finance leases.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

19. CASH AND CASH EQUIVALENTS (CONT'D)

19C. Reconciliation of liabilities arising from financing activities:

			Group			2022 \$'000
	2021 \$'000	Cash flows \$'000	Fair value changes \$'000	Interest expense \$'000	Other ⁽¹⁾ \$'000	
<u>Lease liabilities</u>						
- current	2,768	(3,105)	-	76	1,951	1,690
- non-current	1,951	-	-	-	(1,951)	-
<u>Loans and borrowings</u>						
- current	261	(86)	-	-	2,180	2,355
- non-current	5,000	-	-	-	(2,180)	2,820
<u>Convertible bond</u>						
- current	3,483	(3,000)	(483)	-	-	-
	13,463	(6,191)	(483)	76	-	6,865

Notes:

⁽¹⁾ Relates to reclassification of non-current portions due to passage of time.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

19. CASH AND CASH EQUIVALENTS (CONT'D)

19C. Reconciliation of liabilities arising from financing activities: (cont'd)

	Group									
	Cash		Non-cash changes						2021	
	2020	flows	Acquisition	Conversion ⁽²⁾	Fair value changes	Interest expense	Re-measurement ⁽³⁾	Other ⁽⁴⁾		2021
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<u>Lease liabilities</u>										
- current	2,692	(3,939)	1,613 ⁽¹⁾	-	-	142	148	2,112	2,768	
- non-current	4,063	-	-	-	-	-	-	(2,112)	1,951	
<u>Loans and borrowings</u>										
- current	5,259	(376)	-	-	-	-	-	(4,622)	261	
- non-current	378	-	-	-	-	-	-	4,622	5,000	
<u>Convertible bond</u>										
- current	-	-	-	-	-	-	-	3,483	3,483	
- non-current	5,494	-	-	(3,000)	989	-	-	(3,483)	-	
<u>Convertible loan</u>										
- non-current	1,708	-	-	(1,708)	-	-	-	-	-	
	19,594	(4,315)	1,613	(4,708)	989	142	148	-	13,463	

Notes:

- (1) Recognition of right-of-use-assets in relation to office premises (Note 23) and acquisitions of plant and equipment and inventories purchased under lease liabilities (Note 19B).
- (2) Relates to conversion into share capital of EST.
- (3) Relates to remeasurement of discount rate for right-of-use assets and their corresponding lease liabilities.
- (4) Relates to reclassification of non-current portions due to passage of time.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

20. SHARE CAPITAL

	Number of shares issued '000	Share Capital \$'000
<u>Group and Company</u>		
<u>Ordinary shares of no par value:</u>		
Balance at beginning of the year 1 April 2020	261,513	17,801
Purchase of treasury shares	(5,268)	(875)
Sale of treasury shares	3,500	698
Balance at end of the year 31 March 2021	259,745	17,624
Purchase of treasury shares	(1,877)	(393)
Balance at end of the year 31 March 2022	257,868	17,231

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

Treasury shares:

Under the mandate approved at the last annual general meeting, 1,877,300 treasury shares were acquired during the reporting year on the Singapore Stock Exchange for a consideration of \$393,000.

	Number of treasury shares		Fair value	
	2022 '000	2021 '000	2022 \$'000	2021 \$'000
Balance at beginning of the year	5,255	3,487	845	668
Purchase during the year	1,877	5,268	393	875
Sale during the year	–	(3,500)	–	(698)
Balance at the end of the year	7,132	5,255	1,238	845

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

20. SHARE CAPITAL (CONT'D)

Capital management:

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

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

	Group	
	2022 \$'000	2021 \$'000
Net debt:		
All current and non-current borrowings including lease liabilities	6,865	13,463
Less cash and cash equivalents	(15,291)	(16,608)
Net cash	(8,426)	(3,145)
Adjusted capital:		
Total equity	19,370	17,625
Adjusted capital	19,370	17,625
Debt-to-adjusted capital ratio	(0.44)	(0.18)

The debt-to-adjustment capital ratio for 2022 is not meaningful as the group has net cash as at 31 March 2022.

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

21. TRADE PAYABLES

	Group	
	2022 \$'000	2021 \$'000
Outside parties and accrued liabilities	4,018	3,648

	Company	
	2022 \$'000	2021 \$'000
Subsidiaries	4,725	2,965
Outside parties and accrued liabilities	121	1,004
Total	4,846	3,969

22. OTHER FINANCIAL LIABILITIES

	Group	
	2022 \$'000	2021 \$'000
Non-current:		
<u>Financial instruments with floating interest rates</u>		
Bank loans (secured) (Note 22A)	2,820	5,000
Non-current, total	2,820	5,000
Current:		
<u>Financial instruments with floating interest rates</u>		
Bank loans (secured) (Note 22A)	1,232	–
Trust receipts and bills payables (secured) (Note 22B)	1,123	261
<u>Financial instruments with fixed interest rates</u>		
Convertible bond (Note 22C)	–	3,483
Current, total	2,355	3,744
Total	5,175	8,744
The non-current portion is repayable as follows:		
Due within 2 to 5 years	2,820	5,000
Total non-current portion	2,820	5,000

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

22. OTHER FINANCIAL LIABILITIES (CONT'D)

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

	Group	
	2022 %	2021 %
Bank loans	1.51 – 2.04	2.00 – 4.72
Trust receipts and bill payables	2.49 – 7.00	2.25 – 7.00

	Company	
	2022 \$'000	2021 \$'000
Current		
Financial instruments with fixed interest rates		
Convertible bond (Note 22C)	–	3,483
Total	–	3,483

22A. Bank loans

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

- Corporate guarantee by the company; and
- The bank loans comprised temporary bridging loans under Enterprise Financing Scheme, which is repayable in 48 monthly instalments of approximately: (i) \$43,000 from 1 June 2021 and (ii) \$65,000 from 1 July 2021 respectively.

22B. Trust receipts and bills payables

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

- A fixed and floating charge over security deposits, inventories and accounts receivables; and
- 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% (2021: 2.25%) per annum over the bank's cost of funds as determined by the bank on the day of transaction or at such other rate at the sole discretion of the bank.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

22. OTHER FINANCIAL LIABILITIES (CONT'D)

22C. Convertible bond

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

In reporting year 2021, the bondholders had exercised their rights to exchange 50% of their Convertible Bond (being an aggregate principal amount of \$3,000,000 into ordinary shares of EST) (the "**Exchange**"). The Exchange is based on pre-money valuation (before dilution) of EST of \$30,000,000. Following the exchange, the aggregate principal amount of Convertible Bond was reduced to \$3,000,000.

Convertible Bond issued by the company is designated as financial liability measured at fair value through profit or loss. Accordingly, the company has engaged an independent professional valuer to determine the fair value of the Convertible Bond at the statement of financial position date, taking into consideration certain parameters such as the credit rating, share price, strike price, trigger price, volatility, risk-free rate, and credit spread. The fair value of the convertible bond at the end of 31 March 2021 was measured to be approximately \$3,483,000 (Level 2).

In reporting year 2022, the Convertible Bond was fully redeemed upon its maturity date on 9 September 2021. The principal amount of \$3,000,000 was fully paid to the bondholders and the fair value of the Convertible Bond of \$483,000 (Note 7) was included in Other Gains in profit or loss. The accumulated fair value of changes attributable to changes in the credit risks of the convertible bond of \$123,000 in Other Reserves was transferred to accumulated losses upon redemption.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

23. LEASE LIABILITIES

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

	Group	
	2022 \$'000	2021 \$'000
Lease liabilities, current	1,690	2,768
Lease liabilities, non-current	–	1,951
	1,690	4,719

	Company	
	2022 \$'000	2021 \$'000
Lease liabilities, current	1,523	2,227
Lease liabilities, non-current	–	1,523
	1,523	3,750

A summary of the maturity analysis of lease liabilities is disclosed in Note 26E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use-assets are disclosed in Note 13.

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

The weighted average incremental borrowing rate applied to lease liabilities recognised ranges from 3.00% to 4.03% (2021: 3.00% to 5.61%) per year.

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

	Group	
	2022 \$'000	2021 \$'000
Expense relating to short-term leases included in administrative expenses (Note 8)	601	895
Total commitments on short-term leases at year end date	273	278

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

24. OTHER NON-FINANCIAL LIABILITIES

	Group	
	2022 \$'000	2021 \$'000
Current		
Warranty provision (Note 24A)	751	907
Deposits from customers (Note 24B)	15,670	6,298
Total	16,421	7,205

24A. WARRANTY PROVISION

	Group	
	2022 \$'000	2021 \$'000
Balance at beginning of the year	907	739
Provision (reversed) / charged to profit or loss included in cost of sales	(5)	276
Used	(151)	(108)
Balance at end of the year	751	907

Certain products of the Group are sold with warranty. These products have on occasions failed within the 5 year warranty period. If the customer does not have the option to purchase a warranty separately, the warranty is accounted as a provision in accordance with the financial reporting standard on provisions, contingent liabilities and contingent assets. Replacements are expected to be supplied evenly over that warranty period as the product failure is random, not related to particular batches.

If the actual claims costs were to differ by 10% from management's estimates, the warranty obligations would be an estimated \$75,100 (2021: \$90,700) higher or \$75,100 (2021: \$90,700) lower.

24B. Deposits from customers

Deposits from customers are not refundable and will be utilised upon purchases of automobiles by customers. These are expected to be recognised as revenue within a year.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

25. OPERATING LEASE INCOME COMMITMENTS - AS LESSOR

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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Not later than one year	79	158	1,536	2,304
Between 1 and 2 years	28	70	–	1,536
Between 2 and 3 years	–	24	–	–
Total	107	252	1,536	3,840
Rental income for the year				
- Continuing operations	182	504	2,304	1,920

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

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

26. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

26A. 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	16,617	17,526	2,061	5,190
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	10,883	13,628	6,369	7,719
Financial liabilities at fair value through profit or loss	–	3,483	–	3,483
At end of the year	10,883	17,111	6,369	11,202

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 2022

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

26B. 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.

26C. 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.

26D. 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 general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired.

However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets 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 19 discloses the maturity of the cash and cash equivalents balances.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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

26E. 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
<u>2022:</u>			
Non-derivative financial liabilities:			
Trade payables	4,018	–	4,018
Gross borrowing commitments	1,833	2,886	4,719
Lease liabilities	1,710	–	1,710
At end of the year	7,561	2,886	10,447
<u>2021:</u>			
Non-derivative financial liabilities:			
Trade payables	3,648	–	3,648
Gross borrowing commitments	4,486	5,565	10,051
Lease liabilities	2,865	1,981	4,846
At end of the year	10,999	7,546	18,545
Company	Less than 1 year \$'000	2 – 5 years \$'000	Total \$'000
<u>2022:</u>			
Non-derivative financial liabilities:			
Trade payables	4,846	–	4,846
Lease liabilities	1,536	–	1,536
At end of the year	6,382	–	6,382
<u>2021:</u>			
Non-derivative financial liabilities:			
Trade payables	3,969	–	3,969
Gross borrowing commitments	3,657	–	3,657
Lease liabilities	2,304	1,536	3,840
At end of the year	9,930	1,536	11,466

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 2022

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

26E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Bank facilities:

	Group	
	2022 \$'000	2021 \$'000
Undrawn borrowing facilities	27,731	19,005
Unused bank guarantees	188	120

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.

26F. Interest rate risk

The interest rate risk exposure is mainly from changes in floating interest rates and it mainly concerns financial liabilities. The interest income from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments (excluding derivatives) by type of interest rate:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Financial liabilities with interest:</u>				
Fixed rates	1,690	8,202	1,523	7,233
Floating rates	5,175	5,261	–	–
Total at end of the year	6,865	13,463	1,523	7,233
<u>Financial assets with interest:</u>				
Floating rates	4,445	4,445	–	–

The interest rates are disclosed in the respective notes.

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

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

26G. Foreign currency risks

Analysis of amounts denominated in non-functional currencies:

Group	USD \$'000	GBP \$'000	Euro \$'000	Total \$'000
<u>2022:</u>				
<u>Financial assets:</u>				
Cash and bank equivalents	2,672	16	1,021	3,709
Total financial assets	2,672	16	1,021	3,709
<u>Financial liabilities:</u>				
Trade payables	–	(18)	–	(18)
Total financial liabilities	–	(18)	–	(18)
Net financial assets / (liabilities) at end of the year	2,672	(2)	1,021	3,691
<u>2021:</u>				
<u>Financial assets:</u>				
Cash and bank equivalents	2,367	17	39	2,423
Total financial assets	2,367	17	39	2,423
<u>Financial liabilities:</u>				
Trade payables	(7)	(17)	(101)	(125)
Total financial liabilities	(7)	(17)	(101)	(125)
Net financial assets / (liabilities) at end of the year	2,360	–	(62)	2,298

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

27. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	Company	
	2022 \$'000	2021 \$'000
Banker's guarantees in favour of subsidiaries	11,937	12,149

28. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS (I) No.	Title
SFRS (I) 1-39; 7 and 9	Interest Rate Benchmark Reform – Amendments to The Conceptual Framework for Financial Reporting
SFRS (I) 16	Covid-19 Related Rent Concessions - Amendment to (effective from 30 June 2021)

29. NEW AND REVISED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements - amendment relating to Classification of Liabilities as Current or Non-current	1 January 2023
SFRS (I) 3	Definition of a Business - Reference to the Conceptual Framework – Amendments to	1 January 2022
SFRS (I) 9	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)	1 January 2022
SFRS (I) 16	Covid-19-Related Rent Concessions – Amendments to	1 June 2021
Various	Annual Improvements to SFRS(I)s 2018-2021	1 January 2022

STATISTICS OF SHAREHOLDINGS

As of 23 June 2022

NUMBER OF ISSUED SHARES (INCLUDING OF TREASURY SHARES)	:	265,000,000
CLASS OF SHARES	:	Ordinary Shares
VOTING RIGHTS	:	One vote per share
NUMBER OF TREASURY SHARES	:	9,846,400
PERCENTAGE OF TREASURY SHARES	:	3.86%
NUMBER OF SUBSIDIARY HOLDINGS HELD	:	NIL

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
1 - 99	0	0.00	0	0.00
100 - 1,000	38	10.27	29,900	0.01
1,001 - 10,000	154	41.62	784,300	0.31
10,001 - 1,000,000	165	44.60	17,620,700	6.91
1,000,001 and above	13	3.51	236,718,700	92.77
Total	370	100.00	255,153,600	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% of Shareholdings
1	CITIBANK NOMINEES SINGAPORE PTE LTD	85,342,400	33.45
2	GOH KIM SAN	79,010,200	30.97
3	GOH KIM HUP	36,815,600	14.43
4	YAP BOH SIM	8,000,000	3.14
5	OCBC SECURITIES PRIVATE LTD	5,690,500	2.23
6	NIKI HAN JIAYI	4,524,900	1.77
7	GOH YI SHUN JOSHUA	4,220,900	1.65
8	RAFFLES NOMINEES (PTE) LIMITED	3,347,100	1.31
9	LEO CHUN KONG	2,663,300	1.04
10	BEN CHNG BENG BENG	2,055,000	0.81
11	KAN CHEE GIN	1,970,100	0.77
12	DBS NOMINEES PTE LTD	1,551,700	0.61
13	PENG YANAN	1,527,000	0.60
14	UOB KAY HIAN PTE LTD	904,100	0.35
15	LIM JIT SOON PAUL	765,000	0.30
16	ONG TECK BENG	700,000	0.27
17	UNITED OVERSEAS BANK NOMINEES PTE LTD	600,000	0.24
18	WONG QUEE QUEE JEFFREY (HUANG GUIGUI JEFFREY)	525,000	0.21
19	NG KIM SWEE	500,000	0.20
20	PETER TEO @ZHANG QINGYING	500,000	0.20
Total		241,212,800	94.55

STATISTICS OF SHAREHOLDINGS

As of 23 June 2022

SUBSTANTIAL SHAREHOLDERS

LIST OF SUBSTANTIAL SHAREHOLDERS

(As per the Register of Substantial Shareholders)

No.	Name	Direct Interest	%	Deemed Interest	%
1	GOH KIM SAN ⁽¹⁾	79,010,200	30.97	40,403,300	15.83
2	ELITE STEED LIMITED ^(1b)	–	–	20,403,300	7.80
3	GOH KIM HUP ⁽²⁾	36,815,600	14.43	19,500,000	7.64

Notes:

- (1) Mr Goh Kim San is deemed to be interested in the following shares by virtue of Section 7 of the Companies Act 1967:-
- (a) 20,000,000 shares are held in a nominee account held by Citibank Nominees Singapore Pte. Ltd.
- (b) 20,403,300 shares are held by Elite Steed Limited in a nominee account held by Citibank Nominees 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 1967.

PUBLIC FLOAT

Based on the information provided and to the best knowledge of the Directors, approximately 29.37% of the issued ordinary shares of the Company is held in the hands of the public as at 23 June 2022. Rule 723 of the Listing Manual (Section B: Rules of Catalist) of Singapore Exchange Security Trading Limited has therefore been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of EuroSports Global Limited (the “**Company**”) will be convened and held by way of electronic means on Thursday, 28 July 2022 at 2.00 p.m. to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2022, together with the Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect Mr Goh Kim Hup as Director who is retiring pursuant to Article 113 of the Constitution of the Company. [See Explanatory Note (i)] **(Resolution 2)**
3. To re-elect Mr Tan Siok Sing as Director who is retiring 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 2023, to be paid quarterly in arrears (2022: \$120,000). **(Resolution 4)**
5. To re-appoint Messrs RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

7. That, subject and contingent upon the passing of Ordinary Resolution 7 below, members to approve Mr Tan Siok Sing’s continued appointment as an Independent Director in accordance with Rule 406(3)(d)(iii) (A) of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and such Resolution shall remain in force until the earlier of Mr Tan Siok Sing’s retirement or resignation as a Director; or the conclusion of the third AGM following the passing of this Resolution. [See Explanatory Note (iii)] **(Resolution 6)**
8. That, subject and contingent upon the passing of Ordinary Resolution 6 above, members (excluding the Directors and Chief Executive Officer (“**CEO**”) of the Company, and the respective associates of such Directors and CEO) to approve Mr Tan Siok Sing’s continued appointment as an Independent Director pursuant to Rule 406(3)(d)(iii)(B) of the Catalist Rules, and such Resolution shall remain in force until the earlier of Mr Tan Siok Sing’s retirement or resignation as a Director; or the conclusion of the third AGM following the passing of this Resolution. [See Explanatory Note (iii)] **(Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING

9. SHARE ISSUE MANDATE

That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and notwithstanding the provisions of the Constitution of the Company, authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such issuance of shares,

provided that:

- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued shares (excluding subsidiary holdings and treasury shares, if any) of the Company (as calculated in accordance with sub-paragraph (ii) below), or such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to members of the Company (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding subsidiary holdings and treasury shares, if any) of the Company (as calculated in accordance with sub-paragraph (ii) below) or any such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed;
- (ii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued Shares (excluding subsidiary holdings and treasury shares) of the Company shall be calculated based on the total number of issued Shares (excluding subsidiary holdings and treasury shares, if any) 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 the Catalist Rules; and
 - (3) any subsequent bonus issue, consolidation or subdivision of Shares;

NOTICE OF ANNUAL GENERAL MEETING

Adjustments for (1) and (2) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, the Constitution for the time being of the Company; and
- (iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier. [See Explanatory Note (iv)] **(Resolution 8)**

10. PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

That:-

- (a) for the purposes of Sections 76C and 76E of the Companies Act and the Catalist Rules, 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 Catalist Rules,and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next AGM of the Company is held or required by law to be held;
 - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by members 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 Catalist Rules, 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 members, 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 (v)]

(Resolution 9)

11. 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 fully paid-up 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 allotted and issued pursuant to the Performance Share Plan and any other share-based incentive schemes of the Company shall not exceed 15% of the total number of Shares (excluding subsidiary holdings and treasury shares) of the Company from time to time. The authority conferred by this Resolution shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (vi)]

(Resolution 10)

NOTICE OF ANNUAL GENERAL MEETING

12. EUROSPOUNTS 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 fully paid-up Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the Scheme, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Scheme and any other share-based incentive schemes of the Company shall not exceed 15% of the total number of issued Shares (excluding subsidiary holdings and treasury shares) of the Company from time to time. The authority conferred by this Resolution shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (vii)]

(Resolution 11)

By Order of the Board

Sin Chee Mei
Joint Company Secretary
Singapore,
13 July 2022

EXPLANATORY NOTES:

- (i) **Resolution 2** – Mr Goh Kim Hup, upon re-election as a Director of the Company, will remain as an Executive Director and the Deputy Chief Executive Officer of the Company. Detailed information on Mr Goh Kim Hup can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Company's Annual Report.
- (ii) **Resolution 3** – Mr Tan Siok Sing, upon re-election as a Director of the Company, will remain as the Independent Non-Executive Director, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee of the Company. Mr Tan Siok Sing is considered independent by the Board for the purposes of Rule 704(7) of the Catalist Rules if he is re-elected (and continue to be considered as independent if the requisite approvals of such independent status under Resolutions 6 and 7 are obtained). Detailed information on Mr Tan Siok Sing can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Company's Annual Report.
- (iii) **Resolutions 6 and 7** are to approve the continued appointment of Mr Tan Siok Sing as an Independent Director for the purposes of Rule 406(3)(d)(iii) of the Catalist Rules which will take effect from 1 January 2022. This Rule provides that a Director will not be independent if he has been a Director for an aggregate period or more than nine years and his continued appointment as an Independent Director has not been sought and approved in separate resolutions by (a) all members; and (b) members excluding Directors and the CEO of the Company, and their respective associates (as defined in the Catalist Rules).

Mr Tan Siok Sing who is seeking re-election as a Director at the AGM under Resolution 3 is Independent Director who will have been served beyond and aggregate of nine years on the Board on 28 November 2022. The Company is accordingly seeking, subject to the passing of Resolution 3, the requisite approvals from members of the Company under Rule 406(3)(d)(iii)(A) and (B) for Mr Tan Siok Sing's continued appointment as an Independent Director. If obtained, the requisite approvals will remain in force until the earlier of (i) the retirement or resignation of Mr Tan Siok Sing as a Director; and (ii) the conclusion of the third AGM of the Company following the passing of Resolutions 6 and 7.

NOTICE OF ANNUAL GENERAL MEETING

If Resolution 3 is passed but the 2-tier vote comprising Resolutions 6 and 7 are not passed, Mr Tan Siok Sing will be re-designated as a Non-Independent Non-Executive Director. If the respective 2-tier vote approvals comprising Resolutions 6 and 7 are not passed, based on the current composition of the Board (three Independent Directors and two non-independent Directors), Independent Directors would not comprise at least one-third of the Board as required by Rule 406(3)(c) of the Catalist Rules. In such event, the Company will review the composition of the Board and take such steps as may be necessary to ensure compliance with the Catalist Rules. The Company will make the appropriate announcement(s) in the event of any changes to the composition of the Board, in accordance with the Catalist Rules.

Under Rule 406(3)(d)(iii)(A), all members of the Company may vote on Resolution 6 and 7.

In compliance with Rule 406(3)(d)(iii)(B), the Directors and the CEO of the Company, and their respective associates (as defined in the Catalist Rules), will abstain from voting on Resolution 7. The Company will disregard any votes cast by the Directors and the CEO of the Company, and their respective associates, in respect of their holdings of shares (if any) on Resolution 7. The Chairman of the Meeting will accept appointment as proxy for any other member of the Company to vote in respect of Resolution 7 where such member has given specific instructions in a validly completed and submitted instrument of proxy as to voting, or abstentions from voting, in respect of Resolution 7.

If Resolution 6 is not passed, Resolution 7 will be withdrawn. If Resolution 3 is not passed, both Resolution 6 and 7 will be withdrawn.

- (iv) **Resolution 8** proposed in item 9 above, if passed, will 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 8 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed 100% of the total number of issued Shares (excluding subsidiary holdings and treasury shares) in the capital of the Company, with a sub-limit of 50% for shares issued other than on a pro-rata basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to members. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company will be calculated based on the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company at the time of the passing this Resolution, 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 this Resolution, provided the options or awards were granted in compliance with the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
- (v) **Resolution 9** proposed in item 10 above, if passed, will empower the Directors from the date of the above meeting until the next AGM to purchase or otherwise acquire issued ordinary Shares by way of market purchases or off-market purchases of up to 10% of the total number of issued Shares (excluding subsidiary holdings and treasury shares) at the Maximum Price in accordance with the terms and conditions set out in Appendix dated 13 July 2022 to this Notice of AGM, the Companies Act and the Catalist Rules. Please refer to Appendix dated 13 July 2022 circulated together with the Company's Annual Report for details.
- (vi) **Resolution 10** proposed in item 11 above, if passed, will empower the Directors to offer and grant awards in accordance with the provisions of the Performance Share Plan and to allot and issue shares thereunder.
- (vii) **Resolution 11** proposed in item 12 above, if passed, will empower the Directors to offer and grant options in accordance with the provisions of the Scheme and pursuant to Section 161 of the Companies Act, to allot and issue shares under the Scheme. The size of the Scheme is limited to 15% of the total number of issued shares (excluding subsidiary holdings and treasury shares) of the Company for the time being.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. To minimize physical interactions and COVID-19 transmission risks, the AGM of the Company is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company will not accept any physical attendance by members. Members will, however, be able to participate in the AGM proceedings via the live audio-visual webcast via mobile phones, tablets, computers ("**Live Webcast**") in the manner as provided hereafter.
2. Printed copies of the documents relating to the business of the AGM, which comprise this Notice of AGM, the proxy form for the AGM, the Company's Annual Report for the financial year ended 31 March 2022 and Appendix dated 13 July 2022, will not be sent to members of the Company. Instead, these documents will be made available to the members of the Company for access and download via publication on SGXNET and the Company's corporate website at <http://www.eurosportsglobal.listedcompany.com/agm-2022.html>.
3. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast), submission of questions and the time frame for submission in advance of the meeting, addressing of substantial and relevant questions at, or prior to, the AGM and casting of votes including the appointment of the Chairman of the Meeting as proxy at the AGM, as set out below.

Members may participate at the AGM by taking note of the following steps:

Pre-registration for Live Webcast

1. Members will be able to watch the proceedings of the AGM via a live audio-visual webcast via mobile phones, tablets, computers. In order to do so, members, must pre-register online via the link at <http://www.eurosportsglobal.listedcompany.com/agm-pre-register.html> ("**AGM Webcast Registration**") no later than 2.00 p.m. on 26 July 2022 (being not less than forty-eight (48) hours before the time appointed for holding the AGM) (the "**Registration Deadline**") to enable the Company to verify the members' status.
2. Following the verification, authenticated members will receive an email confirmation by 9.00 a.m. on 27 July 2022 which contains a unique link to access the Live Webcast to view the proceedings of the AGM ("**Confirmation Email**").
3. Members are reminded that the AGM proceedings are private. Accordingly, Members must not forward the Confirmation Email containing the unique link to other persons who are not members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live Webcast.
4. Corporate Members must also submit a copy of the Corporate Representative Certificate at proxyform@eurosportsglobal.com, in addition to the registration procedures as set out above, by the Registration Deadline, for verification purpose.
5. Investors who hold shares of the Company through Depository Agents as defined in Section 181 of the Companies Act 1967 (other than CPF Investors and/or SRS Investors) and who wish to participate in the AGM should contact their respective Depository Agents through which they hold such shares as soon as possible to indicate their interest in order for their Depository Agents to make the necessary arrangements for them to participate in the Live Webcast.
6. Members who register by the Registration Deadline but do not receive an email response by 2.00 p.m. on 27 July 2022 may contact the Company for assistance at +65 6565 5995.

NOTICE OF ANNUAL GENERAL MEETING

Voting by Proxy

1. Voting at the AGM is by proxy only. Members will not be able to vote through the Live Webcast and they can only vote with their proxy forms and appoint "Chairman of the Meeting" which are required to be submitted in accordance with the following paragraphs.
2. Members who wish to vote on any or all of the resolutions at the AGM must appoint the Chairman of the Meeting as their proxy by completing the Proxy Form for the AGM. In the Proxy Form, members should specifically indicate how they wish to vote for or against or abstain from voting on each resolution set out in the Notice of AGM.
3. The instrument appointing the Chairman of the Meeting as proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarial certified copy ("**Proxy Form**") thereof, must be submitted in the following manner:
 - (a) by email to the Company at proxyform@eurosportsglobal.com, or
 - (b) by post, be lodged at the Company's registered office at 24 Leng Kee Road, #01-03, Singapore 159096in either case, by 2.00 p.m. on 26 July 2022 (being not less than forty-eight (48) hours before the time appointed for holding the Meeting) (or any adjournment thereof) and in default the Proxy Form for the AGM shall not be treated as valid.
4. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
5. Persons who hold their shares through relevant intermediaries and who wish to exercise their votes by appointing the "Chairman of the Meeting" as proxy should approach their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Operators) to submit their voting instructions by 2.00 p.m. on 18 July 2022 (being seven (7) working days before the date of the AGM).
6. The Chairman of the Meeting, as proxy, need not be a member of the Company.
7. Members are strongly encouraged to submit completed proxy forms electronically via email to proxyform@eurosportsglobal.com, to ensure that they are received by the Company by the stipulated deadline.
8. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.

NOTICE OF ANNUAL GENERAL MEETING

Submission of questions prior to the AGM

1. Members will not be able to ask questions during the AGM via Live Webcast, and therefore it is important for Members to register and submit their questions relating to the items on the resolutions set out in the Notice of AGM in advance of the AGM.
2. Members may submit any questions they may have in advance in relation to any resolution set out in the Notice of AGM by 20 July 2022 (the “**Cut-off Time**”), in the following manner:
 - (i) By electronically submission via AGM Webcast Registration; or
 - (ii) By email to the Company at ir@eurosportsglobal.com;
 - (iii) By post to the Company’s registered office at 24 Leng Kee Road, #01-03, Singapore 159096.

and if submission via email or post, to provide their particulars as follows:

- (a) Full name (for individuals)/company name (for corporate) as per CDP/SRS/CPF account records;
 - (b) NRIC or passport number (for individuals)/Company Registration Number (for corporate);
 - (c) Number of shares held;
 - (d) Contact number;
 - (e) Email address; and
 - (f) Shareholding type (e.g. CDP or CPF/SRS)
3. The Company will address and provide responses to substantial queries and relevant comments from members relating to the agenda of the AGM via publication on the SGXNET and on the Company’s corporate website at <http://www.eurosportsglobal.listedcompany.com/agm-2022.html> soonest possible and in any case, not later than 48 hours before the closing date and time for the lodgement of proxy forms. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the AGM in respect of substantial and relevant matters at the AGM.
4. The minutes of the AGM shall thereafter be published on SGXNET and the Company’s corporate website, within one (1) month from the conclusion of the AGM.
5. Persons who hold shares of the Company through relevant intermediaries as defined in Section 181 of the Companies Act, other than CPF Investors and SRS Investors, should approach their respective relevant intermediaries through which they hold such shares to submit their questions related to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.

Important Notice:

Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNET. Members are advised to check the SGXNET regularly for updates on the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting as a proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via live audio-visual webcast, or (c) submitting any question prior to the AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) Processing and administration by the Company (or its agents or service providers) or proxy forms appointing the Chairman of the Meeting as proxy of the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) Processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM via live audio-visual webcast and providing any technical assistance where necessary;
- (iii) Addressing relevant and substantial questions from members received before and/or during the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) Enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities (collectively, the "**Purposes**"); and
- (v) Photographic, sound, and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of the member of the Company (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she propose/ second) may be recorded by the Company for such Purposes.

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PROXY FORM

(Please see notes overleaf before completing this Form)

EUROSPORTS GLOBAL LIMITED

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

IMPORTANT:

1. To minimize physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members must appoint the Chairman of the Meeting as their proxy to attend, speak and vote on their behalf at the AGM if such members wish to exercise their voting rights at the AGM.
2. Alternative arrangements relating to attendance at the AGM via electronic means, submission of questions in advance of the AGM, addressing of substantial and relevant questions and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 13 July 2022.
3. Please read the notes to the proxy form which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/it behalf at the AGM.

I/We*, _____ NRIC/Passport/CompanyRegistrationNo.* _____
of _____

being a member/members* of Eurosports Global Limited (the "**Company**"), hereby appoint the Chairman of the Meeting as my/our* proxy to attend and vote for me/us* on my/our* behalf, by poll, at the Annual General Meeting ("**AGM**") of the Company to be convened and held by way of electronic means on Thursday, 28 July 2022 at 2.00 p.m. and at any adjournment thereof.

I/We* direct my/our* proxy to vote for or against, or to abstain from voting the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the Meeting as my/our* proxy for that resolution will be treated as invalid.

No.	Resolutions relating to:	For	Against	Abstain
1	Adoption of the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2022 together with the Auditors' Report thereon			
2	Re-election of Mr Goh Kim Hup as a Director			
3	Re-election of Mr Tan Siok Sing as a Director			
4	Approval of Directors' fees amounting to \$120,000 for the financial year ending 31 March 2023, to be paid quarterly in arrears			
5	Re-appointment of Messrs RSM Chio Lim LLP as Auditors and authorize the Directors to fix their remuneration			
6	Approval of Mr Tan Siok Sing's continued appointment as an Independent Director for the proposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules by all members			
7	Approval of Mr Tan Siok Sing's continued appointment as an Independent Director for the purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules by members excluding the Directors, chief executive officer of the Company, and their associates			
8	Authority for Directors to allot and issue new shares			
9	Approval of the renewal of the Share Purchase Mandate			
10	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			
11	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			

* Delete where inapplicable

Note: All Resolutions put to vote at the AGM shall be decided by way of poll. If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against" or "Abstain" from voting on the relevant resolution, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy, who is the Chairman of the Meeting, not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2022

Signature(s) of member(s)
or Common seal of corporate shareholder

Total number of shares held in:	No. of Shares
CDP Register	
Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF.



Notes:

1. Arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM, are set out in the Notice of Annual General Meeting dated 13 July 2022. This Proxy Form must be read in conjunction with the Notice of Annual General Meeting. This Proxy Form may be accessed at the Company's website at <http://www.eurosportsglobal.listedcompany.com/agm-2022.html>, and will also be made available on SGXNET. A printed copy of this Proxy Form will not be despatched to members.
2. To minimize physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. 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, 2001 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 instrument appointing the Chairman of the Meeting as proxy will be deemed to relate to all the shares held by you.
4. The Chairman of the Meeting, being a proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy must be deposited at the Company's Registered Office at 24 Leng Kee Road, #01-03, Singapore 159096 or sent by email to proxyform@eurosportsglobal.com not less than 48 hours before the time set for holding the AGM. Members are strongly encouraged to submit completed proxy forms electronically via email.
5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy 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 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. The dispensation of the use of common seal pursuant to the Companies Act 1967 effective from 30 March 2017 is applicable at this AGM.
6. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967 of Singapore.
7. For investors who hold Shares in the capital of the Company under Central Provident Fund Investment Scheme ("CPF") and Supplementary Retirement Scheme ("SRS"), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS Investors who wish to appoint the Chairman of the Meeting to act as their proxy should approach their respective relevant intermediaries, CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 2.00 p.m. on 18 July 2022).

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as a proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointer specified in the instrument appointing the Chairman of the Meeting as a proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as a proxy lodged if the member being the appointer, is not shown to have shares entered against his name in the Deposit Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by the Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing the Chairman of the meeting as a proxy to vote at the AGM and/or any adjournment thereof, member of the Company is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of Annual General Meeting of the Company dated 13 July 2022.

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

Foo Say Tun

Non-Executive Independent Director

AUDIT COMMITTEE

Ng Tiak Soon (Chairman)

Tan Siok Sing

Foo Say Tun

NOMINATING COMMITTEE

Tan Siok Sing (Chairman)

Ng Tiak Soon

Foo Say Tun

REMUNERATION COMMITTEE

Foo Say Tun (Chairman)

Ng Tiak Soon

Tan Siok Sing

JOINT COMPANY SECRETARIES

Sin Chee Mei

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: **Tan Beng Teck**

(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

SPONSOR

RHT Capital Pte. Ltd.

6 Raffles Quay

#24-02

Singapore 048580

INVESTOR RELATIONS

Email: ir@eurosportsglobal.com

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