

EUROSPORTS GLOBAL LIMITED
Company Registration Number: 201230284Z

**Unaudited Condensed Interim Financial Statements
For The Six Months Ended 30 September 2022**

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

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Group		Change %
		6 months ended		
		30-Sep-22 S\$'000	30-Sep-21 S\$'000	
Revenue		29,134	21,071	38.3
Cost of sales		<u>(24,566)</u>	<u>(16,861)</u>	45.7
Gross profit		4,568	4,210	8.5
Other income		1,107	1,347	(17.8)
Interest income		5	12	(58.3)
Other gains		278	492	(43.5)
Marketing and distribution expenses		(1,320)	(846)	56.0
Administrative expenses		(7,044)	(6,475)	8.8
Other losses		(24)	(103)	(76.7)
Finance costs		<u>(123)</u>	<u>(212)</u>	(42.0)
Loss before tax	5	(2,553)	(1,575)	62.1
Income tax expense	6	<u>(52)</u>	<u>—</u>	n.m.
Loss, net of tax, representing total comprehensive loss		(2,605)	(1,575)	65.4
Loss, net of tax and total comprehensive loss attributable to:				
Owners of the parent		(2,299)	(1,083)	112.3
Non-controlling interests		<u>(306)</u>	<u>(492)</u>	(37.8)
Total comprehensive loss, net of tax		(2,605)	(1,575)	65.4
		Cents	Cents	
Loss per share:				
Basic and diluted	7	<u>(0.90)</u>	<u>(0.42)</u>	114.3

Note:
n.m. denotes not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		As at		As at	
		30-Sep-22	31-Mar-22	30-Sep-22	31-Mar-22
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
<u>Non-current assets</u>					
Plant and equipment	10	2,349	3,011	–	–
Right-of-use assets		350	1,399	349	1,399
Intangible assets	11	6,076	4,973	–	–
Investment in subsidiaries		–	–	10,208	10,208
Other non-financial assets		229	90	139	–
Total non-current assets		9,004	9,473	10,696	11,607
<u>Current assets</u>					
Inventories		14,302	11,227	–	–
Trade and other receivables		800	1,326	623	982
Other non-financial assets		6,611	9,365	449	445
Cash and cash equivalents	12	12,389	15,291	832	1,079
Total current assets		34,102	37,209	1,904	2,506
Total assets		43,106	46,682	12,600	14,113
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	13	16,728	17,231	16,728	17,231
Other reserves		608	177	–	–
Accumulated losses		(3,299)	(937)	(10,017)	(9,487)
Equity attributable to owners of the parent		14,037	16,471	6,711	7,744
Non-controlling interests		2,710	2,899	–	–
Total equity		16,747	19,370	6,711	7,744
<u>Non-current liabilities</u>					
Other financial liabilities	14	2,195	2,820	–	–
Total non-current liabilities		2,195	2,820	–	–
<u>Current liabilities</u>					
Trade payables		3,224	4,018	5,505	4,846
Other financial liabilities	14	6,600	2,355	–	–
Lease liabilities		442	1,690	384	1,523
Other non-financial liabilities	15	13,864	16,421	–	–
Income tax payables		34	8	–	–
Total current liabilities		24,164	24,492	5,889	6,369
Total liabilities		26,359	27,312	5,889	6,369
Total equity and liabilities		43,106	46,682	12,600	14,113

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Group					
	Share capital S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Attributable to parent S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Current year:						
Opening balance at 1 April 2022	17,231	177	(937)	16,471	2,899	19,370
Movements in equity:						
Purchase of treasury shares	(503)	–	–	(503)	–	(503)
Transaction costs directly attributable to capital contribution by non-controlling interest of subsidiary	–	–	(63)	(63)	(20)	(83)
Share-based payment reserve	–	431	–	431	137	568
Loss, net of tax	–	–	(2,299)	(2,299)	(306)	(2,605)
Closing balance at 30 September 2022	16,728	608	(3,299)	14,037	2,710	16,747
Previous year:						
Opening balance at 1 April 2021	17,624	206	(2,602)	15,228	2,397	17,625
Movements in equity:						
Purchase of treasury shares	(318)	–	–	(318)	–	(318)
Loss, net of tax	–	–	(1,083)	(1,083)	(492)	(1,575)
<u>Other comprehensive loss:</u>						
Transfer of fair value changes attributable to changes in credit risk of convertible bond upon redemption	–	(123)	123	–	–	–
Closing balance at 30 September 2021	17,306	83	(3,562)	13,827	1,905	15,732

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Company			
	Share capital S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Current year:				
Opening balance at 1 April 2022	17,231	–	(9,487)	7,744
Movements in equity:				
Purchase of treasury shares	(503)	–	–	(503)
Loss, net of tax	–	–	(530)	(530)
Closing balance at 30 September 2022	<u>16,728</u>	<u>–</u>	<u>(10,017)</u>	<u>6,711</u>
Previous year:				
Opening balance at 1 April 2021	17,624	123	(12,646)	5,101
Movements in equity:				
Purchase of treasury shares	(318)	–	–	(318)
Profit, net of tax	–	–	808	808
<u>Other comprehensive loss:</u>				
Transfer of fair value changes attributable to changes in credit risk of convertible bond upon redemption	–	(123)	123	–
Closing balance at 30 September 2021	<u>17,306</u>	<u>–</u>	<u>(11,715)</u>	<u>5,591</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	6 months ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
<u>Cash flows used in operating activities</u>		
Loss before tax	(2,553)	(1,575)
Adjustments for:		
Depreciation of plant and equipment	844	495
Depreciation of right-of-use assets	1,049	1,049
Loss on disposal of plant and equipment	24	62
Fair value gain on convertible bond	–	(483)
Interest income	(5)	(12)
Interest expense on financial liabilities	110	165
Interest expense on lease liabilities	13	47
Performance share expense	568	–
Operating cash flows before changes in working capital	50	(252)
Inventories	(3,075)	(1,573)
Trade and other receivables	526	170
Other non-financial assets	2,615	(5,666)
Other non-financial liabilities	(2,557)	5,096
Trade payables	(794)	(774)
Net cash flows used in operations	(3,235)	(2,999)
Income taxes expense	(26)	(9)
Net cash flows used in operating activities	(3,261)	(3,008)
<u>Cash flows used in investing activities</u>		
Additions to intangible assets	(1,103)	(837)
Purchase of plant and equipment	(444)	(578)
Disposal of plant and equipment	238	468
Interest received	5	12
Net cash flows used in investing activities	(1,304)	(935)
<u>Cash flows from / (used in) financing activities</u>		
Increase of other financial liabilities	3,620	2,565
Purchase of treasury shares	(503)	(318)
Payment of lease liabilities	(1,261)	(1,540)
Repayment of convertible bond	–	(3,000)
Transaction costs directly attributable to capital contribution by non-controlling interest of subsidiary	(83)	–
Interest paid	(110)	(165)
Net cash flows from / (used in) financing activities	1,663	(2,458)
Net decrease in cash and cash equivalents	(2,902)	(6,401)
Cash and cash equivalents, statement of cash flows, beginning balance	10,846	12,163
Cash and cash equivalents, statement of cash flows, ending balance (Note 12A)	7,944	5,762

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

EuroSports Global Limited (the “**Company**”) is incorporated in Singapore and its shares are publicly traded on the Catalist Board of Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”). The principal activities of the Company are those of an investment holding company and the provision of management services.

The principal activities of the Group are:

- (a) Distribution and retailing of imported automobiles, import of parts and accessories and repairs and servicing of automobiles;
- (b) Developing innovative new technologies, services and solutions for electric motorcycles;
- (c) Distribution of automobiles, parts and accessories in Indonesia; and
- (d) Trading and distribution of watches and related accessories.

2. BASIS OF PREPARATION

The condensed interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (“**S\$**”) which is the Company’s functional currency and all values are rounded to the nearest thousand (“**S\$’000**”) except when otherwise indicated.

2.1 NEW AND REVISED STANDARDS ADOPTED

The Group has fully adopted the new and revised SFRS(I)s and related Interpretations to SFRS(I) (“**SFRS(I) INT**”) that are relevant to the Group and effective for the financial period beginning on or after 1 April 2022. The adoption of these new and revised SFRS(I)s and SFRS(I) INT did not result in any substantial change to the Group’s accounting policies and has no material effect on the condensed interim financial statements.

2.2 USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2022.

3. SEASONAL OPERATIONS

The Group's businesses were not affected significantly by seasonal or cyclical factors during the first half-year ended 30 September 2022 ("1H2023").

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4.1 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:

- (i) Automobiles distribution business retails new luxury automobiles as well as pre-owned automobiles;
- (ii) Sustainable mobility (electric motorcycles); and
- (iii) Other.

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.

4.2 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.

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

4.3 PROFIT OR LOSS FROM CONTINUING OPERATIONS AND RECONCILIATIONS

6 months ended	Automobiles distribution		Sustainable mobility		Other		Consolidated	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	29,013	21,044	–	1	121	34	29,134	21,079
Inter-segment revenue	–	–	–	–	–	(8)	–	(8)
Revenue from external parties	29,013	21,044	–	1	121	26	29,134	21,071
- Sales of automobiles	26,506	18,126	–	–	–	–	26,506	18,126
- Sales of watches	–	–	–	–	121	26	121	26
- Sales of merchandise, parts and servicing	2,507	2,918	–	1	–	–	2,507	2,919
Segment profit / (loss)	4,449	4,412	–	–	119	(202)	4,568	4,210
Other income	1,089	1,265	18	82	–	–	1,107	1,347
Interest income	5	12	–	–	–	–	5	12
Other gains	127	471	151	21	–	–	278	492
Marketing and distribution expenses	(1,281)	(837)	(34)	(9)	(5)	–	(1,320)	(846)
Administrative expenses	(4,972)	(4,828)	(2,060)	(1,635)	(12)	(12)	(7,044)	(6,475)
- Depreciation of plant and equipment	(706)	(370)	(137)	(123)	(1)	(2)	(844)	(495)
- Depreciation of right-of-use assets	(1,049)	(1,049)	–	–	–	–	(1,049)	(1,049)
Other losses	(24)	(104)	–	1	–	–	(24)	(103)
Finance costs	(122)	(212)	(1)	–	–	–	(123)	(212)
Loss before tax	(729)	179	(1,926)	(1,540)	102	(214)	(2,553)	(1,575)
Income tax expense	(52)	–	–	–	–	–	(52)	–
Loss, net of tax	(781)	179	(1,926)	(1,540)	102	(214)	(2,605)	(1,575)

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

4.4 ASSETS, LIABILITIES AND RECONCILIATIONS

	Segment assets		Segment liabilities	
	As at		As at	
	30-Sep-22	31-Mar-22	30-Sep-22	31-Mar-22
	S\$'000	S\$'000	S\$'000	S\$'000
Automobiles distribution	34,428	37,137	23,290	26,845
Sustainable mobility	10,665	9,641	3,092	498
Other	53	42	4,676	4,767
	45,146	46,820	31,058	32,110
Elimination of inter-segment	(2,040)	(138)	(4,699)	(4,798)
Total	43,106	46,682	26,359	27,312

5. LOSS BEFORE TAX

The following significant items have been included in arriving at loss before tax:

5.1 OTHER INCOME

	Group	
	6 months ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
Commission income	393	86
Government income	1	187
Rental income	66	96
Sales incentives from manufacturers	557	631
Others	90	347
	1,107	1,347

5.2. OTHER GAINS AND (OTHER LOSSES)

	Group	
	6 months ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
Reversal / (Allowance) for impairment on trade receivables	131	(41)
Fair value gain on convertible bond	–	483
Foreign exchange adjustments gain	147	9
Loss on disposal of plant and equipment	(24)	(62)
	254	389
<u>Presented in profit or loss as:</u>		
Other gains	278	492
Other losses	(24)	(103)
Net	254	389

5. LOSS BEFORE TAX (CONT'D)

5.3. MARKETING AND DISTRIBUTION EXPENSES AND ADMINISTRATIVE EXPENSES

The major components include the following:

	Group	
	6 months ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
Marketing and distribution expenses		
Advertising and promotions	391	328
Employee benefits expense	530	235
Entertainment and gifts	366	206
Administrative expenses		
Consultancy expenses	264	480
Depreciation of plant and equipment	844	495
Depreciation of right-of-use assets	1,049	1,049
Distributor support fee	–	200
Employee benefits expense	3,310	2,969
Rental expense of premises	288	313
Utilities expense	143	92
Transport charges	67	19
Travelling expenses	145	9

5.4. RELATED PARTY TRANSACTIONS

There were no material related party transactions apart from those disclosed elsewhere in the unaudited condensed interim financial statements for 1H2023.

6. INCOME TAX EXPENSES

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
Under adjustment in respect to prior period	52	–
	52	–

7. LOSS PER SHARE

	Group	
	6 months ended	
	30-Sep-22	30-Sep-21
Loss, net of tax attributable to owners of the parent (S\$'000)	(2,299)	(1,083)
Weighted average number of equity shares	255,285,402	259,225,134
Loss per share – basic and diluted (cents)	(0.90)	(0.42)

Loss per share is computed based on the loss, net of tax attributable to owners of the parent divided by the weighted average number of equity shares. Diluted loss per share is similar to basic loss per share as there were no potential dilutive ordinary shares existing as at 1H2023 and first half year ended 30 September 2021 (“1H2022”).

8. DIVIDENDS

No dividend has been paid for 1H2023 (1H2022: Nil).

9. NET ASSET VALUE

	Group		Company	
	As at		As at	
	30-Sep-22	31-Mar-22	30-Sep-22	31-Mar-22
Net asset value (“NAV”) per ordinary shares (cents)	5.50	6.39	2.63	3.00
Equity attributable to owners of the parent (S\$'000)	14,037	16,471	6,711	7,744
Number of ordinary shares used in computation of NAV per ordinary shares ('000)	255,000	257,868	255,000	257,868

10. PLANT AND EQUIPMENT

During 1H2023, the Group acquired plant and equipment amounting to S\$444,000 (1H2022: S\$578,000) and disposed plant and equipment with carrying amount of S\$262,000 (1H2022: S\$530,000).

11. INTANGIBLE ASSETS

	Group
	Development cost
	S\$'000
At 31 March 2022	
Cost	4,973
Accumulated amortisation and impairment	—
Carrying value	4,973
6 months ended 30 September 2022	
<u>Cost:</u>	
At 1 April 2022	4,973
Additions	1,103
At 30 September 2022	6,076
<u>Accumulated amortisation and impairment:</u>	
At 1 April 2022 and 30 September 2022	—
<u>Carrying value:</u>	
At 30 September 2022	6,076

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 period. 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 fair value less costs of disposal method or the value in use method as appropriate for the separate CGUs.

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	Range (weighted average)	
Discounted cash flow method:	30-Sep-22	31-Mar-22
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

Actual outcomes could vary from these estimates. There is no impairment to the carrying value of the intangible assets:

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

12. CASH AND CASH EQUIVALENTS

	Group	
	As at	
	30-Sep-22	31-Mar-22
	S\$'000	S\$'000
Not restricted in use	7,944	10,846
Security deposits for bank facilities	4,445	4,445
Total	12,389	15,291

	Company	
	As at	
	30-Sep-22	31-Mar-22
	S\$'000	S\$'000
Not restricted in use	832	1,079

12A. CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS:

	Group	
	As at	
	30-Sep-22	31-Mar-22
	S\$'000	S\$'000
Amount as shown above	12,389	15,291
Security deposits for bank facilities	(4,445)	(4,445)
Cash and cash equivalents for statement of cash flows purposes, ending balance	7,944	10,846

	Company	
	As at	
	30-Sep-22	31-Mar-22
	S\$'000	S\$'000
Amount as shown above	832	1,079
Cash and cash equivalents for statement of cash flows purposes, ending balance	832	1,079

During 1H2023, the security deposits for bank facilities bear interest range from 0.05% to 0.35% (1H2022: 0.05% to 0.35%) per annum for the Group. As at 30 September 2022 and 30 September 2021, the security deposits for bank facilities of S\$4,445,050 of the Group has been pledged to banks.

13. SHARE CAPITAL

	The Group and the Company			
	30-Sep-22		31-Mar-22	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Beginning of interim period	257,868	17,231	258,302	17,306
Purchase of treasury shares	<u>(2,868)</u>	<u>(503)</u>	<u>(434)</u>	<u>(75)</u>
End of interim period	<u>255,000</u>	<u>16,728</u>	<u>257,868</u>	<u>17,231</u>

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income.

Treasury shares:

Movement in the Company's treasury shares were as follows:

	30-Sep-22		31-Mar-22	
	Number of treasury shares	Amount	Number of treasury shares	Amount
	'000	S\$'000	'000	S\$'000
	Beginning of interim period	7,132	1,238	6,698
Purchase during the year	<u>2,868</u>	<u>503</u>	<u>434</u>	<u>75</u>
End of interim period	<u>10,000</u>	<u>1,741</u>	<u>7,132</u>	<u>1,238</u>

During 1H2023, the Company bought back 2,867,500 shares by way of market acquisition and all shares acquired are held as treasury shares. As at 30 September 2022, the Company held 10,000,000 treasury shares which represented approximately 3.92% of the 255,000,000 total issued shares (excluding treasury shares and subsidiary holdings). As at 30 September 2021, the Company held 6,697,900 treasury shares which approximately 2.59% of the 258,302,100 total issued shares (excluding treasury shares and subsidiary holdings).

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the reporting period.

There were no holdings in the Company by any subsidiary as at the end of the reporting period and as at the end of the corresponding period of the immediately preceding financial year.

14. OTHER FINANCIAL LIABILITIES

	Group	
	As at	
	30-Sep-22	31-Mar-22
	S\$'000	S\$'000
Non-current:		
<u>Secured</u>		
Bank loans	2,195	2,820
Non-current, total	2,195	2,820
Current:		
<u>Secured</u>		
Bank loans	1,244	1,232
Trust receipts and bills payables	5,356	1,123
Current, total	6,600	2,355
Total	8,795	5,175
The non-current portion is repayable as follow:		
Due within 2 to 5 years	2,195	2,820

14A. Bank loans

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

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

14B. Trust receipt and bills payables

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

- (a) A fixed and floating charge over security deposits, inventories and accounts receivables; and
- (b) Corporate guarantee by the Company.

15. OTHER NON-FINANCIAL LIABILITIES

	Group	
	As at	
	30-Sep-22	31-Mar-22
	S\$'000	S\$'000
Warranty provision	689	751
Deposits from customers	10,757	15,670
Other liability	2,418	–
Total	13,864	16,421

15A. 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.

16. CATEGORIES FINANCIAL ASSETS AND LIABILITIES

The following table categorises the carrying amount of financial assets and liabilities recorded as at 30 September 2022 and 31 March 2022:

	Group		Company	
	As at		As at	
	30-Sep-22 S\$'000	31-Mar-22 S\$'000	30-Sep-22 S\$'000	31-Mar-22 S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	13,189	16,617	1,455	2,061
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	12,461	10,883	5,889	6,369

17. SUBSEQUENT EVENTS

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed interim financial statements of EuroSports Global Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the six months ended 30 September 2022 have not been audited or reviewed by the Company’s auditors.

2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of the Group’s performance:

Revenue

Revenue of the Group increased by S\$8.06 million or 38.3%, from S\$21.07 million in 1H2022 to S\$29.13 million in 1H2023. This was mainly due to increase in the sales of automobiles by S\$8.38 million or 46.2%, from S\$18.13 million in 1H2022 to S\$26.51 million in 1H2023, offset by decrease in the sales of merchandise, parts and servicing by S\$0.41 million or 14.1%, from S\$2.92 million in 1H2022 to S\$2.51 million in 1H2023.

In 1H2023, automobiles distribution segment was the major revenue contributor, which made up 99.6% of the Group’s total revenue. Automobiles distribution segment reported improved performance by S\$7.97 million or 37.9%, from S\$21.04 million in 1H2022 to S\$29.01 million in 1H2023. The improvement was mainly due to higher selling price of Lamborghini new model automobile. The sales of Lamborghini automobile increased by S\$10.12 million with total revenue of S\$23.64 million or 81.5% (1H2022: S\$13.52 million or 64.3%) of automobiles distribution segment’s total revenue in 1H2023. However, the sales of Alfa Romeo fell by S\$2.74 million with total revenue of S\$1.87 million or 6.45% (1H2022: S\$4.61 million or 21.91%) of automobiles distribution segment’s total revenue in 1H2023.

Cost of sales

Cost of sales of the Group increased by S\$7.71 million or 45.7%, from S\$16.86 million in 1H2022 to S\$24.57 million in 1H2023. This is in tandem with the increase in revenue.

Gross profit and gross profit margin

Gross profit of the Group increased by S\$0.36 million or 8.5%, from S\$4.21 million in 1H2022 to S\$4.57 million in 1H2023. However, gross profit margin decreased by 4.3 percentage point, from 20.0% in 1H2022 to 15.7% in 1H2023. The lower profit margin was mainly due to the sales of automobiles with lower profit margins.

Overall, gross profit of automobiles distribution segment increased by S\$0.04 million or 0.8%, from S\$4.41 million in 1H2022 to S\$4.45 million in 1H2023, but gross profit margin of automobiles distribution segment decreased by 4.0 percentage point, from 21.0% in 1H2022 to 15.3% in 1H2023.

Other income

Other income of the Group decreased by S\$0.24 million or 17.8%, from S\$1.35 million in 1H2022 to S\$1.11 million in 1H2023. It was due to decrease in (i) government grant by S\$0.19 million, (ii) rental income from leasing car by S\$ S\$0.03 million, (iii) sales incentives from manufacturers by S\$0.07 million and (iv) other income by S\$0.26 million, offset by increase in commission income by S\$0.31 million.

Review of the Group's performance: (cont'd)**Other gains and (other losses), net**

Other gains and (other losses), net of S\$0.25 million was due to reversal for impairment on trade receivables of S\$0.13 million and foreign exchange adjustments gain of S\$0.15 million, offset by loss on disposal of plant and equipment of S\$0.03 million.

Marketing and distribution expenses

Marketing and distribution expenses of the Group increased by S\$0.47 million or 56.0%, from S\$0.85 million in 1H2022 to S\$1.32 million in 1H2023, mainly due to increase in (i) advertising and promotions by S\$0.06 million, (ii) employee benefits expense by S\$0.30 million which is in line with revenue increase and (iii) entertainment and gifts expenses by S\$0.16 million, following the easing of COVID-19 restrictions which allows the management to meet up with customers and business partners.

Administrative expenses

Administrative expenses of the Group increased by S\$0.57 million or 8.8%, from S\$6.47 million in 1H2022 to S\$7.04 million in 1H2023, mainly due to increase in (i) depreciation of plant and equipment by S\$0.35 million, (ii) employee benefits expenses by S\$0.34 million, (iii) utilities expense incurred for office, workshop and warehouse by S\$0.05 million, (iv) transport charges by S\$0.05 million and (v) travelling expenses for business purposes by S\$0.14 million, following the lifting of overseas travel restriction, offset by decrease in (i) consultancy expenses by S\$0.22 million, (ii) distributor support fee by S\$0.20 million and (iii) rental expense of premises by S\$0.03 million.

Finance costs

Finance costs of the Group decreased by S\$0.09 million or 42.0%, from S\$0.21 million in 1H2022 to S\$0.12 million in 1H2023. It was mainly due to decrease in interest expense of lease liabilities by S\$0.03 million, offset by increase in trust receipts interest by S\$0.04 million. Besides, there is no interest expense from convertible bond in 1H2023 (1H2022: S\$0.06 million) as the convertible bond had matured and fully redeemed on 9 September 2021.

Review of the Group's financial position:**Non-current assets**

Non-current assets of the Group decreased by S\$0.47 million, from S\$9.47 million as at 31 March 2022 to S\$9.00 million as at 30 September 2022, mainly due to right-of-use assets depreciated by S\$1.05 million and decrease in plant and equipment by S\$0.66 million, largely due to disposal of motor vehicles and depreciation charges, offset by increase in other non-financial assets by S\$0.14 million and intangible assets by S\$1.10 million, which relates to development costs of electric motorcycle.

Current assets

Current assets of the Group decreased by S\$3.11 million, from S\$37.21 million as at 31 March 2022 to S\$34.10 million as at 30 September 2022. This was mainly due to reduce in (i) trade and other receivables by S\$0.53 million, (ii) other non-financial assets by S\$2.75 million and (iii) cash and cash equivalents by S\$2.90 million, offset by increase in inventories by S\$3.08 million mostly for purchase of Lamborghini new automobiles.

Equity

Equity comprises share capital, other reserves, accumulated losses, and non-controlling interests. Total equity of the Group decreased by S\$2.62 million, from S\$19.37 million as at 31 March 2022 to S\$16.75 million as at 30 September 2022. The decrease was due to loss, net of tax for 1H2023 of S\$2.61 million, purchase of treasury shares of S\$0.50 million and transaction costs directly attributable to capital contribution by non-controlling interest of subsidiary of S\$0.08 million, offset by share-based payment reserve of S\$0.57 million.

Non-current liabilities

Non-current liabilities of the Group decreased by S\$0.62 million, from S\$2.82 million as at 31 March 2022 to S\$2.20 million as at 30 September 2022, due to reclassification of bank loans from non-current liabilities to current liabilities.

Current liabilities

Current liabilities of the Group decreased slightly by S\$0.33 million, from S\$24.49 million as at 31 March 2022 to S\$24.16 million as at 30 September 2022, mainly due to decrease in (i) trade payables by S\$0.79 million for payment to suppliers, (ii) lease liabilities by S\$1.25 million and (iii) other non-financial liabilities by S\$2.56 million mainly related to fulfilment of car orders for deposits collected from customers, offset by increase in other financial liabilities by S\$4.25 million mainly from trust receipt's net drawdown of S\$4.23 million.

Review of the Group's cash flows

In 1H2023, the Group's net cash flows used in operating activities amounted to S\$3.26 million, mainly due to net working capital outflow of S\$3.29 million offset by positive operating cash flows before changes in working capital of S\$0.05 million.

In 1H2023, the Group's net cash flows used in investing activities amounted to S\$1.30 million, mainly due to addition to intangible assets of S\$1.10 million and purchase of plant and equipment of S\$0.44 million, offset by proceeds from disposal of plant and equipment of S\$0.24 million.

In 1H2023, the Group's net cash flows from financing activities amounted to S\$1.66 million, mainly due to trust receipts' net drawdown of S\$4.23 million, offset by bank loans repayment of S\$0.61 million, lease liabilities payment of S\$1.26 million, purchase treasury shares of S\$0.50 million and interest paid of S\$0.11 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Given the volatility of global economy and prolonged COVID-19 pandemic, the Group's performance is expected to be negatively affected due to slowdown of demand. The automobile industry remains highly challenging amidst intense competition and highly regulated environment in Singapore and regional market in which we operate.

Our subsidiary, EuroSports Technologies Pte. Ltd. ("EST") which is developing sustainable mobility, will continue to incur development expenses and we do not expect to generate meaningful revenue from EST for the next 12 months. EST has digitally launched Scorpio Electric, a premium electric motorcycle brand on 22 October 2021. We have commenced collection of deposits for pre-order reservations of our first electric motorcycle, the X1.

5. Dividend information

5a. Current financial period reported on

Any dividend declared for the current financial period reported on?

No.

5b. Corresponding period of the immediate preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

5c. Date payable

Not applicable.

5d. Books closure date

Not applicable.

6. If no dividend has been declared, a statement to that effect and the reason(s) for the decision.

No dividend has been declared for the current financial year ended 30 September 2022 as the Group is conserving cash for its business operations.

7. If the Group has obtained a general mandate from shareholders for interested person transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of Singapore Exchange Securities Trading Limited. If no interested person transactions mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders of the Company for interested person transactions.

8. Negative confirmation pursuant to the Rule 705(5)

The Board of Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to its attention which may render financial results for the half-year ended 30 September 2022 to be false or misleading in any material aspect.

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

10. Disclosure required pursuant to Rule 706A of the Catalist Rules

Increase in share capital of EuroSports Technologies Pte. Ltd. ("EST ordinary shares")

On 11 October 2022, EuroSports Technologies Pte. Ltd. ("**EST**"), a subsidiary of the Company allotted and issued an aggregate of 30,730 EST ordinary shares to various new investors. Following the allotment and issuance of EST ordinary shares, the total issued share capital of EST increased from 2,634,049 EST ordinary shares to 2,664,779 EST ordinary shares. The Company's shareholding in EST reduced from 75.93% to 75.05%. The Company remains to hold 2,000,000 EST ordinary shares as one of the Group's subsidiaries. The net asset value of EST as at 30 September 2022 approximated S\$7,578,000.

**By Order of the Board
EuroSports Global Limited**

**Goh Kim San
Executive Chairman and Chief Executive Officer**

11 November 2022