Securities Investors Association (Singapore)
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www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: EuroSports Global Limited

Stock code: 5G1

Meeting details:
Date: 28 July 2023
Time: 2.00 p.m.
Venue: Tudor Courtyard, Level 1, Goodwood Park Hotel Singapore, 22 Scotts Road Singapore 228221

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Q1. The group relinquished the importation and distribution agreement as the exclusive importer and distributor of Alfa Romeo automobiles in Singapore on 31 March 2023. The group remains focused on the Lamborghini automobile distribution business and the development of Scorpio Electric brand electric motorcycles.

Management has expressed its intention to diversify the group's portfolio by adding other automobile brands. However, it should be noted that in previous years, the group discontinued the distributorships of Pagani and Alfa Romeo automobiles in FY2020 and FY2023, respectively.

(i) **What potential brands is the group considering bringing in, especially as it holds the distributorship of Lamborghini? Does this distributorship limit the group's options for collaborating with other supercar brands?**

(ii) **Is the group currently evaluating the distributorship of Touring Superleggera? Other than some recent models, such as Arese RH95 and Aero 3, is the brand principal actively launching new models, including options for electric vehicles (EVs)?**

Separately, the development of Scorpio Electric's X1 has entered the Pre-Production Prototype ("PPR") stage. This is the penultimate engineering development milestone prior to mass production. Scorpio has stated that it is currently building PPR units in collaboration with Shenzhen BYD Electronics.

(iii) **How much additional testing, certification, and homologation is required before the X1 is deemed ready for mass production?**

(iv) **What are the group's plans and funding strategy for the mass production of the X1? Will the group be able to achieve its goal of global deliveries in the second half of 2023?**

(v) The MOU with Strides Transportation Pte. Ltd. to distribute electric motorcycles in Singapore and Asia lapsed in January 2023. **Has management established any new distribution plans for the X1 in Singapore, Asia, or other key international markets?**

(vi) Scorpio Electric obtained additional US$6.75 million in funding at a valuation of US$150 million. **Does management have any plans to raise further funds to support Scorpio's growth or consider spinning off the subsidiary in an IPO? Separately, are there any plans to monetise the investment in Scorpio?**

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Q2. For the financial year ended 31 March 2023, total revenue increased by 12% to $60.88 million with the sales of Lamborghini automobile making up $49.99 million or 82% of the group's total revenue.

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

4B. Profit or loss from continuing operations and reconciliation

	Group	
	2023 $'000	2022 $'000
Revenue by segment		
Automobiles distribution	60,759	54,292
Sustainable mobility	2	3
Other	123	68
Total	60,884	54,363
Segment result		
Automobiles distribution	(1,363)	832
Sustainable mobility	(3,008)	(2,573)
Other	87	(182)
Loss before tax	(4,284)	(1,923)
Income tax expense	(160)	(2)
Loss for the year	(4,444)	(1,925)

(Source: company annual report; emphasis added)

Despite the increase, the segment results slipped from $832,000 in 2022 to $(1.36) million in 2023.

(i) **Can management provide further insight into the underlying reasons for the segment loss of $(1.36) million in the automobiles distribution segment, despite the group benefiting from strong sales from the Lamborghini dealership?**

(ii) **Are there any financial and operational impacts resulting from the termination of the exclusive distributorship of Alfa Romeo automobiles?**

(iii) **Has management assessed the impact of the tax increases for higher-end vehicles as outlined in the Singapore Budget 2023?**

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Q3. As at 31 March 2023, the company and group are now in accumulated loss positions of $(10.65) million and $(0.97) million respectively.

Losses in the past three years are $(3.7) million in FY2021, $(1.9) million in FY2022 and $(4.4) million in FY2023.

The remuneration of the executive directors is shown below:

The remuneration paid to and accrued to each Director for FY2021 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	-	451	120	-	61	632
Andy Goh	-	377	99	-	54	530

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

The remuneration paid to and accrued to each Director for FY2023 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	-	509	102	-	82	693
Andy Goh	-	423	84	-	71	578

(Source: company annual report)

In the corporate governance report, it was disclosed that the executive directors have a service agreement with the company, and their remuneration includes fixed pay, annual wage supplement, performance bonuses, transport allowances, usage of company cars, and subscription fees for country club memberships.

(i) **Can the remuneration committee (RC) help shareholders better understand if the base salaries of the executive directors have been adjusted each year in the past three years (as shown above) as the salary figures have increased each year in the past three years?**

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(ii) **Is there a significant overlap between the roles and responsibilities of Mr Melvin Goh (as executive chairman and CEO) and Mr Andy Goh (as executive director and deputy CEO)?**

(iii) **What are the performance criteria used to assess the performance of the executive directors?**

(iv) **Has the RC reviewed the allowances and benefits given that the group has been loss making for the past three years?**

(v) **Please elaborate further on how the current remuneration practices are aligned to shareholders' interests. Specifically, can the RC help shareholders understand if the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation (Principle 7 of the Code of Corporate Governance 2018)?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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