

P R E S S R E L E A S E

## EuroSports Global doubles revenue in 1HFY2016; narrows previous losses

- Higher revenue driven by increased sales across all business segments
- Launch of 2 new variants of the Lamborghini Huracán model and opening of new showroom at Suntec City Mall by end 2015 expected to improve sales

Financial Highlights (S\$' million)	Six months ended 30 September		Change (%)
	1HFY2016	1HFY2015	
Revenue	32.03	15.80	102.7
Gross Profit	4.44	2.27	95.6
Net attributable loss	(1.60)	(3.17)	(49.3)

SINGAPORE, 29 October 2015 – EuroSports Global Limited (“EuroSports Global” and together with its subsidiaries, the “Group”), a leading luxury lifestyle company with the only authorised dealership for Lamborghini automobiles in Singapore, achieved a 102.7% surge in revenue to S\$32.03 million for the six months ended 30 September 2015 (“1HFY2016”). The positive topline performance reduced the net attributable loss of the company of S\$3.17 million recorded in the six months ended 30 September 2014 (“1HFY2015”) to S\$1.60 million for the current period under review.

### Business Review

The higher revenue generated was a result of an increase in sales across all three business segments in 1HFY2016.

Revenue from its *Sale of Automobiles* business leapt 118.0% to S\$27.52 million in 1HFY2016 from S\$12.62 million the year before. This was largely due to more new Lamborghini automobiles sold (1HFY2016: 15; 1HFY2015: 4) as well as an increase in the number of pre-owned automobiles sold (1HFY2016: 29; 1HFY2015: 12).

In line with the higher number of cars sold, the Group’s *After-Sales Services* business recorded a 28.2% increase in revenue from S\$2.47 million in 1HFY2015 to S\$3.16 million in 1HFY2016.

Also generating higher sales is the Group’s *Sale of deLaCour Watches* business which jumped 89.0% year-on-year (“**yo**y”) from S\$0.71 million to S\$1.35 million. This was because approximately 46.0% more watches were sold in 1HFY2016 compared to 1HFY2015 following the opening of the deLaCour Boutique at Wisma Atria in December 2014.

The Group's gross profit increased by 95.6% to S\$4.44 million in 1HFY2016. However gross profit margin dipped a marginal 0.5 percentage points yoy from 14.4% in 1HFY2015 to 13.9% in 1HFY2016 due to a decrease in gross profit margin from sales of new automobiles, which was offset by an improvement in gross loss margin from sales of pre-owned automobiles from (10.0%) in 1HFY2015 to (1.1%) in 1HFY2016.

EuroSports Global's overall operating expenses for the period also increased. The Group's marketing and distribution expenses rose 12.7% from S\$1.72 million in 1HFY2015 to S\$1.94 million in 1HFY2016 mainly due to higher sales commission expenses incurred. Administrative expenses were also higher at S\$8.16 million in 1HFY2016 as compared to S\$6.58 million in 1HFY2015 mainly due to an increase in property tax of S\$0.20 million; a rise in employee benefits expenses of S\$0.67 million mainly due to higher headcount and accruals for bonuses; higher rental expenses of S\$0.41 million mainly relating to the opening of the deLaCour Boutique at Wisma Atria in December 2014 ; and, an increase in depreciation expense of S\$0.20 million arising from additions during 1HFY2016 and full six months depreciation of property, plant and equipment acquired near the end of 1HFY2015.

***EuroSports Global's Executive Chairman and CEO, Mr Melvin Goh, said: "I am very pleased at the increase in sales generated by all our business segments despite the uncertainties in the global economic environment. Credit goes to our sales and marketing teams who have worked very hard to engage customers in order to drive sales. We will continue to strongly market our products and work towards greater improvement of our bottom-line."***

#### **Business update and outlook**

The Group expects the next 12 months to remain challenging due to intense competition among automobile distributors in the mature and small Singapore market. In an already highly regulated automobile ownership environment, stricter government policies in terms of vehicle registration fees and financing restrictions could further affect affordability and in turn, market demand.

In its continuing branding efforts, EuroSports Global will open its new Lamborghini display and retail store at Suntec City Mall by end of 2015. In addition, the Group is also ramping up its marketing activities in preparation for the launch of 2 new variants of the Lamborghini Huracán model, which is also expected to take place by the end of 2015.

***Mr Goh said: "With the opening of our new Suntec City Mall showroom as well as the launch of the two new Lamborghini Huracán variants, we are optimistic that these two events will enable us to reap higher sales in the second half of the financial year."***

### **Update on use of IPO Proceeds**

A total of S\$8.46 million in net proceeds was raised during IPO. Out of the S\$6.00 million allocated to the expansion of the Group's operations locally and in other markets and diversification into other luxury lifestyle business, S\$1.50 million has already been utilised in the acquisition of AutoInc EuroSports Pte. Ltd. in August 2014. The S\$2.46 million which was allocated for general working capital has been fully utilised. As at 30 September 2015, the balance of IPO net proceeds stood at S\$4.50 million.

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### **About EuroSports Global Limited**

The Group specialises in the business of distribution of ultra-luxury automobiles and luxury automobiles and provision of after-sales services.

The Group's automobile distribution business retails new ultra-luxury automobiles and luxury automobiles as well as pre-owned automobiles. It presently carries automobile brands comprising mainly Lamborghini, Pagani and Alfa Romeo, and customised automobiles supplied by Touring Superleggera.

The provision of after-sales services by the Group includes sales of automobile parts and accessories and the Group operates the only authorised service centre in Singapore for all the automobile brands it carries. In addition, the Group also operates an automobile leasing business as an ancillary business that complements its automobile distribution business.

In September 2012, the Group embarked on the luxury watch distribution and retail business and in November 2012, it secured the exclusive distributorship rights for the deLaCour brand of watches for Singapore, Malaysia, Indonesia, Thailand and Brunei.

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#### **Issued for and on behalf of EuroSports Global Limited by August Consulting**

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