

EUROSPORTS GLOBAL LIMITED

Company Registration Number: 201230284Z

**Full Year Financial Statements and Related Announcement
For The Financial Year Ended 31 March 2017**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume 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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PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i). An income statement and statement of comprehensive income, or statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Increase/ (Decrease) %
	Year Ended 31 March		
	2017 S\$'000	2016 S\$'000	
Revenue	52,403	63,531	(17.5)
Cost of Sales	(46,754)	(55,403)	(15.6)
Gross Profit	5,649	8,128	(30.5)
Other Income	8,605	8,540	0.7
Interest Income	35	120	(70.8)
Other (Charges) Credits, net	(759)	85	n.m.
Marketing and Distribution Expenses	(2,589)	(3,454)	(25.0)
Administrative Expenses	(17,201)	(16,781)	2.5
Finance Costs	(1,556)	(1,052)	47.9
Loss Before Tax	(7,816)	(4,414)	77.0
Income Tax Expense	(103)	(188)	(45.2)
Loss, Net of Tax	(7,919)	(4,602)	72.0
Total Comprehensive Loss	(7,919)	(4,602)	72.0
Loss, Net of Tax and Total Comprehensive Loss			
Attributable to:			
Owners of the Company	(7,968)	(4,496)	77.2
Non-Controlling Interest	49	(106)	n.m.
	(7,919)	(4,602)	72.0
Loss Per Share (Cents)			
Basic and Diluted	(3.01)	(1.70)	77.0

Note:

(1) n.m. denotes not meaningful

1(a)(ii). Notes to the Combined Statements of Comprehensive Income

Loss before tax has been arrived at after crediting (charging):

	Group		Increase/ (Decrease) %
	Year Ended 31 March		
	2017	2016	
	S\$'000	S\$'000	
Other Income			
Commission Income	2,140	2,672	(19.9)
Rental Income	1,911	1,646	16.1
- <i>includes leasing income</i>	1,115	850	31.2
Deferred Income	3,311	3,333	(0.7)
Other Income	1,244	889	39.9
Other (Charges) Credits, Net			
Allowance for Impairment on Trade Receivables	(120)	(30)	300.0
Bad Trade Debts Written Off	(2)	(9)	(77.8)
Foreign Exchange Adjustments Gain	21	115	(81.8)
Gain on Disposal of Plant and Equipment	27	9	200.0
Goodwill written off	(385)	-	n.m.
Impairment loss on inventories	(156)	-	n.m.
Fixed assets written off	(145)	-	n.m.
Marketing and Distribution Expenses			
Advertising and Promotions	(1,503)	(2,282)	(34.1)
Sales Commission Expense	(595)	(587)	1.4
Entertainment	(357)	(427)	(16.4)
Administrative Expenses			
Employee Benefits Expense	(5,833)	(5,876)	(0.7)
Rental Expense	(5,474)	(5,434)	0.7
- <i>includes Amortisation of Land Premium</i>	(539)	(893)	(39.6)
Depreciation Expense	(2,405)	(1,640)	46.6
Professional Fees	(482)	(447)	7.8
Property Tax	(374)	(651)	(42.5)
Income Tax Expense			
Current Tax Expense	-	-	
Under Adjustments to Current Tax in respect of Prior Periods	(103)	(188)	(45.2)

Note:

(1) n.m. denotes not meaningful

1(b)(i). A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at		As at	
	31-Mar-17 S\$'000	31-Mar-16 S\$'000	31-Mar-17 S\$'000	31-Mar-16 S\$'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	27,732	24,317	-	-
Investment in Subsidiaries	-	-	7,953	7,953
Other Assets, Non-Current	-	40	-	-
Total Non-Current Assets	27,732	24,357	7,953	7,953
Current Assets				
Inventories	36,039	52,399	-	-
Trade and Other Receivables	3,161	3,232	4,537	9,892
Other Assets, Current	1,443	3,996	42	107
Cash and Cash Equivalents	5,055	6,655	62	32
Total Current Assets	45,698	66,282	4,641	10,031
Total Assets	73,430	90,639	12,594	17,984
EQUITY AND LIABILITIES				
Equity				
Share Capital	18,469	18,469	18,469	18,469
(Accumulated Losses)/ Retained Earnings	(5,980)	1,988	(6,063)	(616)
Equity Attributable to Owners of Company	12,489	20,457	12,406	17,853
Non-Controlling Interest	54	5	-	-
Total Equity	12,543	20,462	12,406	17,853
Non-Current Liabilities				
Financial Liabilities, Non-Current	11,330	11,782	-	-
Other Liabilities, Non-Current	6,609	9,866	-	-
Total Non-Current Liabilities	17,939	21,648	-	-
Current Liabilities				
Income Tax Payable	-	139	-	-
Trade and Other Payables	5,009	4,652	188	131
Other Financial Liabilities, Current	18,244	26,891	-	-
Other Liabilities, Current	19,695	16,847	-	-
Total Current Liabilities	42,948	48,529	188	131
Total Equity and Liabilities	73,430	90,639	12,594	17,984

1(b)(ii). In relation to the aggregate amount of the group’s borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year: (A) the amount repayable in one year or less, or on demand; (B) the amount repayable after one year; (C) whether the amounts are secured or unsecured; and (D) details of any collaterals.

	As at 31-Mar-17		As at 31-Mar-16	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	18,244	-	26,891	-
Amount repayable after one year	11,330	-	11,782	-

Details of Collaterals

As at 31 March 2017, the Group’s borrowings are secured by:

- A legal mortgage over the leasehold properties under construction in progress
- A fixed and floating charge over inventories and accounts receivables
- Joint and several guarantees by the Executive Directors of the Company
- Corporate guarantee by the Company

As at 31 March 2016, the Group’s borrowings are secured by:

- A legal mortgage over the leasehold properties under construction in progress
- A fixed and floating charge over inventories and accounts receivables
- Joint and several guarantees by the Executive Directors of the Company
- Corporate guarantee by the Company

1(c). A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Year Ended 31 March	
	2017	2016
	S\$'000	S\$'000
<u>Cash Flows From (Used in) Operating Activities</u>		
Loss before tax	(7,816)	(4,414)
Adjustments for:		
Deferred Income	(3,311)	(3,333)
Depreciation of plant and equipment	2,405	1,640
Amortisation of other assets	236	893
Gain on disposal of plant and equipment	(27)	(9)
Interest income	(35)	(120)
Interest expense	1,556	1,052
Operating Cash Flows Before Changes in Working Capital	(6,992)	(4,291)
Inventories	16,360	(19,070)
Trade and other receivables	71	(1,251)
Other assets	2,357	(712)
Other liabilities	2,904	2,240
Trade and other payables	357	3,205
Net Cash Flows From (Used in) Operations	15,057	(19,879)
Income taxes paid	(242)	(184)
Net Cash Flows From (Used in) Operating Activities	14,815	(20,063)
<u>Cash Flows From (Used In) Investing Activities</u>		
Net cash used in acquisition of subsidiaries <i>(Note 8di, 8dii)</i>	(803)	-
Purchase of plant and equipment	(5,275)	(2,991)
Disposal of plant and equipment	284	87
Interest received	35	120
Net Cash Flows Used in Investing Activities	(5,759)	(2,784)
<u>Cash Flows (Used In) From Financing Activities</u>		
(Decrease) Increase of Financial Liabilities	(7,137)	22,678
Finance Lease Repayment	(1,963)	(1,705)
Interest Paid	(1,556)	(1,052)
Net Cash Flows (Used in) From Financing Activities	(10,656)	19,921
Net Decrease in Cash and Cash Equivalents	(1,600)	(2,926)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	6,295	9,221
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	4,695⁽¹⁾	6,295⁽¹⁾

Notes:

(1) Cash and cash equivalents is net of cash restricted in use over 3 months of S\$0.36 million.

1(d)(i). A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital S\$'000	(Accumulated losses)/ Retained Earnings S\$'000	Attributable to Owners of the Company S\$'000	Non- Controlling Interest S\$'000	Total Equity S\$'000
As at 1 April 2016	18,469	1,988	20,457	5	20,462
Movements in Equity:					
Total Comprehensive Loss for the Year	-	(7,968)	(7,968)	49	(7,919)
As at 31 March 2017	<u>18,469</u>	<u>(5,980)</u>	<u>12,489</u>	<u>54</u>	<u>12,543</u>
As at 1 April 2015	18,469	6,484	24,953	111	25,064
Movements in Equity:					
Total Comprehensive Loss for the Year	-	(4,496)	(4,496)	(106)	(4,602)
As at 31 March 2016	<u>18,469</u>	<u>1,988</u>	<u>20,457</u>	<u>5</u>	<u>20,462</u>

	Company		
	Share Capital S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
As at 1 April 2016	18,469	(616)	17,853
Movements in Equity:			
Total Comprehensive Loss for the Year	-	(5,447)	(5,447)
As at 31 March 2017	<u>18,469</u>	<u>(6,063)</u>	<u>12,406</u>
As at 1 April 2015	18,469	757	19,226
Movements in Equity:			
Total Comprehensive Income for the Year	-	(1,373)	(1,373)
As at 31 March 2016	<u>18,469</u>	<u>(616)</u>	<u>17,853</u>

1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Company	
	Number of Ordinary Shares	Issued and Paid- up Share Capital S\$
Issued and paid up share capital as at 31 March 2016 and 31 March 2017	265,000,000	18,469,317

There were no changes in the Company's share capital since the end of the previous period reported on. There were no outstanding convertibles or treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of Ordinary Shares	
	As at	
	31-Mar-17	31-Mar-16
Total number of issued shares excluding treasury shares	265,000,000	265,000,000

There were no treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

1(d)(iv). A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as compared to its audited financial statements for the financial year ended 31 March 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current financial period, the Group has adopted all the new and revised financial reporting standards (“FRS”) and Interpretations of FRS (“INT FRS”) that are relevant to the Group and effective for the financial period beginning 1 April 2016. The adoption of these new and revised FRS and INT FRS does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior years.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	Year Ended 31 March	
	2017	2016
Loss, Net of Tax Attributable to Owners of the Company (S\$'000)	(7,968)	(4,496)
Weighted Average Number of Ordinary Shares	265,000,000	265,000,000
Loss Per Share - Basic and Diluted (cents)	(3.01)	(1.70)

Loss Per Share is computed based on the Loss, Net of Tax Attributable to Owners of the Company divided by the Weighted Average Number of Ordinary Shares.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: (a) current period reported on; and (b) immediately preceding financial year.

	Group		Company	
	As at		As at	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
NAV per Ordinary Shares (cents)	4.71	7.72	4.68	6.74
Equity Attributable to Owners of the Company (S\$'000)	12,489	20,457	12,406	17,853
Number of Shares used in computation of NAV per Ordinary Shares ('000)	265,000	265,000	265,000	265,000

8. 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.

(a) Review of Group's Performance

Revenue

Revenue decreased by approximately S\$11.13 million or 17.5%, from S\$63.53 million in FY2016 to S\$52.40 million in FY2017.

- (a) Sale of automobiles decreased by approximately S\$10.85 million or 22.0%, from S\$55.24 million in FY2016 to S\$44.39 million in FY2017. This was mainly due to:
 - (i) Decrease in sales of new automobiles of S\$11.19 million as a result of weak market conditions. 24 new Lamborghini automobiles were sold in FY2017 as compared to 31 new Lamborghini automobiles in FY2016; and
 - (ii) partially offset by an increase in sales of pre-owned automobiles of S\$0.34 million
- (b) The decrease in sales of deLaCour watches is approximately S\$1.40 million or 62.2% from S\$2.25 million in FY2016 to S\$0.85 million in FY2017. The decrease was due to the number of watches sold are lower by approximately 60% in FY2017 as compared to FY2016.
- (c) The decrease of revenue from provision of after-sales services is approximately S\$0.13 million or 2.1%, from S\$6.05 million in FY2016 to S\$5.92 million in FY2017 which is in line with the decrease in car sales.
- (d) This is partially offset by the contribution from the new subsidiary, Ultimate Drive Eurosports Pte Ltd incorporated in FY2017 which is dealing with super car rental and super car sharing membership club approximately by S\$1.25 million.

Cost of Sales

Cost of sales decreased by approximately S\$8.65 million or 15.6%, from S\$55.4 million in FY2016 to S\$46.75 million in FY2017. This was in line with the decrease in sale of new automobiles by S\$9.4 million as a result of weak market conditions and partially offset by an increase in the cost of sales of pre-owned cars by S\$1.6 million.

Gross Profit and Gross Profit Margin

Gross profit decreased by approximately S\$2.48 million or 30.5% from S\$8.13 million in FY2016 to S\$5.65 million in FY2017. Gross profit margin decreased from 12.8% in FY2016 to 10.8% in FY2017 mainly due to the decrease in gross profit margin from sales of new and pre-owned automobiles from 9.3% in FY2016 to 3.7% in FY2017 as a result of weak market conditions.

Other Income

Other income increased by approximately S\$0.07 million or 0.8%, from S\$8.54 million in FY2016 to S\$8.61 million in FY2017. The increase was mainly due to the increase in leasing income of S\$0.27 million and other income of S\$0.36 million resulted from a write back of non-refundable customer deposits. This was offset by a decrease in commission income of S\$0.53 million.

Interest Income

Interest income decreased by approximately S\$0.08 million or 70.8%, from approximately S\$0.12 million in FY2016 to S\$0.03 million in FY2017. Interest income was derived from interest earned from fixed deposits.

Other Credits and Charges

Other credits and charges decreased by approximately S\$0.85 million from a credit of approximately S\$0.09 million in FY2016 to a charge of approximately S\$0.76 million in FY2017. The decrease was mainly due to the impairment of goodwill of S\$0.39 million arising from the purchase of new business for the newly incorporated subsidiary Ultimate Drive EuroSports Pte Ltd and an increase in the allowance for doubtful debt of S\$0.09 million.

Marketing and Distribution Expenses

Marketing and distribution expenses decreased by approximately S\$0.86 million or 25.0%, from S\$3.45 million in FY2016 to S\$2.59 million in FY2017. The decrease was mainly due to decrease in marketing expense incurred which was in line with the decrease in revenue. Marketing expense stood at S\$1.50 million in FY2017 as compared to S\$2.28 million in FY2016.

Administrative Expenses

Administrative expenses increased by approximately S\$0.42 million or 2.5% from S\$16.78 million in FY2016 to S\$17.2 million in FY2017. The increase was mainly due to the increase in depreciation expense of S\$0.70 million arising mainly from additions of motor vehicles in the new subsidiary incorporated in FY2017. This was partially offset by a decrease in property tax of S\$0.28 million due to the absence of upwards revision of assessment and decrease in employee benefits expenses of S\$0.04 million which is in line with the company costs cutting measures.

Finance Costs

Finance costs increased by approximately S\$0.5 million or 47.9% from S\$1.05 million in FY2016 to S\$1.55 million in FY2017, mainly due to an increase in the level of bank borrowings in the first half of FY2017.

Income Tax Expense

Income tax expense decreased by approximately S\$0.09 million or 45.2% from approximately S\$0.19 million in FY2016 to approximately S\$0.1 million in FY2017. Income tax expense for both years was related to the under provision of tax in respect of prior periods.

Loss, Net of Tax

As a result of the above, we record a loss after tax of S\$7.92 million in FY2017, which is S\$3.32 million higher as compared to loss after tax of S\$4.60 million in FY2016. The net loss after tax attributable to owners of the Company in FY2017 and FY2016 amounted to S\$7.97 million and S\$4.50 million respectively.

(b) Review of Group's Financial Position

Non-Current Assets

Non-current assets increased by S\$3.38 million from S\$24.35 million as at 31 March 2016 to S\$27.73 million as at 31 March 2017. This was mainly due to increase in property, plant and equipment of S\$4.1 million arising mainly from additions of motor vehicles from a subsidiary incorporated this year.

Current Assets

Current assets decreased by S\$20.58 million from S\$66.28 million as at 31 March 2016 to S\$45.7 million as at 31 March 2017. The decrease in current assets was mainly due to:

- (i) Decrease in cash and cash equivalent of S\$1.6 million was mainly due to operating loss;
- (ii) Decrease in inventories of S\$16.36 million was mainly due to decrease in inventories of new automobiles and pre-owned automobiles of S\$7.86 million and S\$8.11 million respectively;
- (iii) Decrease in other assets was mainly due to the decrease of S\$1.9 million deposits paid by the Company to Spania GTA Tecnomotive S.L. arising from the repayment of deposits pursuant to the exercise of the indemnity on 11 November 2016 as previously announced; and
- (iv) Decrease in trade and other receivables of 0.07 million.

Equity

Equity comprises share capital, retained earnings/accumulated losses and non-controlling interest. The decrease in equity of S\$7.92 million was due to loss for the year of S\$7.97 million and increase in non-controlling interest of S\$0.05 million arising from a subsidiary which incurred a profit of S\$0.12 million during the financial year.

Non-Current Liabilities

Non-current liabilities decreased by S\$3.71 million from S\$21.65 million as at 31 March 2016 to S\$17.94 million as at 31 March 2017. The decrease was mainly due to decrease in non-current financial liabilities of S\$0.45 million and decrease in non-current other liabilities of S\$3.26 million. Non-current other liabilities comprises long-term portion of the deferred income recognised under the sales and leaseback arrangement.

Current Liabilities

Current liabilities decreased by S\$5.58 million from S\$48.53 million as at 31 March 2016 to S\$42.99 million as at 31 March 2017 mainly due to:

- (i) Decrease in financial liabilities of S\$8.65 million arising mainly from decreases in short-term bank borrowings; and
- (ii) partially offset by an increase of trade and other payables of S\$0.36 million, and the increase in other liabilities of S\$2.85 million mainly due to an increase of S\$2.4 million of customer deposits received.

(c) Review of Group's Cash Flows

In FY2017, the net cash used from operating activities amounted to S\$14.82 million. This comprises negative operating cash flows before changes in working capital of S\$6.99 million, adjusted by net working capital inflow of S\$22.05 million and taxed paid of S\$0.24 million. The net working capital inflow was mainly due to (i) decrease in inventories of S\$16.36 million, trade and other receivables of S\$0.07 million and other assets of S\$2.36 million, and (ii) increase in other liabilities of S\$2.90 million mainly due to deferred income recognised under the sales and leaseback arrangement and trade and other payables of S\$0.36 million.

Net cash used in investing activities amounted to S\$5.76 million in FY2017. This was mainly due to the purchases of property, plant and equipment of S\$5.28 million and acquisition of two new companies of S\$0.80 which was offset by the proceeds from the disposal of property, plant and equipment of S\$0.28 and interest received of S\$0.04 million.

Net cash used in financing activities amounted to S\$10.66 million in FY2017. This was mainly due to decrease in financial liabilities of S\$7.14 million and finance lease repayment of S\$1.96 million and interest paid of S\$1.56 million.

(di) Investment in subsidiary

On 1 April 2016, a wholly-owned subsidiary, Ultimate Drive EuroSports Pte Ltd ("UDE") was incorporated. The principal activities of UDE are the rental and leasing of private cars with and without operator and trading of related merchandise.

On 24 May 2016, the Group through UDE completed the acquisition of the business and assets of short term rental of premium sports cars (for periods not exceeding two hours) with and without the provision of drivers from third party vendors. The amount paid by the group to the vendors was S\$536,095 which comprised the consideration of S\$503,218 and reimbursements for deposits and certain prepayments made by the vendors to the landlords in connection with certain leases of S\$32,878.

Provisional amounts of the assets and liabilities acquired and goodwill arising from the completion of the acquisition are as follows:

	2017 S\$'000
Plant and equipment	150
Advanced bookings cash value	(32)
	118

Goodwill arising on acquisition:

The goodwill arising on acquisition is as follows:

	2017 S\$'000
Consideration transferred (<i>Paragraph 1c</i>)	503
Fair value of identifiable net assets acquired	(118)
Goodwill arising on acquisition	385

The goodwill has been fully impaired as at 31 March 2017.

(dii) Acquisition of subsidiary

In FY2017, a subsidiary, Autoinc Eurosports Pte Ltd entered into a sale and purchase agreement to acquire 49% equity interest in Exquisite Marques Holding Pte Ltd for S\$300,000. The transaction was completed on 28 February 2017.

The net assets acquired and the related fair values were as follows:

	<u>2017</u> S\$'000				
Inventories	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: right; padding-right: 10px;">300</td> <td style="border-bottom: 1px solid black; width: 20px;"></td> </tr> <tr> <td style="text-align: right; padding-right: 10px;">300</td> <td style="border-bottom: 3px double black; width: 20px;"></td> </tr> </table>	300		300	
300					
300					
	<u>2017</u> S\$'000				
Consideration transferred <i>(Paragraph 1c)</i>	300				
Fair value of identifiable net assets acquired	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: right; padding-right: 10px;">(300)</td> <td style="border-bottom: 1px solid black; width: 20px;"></td> </tr> <tr> <td style="text-align: right; padding-right: 10px;">-</td> <td style="border-bottom: 3px double black; width: 20px;"></td> </tr> </table>	(300)		-	
(300)					
-					
Goodwill arising on acquisition	-				

9. 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.

10. 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.

The Group expects the next 12 months to remain challenging due to intense competition among automobile distributors in the mature but small Singapore market. In addition, automobile ownership is highly regulated in Singapore and market demand will be affected should the Singapore government impose policies that could adversely affect the affordability of automobile ownership, for example, increase vehicle registration fees and financing restrictions.

11. If a decision regarding dividend has been made: (a) Whether an interim (final) ordinary dividend has been declared (recommended); (b) (i) Amount per share, cents (ii) Previous corresponding period, cents; (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

(a) Dividend Declared (Recommended) for the Current Financial Period Reported On

None.

(b) Dividend Declared (Recommended) for Corresponding Period of the Immediately Preceding Financial Year

None.

(c) The date the dividend is payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared (recommended).

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained an IPT mandate.

14. 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 procured undertakings from all its directors and executive officers (in the format as set out in Appendix 7H of the Catalist Rules) in accordance with Rule 720(1) of the Catalist Rules.

15. Use of Proceeds

In accordance with the section entitled "Use of Proceeds and Listing Expenses" in the Offer Document, and as at 31 March 2017, the Company wishes to announce that the net proceeds of approximately S\$8.46 million have been utilised as follows:

	Amount allocated as stated in the Offer Document (S\$' million)	Amount utilised as at 31 March 2017 (S\$' million)	Balance of net proceeds as at 31 March 2017 (S\$' million)
Expansion of our operations locally and in other markets and diversification into other luxury lifestyle business	6.00	4.30 ⁽¹⁾	1.70
General working capital	2.46	2.46 ⁽²⁾	-
	8.46	6.76	1.70

Notes:

- (1) Amount utilised as at 31 March 2016 was S\$1.50 million. An amount of S\$2.50 million was utilised on 24 May 2016 for Ultimate Drive EuroSports Pte. Ltd. ("**UDE**"). An amount of S\$0.30 million was utilised on 23 February 2017 to fund the Shareholder Loan provided by Autoinc EuroSports Pte. Ltd. ("**Autoinc**") to Exquisite Marques Holding Pte. Ltd. ("**EMHPL**") for the Business Transfer.
- (2) The amount of S\$2.46 million deployed for general working capital includes the purchase of inventories and operating expenses.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group has three reportable segments as described below:

- (i) Automobiles distribution business retails new luxury automobiles as well as pre-owned automobiles;
- (ii) Watches business comprising trading and distribution of watches and related accessories; and
- (iii) Experiential business which engages in super car rental and super car sharing membership club.

	Group	
	Year Ended 31 March	
	2017	2016
	S\$'000	S\$'000
Segment Revenue		
Automobiles distribution	50,304	61,285
Experiential business	1,248	-
Watches business	851	2,246
Total	52,403	63,531
Segment Result		
Automobiles distribution	(5,999)	(3,752)
Experiential business	(991)	-
Watches business	(826)	(662)
Consolidated Loss Before Tax	(7,816)	(4,414)
Income Tax Expense	(103)	(188)
Loss for the year	(7,919)	(4,602)
Segment Asset		
Automobiles distribution	65,362	86,288
Experiential business	4,677	-
Watches business	3,871	4,371
Elimination of Inter-Segment Assets	(480)	(20)
Total	73,430	90,639
Segment Liability		
Automobiles distribution	57,343	69,701
Experiential business	4,697	-
Watches business	5,694	5,372
Elimination of Inter-Segment Liabilities	(6,847)	(4,896)
Total	60,887	70,177

	Group	
	Year Ended 31 March	
	2017	2016
	S\$'000	S\$'000
Depreciation		
Automobiles distribution	1,730	1,555
Experiential business	520	-
Watches business	155	85
Total	2,405	1,640

Finance Cost

Automobiles distribution	1,494	1,002
Experiential business	60	-
Watches business	2	50
Total	1,556	1,052

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Refer to Section 8 for details.

18. A breakdown of sales as follows:

	Group		Increase/ (Decrease) %
	Year Ended 31 March		
	2017	2016	
	S\$'000	S\$'000	
(a) Sales reported for first half year	29,363	32,030	(8.3)
(b) Operating loss after tax before deducting minority interests reported for first half year	(3,367)	(1,605)	109.8
(c) Sales reported for second half year	23,040	31,501	(26.9)
(d) Operating loss after tax before deducting minority interests reported for second half year	(4,552)	(2,997)	51.9

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

No dividends were declared for FY2016 and FY2017.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/ or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Goh Kim Siew	58	Brother of Melvin Goh and Andy Goh.	Director – System and Business Development, appointed on 15 February 2016.	There is no change during the year.
Joshua Goh Yi Shun	26	Son of Melvin Goh and Nephew of Andy Goh	Assistant Manager – Operations appointed on 12 January 2017.	There is no change during the year.

By Order of the Board
EuroSports Global Limited

Melvin Goh
Executive Chairman and CEO

24 May 2017