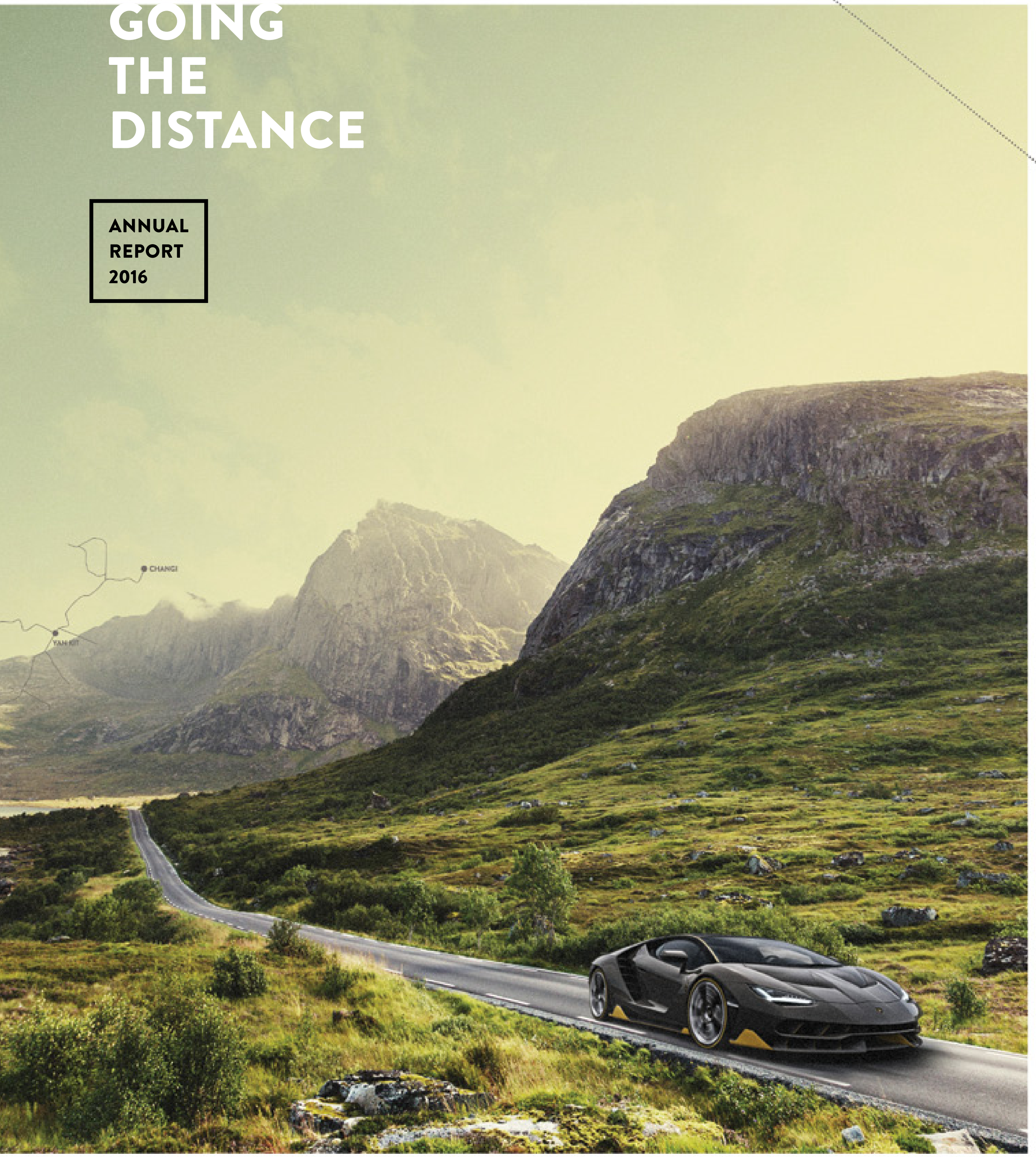
EUROSPORTS
GLOBAL

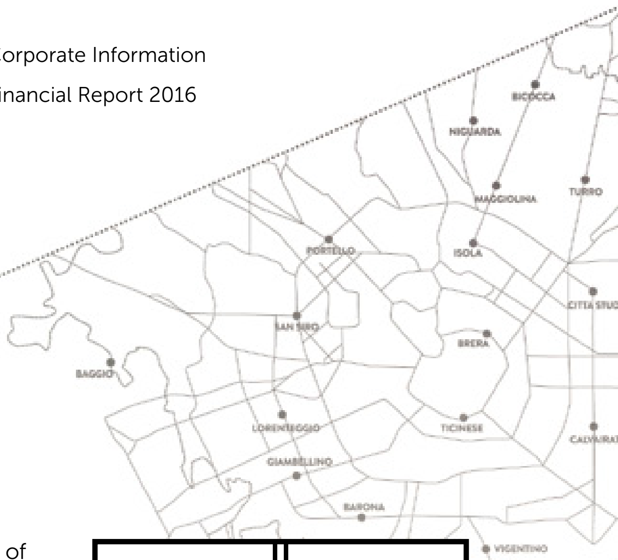
GOING THE DISTANCE

ANNUAL REPORT 2016




DIFFICULT
ROADS OFTEN
LEAD TO
BEAUTIFUL
DESTINATIONS.
AUTHOR / UNKNOWN
TOURING SUPERLEGGERA / DISCO VOLANTE

CONTENTS



CORPORATE PROFILE

EuroSports Global Limited ("EuroSports", or together with its subsidiaries, the "Group") is a leading luxury lifestyle company in Singapore specialising in the business of distribution of ultra-luxury automobiles and luxury automobiles 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. We also carry other high-end automobile brands like Pagani as well as customised automobiles supplied by Touring Superleggera.

In addition to new ultra-luxury automobiles and luxury automobiles, EuroSports operates automobile leasing business and retails pre-owned automobiles through our 60%-owned subsidiary, AutoInc EuroSports Pte. Ltd. ("AutoInc EuroSports") as an ancillary business that complements our automobile distribution business. Our after-sales services include sales of automobile parts and accessories and we operate the only authorised serviced centre in Singapore for all the automobile brands we carry.

On top of its luxury automobile distribution and related businesses, the Group also has the exclusive distributorship rights for the deLaCour brand of watches for Singapore, Malaysia, Indonesia, Thailand and Brunei. In Singapore, we retail the watches at our showroom and a watch boutique at Wisma Atria. We also have a distributor in Jakarta, Indonesia, PT Eurobutik Bangun Indonesia.

In May 2016, the Group acquired a new motoring product and renamed it Ultimate Drive EuroSports Pte. Ltd., which comprises Ultimate Drive Club – a membership-based supercar club where members purchase points with validity of between one and three years that they can use to redeem drives in an exclusive fleet of supercars; and, Ultimate Drive Experience, which provides short term rental of supercars to tourists and for special occasions.

Our 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.

OUR BRANDS

AUTOMOBILES

LUXURY WATCHES

AUTOMOTIVE EXPERIENCES

OUR VALUES

WE PLACE GREAT EMPHASIS ON UNDERSTANDING THE NEEDS OF OUR CUSTOMERS AND PROVIDING THEM WITH THE QUALITY SERVICE STANDARDS THEY EXPECT.

OUR MOTTO IS **"WALK IN AS A CUSTOMER, WALK OUT AS A FRIEND"** AND THIS ENCOMPASSES THE VALUES AND PHILOSOPHY BY WHICH WE OPERATE.

WE AIM TO PROVIDE PERSONALISED AND ATTENTIVE CUSTOMER SERVICE, FROM THE PURCHASING STAGE TO THE POST-PURCHASING STAGE.


CORPORATE STRUCTURE
100%
EURO AUTOMOBILE PTE. LTD.
Trading and distribution of automobiles and automobile related parts and accessories
1
100%
EUROSPORTS AUTO PTE LTD
Trading and distribution of automobiles and automobile related parts and accessories
2
100%
SPANIA GTA ASIA PACIFIC PRIVATE LTD.
Trading and distribution of automobiles and automobile related parts and accessories
3
100%
DELACOUR ASIA PACIFIC PTE. LTD.
Trading and distribution of watches and related accessories
4
100%
ULTIMATE DRIVE EUROSPORTS PTE. LTD.
Membership fee-based supercar club and short term rental of premium sports car
5
60%
AUTOINC EUROSPORTS PTE. LTD.
Trading of pre-owned sports and luxury automobiles
6

A NEW LINE OF LUXURY MODELS

EuroSports is highly anticipating the launch of Lamborghini's first Sports Utility Vehicle (SUV) model. Targetted at the burgeoning SUV segment of the luxury car market, the Lamborghini Urus is expected to be launched in 2018.

GEARING UP

LAMBORGHINI / URUS

LAMBORGHINI / HURACÁN

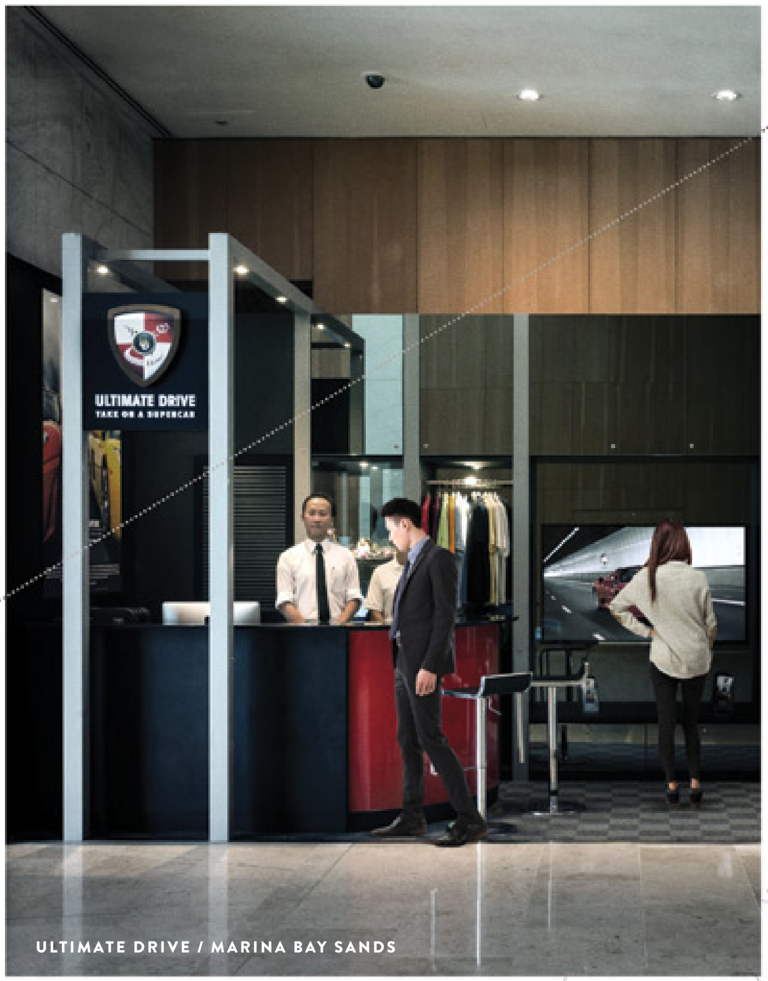
LAMBORGHINI / AVENTADOR SV

"

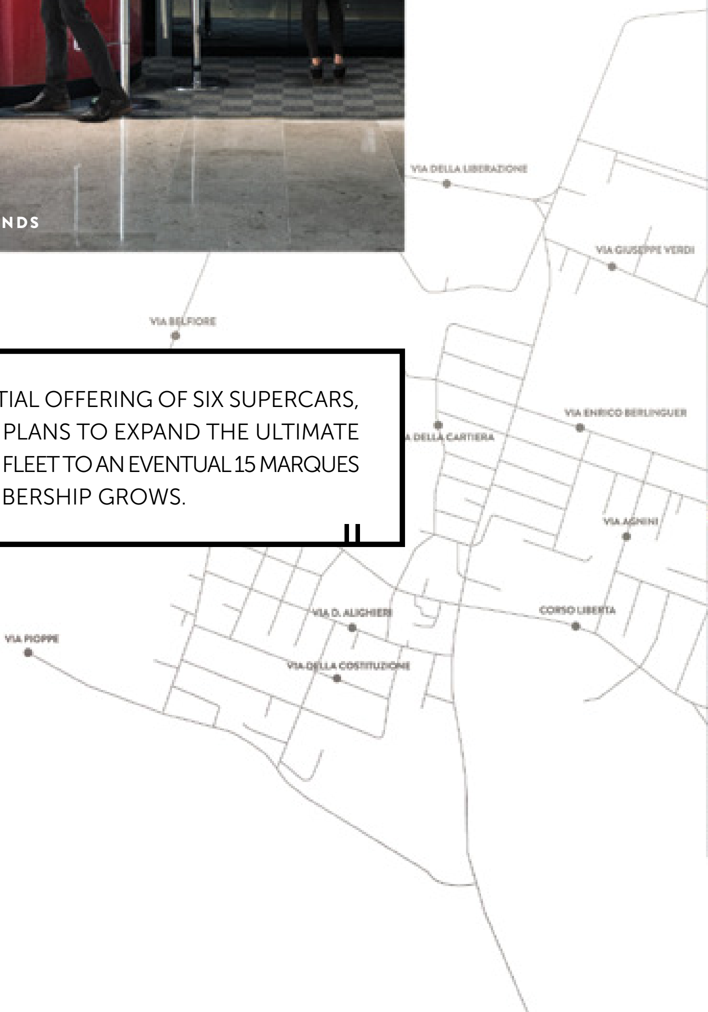
BUYING A LARGE PLOT OF LAND IN SANT'AGATA BOLOGNESE, ABOUT 25 KILOMETRES FROM BOLOGNA ITALY, FOUNDER FERRUCCIO LAMBORGHINI BUILT THE AUTOMOBILI FERRUCCIO LAMBORGHINI FACTORY IN MAY OF 1963. LATER THAT YEAR, THE FIRST LAMBORGHINI, THE 350 GTV, WAS UNVEILED AT THE TURIN AUTO SHOW.

"

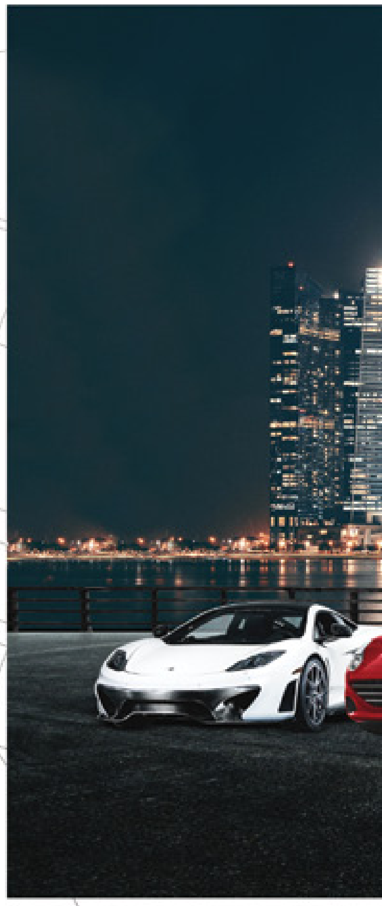
VIA SANTA MARIA DELLA NEVE



ULTIMATE DRIVE / MARINA BAY SANDS



> "WITH AN INITIAL OFFERING OF SIX SUPERCARS, THE GROUP PLANS TO EXPAND THE ULTIMATE DRIVE CLUB'S FLEET TO AN EVENTUAL 15 MARQUES AS THE MEMBERSHIP GROWS."



Since listing in January 2014, EuroSports Global has made two significant acquisitions to broaden its income streams. Its 60%-owned subsidiary, AutoInc EuroSports, has contributed significantly to the sales of pre-owned automobiles which saw a S$11.1 million increase in FY2016.

The Group has also launched an exciting motoring product called Ultimate Drive comprising two segments – Ultimate Drive Club, a supercar sharing membership club for luxury car enthusiasts; and Ultimate Drive Experience, which offers short term rental of supercars to tourists and for special occasions.

ACQUISITION OF ULTIMATE DRIVE

NAVIGATING TURNS

ULTIMATE DRIVE'S INVENTORY OF CARS

BUILDING KEY STRENGTHS

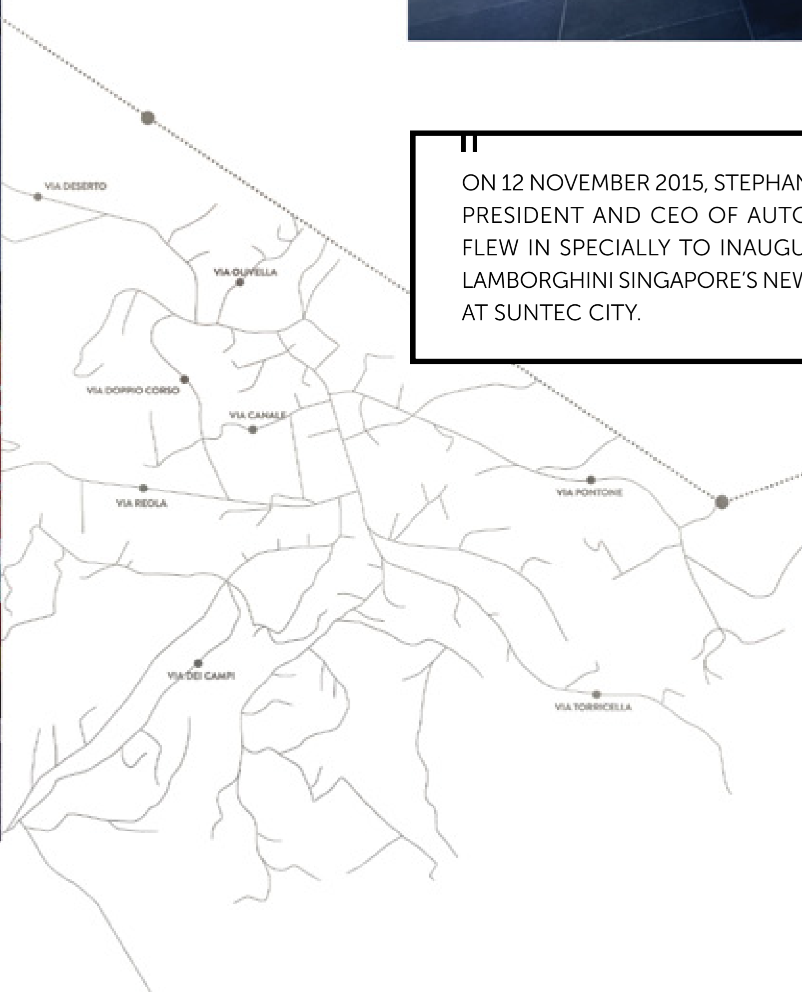
EuroSports continued to build on the strength of its brands in FY2016. The Group opened its first Lamborghini satellite showroom at Suntec City Mall in November 2015. The showroom's ideal location has drawn much attention and raised the profile of the Group, while keeping the Lamborghini brand top of mind among fans.

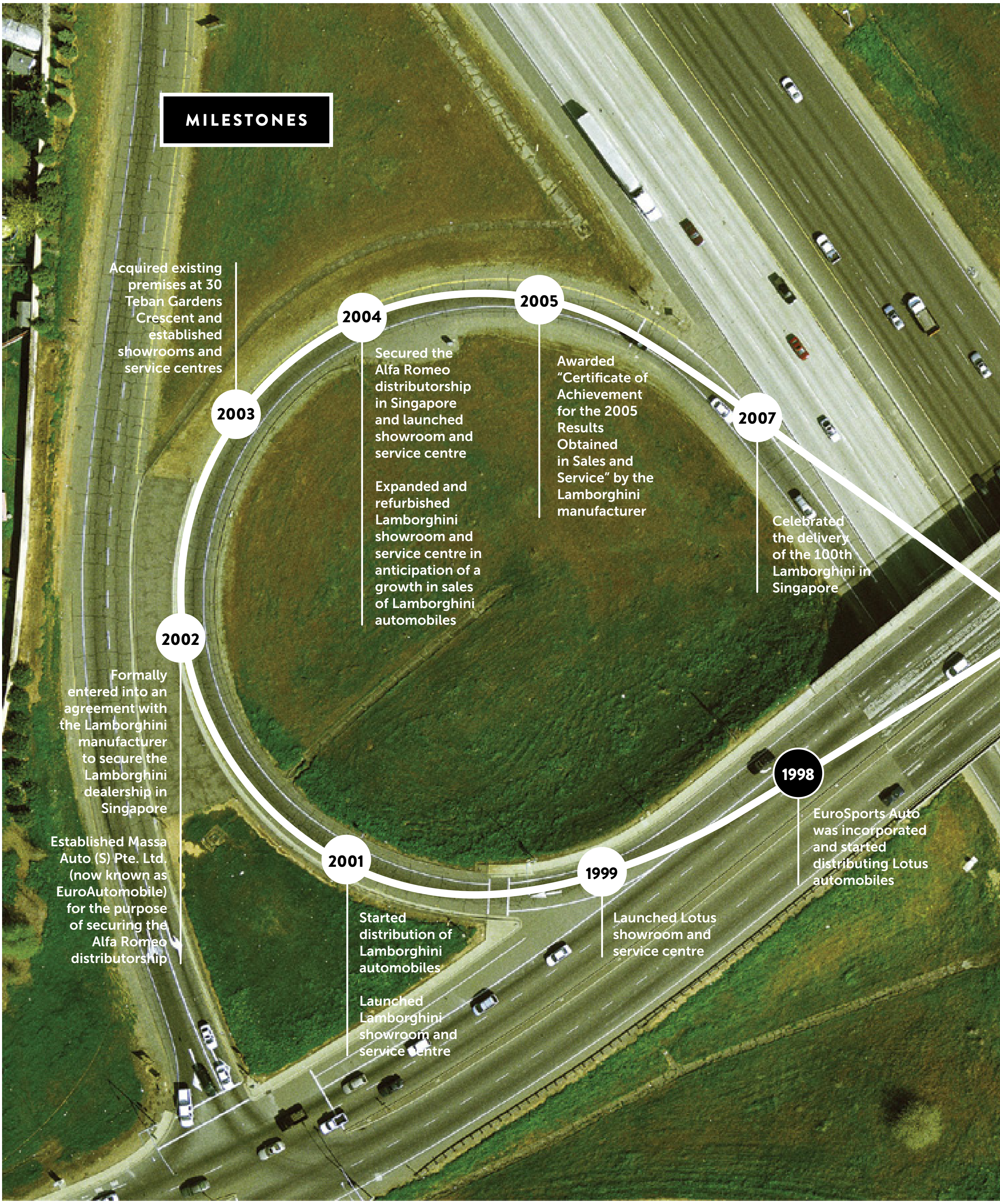
STAYING ON TRACK

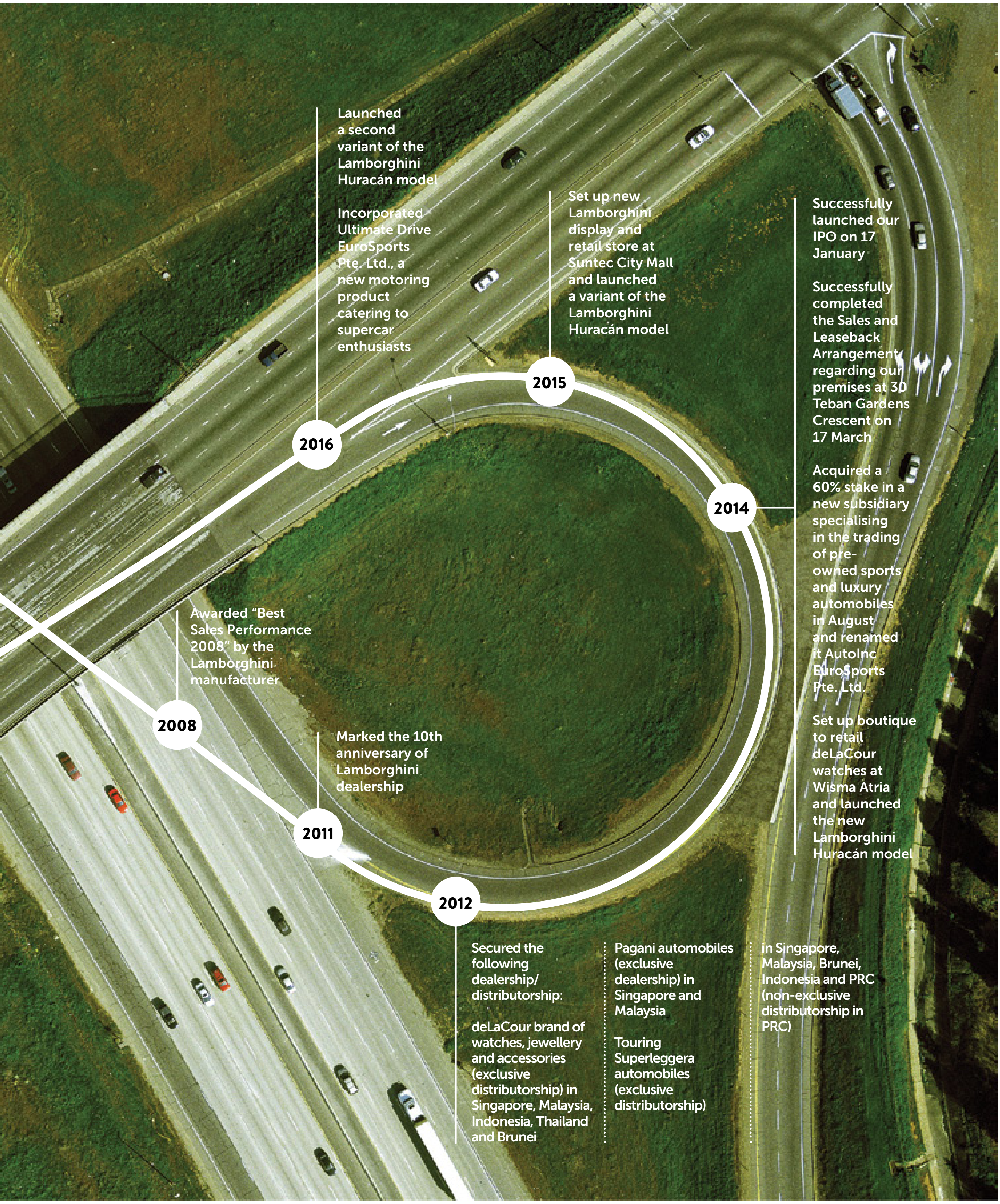
LAMBORGHINI SINGAPORE SHOWROOM / SUNTEC CITY


LAMBORGHINI SINGAPORE RETAIL OUTLET / SUNTEC CITY

"ON 12 NOVEMBER 2015, STEPHAN WINKELMANN, FORMER PRESIDENT AND CEO OF AUTOMOBILI LAMBORGHINI, FLEW IN SPECIALLY TO INAUGURATE THE OPENING OF LAMBORGHINI SINGAPORE'S NEW SATELLITE SHOWROOM AT SUNTEC CITY."




MILESTONES
1998
EuroSports Auto 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) for the purpose of securing the Alfa Romeo distributorship
2003
Acquired existing premises at 30 Teban Gardens Crescent and established showrooms and service centres
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
2007
Celebrated the delivery of the 100th Lamborghini in Singapore



2008

Awarded "Best Sales Performance 2008" by the Lamborghini manufacturer

2011

Marked the 10th anniversary of Lamborghini dealership

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)

2014

Successfully launched our IPO on 17 January

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

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

Set up boutique to retail deLaCour watches at Wisma Atria and launched the new 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

Launched a second variant of the Lamborghini Huracán model

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

> "IN NOVEMBER 2015, WE OPENED A NEW LAMBORGHINI SHOWROOM AT SUNTEC CITY MALL TO INCREASE VISIBILITY AND BRAND AWARENESS. THE OPENING OF THE SHOWROOM COINCIDED WITH THE LAUNCH OF THE NEW LAMBORGHINI HURACÁN SPYDER."

JOINT LETTER TO OUR SHAREHOLDERS

DELACOUR SHOWROOM / WISMA ATRIA


DELACOUR / REFLECT TOURBILLION


LAMBORGHINI / HURACÁN SPYDER


TOURING SUPERLEGGERA / DISCO VOLANTE

MELVIN GOH
Executive Chairman & CEO

ANDY GOH
Executive Director & Deputy CEO

DEAR SHAREHOLDERS,

The year ended 31 March 2016 ("FY2016") was a busy year for EuroSports particularly in the areas of brand building as well as our active pursuit of new and complementary revenue streams.

CORPORATE UPDATES

In November 2015, we opened a new Lamborghini showroom at Suntec City Mall to increase visibility and brand awareness. The opening of the showroom coincided with the launch of the new Lamborghini Huracán Spyder and the event was graced by former Automobili Lamborghini S.p.A. CEO, Mr Stephan Winkelmann, who flew in specially to attend the event and unveil the new car. We believe opening the showroom at this location was a good move for the Group as it netted three new sales within the first three months of opening.

Most recently on 24 May 2016, we announced the acquisition of a new entity named Ultimate Drive, which will generate its revenue in two ways – the Ultimate Drive Club ("UD Club") and Ultimate Drive Experience ("UD Experience"). UD Club will generate its revenue through the sale of one- to three-year memberships during which members will be allocated points, which can be redeemed for drives. We currently have a fleet of six cars including the Lamborghini Huracán LP610-4, Lamborghini Gallardo Spyder, Ferrari California, Rolls-Royce Ghost, Porsche 911 and McLaren MP4-12c. We intend to expand our fleet to 15 automobiles as the membership base grows. To ensure that members get their desired car, we intend to keep the number of members to not more than 500.

As for UD Experience, it generates its revenue through the short-term rental of supercars to tourists who may want to experience driving around Singapore's Night Race F1 circuit or to locals for special occasions and corporate events.

We are extremely excited about the prospects of this new business as it is in keeping with the rising affluence not only locally but also around the region. Our business is built on the basis that people want to drive luxury cars. They may not necessarily want the financial burden of owning and upkeeping one but many people desire to feel the horsepower of the engine beneath them. UD Club is the first supercar club in Singapore and it enables enthusiasts to fulfil their dreams without the monetary commitment.

Although supercar sharing clubs are a new concept in Singapore, they are quite common in the US and Europe where people take these cars out for long drives. One such club is London-based Auto Vivendi[1], which claims to be "the world's largest and longest continually-established supercar club providing 'fractional-use' access to supercars".

1 / Auto Vivendi: www.autovivendi.com

JOINT LETTER TO OUR SHAREHOLDERS

We believe this concept will take off and the Group is in talks with potential partners around the region to also launch UD Club overseas.

YEAR IN REVIEW

—

Despite a challenging operating environment, the result of a slowing global economy and poor consumer sentiment, we were nonetheless able to end the year with higher sales, thanks to the efforts of our sales team who were unceasing in their efforts to engage our existing customers and to chase down every potential sale. As a result, the Group achieved revenue growth across all its business segments. As a Group, we achieved a 57.4% year-on-year ("YOY") increase in revenue to S$63.53 million.

The past few years have been difficult and challenging for the car dealership industry, which continued to be affected by government policies that put a curb on car loans and introduced an unfavourable progressive tax structure. The economic slowdown did not help matters along and it has culminated into a very slow period for the luxury and ultra-luxury automobile market.

We are grateful to our principal, Automobili Lamborghini S.p.A., for supporting us and allowing us to make the pricing of Lamborghini automobiles more attractive so that we were able to double our sales with 31 new Lamborghini automobiles sold as compared to the 13 we sold in the preceding year ended 31 March 2015 ("FY2015").

Sales of pre-owned automobiles increased by S$11.1 million YOY as our investment in our 60%-owned subsidiary AutoInc EuroSports continued to pay off. Corresponding to the higher number of cars sold, our After-Sales Services grew 10.0% and generated revenue of S$6.1 million during the year in review.

Over to our watch distribution business, sales generated by our Sales of deLaCour watches segment also grew with 44.0% more watches sold YOY.

Despite the good sales performance, we ended the year with a net loss after tax attributable to owners of the Company in FY2016 amounting to S$4.50 million as compared to the net loss after tax attributable to owners of the Company of S$4.02 million in FY2015.

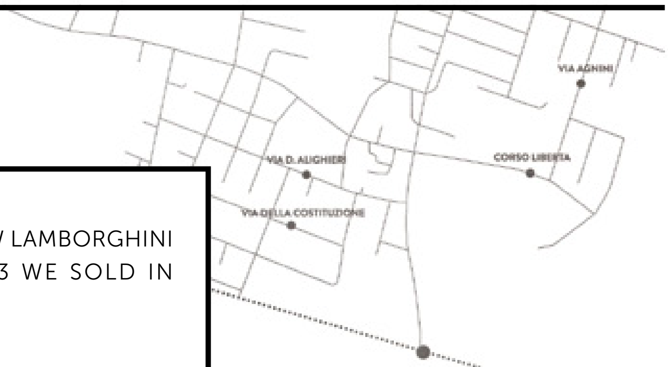
The bottomline performance was affected by lower gross profit margins from the sale of cars, and also because of higher operating expenses. Items that contributed to the Group's higher expenses included higher staff costs mainly due to higher commissions paid out on the back of better sales performance as well as rentals from both our new Lamborghini showroom at Suntec City Mall and Wisma Atria deLaCour watch boutique. Rental from the Wisma Atria boutique was fully recognised in FY2016 and was therefore higher as compared to FY2015 where only four months was recorded following its opening in December 2014.

BUSINESS OUTLOOK AND STRATEGIES

—

The Group expects the next 12 months to be challenging due to intense competition among automobile distributors in the small but mature Singapore market. At the same time, we are feeling optimistic as we just started Ultimate Drive, which is not reliant on car sales. In fact, we are hoping that members of UD Club will enjoy driving the supercars so much that they will eventually become our customers.

LAMBORGHINI / HURACÁN



"WE WERE ABLE TO DOUBLE OUR SALES WITH 31 NEW LAMBORGHINI AUTOMOBILES SOLD AS COMPARED TO THE 13 WE SOLD IN THE PRECEDING YEAR ENDED 31 MARCH 2015."

We will also continue in our brand building and customer engagement activities like our yearly Running of the Bulls event, which we organise to take customers of Lamborghini automobiles to Malaysia in a convoy. Many of them see it as the event of the year and look forward to it annually. In FY2016, our deLaCour brand also became the title sponsor of Singapore's very first international karting race under our deLaCour brand. We will continue to look out for such opportunities to put the brands in the forefront among well-heeled customers.

Another positive development is the Singapore government's decision to slightly relax the rules for car ownership. From 27 May 2016, the Monetary Authority of Singapore now allow buyers to borrow up to 70 per cent for cars with an open market value ("OMV") of up to S$20,000 and up to 60 per cent for cars with an OMV above S$20,000, both over a maximum loan tenure of seven years, instead of five. With these adjustments, our category of cars, which has an OMV above S$20,000, now has a maximum loan-to-value ratio of 60 per cent, from 50 per cent before.

It remains to be seen if the outcome of this new move will translate into more cars being sold and we view it optimistically as we believe it will stir some interest in car buying.

Moving forward, we continue to explore opportunities to grow our business. Our strategy is to extend our distribution network for our existing products and into other emerging markets in the region. We will also look into acquiring existing distributorships or dealerships for more luxury products to expand our portfolio as well as seek out strategic alliances or joint ventures that we believe will complement our existing or future businesses.

APPRECIATION

—

We would like to take this opportunity to thank all our shareholders for your support.

Special thanks go to our staff for their hard work and dedication and also to our business partners and customers who have stood by us over these past few difficult years.

Our vision to be a luxury lifestyle company offering bespoke products and services remains firm and we will work hard towards this goal.

MELVIN GOH,
Executive Chairman
and CEO

—

ANDY GOH,
Executive Director
and Deputy CEO

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, he was already engaged in the automobile industry, working as the Managing Director in Gay Hin Enterprise, the family-owned business that sold pre-owned automobiles. He has substantial senior management experience and more than 31 years of experience and industry knowledge of the automobile industry.

ANDY GOH
Executive Director & Deputy CEO

—

Mr Andy Goh is the other co-founder of our 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, he was already engaged in the automobile industry, working as the Executive Director in Gay Hin Enterprise, the family-owned business that sold pre-owned automobiles. He has more than 30 years of experience and industry 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 31 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. He is currently a Director of 800 Super Holdings Limited and MDR Limited listed on the SGX-ST.

CALVIN TAN SIOK SING

Independent Director

—

Mr Calvin Tan Siok Sing was appointed as the Group's Independent Director on 29 November 2013. He is currently the Managing Director of Ironman Minerals & Ores Pte Ltd, an energy resources and minerals trading company. He has more than 19 years of experience in the financial industry. Between 1985 and 2008, he held the position of Executive Director in three companies including Tsang and Ong Stockbrokers Pte Ltd (later restructured as Sun Yuan Holdings Pte Ltd) (1985 to 2003), Ei-Nets Ltd (subsequently known as E3 Holdings Ltd) and Regalindo Resources Pte Ltd (2005 to 2008). He is currently a director of four SGX-ST listed companies namely Changtian Plastic & Chemical Limited, Li Heng Chemical Fibre Technologies Limited, Dukang Distillers Holdings Limited and QingMei Group Holdings Limited.

LIM KIM QUEE

Independent Director

—

Mr Lim Kim Quee was appointed as our Independent Director on 29 November 2013. He has more than 30 years of experience in the corporate banking industry. He started his career in DBS Group as a Project Analyst before moving on to various other positions, including Vice-President of Corporate Banking Division, General Manager of the New York Agency, General Manager of the Tokyo branch, the Managing Director of International Department and the CEO of DBS Bank Philippines Inc.. He left DBS Group and retired as the Managing Director of Corporate Credit Division in December 2008. He was a director of two companies listed on the SGX-ST, namely Engro Corporation Limited and NatSteel Ltd (now known as NSL Ltd.). He obtained a Bachelor of Social Science (Honours) from the National University of Singapore in 1976.

EXECUTIVE TEAM

YANG EE
Group Financial Controller

—

Yang Ee joined our Group in September 2015 as Group Financial Controller. He is mainly responsible for the overall management of EuroSports Global's financial reporting, internal controls, accounting processes and treasury matters.

He brings with him over 20 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.

Prior to that, he had built up experience in group operation finance, budget and internal controls, holding positions such as the Financial Controller of Oswin Technology Pte Ltd from 2005 to March 2006 and Finance Manager of manufacturing companies listed in Singapore from 1995 to 2005. From 1992 to 1995, Mr Yang was an audit senior, responsible for external audits, at Ernst & Young Singapore. Mr Yang graduated with a Bachelor of Accountancy from the National University of Singapore in July 1992 and later obtained a Certified Public Accountant certification from the Institute of Certified Public Accountants of Singapore in 17th July 1995.

TAN JUN WEI
Director of Operations / Strategy & Business Development

—

Tan Jun Wei joined our Group in April 2016 as Director of Operations, Strategy and Business Development. Besides being in charge of overall operations, he is also responsible for strategic growth and business development for the Group and its subsidiaries.

Prior to his appointment, Jun Wei worked in investment banking, focusing on capital fund raising and mergers and acquisitions. He had worked in various financial institutions including Religare Capital Markets Corporate Finance, Overseas-Chinese Banking Corporation and Maybank Kim Eng Corporate Finance.

Jun Wei graduated with a Bachelor of Commerce from the University of Queensland.

GOH KIM SIEW
Director / System & Business Development

—

Goh Kim Siew joined the Group in March 2016 as Director of System and Business Development in charge of overseeing the IT systems for the Group and to explore the use of technology systems throughout the Group. He also heads the Group's Ultimate Drive EuroSports Pte Ltd business unit.

Kim Siew started his career as an Automation Systems Manager in FairChild Semiconductor followed by Seagate. Since then, he has developed and sold several e-commerce ventures. His latest project prior to joining EuroSports was Brickfree.com, which provided strategic online marketing technologies to customers. Among his many projects, he is most well-known for CalendarOne.com, which is an Internet events calendar that won several awards including the Singapore National IT Award for Most Innovative Service organised by the Infocomm Development Authority (previously National Computer Board). It was also named Top 10 start-ups in the E50 Enterprise Award in 2000.

He holds a Bachelor of Science in Computer Science from the University of New Brunswick.

EURO-SPORTS

.04 EYU SOON FATT

Director / Technical Support

—

Eyu Soon Fatt joined our Group in March 1999 as a Service Centre Supervisor and is currently our Director of Technical Support. He is primarily responsible for overseeing the technical and after-sales services operations and handling technical, warranty and homologation issues. He worked as a Service Centre Supervisor in M1 Motors Works Sdn Bhd from February 1987 to February 1993. He subsequently worked as a Senior Technician in Performance Motors Pte Ltd, from March 1993 to March 1996, and in Stuttgart Auto Pte Ltd, from May 1996 to January 1999 where he was responsible for handling the technical and services issues related to luxury automobiles.

.05 CHONG KHIM CHENG

Director / Sales

—

Chong Khim Cheng joined our Group in April 1999 as Customer Service Manager, Sales and is currently our Director of Sales. He is responsible for overseeing the overall brand management of the Lamborghini and Pagani brands. Since joining our Group, he has held several management positions in our subsidiary EuroSports Auto, primarily responsible for the sales and marketing functions and brand management of our new automobile distribution business. He has a High School Diploma from Columbia College (Canada).

* Dennis Yang Yung Kang, Chief Operating Officer of the Group, retired with effect from 14 March 2016.
* Justin Lum Han Ming, Business Development Manager of the Group, resigned with effect from 29 February 2016 to pursue other interests.
* Siu Yeung Sau, Chief Financial Officer of the Group, resigned with effect from 15 September 2015 upon the expiration of his three-year service agreement.
* Jamie Nguyen Ha Lan, Financial Controller of the Group, resigned with effect from 1 July 2015, to pursue other interests.

.06 CAROLYN ANN THENG MAY LIN

Director / Marketing & Communications

—

Carolyn Theng joined our Group in May 2007 as our Director of Marketing & Communications. She is primarily responsible for the management of marketing and communications activities related to all our automobile brands in our portfolio. From June 1992 to June 1996, she worked in Cityneon Displays Pte Ltd, a full-service public relations and marketing firm as Assistant Marketing Manager and Assistant Project Manager respectively. Subsequently, she joined public relations and marketing firm FLEX Integrated Marketing Pte Ltd as Assistant Vice-President from June 1997 to April 2007. She holds a Diploma in Environment Engineering from Ngee Ann Polytechnic.

.07 BENJAMIN TAN

Executive Director / AutoInc EuroSports

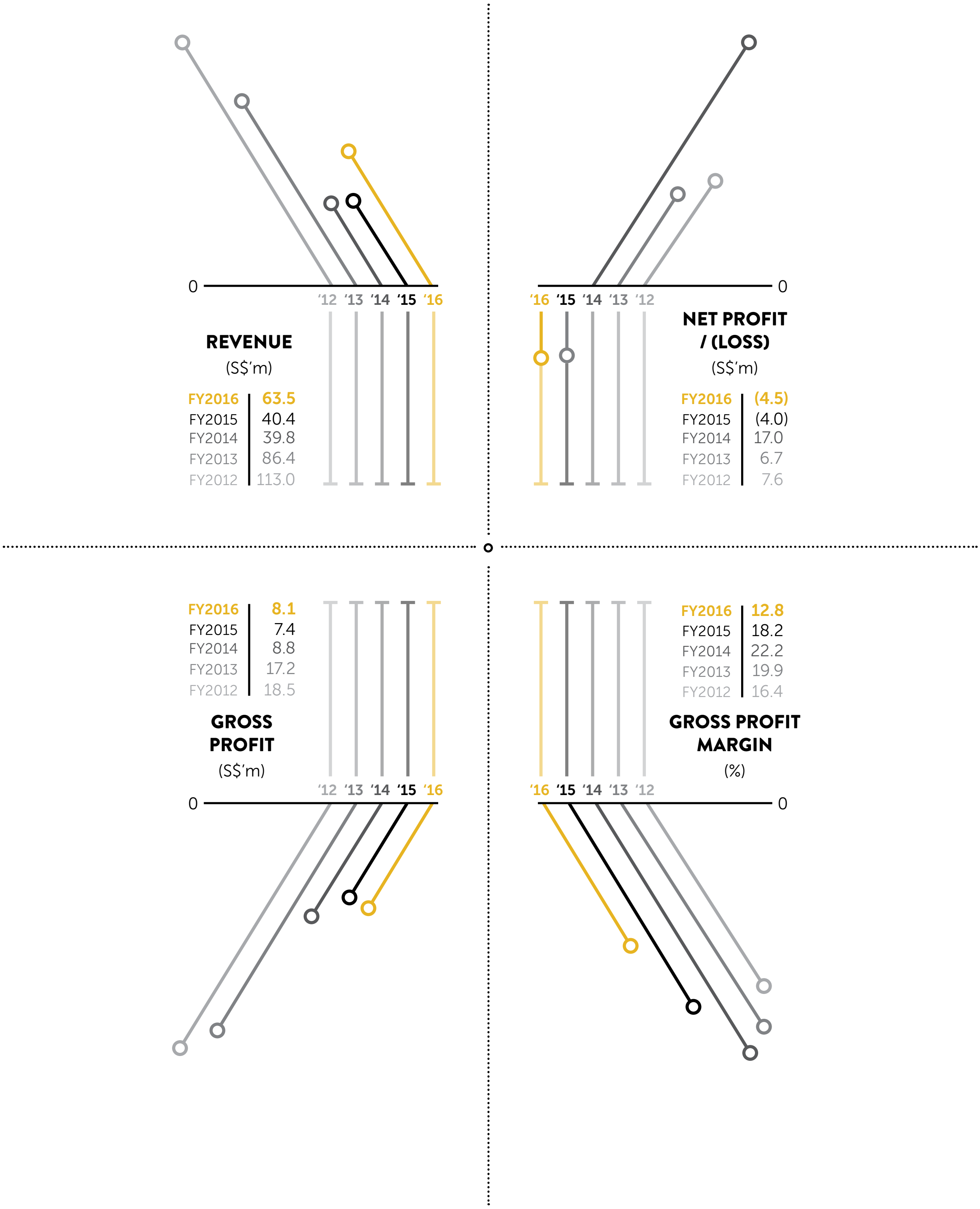
—

Benjamin Tan joined our Group as Executive Director of AutoInc EuroSports, when we acquired 60% of this subsidiary in 2014. He began his career as a derivatives trader with Credit Agricole in 1994 and two years later headed a team of 14 traders. He was subsequently appointed Head of Marketing Asia in 2002.

In 2004, Benjamin founded AutoInc Sports, a luxury and performance automotive brokerage, with one employee in a 200 square feet office. Under his management, AutoInc Sports went on to acquire various detailing and motorsports enterprises to become a major player in the industry before it became a part of EuroSports in 2014.

Today, Benjamin continues to manage all three aspects of the business namely the luxury andperformance automotive brokerage, Singapore's finest auto detailing studio and the country's biggest go-karting dealership, service provider and racing team.

FINANCIAL HIGHLIGHTS



REVENUE (S$'m)

FY2016	63.5
FY2015	40.4
FY2014	39.8
FY2013	86.4
FY2012	113.0

NET PROFIT / (LOSS) (S$'m)

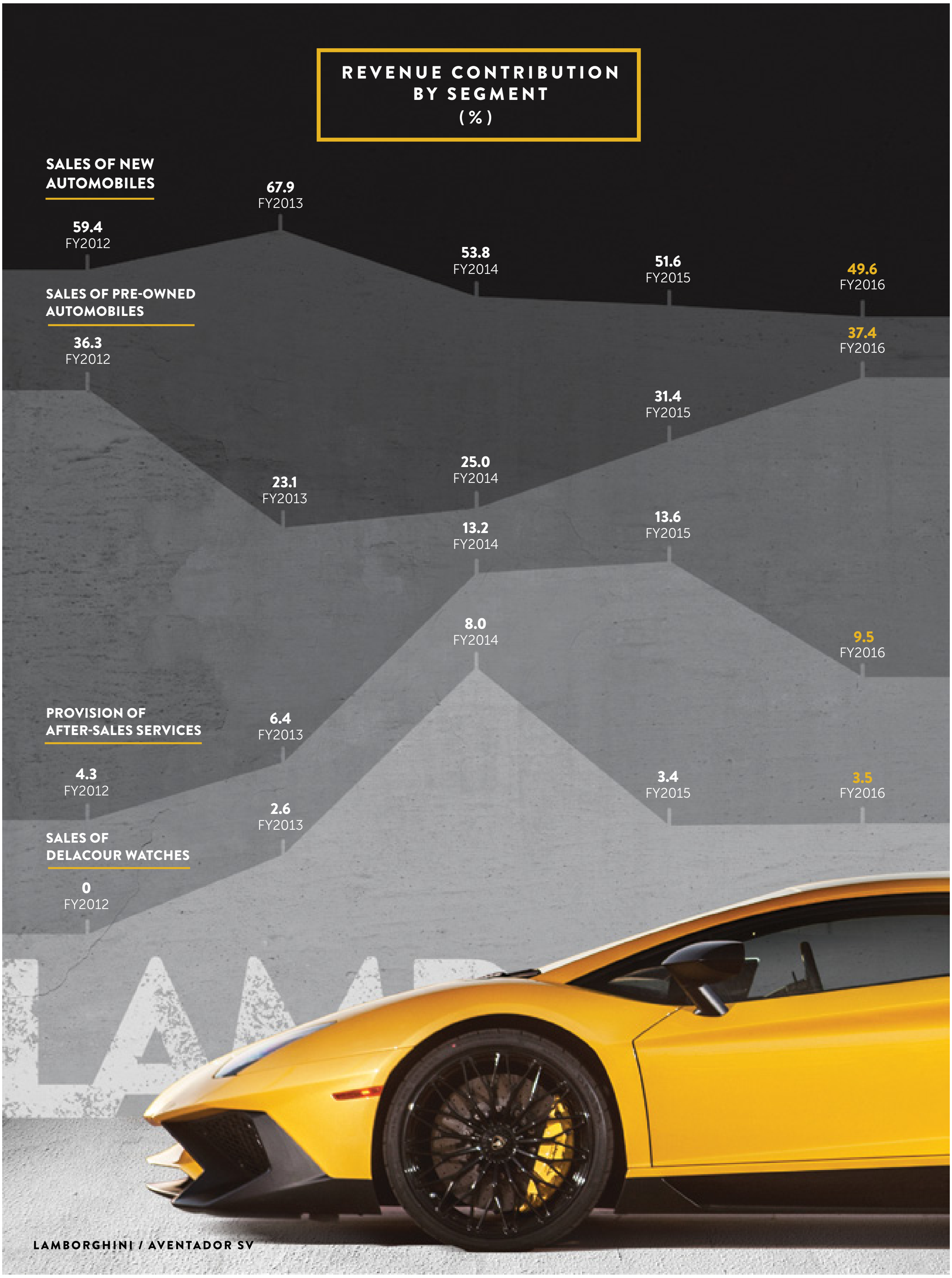
FY2016	(4.5)
FY2015	(4.0)
FY2014	17.0
FY2013	6.7
FY2012	7.6

GROSS PROFIT (S$'m)

FY2016	8.1
FY2015	7.4
FY2014	8.8
FY2013	17.2
FY2012	18.5

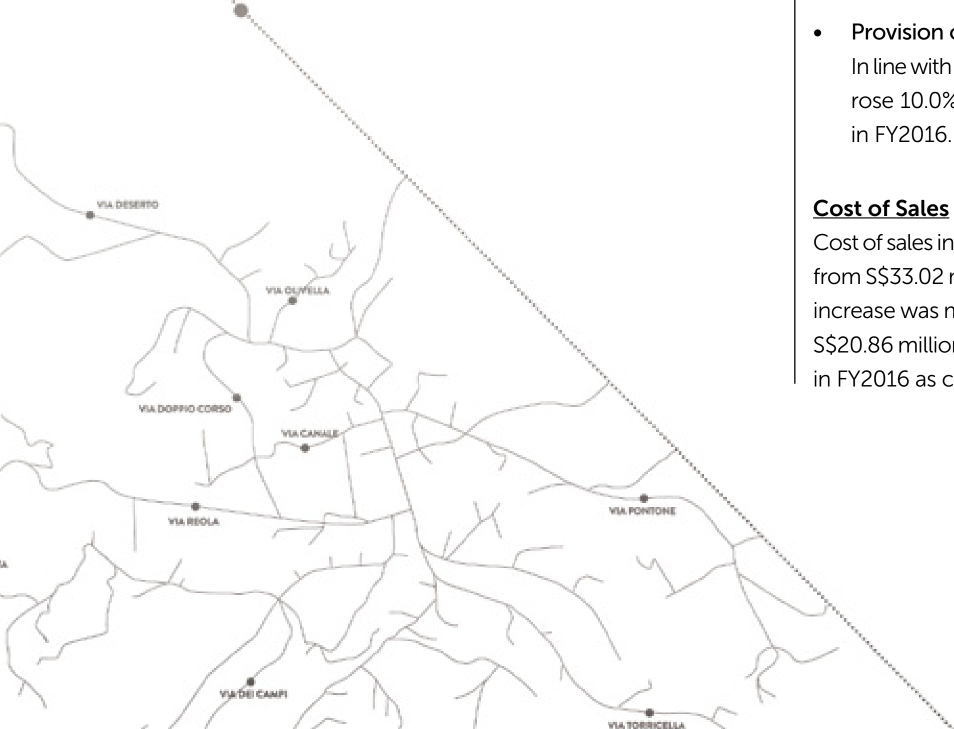
GROSS PROFIT MARGIN (%)

FY2016	12.8
FY2015	18.2
FY2014	22.2
FY2013	19.9
FY2012	16.4



LAMBORGHINI / AVENTADOR SV

OPERATING & FINANCIAL REVIEW



FINANCIAL PERFORMANCE

—

Revenue

Revenue achieved by the Group in FY2016 was S$63.53 million, a 57.4% increase from S$40.37 million in FY2015. The increase was driven by the Group's Sales of Automobile segment which put in a strong performance during the year under review.

- Sales of Automobiles segment

  Revenue contribution from this segment surged 64.8% from S$33.51 million in FY2015 to S$55.24 million in FY2016.

  As a result of more competitive selling prices of new Lamborghini automobiles; a new leasing programme with the finance company; and, the launch of an attractive trade-in package, the Group sold 31 new Lamborghini automobiles in FY2016 as compared to the previous corresponding financial year causing sales of new automobiles to increase by S$10.63 million.

  Sales of pre-owned automobiles increased by S$11.10 million in FY2016 mainly because of full year contribution from 60%-owned subsidiary AutoInc EuroSports, which was acquired in August 2014. In FY2015, contribution from the subsidiary was only eight months following the completion of acquisition.

- Sales of deLaCour Watches segment

  Revenue from this segment leapt 64.5% from S$1.37 million in FY2015 to S$2.25 million in FY2016 due to a 44% increase in the number of watches sold by the Group.

- Provision of After-Sales Services segment

  In line with the increase in car sales, revenue from this segment rose 10.0% from S$5.50 million in FY2015 to S$6.05 million in FY2016.

Cost of Sales

Cost of sales increased by approximately S$22.39 million or 67.8%, from S$33.02 million in FY2015 to S$55.40 million in FY2016. The increase was mainly due to increase in automobile purchases of S$20.86 million as a result of higher number of automobiles sold in FY2016 as compared to FY2015.

Gross Profit and Gross Profit Margin

Gross profit increased by approximately S$0.77 million or 10.5% from S$7.36 million in FY2015 to S$8.13 million in FY2016. Gross profit margin decreased from 18.2% in FY2015 to 12.8% in FY2016 mainly due to the decrease in gross profit margin from sales of new and pre-owned automobiles from 12.7% in FY2015 to 9.3% in FY2016 as a result of more competitive pricing.

Other Income

Other income increased by approximately S$2.07 million or 32.0%, from S$6.47 million in FY2015 to S$8.54 million in FY2016. The increase was mainly due to increase in commission income of S$1.19 million as a result of higher consignment sales commission contributed by the new subsidiary acquired in August 2014, increase in leasing income of S$0.29 million and other income of S$0.46 million mainly arising from registration of the X30 Challenge event, Singapore's first international karting race which took place in April 2016. The Group's deLaCour watch brand was title sponsor of the race.

Interest Income

Interest income increased by approximately S$0.05 million or 67.3%, from approximately S$0.07 million in FY2015 to S$0.12 million in FY2016 mainly due to interest earned from fixed deposits.

Other Credits and Charges

Other credit increased by approximately S$1.56 million from a charge of approximately S$1.47 million in FY2015 to a credit of approximately S$0.09 million in FY2016. The increase was mainly due to absence of an impairment of goodwill of S$1.97 million relating to the acquisition of a subsidiary in FY2015. This was partially offset by an absence of other payables written back of S$0.51 million relating to income recognised on non-refundable customer deposits that were more than three years and other long outstanding owings that were deemed not payable.

Marketing and Distribution Expenses

Marketing and distribution expenses increased by approximately S$0.13 million or 4.0%, from S$3.32 million in FY2015 to S$3.45 million in FY2016. The increase was mainly due to higher sales commission expense incurred which was in line with the increase in revenue. Sales commission expense stood at S$0.59 million in FY2016 as compared to S$0.34 million in FY2015.

Administrative Expenses

Administrative expenses increased by approximately S$2.99 million or 21.7% from S$13.79 million in FY2015 to S$16.78 million in FY2016. The increase was mainly due to an increase in property tax of S$0.22 million due to upwards revision of assessment; an increase in employee benefits expenses of S$1.14 million due to an increase in headcount as well as accruals for bonus; an increase in rental expense of S$1.12 million mainly due to the opening of deLaCour Boutique at Wisma Atria in December 2014 as well as the Lamborghini display and retail store at Suntec City Mall in November 2015; and finally an increase in depreciation expense of S$0.19 million arising mainly from additions of motor vehicles during FY2016 as well as full twelve months depreciation for property, plant and equipment acquired near end of FY2015.

"REVENUE ACHIEVED BY THE GROUP IN FY2016 WAS S$63.53 MILLION, A 57.4% INCREASE FROM S$40.37 MILLION IN FY2015. THE INCREASE WAS DRIVEN BY THE GROUP'S SALES OF AUTOMOBILE SEGMENT."

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OPERATING & FINANCIAL REVIEW CONT'D

Finance Costs

Finance costs increased by approximately S$0.89 million or 540.0% from S$0.16 million in FY2015 to S$1.05 million in FY2016, mainly due to an increase in the level of bank borrowings during FY2016.

Income Tax Expense

Income tax expense increased by approximately S$0.12 million or 178.2% from approximately S$0.07 million in FY2015 to approximately S$0.19 million in FY2016. The increase in income tax expense was pertaining to under provision of tax in respect of prior periods.

Loss, Net of Tax

As a result of the above, the Group's net loss after tax attributable to owners of the Company in FY2016 and FY2015 amounted to S$4.50 million and S$4.02 million respectively.

FINANCIAL POSITION

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Non-Current Assets

Non-current assets increased by S$0.67 million from S$23.68 million as at 31 March 2015 to S$24.36 million as at 31 March 2016. This was mainly due to increase in property, plant and equipment of S$1.27 million arising mainly from additions of motor vehicles which was offset by decrease in other assets of S$0.60 million relating to the amortisation of the long-term portion of the upfront land premium paid in the sales and leaseback arrangement.

Current Assets

Current assets increased by S$17.81 million from S$48.47 million as at 31 March 2015 to S$66.28 million as at 31 March 2016. The increase in current assets was mainly due to an increase in trade and other receivables of S$1.25 million mainly due to balances from automobile customers; and increase in inventories of S$19.07 million mainly due to the increase in inventories of new automobiles and pre-owned automobiles of S$11.45 million and S$7.55 million respectively.

The increase in current assets was offset by decrease in cash and cash equivalents of S$2.93 million. Included in other assets is an amount of approximately S$1.90 million relating to deposits with Spania GTA Technomotive S.L. ("Spania GTA") for the order of five GTA automobiles. Further to the announcements made on 26 May 2015, 31 August 2015 and based on the latest information, including a road legal car delivered for various road shows, the Board of Directors had agreed not to exercise the indemnity for the repayment of S$1.90 million by 31 May 2016. The Board of Directors further agreed to extend the repayment until end of November 2016. The Management will continue to assess the capability of Spania GTA to deliver the automobiles.

Equity

Equity comprises share capital, retained earnings and non-controlling interest. The decrease in equity of S$4.60 million was due to loss for the year of S$4.50 million and decrease in non-controlling interest of S$0.10 million arising from a subsidiary which incurred a loss of S$0.27 million during the financial year.

Non-Current Liabilities

Non-current liabilities decreased by S$1.86 million from S$23.51 million as at 31 March 2015 to S$21.65 million as at 31 March 2016. The decrease was mainly due to decrease in non-current other liabilities of S$3.33 million which was offset by increase in non-current financial liabilities of S$1.47 million. Non-current other liabilities comprises long-term portion of the deferred income recognised under the sales and leaseback arrangement.

Current Liabilities

Current liabilities increased by S$24.95 million from S$23.58 million as at 31 March 2015 to S$48.53 million as at 31 March 2016 mainly due to an increase in trade and other payables of

PAGANI / HUAYRA BC

S$3.20 million because of more purchases of new automobiles particularly in March 2016 as compared to last reporting period; an increase in financial liabilities of S$19.50 million arising mainly from increases in short-term bank borrowings; and an increase in other liabilities of S$2.24 million mainly due to an increase of S$2.18 million of deposit received.

Cash Flow

In FY2016, the net cash used in operating activities amounted to S$20.06 million. This comprised negative operating cash flows before changes in working capital of S$4.29 million, adjusted by net working capital outflow of S$15.59 million and taxes paid of S$0.18 million. The net working capital outflow was mainly due to increase in inventories of S$19.07 million, trade and other receivables of S$1.25 million and other assets of S$0.71 million, which was offset by increases in other liabilities of S$2.24 million mainly due to deferred income recognised under the sales and leaseback arrangement and trade and other payables of S$3.20 million arising from more purchases of automobiles particularly near the financial year end.

Net cash used in investing activities amounted to S$2.78 million in FY2016. This was mainly due to the purchases of property, plant and equipment of S$2.99 million, which was offset by proceeds from disposal of property, plant and equipment of S$0.9 million and interest received of S$0.12 million.

Net cash from financing activities amounted to S$19.92 million in FY2016. This was mainly due to increase in financial liabilities of S$22.67 million which was offset by finance lease repayment of S$1.70 million and interest paid of S$1.05 million.

Update on use of Net Proceeds

Of the S$8.46 million of net proceeds raised from its IPO on 17 January 2014, the following table shows how the proceeds have been utilised as at 31 March 2016:

Use of Net Proceeds	Amount allocated as stated in the Offer Document (S$'million)	Amount utilised as at 31 March 2016 (S$'million)	Balance of Net Proceeds as at 31 March 2016 (S$'million)
Expansion of our operations locally and in other markets and diversification into other luxury lifestyle business	6.00	1.50[1]	4.50
General working capital	2.46	2.46[2]	-
Total	**8.46**	**3.96**	**4.50**

1 / The amount of S$1.50 million for expansion of our operations locally was utilised in the acquisition of a subsidiary.

2 / The amount of S$2.46 million deployed for general working capital includes the purchase of inventories and operating expenses.

CORPORATE SOCIAL RESPONSIBILITY

At EuroSports, our distinctive corporate culture is to go the extra mile for our customers and ensure that personalised and quality service is always extended to them from the pre- to post-purchase stages. The Group's customer-centric belief stems from our ability to understand the lifestyle needs of our high net worth customers.


BIRTHDAY CELEBRATIONS IN THE OFFICE


CHINESE NEW YEAR CELEBRATIONS

COMMITMENT TO EMPLOYEES

Our employees are our assets. We believe that happy employees equal happy customers.

We strive to be an "employer of choice" by providing a conducive working environment that takes into account our staff's physical wellness, personal and professional development as well as mental well-being.

We ensure that our staff receive adequate product training so that they can perform their jobs confidently. More importantly, with the upgraded skills and know-how, they can then assist customers in making informed decisions which in turn drive sales.

A safe, healthy and secure work environment is also what our six-member Workplace Safety & Health team, headed by our Deputy CEO Mr Andy Goh, advocates. The committee thoroughly reviews internal policies and processes to ensure the workforce as a whole remains responsive to workplace accidents, occupational diseases and dangerous occurrences. In addition, regular fire safety and evacuation drills are carried out so that the Group's premises and emergency response plans adhere to the guidelines set out by the Singapore Defence Force.

The Group finds every opportunity to foster staff interaction. We organise joint birthday celebrations every month and bond on other important occasions such as our annual Christmas and Chinese New Year company dinners.

To acknowledge long-serving employees, we give out long service awards together with a significant token of appreciation to thank employees for their loyalty and dedication.

COMMITMENT TO COMMUNITY

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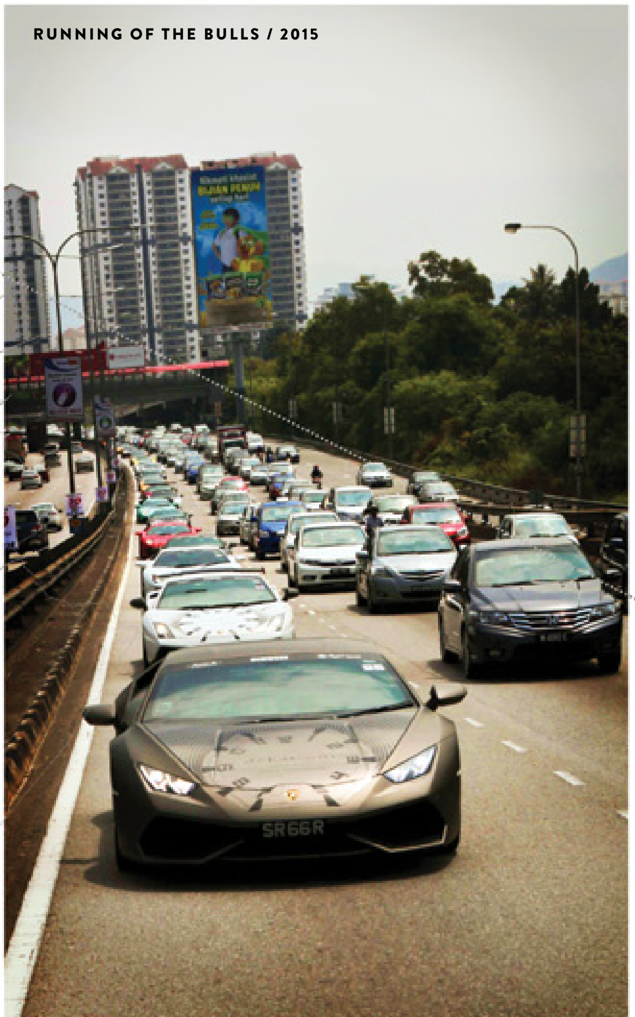
EuroSports is no stranger when it comes to the spirit of giving. On 31st July 2015, the Group organised its annual Running of the Bulls event for the 7th year running. Held in support of the Children's Cancer Foundation, a convoy of 33 Lamborghinis formed a spectacular display as they lined-up for the flag-off of the charity drive to Genting Malaysia. The event raised S$32,200 and went towards providing children with cancer and their families in their battle against the life threatening illness.

These community efforts continued on 3rd October 2015 with the successful sponsorship and organising of the Punggol Charity Drive for the third year running. This fund raising event saw 40 Lamborghini owners treating 78 underprivileged children living in Punggol to a spin in their luxurious marques.

Graced by Deputy Prime Minister Teo Chee Hean, the charity drive raised almost S$219,000 for needy children living in Punggol. The event was co-organised by the Punggol West CC Building Fund Committee and supported by the Lamborghini Club Singapore.



RUNNING OF THE BULLS / 2015

PUNGGOL CHARITY DRIVE / 2015

COMMITMENT TO SHAREHOLDERS

—

We are committed to uphold sound corporate governance and transparency practices in accordance to MAS and SGX guidelines. These include keeping shareholders informed of the Group's performance and latest corporate developments through timely and accurate announcements to the investment community and media. Our aim is to keep our existing and potential investors updated on the Group's performance and strategic initiatives, in order to help them evaluate the Group and make informed investment decisions.

We provide public access to information about EuroSports via the following platforms:

Singapore Stock Exchange's SGXNET and our website (www.eurosportsglobal.com). All our corporate announcements, press releases and annual reports are available simultaneously on these two channels;
A dedicated investor relations (IR) section within our corporate website;
IR email: ir@eurosportsglobal.com; and
E-mail service via our IR website that the public can subscribe to receive alerts whenever an announcement is posted on the website.

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

Lim Kim Quee
Non-Executive Independent Director

AUDIT COMMITTEE

—

Ng Tiak Soon (Chairman)
Tan Siok Sing
Lim Kim Quee

NOMINATING COMMITTEE

—

Tan Siok Sing (Chairman)
Ng Tiak Soon
Lim Kim Quee

REMUNERATION COMMITTEE

—

Lim Kim Quee (Chairman)
Ng Tiak Soon
Tan Siok Sing

JOINT COMPANY SECRETARIES

—

Yang Ee, CA (Singapore)
Loh Lee Eng, ACIS

REGISTERED OFFICE

—

30 Teban Gardens Crescent
Singapore 608927
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: Paul Lee Seng Meng
(a member of the Institute of Singapore
Chartered Accountants)

SHARE REGISTRAR & 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

CIMB Bank Berhad
(Singapore Branch)
50 Raffles Place
#09-01 Singapore Land Tower
Singapore 048623

INVESTOR RELATIONS

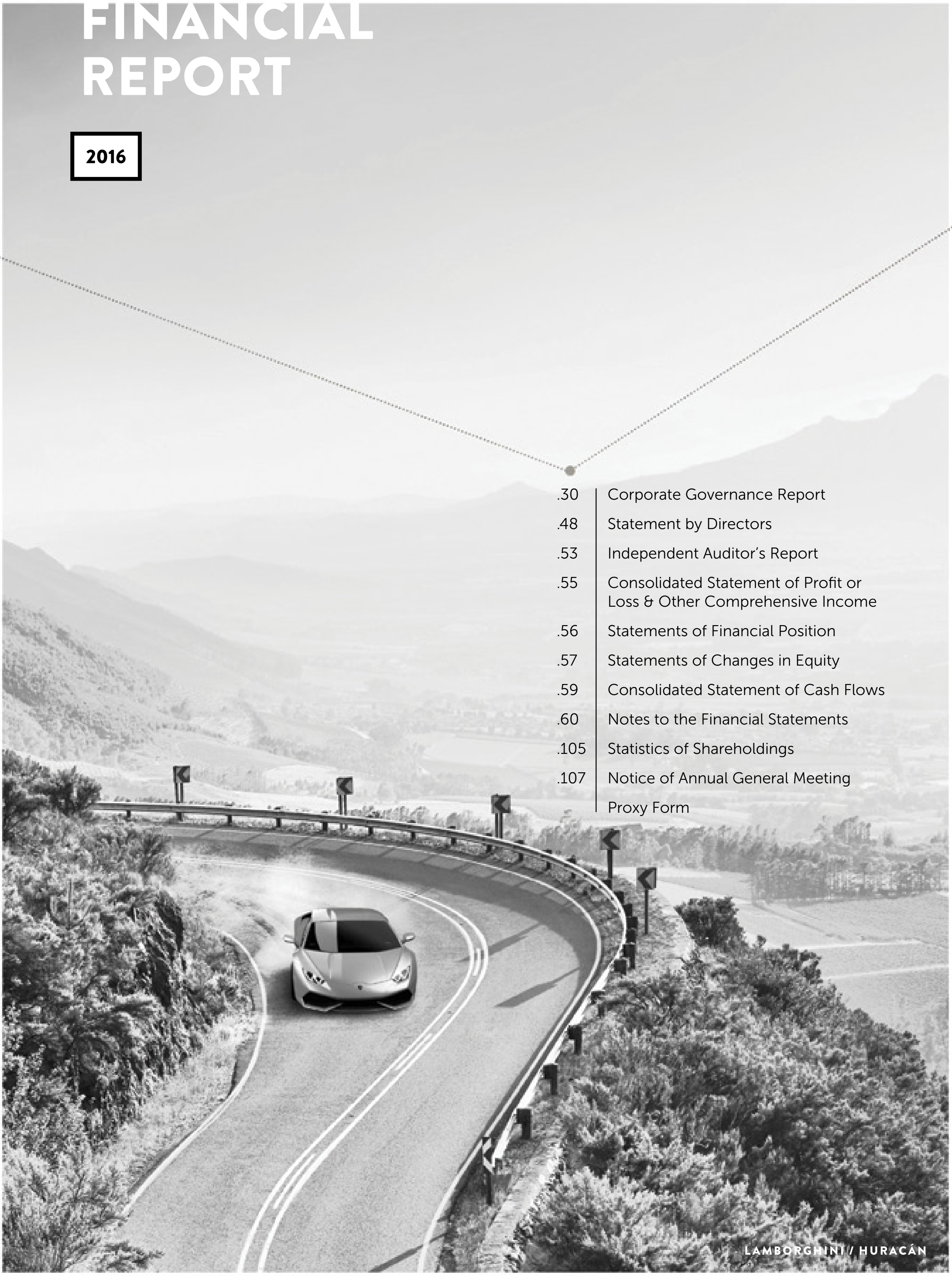
—

August Consulting
101 Thomson Road
#30-02 United Square
Singapore 307591
Email: ir@eurosportsglobal.com
Tel: (65) 6733 8873

DELACOUR
CITY EGO II

FINANCIAL REPORT

2016



LAMBORGHINI / HURACÁN

CORPORATE GOVERNANCE

EuroSports Global Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") is committed to maintaining a high standard of corporate governance in complying with the Code of Corporate Governance 2012 (the "**Code**") which forms part of the continuing obligations of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") listing rules.

In line with the commitment by the Company to maintaining a high standard of corporate governance, the Company will continually review its corporate governance processes to strive to fully comply with the Code. The Board of Directors (the "**Board**") is pleased to report compliance of the Company with the Code where applicable except otherwise stated.

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with management to achieve this objective and management remains accountable to the Board.

The Board's primary role is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board oversees the business affairs of the Group.

The Board is also 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 control, 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 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, e.g. environmental and social factors, as part of the strategic formulation.

All directors exercise due diligence and independent judgement, and make decisions objectively in the best interest of the Group. At the date of this report, the members of the Board and their membership on the Board committees of the Company are as follows:

Director	Board Appointment	Audit Committee	Nominating Committee	Remuneration Committee
Melvin Goh	Executive Chairman and Chief Executive Officer ("**CEO**")	–	–	–
Andy Goh	Executive Director and Deputy CEO	–	–	–
Lim Kim Quee	Non-Executive and Independent Director	Member	Member	Chairman
Ng Tiak Soon	Non-Executive and Lead Independent Director	Chairman	Member	Member
Tan Siok Sing	Non-Executive and Independent Director	Member	Chairman	Member

Delegation by the Board

The Board has delegated certain functions to various Board committees, namely the Audit Committee, Nominating Committee and Remuneration Committee. Each of the Board committees has its own written terms of reference and whose actions are reported to and monitored by the Board. 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.

Key features of board processes

The dates of Board and Board committee 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 at Board and Board committee meetings are allowed under the Company's Constitution.

Directors' attendance at Board and Board committee meetings

The details of the number of Board and Board committees meetings held in the Financial Year Ended 31 March 2016 ("**FY2016**"), as well as the attendance of each director at those meetings, are disclosed as below:

	Board Meetings		Audit Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Melvin Goh	6	6	4*	4*	2*	2*	2*	2*
Andy Goh	6	6	4*	4*	2*	2*	2*	2*
Lim Kim Quee	6	5	4	4	2	2	2	2
Ng Tiak Soon	6	6	4	4	2	2	2	2
Tan Siok Sing	6	6	4	4	2	2	2	2

Note: (*) Attended as invitees

Board approval

The Group has adopted and documented internal guidelines setting forth matters that require Board approval. Matters which are specifically reserved for the Board approval are:

- Matters involving a conflict of interest for a substantial shareholder or a director;
- Material acquisition and disposal of property, plant and equipment of S$2 million and above;
- Corporate restructuring;
- Share issuances, interim dividends and other returns to shareholders;
- Interested person transactions; and
- Any investment or divestment exceeding S$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;
- Convening of shareholders' meetings; and
- Commitments to terms loans and lines of credits from banks and financial institutions.

CORPORATE GOVERNANCE

Training of directors

The Company has an open policy for professional training for all directors. The Company encourages directors to attend the relevant courses and training programmes and the cost incurred will be borne by the Company.

The Company will regularly organize internal trainings for the directors, which include technical training on the Company's products.

Induction, briefings, updates to directors in FY2016

A formal letter of appointment is provided to every new director. The formal letter of appointment indicates the time commitment required and the roles and responsibilities of directors.

All new directors were given appropriate briefings when they were first appointed to the Board. All new directors appointed to the Board were briefed to ensure that they are familiar with the Company's business, operation, governance practice and regulatory requirement. 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. In addition, the external auditors briefed 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 were relevant to the Group's business are circulated to the directors.

The directors can request for further explanations, briefings or information on any aspect of the Company's operation or business issues from the management.

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from the management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Board size and board composition

The present Board comprises five members. There is strong and independent element on the Board. Of the five members, three are Non-Executive Independent Directors.

On an annual basis, the Nominating Committee reviews the size and composition of the Board and Board committees and the skills and core competencies of their members to ensure an appropriate balance of skills and experience. These competencies include accounting and finance, banking, business acumen, customer based knowledge, familiarity with regulatory requirements, industry knowledge, risk management knowledge, management experience, and 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 believes that the current composition and size provide sufficient diversity without interfering with efficient decision-making.

As and when required, the Non-Executive and Independent Directors will hold meetings without the presence of management and the Executive Directors, in order to facilitate a more effective check on the management and/or the Executive Directors.

Directors' independence review

Directors who have no relationship with the Group, its related corporations, officers or its shareholders with shareholdings of 10% or more in the voting shares of the Company 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 Group, is considered to be independent.

The Nominating Committee is tasked to determine on an annual basis, and as and when the circumstances require, whether or not a director is independent, bearing in mind the Guidelines 2.3 and 2.4 set forth in the Code.

Annually, each director is required to complete a Director's Declaration of Independence ("**Declaration**") to confirm his independence. The Declaration is drawn up based on the guidelines provided in the Code. Thereafter, the Nominating Committee reviews the Declaration completed by each director, assesses the independence of the directors and recommends its assessment to the Board.

The Nominating Committee has affirmed that Mr Ng Tiak Soon, Mr Lim Kim Quee and Mr Tan Siok Sing are Independent Directors. None of the Independent Directors has served on the Board beyond nine years from their respective date of appointment. Guideline 2.4 of the Code is therefore not applicable to the Board.

Directors' time commitments and multiple directorships

All directors are required to declare their board appointments. The Nominating Committee 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 key information on the directors is set out below:

Name of Director	Appointment	Date of Appointment / Last Re-election	Directorships in other listed companies: Current as at 1 July 2016	Directorships in other listed companies: For the past 3 years	Due for Re-appointment at the AGM
Melvin Goh	Chairman and CEO	12 December 2012 / 31 July 2014	Nil	Nil	NA
Andy Goh	Deputy CEO	12 December 2012 / 28 July 2015	Nil	Nil	NA
Lim Kim Quee	Independent Director	29 November 2013 / 31 July 2014	Nil	Nil	Retirement by Rotation (Article 113)
Ng Tiak Soon	Independent Director	29 November 2013 / 31 July 2014	800 Super Holdings Limited MDR Limited	Cordlife Group Limited St. James Holdings Limited	Retirement by Rotation (Article 113)
Tan Siok Sing	Independent Director	29 November 2013 / 28 July 2015	Changtian Plastic & Chemical Limited Dukang Distillers Holdings Limited Li Heng Chemical Fibre Technologies Limited QingMei Group Holdings Limited	Nil	NA

The Nominating Committee 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 16 and 17 of this annual report.

CORPORATE GOVERNANCE

The Nominating Committee views that the effectiveness of each director is best assessed by a qualitative assessment of the director's contributions, as well as taking into account each director's listed company board directorships, and any other relevant time commitments. While having a numerical limit on the number of directorships may be considered by some other companies to be suitable for their circumstances, at present, the Board considers the former to be more effective for its purposes. The Company also does not wish to omit from considering outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board.

The Nominating Committee 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.

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

Currently, there is an informal succession plan put in place by the Executive Chairman and CEO. Going forward and at the relevant time, the Nominating Committee will look into a formal succession plan in close consultation with the Executive Chairman and CEO.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

Mr Melvin Goh is the Chairman of the Board and the CEO. He 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.

The Board has not adopted the recommendation of the Code to have separate directors appointed as the 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.

The Board has appointed Mr Ng Tiak Soon as the Lead Independent Director. Shareholders with concerns may contact him directly, when contact through the normal channels to the Executive Chairman and CEO and/or the Group Financial Controller ("**GFC**") has failed to provide satisfactory resolution, or when such contact is inappropriate.

All the Board committees are chaired by Independent Directors and more than half of the Board consists of Independent Directors.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Nominating Committee comprises Mr Tan Siok Sing, Mr Ng Tiak Soon and Mr Lim Kim Quee, all of whom are Non-Executive Independent Directors. Mr Tan Siok Sing is the Chairman of the Nominating Committee.

The Nominating Committee, which has written terms of reference, is responsible for making recommendations to the Board on all appointments and re-appointments. The key terms of reference of the Nominating Committee, 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;
- 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.

Process for selection and appointment of new directors

The Nominating Committee leads the process of selection and appointment of new directors. The Nominating Committee 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 Nominating Committee 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.

CORPORATE GOVERNANCE

Upon endorsement by the Board of the key attributes, the Nominating Committee may:

- Advertise or use services of external advisers to facilitate a search;
- Approach alternative sources such as the 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 Nominating Committee 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.

Article 117 of Company's Constitution provides that the directors shall have the power at any time to appoint additional directors who shall hold office only until the next AGM. No new director has been appointed in FY2016.

Process for re-appointment of directors

The Nominating Committee is responsible for the re-appointment of directors. In its deliberation on the re-appointment of existing directors, the Nominating Committee 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 the quality of intervention and special contribution.

All directors submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years. 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 subject to re-election at the AGM.

Pursuant to the one-third rotation rule, Mr Ng Tiak Soon, who was appointed on 29 November 2013, and Mr Lim Kim Quee who was appointed on 29 November 2013, will retire and submit himself for re-election at the forthcoming AGM. Each member of the Nominating Committee abstains from making any recommendations and/or participating in any deliberation of the Nominating Committee and from voting on any resolution, in respect of the assessment of his own performance or re-nomination as director.

BOARD PERFORMANCE

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each director to the effectiveness of the Board.

A review of the Board's performance is conducted by the Nominating Committee. On the recommendation of the Nominating Committee, 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 Nominating Committee Chairman for evaluation. Based on the evaluation results, the Nominating Committee Chairman will present his recommendations to the Board.

The Nominating Committee Chairman evaluates the performance and contribution of each director on an informal basis. The Nominating Committee 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.

The Board has not engaged any external facilitator in conducting the assessment of the Board's performance. When relevant, the Nominating Committee will consider such engagement.

ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to the Board Meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The management recognises the importance of ensuring the flow of complete, adequate and timely information to the directors on an on-going basis to enable them to make informed decisions to discharge their duties and responsibilities.

To allow directors sufficient time to prepare for the meetings, Board and Board committee papers are distributed to directors a week in advance of the meeting. Any additional material or information requested by the directors is promptly furnished.

The management's proposals to the Board for approval provide background and explanatory information such as facts, resources needed, financial impact, regulatory implications, expected outcomes, conclusions and recommendations. Employees who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board committee meetings. In order to keep directors abreast of the Group's operations, the directors are also updated on initiatives and developments on the Group's business as soon as practicable and/or possible and on an on-going basis.

To facilitate direct access to the management, the directors are also provided with the names and contact details of the management team.

The management also provides the Board with management reports. These reports include budgets, forecasts and monthly management accounts. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board.

Company Secretary

The directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, amongst others, ensuring that the Board's procedures are observed and the Company's Memorandum and Constitution, relevant 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 assists the Chairman in ensuring good information flows within the Board and its Board committees.

The Company Secretary attends Board and Board committee meetings and prepares minutes for all meetings and, where appropriate, provides advice, secretarial support and assistance to the Board and ensures adherence to the board procedures and relevant rules and regulations applicable to the Company. Under Article 151 of the Constitution of the Company, the Company Secretary may be appointed and removed by the directors.

Independent professional advice

The Board has a process for directors, either individually or as a group, in the furtherance of their duties, to engage independent professional advisers, if necessary, at the Group's expense.

CORPORATE GOVERNANCE

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Remuneration Committee comprises Mr Lim Kim Quee, Mr Tan Siok Sing and Mr Ng Tiak Soon, all of whom are Non-Executive Independent Directors. Mr Lim Kim Quee is the Chairman of the Remuneration Committee.

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

(a) Review and recommend for endorsement by the Board, a general framework of remuneration for the Board and key management personnel;
(b) Review and recommend for endorsement by the Board, specific remuneration packages for each director and key management personnel;
(c) Review whether Executive Directors and key management personnel 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 key management personnel;
(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 key management personnel's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The Remuneration Committee 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 key management personnel. The Board has not engaged any external remuneration consultant to advise on remuneration matters for FY2016.

No director is involved in determining his own remuneration.

LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the Company; and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the Company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

In setting remuneration packages, the Remuneration Committee 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.

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. Directors' fees are recommended by the Board for approval by the shareholders at the AGM.

The Executive Directors, namely Melvin Goh and 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.

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

There are, at present, no provisions allowing the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss 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.

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 the Remuneration Committee. 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 Remuneration Committee, 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.

CORPORATE GOVERNANCE

The exercise price for each option shall be determined and fixed by the Remuneration Committee 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 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.

The PSP is administered by the Remuneration Committee and 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 Companies Act (Chapter 50) of Singapore) 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 its subsidiary was granted.

During the reporting year, 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 subsidiary under option.

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

Remuneration of directors and the CEO

The remuneration paid to or accrued to each director for FY2016 is as follows:

	Fees S$'000	Salary S$'000	Fixed Bonus [1] S$'000	Variable or Performance Related Income / Bonus S$'000	Other Benefits and Benefits in Kind [2] S$'000	Total S$'000
Melvin Goh	–	557	120	–	29	706
Andy Goh	–	474	99	–	53	626
Lim Kim Quee	35	–	–	–	–	35
Ng Tiak Soon	50	–	–	–	–	50
Tan Siok Sing	35	–	–	–	–	35

Notes:
(1) The Company paid the Executive Directors three months of contractual fixed bonuses.
(2) Other benefits and benefits in kind include transport allowances, usage of car and membership subscription.

The remuneration received by the top five key management personnel (who are not Directors or the CEO) in FY2016 is approximately S$0.9 million, and a breakdown showing the level and mix of remuneration of each of the top five key management personnel (who are not directors or the CEO) in bands of S$250,000 for FY2016 are as follow:

	Salary %	Fixed Bonus [1] %	Variable or Performance Related Income / Bonus %	Other Benefits and Benefits in Kind [2] %	Total %
S$250,000 to S$500,000					
Benjamin Solomon Tan	94	6	–	–	100
Below S$250,000					
Carolyn Ann Theng May Lin	96	–	4	–	100
Chong Kim Cheng	70	–	30	–	100
Lily Tan Cross	87	6	7	–	100
Lim Chee Cheong	87	–	13	–	100

Notes:
(1) The Group paid the key management personnel one month of contractual fixed bonus.
(2) Other benefits and benefits in kind include transport allowances and usage of car.

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 key management personnel due to the competitiveness of the industry for key talent.

Goh Kim Siew, brother of Melvin Goh and Andy Goh, who are the Directors of the Company, was appointed as Director – System and Business Development on 15 February 2016. As his employment with the Company was less than 2 months as at 31 March 2016, his remuneration was less than S$50,000 in FY2016.

Save as disclosed, there are no employees who are immediate family members of a Director or the CEO, and whose remuneration exceeds S$50,000 during FY2016.

(C) ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

The Board believes that it should conduct itself in ways that deliver maximum sustainable value to its shareholders. Timely releases of the Group's financial results and all significant information to shareholders, as well as the prompt fulfilment of statutory requirements, are ways to maintain shareholder's confidence and trust in the Board's capability and integrity.

Currently, the Company is required to release half year and full year results announcements pursuant to the Catalist Rules. The Board, with the assistance of the management, strives to provide a balanced and understandable assessment of the Group's performance and position. The Board also undertakes such effort with respect to other price sensitive public reports and reports to regulators, when required.

The management is responsible to the Board and the Board itself is accountable to the shareholders of the Company.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that the management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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.

CORPORATE GOVERNANCE

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.

For FY2016, the Executive Chairman and CEO and the GFC have provided their confirmation that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and regarding the effectiveness of the Company's risk management and internal control systems.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by the management, various Board committees and/or the Board, the Board, with the concurrence of the Audit Committee, is of the opinion that there are adequate and effective risk management systems and internal controls in place to address the risks relating to financial, operational, compliance and information technology controls for FY2016.

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.

In FY2015, the Board had engaged the professional services of BDO LLP to assist the Board to determine the Company's levels of risk tolerance and risk policies. In FY2016, the Board has appointed a Chief Risk Officer and a Risk Management Team. The Board will oversee the management in the design, implementation and monitoring of the risk management and internal control systems.

AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee comprises Mr Ng Tiak Soon, Mr Lim Kim Quee, and Mr Tan Siok Sing, all of whom are Non-Executive Independent Directors. Mr Ng Tiak Soon is the Chairman of the Audit Committee.

The members of the Audit Committee possess many years of experience in accounting, finance, banking, business and management. The Board considers that the members of the Audit Committee are appropriately qualified to discharge the responsibilities of the Audit Committee.

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

I. To oversee and appraise the quality of the Company's internal audit function and external auditors. In pursuance of this function, the duties of the Audit Committee shall include, amongst others, the following:

    (a) Review the scope and results of the external audit and the independence and objectivity of the external auditors;
    (b) Review the internal and external audit plans and the audit reports;

(c) Review the internal control and procedures;
(d) Review risk management policies and systems and potential business risk management process;
(e) Review the co-operation given by management to the internal and external auditors; and
(f) Recommend to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors and approve the remuneration and terms of engagement of the external auditors.

II. 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 Audit Committee shall include, amongst other things, the following:

(a) 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;
(b) Monitor the integrity of the financial information on the relevance and consistency of the accounting standards used and to review the financial statements, significant financial reporting issues and judgements of the Company and of the Group with the management and external auditors before submission to the Board; and
(c) Review the half year and full year financial statements and results announcements before submission to the Board for approval.

III. To examine the adequacy of the Company's internal controls, and evaluate adherence. In pursuance of this function, the duties of the Audit Committee, shall include, amongst others, the following:

(a) 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 Audit Committee to discharge its functions properly;
(b) Review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;
(c) 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;
(d) 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;
(e) 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;
(f) Review transactions (if any) falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules;
(g) Review potential conflicts of interest (if any) and set out a framework to resolve or mitigate any potential conflicts of interests; and
(h) 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.

Summary of the Audit Committee's Activities

The Audit Committee 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.

The Audit Committee met four times in FY2016. Details of members and their attendance at meetings are provided in page 31. The Executive Chairman and CEO, Executive Director and Deputy CEO, CFO, GFC and Company Secretary were invited to these meetings. Internal auditors and external auditors were invited to two of the above meetings as well.

CORPORATE GOVERNANCE

For FY2016, the Audit Committee has met with external and internal auditors, without the presence of management.

The principal activities of the Audit Committee during FY2016 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 also discussed with the management, the GFC and the external auditors the significant accounting policies, judgement and estimate applied by the management in preparing the annual financial statements. Following the review and discussions, the Audit Committee 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 auditors of the Company for the ensuing year;
e. Undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors 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 auditors;
g. Reviewed the reports and findings from the internal auditors; and
h. 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.

External Audit Processes

The Audit Committee manages the relationship with the Group's external auditors, on behalf of the Board. For FY2016, the Audit Committee carried out its annual assessment of the cost effectiveness of the audit process, together with the auditor's approach to audit quality and transparency. The Audit Committee concluded that the auditors demonstrated appropriate qualifications and expertise and that the audit process was effective. Therefore, the Audit Committee recommended to the Board that RSM Chio Lim LLP be re-appointed as the external auditor.

The Board accepted this recommendation and has proposed a resolution (set out on page 107) to the shareholders of the Company for the re-appointment of RSM Chio Lim LLP.

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. The current RSM Chio Lim LLP's audit partner has been responsible for the audit of the Group since the reporting year ended 31 March 2012.

In appointing external auditors for the Group, the Company is in compliance with Rules 712 and 715 of the Catalist Rules.

Auditor Independence

In order to maintain the independence of the external auditors, the Group has specific policy which governs the conduct of non-audit work by the external auditors. This policy prohibits the external auditors from:
- Performing services which would result in the auditing of their own work
- Participating in activities normally undertaken by the management
- Acting as advocate for the Group
- Creating a mutuality of interest between the auditors and the Group, for example being remunerated through a success fee structure.

The Audit Committee undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees awarded to them. The Audit Committee received an audit report from the external auditors setting out the non-audit services provided and the fees charge for FY2016. The aggregate amount of fees paid to the external auditors for audit and non-audit services for FY2016 are as follows:

	S$'000
Audit Fees	110
Non-audit Fees	26

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

Whistle Blowing

The Audit Committee 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 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 policy is communicated via the Company's website under the "Code of Conduct and Ethics".

The Audit Committee 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.

INTERNAL AUDIT

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

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 Audit Committee 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 Audit Committee on the Group's controls and governance processes.

The internal audit function is outsourced to BDO LLP who reports primarily to the Audit Committee. BDO LLP is an international auditing firm and 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 Audit Committee reviews and approves the internal audit plan submitted by the internal audit function. On an on-going basis, the internal audit function reports to the Audit Committee 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.

CORPORATE GOVERNANCE

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

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 strongly encourages shareholder participation during the AGM which will be held in a central location in Singapore. Shareholders are able to proactively engage the Board and the management on the Group's business activities, financial performance and other business related matters.

COMMUNICATIONS WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company is committed to maintaining high standards of corporate disclosure and transparency. The Company values dialogue sessions with the shareholders. The Company believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

Material information is disclosed in a comprehensive, accurate and timely manner via SGX-NET. To ensure a level playing field and provide confidence to shareholders, unpublished price sensitive information is not selectively disclosed. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGX-NET.

The Company engaged August Consulting as the dedicated investor relations team to focus on facilitating communications with shareholders and analysts on a regular basis and attending to their queries and concerns.

In view of its financial performances, the Company is not proposing the payment of dividends for the year.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The Group supports and encourages active shareholder participation at general meetings. The Board believes that general meetings serve as an opportune forum for shareholders to meet the Board and key management personnel, and to interact with them. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders. The notices are also released via SGX-NET and published in local newspapers, as well as posted on the Company's website.

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 still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax.

The Company Secretary, with the assistance of his representative, prepare minutes of shareholders' meetings, which incorporate substantial comments or queries from shareholders and responses from the Board and the management. These minutes are available to shareholders upon request.

With effect from 2015 AGM, the Company has adopted electronic poll voting by shareholders for greater transparency in the voting process. The number of votes cast for or against each resolution will be displayed immediately after the voting of each resolution. After the meeting, the results will be posted on the SGX-NET website.

(E) ADDITIONAL INFORMATION

Dealings in Securities

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

Interested Person Transactions

The Group has not obtained a general mandate from shareholders for interested person transactions. The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that the transactions are carried out on an arm's length basis. There were no interested person transactions above S$100,000 entered into by the Group since the Company is listed.

Use of IPO Proceeds

	Amount allocated as stated in the Offer Document S$' million	Amount utilised as at 31 March 2016 S$' million	Balance of net proceeds as at 31 March 2016 S$' million
Expansion of our operations locally and in other markets and diversification into other luxury lifestyle business	6.00	1.50[1]	4.50
General working capital	2.46	2.46[2]	–
Total	**8.46**	**3.96**	**4.50**

The amount deployed for general working capital includes the purchase of inventories and operating expenses.

Notes:
(1) The amount of S$1.50 million for expansion of our operations locally was utilized in the acquisition of a subsidiary.
(2) The amount of S$2.46 million deployed for general working capital includes the purchase of inventories and operating expenses.

Material Contracts

Save for the following contracts previously disclosed in the Offer Document, 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 2016, or if not then subsisting, entered into in FY2016:

- Service agreements of Melvin Goh and Andy Goh
- Indemnity provided by Melvin Goh and Andy Goh in respect of automobiles ordered from Spania GTA Tecnomotive S.L.

Non-sponsor fees

In compliance with Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the Company's sponsor, CIMB Bank Berhad, Singapore Branch, subsequent to the Company's listing on the Catalist to the date of this report.

STATEMENT BY DIRECTORS

YEAR ENDED 31 MARCH, 2016

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 2016.

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 IN OFFICE AT DATE OF STATEMENT

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
Lim Kim Quee

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 in 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, Chapter 50 (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			
The company – EuroSports Global Limited				
Goh Kim San	111,000,000	75,189,200	–	40,000,000
Goh Kim Hup	74,000,000	66,000,000	–	8,000,000

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 2016 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.

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:

Lim Kim Quee	(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.

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

EuroSports Employee Share Option Scheme ("ESOS") (Cont'd)

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.

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 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.

6. INDEPENDENT AUDITOR

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

7. 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)
Lim Kim Quee	(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 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;
- Reviewed the audit plan and audit report of the company's internal and external auditors and ensured the adequacy of the company's system of accounting controls and the co-operation given by management to the external and internal auditors;
- Reviewed the annual financial statements and also discussed with management, the Group Financial Controller and the external auditors the significant accounting policies, judgements and estimates applied by management in preparing the annual financial statements. Following the review and discussions, the audit committee then recommended to the Board for approval of the audited financial statements;
- Recommended to the Board for re-appointment of RSM Chio Lim LLP as independent external auditors of the company for the ensuing year;
- Undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees awarded to them;
- Reviewed the nature and extent of non-audit services provided by the external auditors;
- Reviewed the reports and findings from the internal auditors; and
- 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.

STATEMENT BY DIRECTORS

YEAR ENDED 31 MARCH, 2016

8. SUBSEQUENT DEVELOPMENTS

There are no other significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 27 May 2016, 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	Goh Kim Hup
Director	Director

29 June 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EUROSPORTS GLOBAL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of EuroSports Global Limited (the "**company**") and its subsidiaries (the "**group**") set out on pages 55 to 104 which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2016, 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 significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EUROSPORTS GLOBAL LIMITED

OPINION

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the group and of the company as at 31 March 2016 and of the financial performance, changes in equity and cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

29 June 2016

Partner in charge of audit: Paul Lee Seng Meng
Effective from year ended 31 March 2012

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH, 2016

	Notes	GROUP 2016 $'000	2015 $'000
Revenue	5	63,531	40,374
Cost of sales		(55,403)	(33,018)
Gross profit		8,128	7,356
Other income	6	8,540	6,471
Interest income		120	71
Other gains	7	124	566
Marketing and distribution expenses	8	(3,454)	(3,320)
Administrative expenses	8	(16,781)	(13,788)
Other losses	7	(39)	(2,033)
Finance costs	8	(1,052)	(164)
Loss before tax		(4,414)	(4,841)
Income tax expense	10	(188)	(68)
Loss, net of tax		(4,602)	(4,909)
Other comprehensive income, net of tax		–	–
Total comprehensive loss		(4,602)	(4,909)
Loss for the year, net of tax attributable to:			
Owners of the parent		(4,496)	(4,020)
Non-controlling interest		(106)	(889)
		(4,602)	(4,909)
Total comprehensive loss for the year attributable to:			
Owners of the parent		(4,496)	(4,020)
Non-controlling interest		(106)	(889)
		(4,602)	(4,909)
		Cents	**Cents**
Loss per share:			
Basic and diluted	11	(1.70)	(1.52)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH, 2016

		GROUP		COMPANY	
	Notes	2016 $'000	2015 $'000	2016 $'000	2015 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	24,317	23,045	–	–
Investment in subsidiaries	14	–	–	7,953	7,953
Other assets	17	40	640	–	–
Total non-current assets		24,357	23,685	7,953	7,953
Current assets					
Inventories	15	52,399	33,329	–	–
Trade and other receivables	16	3,232	1,981	9,892	11,385
Other assets	17	3,996	3,577	107	44
Cash and cash equivalents	18	6,655	9,581	32	191
Total current assets		66,282	48,468	10,031	11,620
Total assets		90,639	72,153	17,984	19,573
EQUITY AND LIABILITIES					
Equity					
Share capital	19	18,469	18,469	18,469	18,469
Retained earnings / (Accumulated losses)		1,988	6,484	(616)	757
Equity attributable to owners of the parent		20,457	24,953	17,853	19,226
Non-controlling interest		5	111	–	–
Total equity		20,462	25,064	17,853	19,226
Non-current liabilities					
Other financial liabilities	21	11,782	10,307	–	–
Other liabilities	22	9,866	13,199	–	–
Total non-current liabilities		21,648	23,506	–	–
Current liabilities					
Income tax payable		139	135	–	–
Trade and other payables	20	4,652	1,447	131	347
Other financial liabilities	21	26,891	7,394	–	–
Other liabilities	22	16,847	14,607	–	–
Total current liabilities		48,529	23,583	131	347
Total liabilities		70,177	47,089	131	347
Total equity and liabilities		90,639	72,153	17,984	19,573

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

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED
31 MARCH, 2016

	Total equity $'000	Non-controlling interest $'000	Attributable to parent $'000	Share capital $'000	Merger reserve $'000	Retained earnings $'000
Group:						
Current year:						
Opening balance at 1 April 2015	25,064	111	24,953	18,469	–	6,484
Movements in equity:						
Total comprehensive loss for the year	(4,602)	(106)	(4,496)	–	–	(4,496)
Closing balance at 31 March 2016	20,462	5	20,457	18,469	–	1,988
Previous year:						
Opening balance at 1 April 2014	36,393	–	36,393	18,469	(4,453)	22,377
Movements in equity:						
Total comprehensive loss for the year	(4,909)	(889)	(4,020)	–	–	(4,020)
Transferred to retained earnings	–	–	–	–	4,453	(4,453)
Effects of acquisition of a subsidiary	1,000	1,000	–	–	–	–
Dividends paid (Note 12)	(7,420)	–	(7,420)	–	–	(7,420)
Closing balance at 31 March 2015	25,064	111	24,953	18,469	–	6,484

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

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH, 2016

	Total equity $'000	Share capital $'000	(Accumulated losses) Retained earnings $'000
<u>Company:</u>			
Current year:			
Opening balance at 1 April 2015	19,226	18,469	757
Movements in equity:			
Total comprehensive loss for the year	(1,373)	–	(1,373)
Closing balance at 31 March 2016	17,853	18,469	(616)
Previous year:			
Opening balance at 1 April 2014	16,736	18,469	(1,733)
Movements in equity:			
Total comprehensive income for the year	9,910	–	9,910
Dividends paid (Note 12)	(7,420)	–	(7,420)
Closing balance at 31 March 2015	19,226	18,469	757

)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH, 2016

	GROUP	
	2016 $'000	**2015 $'000**
Cash flows from operating activities		
Loss before tax	(4,414)	(4,841)
Adjustments for:		
Deferred income	(3,333)	(3,333)
Depreciation of property, plant and equipment	1,640	1,452
Amortisation of other assets	893	528
Gain on disposal of property, plant and equipment	(9)	(22)
Impairment loss on intangibles (goodwill)	–	1,970
Interest income	(120)	(71)
Interest expense	1,052	164
Operating cash flows before changes in working capital	(4,291)	(4,153)
Inventories	(19,070)	(12,898)
Trade and other receivables	(1,251)	(602)
Other assets	(712)	788
Other liabilities	2,240	5,730
Trade and other payables	3,205	(2,007)
Net cash flows used in operations	(19,879)	(13,142)
Income taxes paid	(184)	(68)
Net cash flows used in operating activities	**(20,063)**	**(13,210)**
Cash flows from investing activities		
Net cash used in acquisition of a subsidiary (Note 23)	–	(1,356)
Purchase of property, plant and equipment (Notes 13 and 18B)	(2,991)	(4,303)
Disposal of property, plant and equipment	87	116
Interest received	120	71
Net cash flows used in investing activities	**(2,784)**	**(5,472)**
Cash flows from financing activities		
Increase of other financial liabilities	22,678	3,639
Finance lease repayment	(1,705)	(1,946)
Dividends paid to equity owners	–	(7,420)
Interest paid	(1,052)	(164)
Net cash flows from (used in) financing activities	**19,921**	**(5,891)**
Net decrease in cash and cash equivalents	(2,926)	(24,573)
Cash and cash equivalents, statement of cash flows, beginning balance	9,221	33,794
Cash and cash equivalents, statement of cash flows, ending balance (Note 18A)	6,295	9,221

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

1. GENERAL

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

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 14 to the financial statements.

The registered office and principal place of business is at 30 Teban Gardens Crescent Singapore 608927.

The group has reported loss for the year. The financial position of the entity, 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 entity has considerable financial resources together with some good arrangements with a number of customers and suppliers. As a consequence, the management believes that the entity is well placed to manage its business risks. After making enquiries, the management has a reasonable expectation that the entity 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.

Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

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 ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity'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.

1. GENERAL (CONT'D)

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 reporting entity obtains control of the investee and cease when the reporting entity 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 FRS 39.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of comprehensive income is not presented.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are not significant transactions is recognised as the services are provided or when the significant acts have been completed.

Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

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

2A. Significant accounting policies (cont'd)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity'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 entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity 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.

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

2A. Significant accounting policies (cont'd)

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).

Property, plant and equipment

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%
Renovations	–	20%
Construction in progress	–	Not depreciated

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.

Property, 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. The gain or loss arising from the derecognition of an item of property, 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

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

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

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 entity 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.

Leases

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases.

For operating leases, lease payments are recognised as an expense 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. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. 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. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Segment reporting

The group discloses financial and descriptive information about its 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.

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

2A. Significant accounting policies (cont'd)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity 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 reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity 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

Business combinations are accounted for by applying the acquisition method.

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. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

As disclosed in Note 29, there is an acquisition of business subsequent to year end. Where the fair values are measured on a provisional basis they are finalised within one year from the acquisition date with consequent retrospective changes to the amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

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

2A. Significant accounting policies (cont'd)

Non-controlling interest

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity 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 interest even if this results in the non-controlling interest having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with FRS 103 (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this FRS 103.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest Level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

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

2A. Significant accounting policies (cont'd)

Impairment 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.

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. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

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

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

Initial recognition, measurement and derecognition: (cont'd)

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets*:* As at end of the reporting year date there were no financial assets classified in this category.

4. Available-for-sale financial assets*:* As at end of the reporting year date there were no financial assets classified in this category.

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

2A. Significant accounting policies (cont'd)

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.

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Other financial liabilities: All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

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

2A. Significant accounting policies (cont'd)

Fair value measurement

Fair value is taken to be 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 (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. 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. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

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.

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.

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

2A. Significant accounting policies (cont'd)

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.

2B. 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.

Useful lives of property, plant and equipment
The estimates for the useful lives and related depreciation charges for property, plant and equipment is 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 less 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 impracticable to disclose the extent of the possible effects. 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 $7,830,000.

Impairment of property, 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 impracticable to disclose the extent of the possible effects. 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 $24,317,000.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

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

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

Deposit payments made to automobile manufacturers

The group is required by automobile manufacturers to make deposit payments upon placement of orders for new automobiles from time to time. In the event that such automobile manufacturers are unable to deliver the orders and the deposit payments are not refunded, fully or partially, an impairment will be required. At the end of the reporting year, management is of the view that the deposit payment carrying amount approximates the fair value. The carrying amounts might change materially within the next reporting year but the changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount of deposits as discussed is disclosed in the Note on other assets.

Allowance for doubtful trade and other receivables

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

Net realisable value of inventories

A review is made periodically on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to consider the future demand for the products. In any case the 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. The usual considerations for determining the amount of allowance or write-down 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 the Note on inventories.

Finance and operating leases

The group as lessor has certain automobiles that are under three to five years leases to lessees. Judgement is used in determining lease classification into operating leases or finance leases. The titles to the automobiles do not pass to the lessees at the end of the lease terms. The present value of the minimum lease payments is not greater than nor equal to substantially all of the fair value of the automobiles concerned. As substantially all the risks and rewards of the automobiles are with the group based on these qualitative factors the leases have been accounted as operating leases. The carrying amount of automobiles in property, plant and equipment at the end of the reporting year was $4,645,000. The operating lease income commitments are included in Note 27.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

FRS 24 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.

Related companies in these financial statements include the members of the group.

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 reporting entity 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 are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	GROUP	
	2016 $'000	2015 $'000
Directors		
Sale of watches	2	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

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

3B. Key management compensation:

	GROUP	
	2016 $'000	**2015 $'000**
Salaries and other short-term employee benefits	1,768	1,654

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

	GROUP	
	2016 $'000	**2015 $'000**
Remuneration of directors of the company	1,250	1,237
Remuneration of a director of a subsidiary	270	208
Fees to directors of the company	120	120
Other benefits	128	89

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 only.

3C. Other payables to related party:

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 and other payables to related party are as follows:

	RELATED PARTY	
	2016 $'000	**2015 $'000**
Group		
Other payables:		
Balance at beginning of year	–	–
Amounts paid in and settlement of liabilities on behalf of the company	150	–
Balance at end of year (Note 20)	150	–

The related party is a director cum 40% shareholder of the subsidiary, AutoInc EuroSports Pte Ltd.

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 FRS 108 Operating Segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) automobiles distribution and (2) watches business. 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) Watches business comprising trading and distribution of watches and related accessories.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity 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 following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

4B. Profit or loss from continuing operations and reconciliation

	2016 $'000	2015 $'000
Revenue by segment		
Automobiles distribution	61,285	39,009
Watches business	2,246	1,365
Total	63,531	40,374
Segment result		
Automobiles distribution	(3,752)	(4,525)
Watches business	(662)	(316)
Consolidated loss before tax	(4,414)	(4,841)
Income tax expense	(188)	(68)
Loss for the year	(4,602)	(4,909)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

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

4C. Assets and reconciliation

	2016 $'000	2015 $'000
Segment assets		
Automobiles distribution	86,288	67,580
Watches business	4,371	4,601
Elimination of inter-segment assets	(20)	(28)
Total	90,639	72,153

4D. Liabilities and reconciliation

	2016 $'000	2015 $'000
Segment liabilities		
Automobiles distribution	69,701	46,663
Watches business	5,372	4,926
Elimination of inter-segment liabilities	(4,896)	(4,500)
Total	70,177	47,089

4E. Other material items and reconciliation

	2016 $'000	2015 $'000
Depreciation		
Automobiles distribution	1,555	1,425
Watches business	85	27
Total	1,640	1,452
Finance cost		
Automobiles distribution	1,002	160
Watches business	50	4
Total	1,052	164

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.

5. REVENUE

	GROUP 2016 $'000	GROUP 2015 $'000
Sales of automobiles	55,238	33,510
Sales of watches	2,246	1,365
Sales of parts and servicing	6,047	5,499
	63,531	40,374

6. OTHER INCOME

	GROUP 2016 $'000	GROUP 2015 $'000
Commission income	2,672	1,473
Rental income	1,646	1,236
Deferred income earned (Note 22A)	3,333	3,333
Other income	889	429
	8,540	6,471

7. OTHER GAINS AND (OTHER LOSSES)

	GROUP 2016 $'000	GROUP 2015 $'000
Allowance for impairment on trade receivables	(30)	(64)
Bad debts written off	(9)	–
Foreign exchange adjustments gains	115	33
Gain on disposal of property, plant and equipment	9	22
Impairment loss on goodwill (Note 23)	–	(1,970)
Other payables written back	–	512
Net	85	(1,467)
Presented in profit or loss as:		
Other gains	124	566
Other losses	(39)	(2,033)
Net	85	(1,467)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

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

The major components include the following:

	GROUP	
	2016 $'000	**2015 $'000**
Marketing and distribution expenses		
Advertising and promotions	2,282	2,493
Sales commission expense (Note 9)	587	339
Entertainment	427	353
Administrative expenses		
Rental expense of premises	5,434	4,321
Depreciation expense (Note 13)	1,640	1,452
Employee benefits expense (Note 9)	5,876	4,739

Finance costs
This is for interest expense.

9. EMPLOYEE BENEFITS EXPENSE

	GROUP	
	2016 $'000	**2015 $'000**
Employee benefits expense	5,897	4,926
Contributions to defined contribution plan	625	402
Other benefits	312	246
Total employee benefits expense	6,834	5,574
Presented in profit or loss as:		
Cost of sales	371	496
Marketing and distribution expenses (Note 8)	587	339
Administrative expenses (Note 8)	5,876	4,739
	6,834	5,574

10. INCOME TAX

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

	GROUP	
	2016 $'000	2015 $'000
Under adjustments to tax in respect of prior periods	188	68

The income tax in profit or loss varied from the income tax amount determined by applying the Singapore income tax rate of 17% (2015: 17%) to loss before income tax as a result of the following differences:

	GROUP	
	2016 $'000	2015 $'000
Loss before tax	(4,414)	(4,841)
Income tax income at the above rate	(750)	(823)
Income not subject to tax	(355)	(373)
Deferred tax not recognised (reversed)	1,105	1,190
Under adjustments to tax in respect of prior periods	188	68
Other items less than 3% each	–	6
Total income tax expense	188	68

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

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

	GROUP	
	2016 $'000	2015 $'000
Depreciation on non-qualifying property, plant and equipment	1,242	623
Gain on disposal of property, plant and equipment	(9)	(22)
Deferred income earned	(3,333)	(3,333)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

10. INCOME TAX (CONT'D)

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

	GROUP	
	2016 $'000	**2015 $'000**
Excess of book value of plant and equipment over tax values	–	5
Excess of tax values over net book value of plant and equipment	(49)	(592)
Tax loss carryforwards	(1,056)	(603)
Deferred tax not recognised	1,105	1,190
Total deferred tax expense recognised in profit or loss	–	–

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

	GROUP	
	2016 $'000	**2015 $'000**
<u>Deferred tax assets recognised in profit or loss:</u>		
Excess of book value of plant and equipment over tax values	(696)	(5)
Excess of tax values over net book value of plant and equipment	119	(621)
Tax loss carryforwards	1,943	887
Deferred tax not recognised	(1,366)	(261)
Net	–	–

No deferred tax asset (on deductible temporary differences and unused tax losses) has been recognised in respect of the above balance.

The realisation of the future income tax benefits from tax loss carryforwards of approximately $10,690,000 (2015: $5,505,000) are available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

11. LOSS PER SHARE

Basic loss 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	
	2016 $'000	2015 $'000
Net loss attributable to ordinary equity holders of the company	(4,496)	(4,020)
Weighted average number of equity shares	265,000	265,000

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.

12. DIVIDENDS ON EQUITY SHARES

	GROUP	
	2016 $'000	2015 $'000
Tax-exempt (one-tier) dividend paid of $ NIL (2015: $0.028 per share)	–	7,420

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

13. PROPERTY, PLANT AND EQUIPMENT

Group	Construction in progress $'000	Plant and equipment $'000	Motor vehicles $'000	Renovations $'000	Total $'000
Cost:					
At 1 April 2014	16,247	1,131	3,571	966	21,915
Additions	227	318	4,201	327	5,073
Disposals	–	(22)	(225)	–	(247)
At 31 March 2015	16,474	1,427	7,547	1,293	26,741
Additions	13	363	2,202	413	2,991
Disposals	–	–	(199)	–	(199)
At 31 March 2016	16,487	1,790	9,550	1,706	29,533
Accumulated depreciation:					
At 1 April 2014	–	547	1,301	550	2,398
Depreciation for the year	–	296	959	197	1,452
Disposals	–	(22)	(132)	–	(154)
At 31 March 2015	–	821	2,128	747	3,696
Depreciation for the year	–	384	1,075	181	1,640
Disposals	–	–	(120)	–	(120)
At 31 March 2016	–	1,205	3,083	928	5,216
Carrying value:					
At 1 April 2014	16,247	584	2,270	416	19,517
At 31 March 2015	16,474	606	5,419	546	23,045
At 31 March 2016	16,487	585	6,467	778	24,317

Notes:

a) Depreciation expense is included under administrative expenses.

b) Certain items are under finance lease agreements (see Note 21C).

c) Construction in progress includes the acquisition costs of 7 and 9 Chang Charn Road, Singapore of $16,474,000. The amount of accumulated interest capitalised is $402,003 (2015: $402,003).

d) The leasehold property and leasehold properties under construction in progress are mortgaged as security for the bank facilities (see Note 21A).

e) In 2014, EuroSports Auto Pte Ltd sold its leasehold interest in respect of 30 Teban Gardens Crescent Singapore 608927 on 17 March 2014 (see Note 22A).

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Borrowing costs included in the cost of construction in progress are as follows:

	GROUP	
	2016 $'000	2015 $'000
Capitalisation rates	1.58 – 2.68%	1.58 – 2.68%
Borrowing costs capitalised in additions during the year	–	224
Accumulated interest capitalised included in the total cost	402	402

14. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2016 $'000	2015 $'000
Movements during the year:		
Unquoted equity shares at cost:		
Balance at beginning of the year	7,953	7,953
Acquisitions	–	1,500
Allowance for impairment	–	(1,500)
Cost at the end of the year	7,953	7,953
Net book value of subsidiaries	5,321	10,515

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

The following subsidiaries are incorporated and operate in Singapore:

Name of subsidiaries	Principal activities	Cost in books of group		Effective percentage of equity held by group	
		2016 $'000	2015 $'000	2016 %	2015 %
EuroSports Auto Pte Ltd [a]	Distribution and retailing of imported automobiles, import of parts and accessories and repairs and servicing of automobile	7,953	7,953	100	100
EuroAutomobile Pte. Ltd. [a]	Distribution and retailing of imported automobiles, import of parts and accessories and repairs and servicing of automobile	– [b]	– [b]	100	100
Spania GTA Asia Pacific Private Ltd. [a]	Dormant	– [b]	– [b]	100	100
deLaCour Asia Pacific Pte. Ltd. [a]	Trading and distribution of watches and related accessories	– [b]	– [b]	100	100
AutoInc EuroSports Pte. Ltd. [a], [d]	Trading of pre-owned automobiles and provision of maintenance and grooming services for luxury automobiles	– [c]	– [d]	60	60

Notes:

[a] Audited by RSM Chio Lim LLP.

[b] The cost of investment is less than $1,000.

[c] The cost of investment has been fully impaired.

[d] See also Note 23.

15. INVENTORIES

	GROUP 2016 $'000	GROUP 2015 $'000
Automobiles	47,305	28,271
Automobile parts and accessories	1,716	1,572
Watches	3,378	3,486
	52,399	33,329
Inventories are stated after allowance. Movements in allowance:		
Balance at beginning of the year	1,542	1,232
Charge to profit or loss included in cost of sales	1,419	1,270
Used	(1,169)	(960)
Balance at end of the year	1,792	1,542
Changes in inventories of finished goods	19,070	13,755
The amount of inventories included in cost of sales	53,546	32,024
The write-downs of inventories charged to profit or loss included in cost of sales	1,419	1,270

Certain inventories are pledged as security for the bank facilities and finance leases (Note 21).

16. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade receivables:				
Outside parties	2,615	2,250	–	11
Less allowance for impairment	(294)	(276)	–	–
Net trade receivables – subtotal	2,321	1,974	–	11
Other receivables:				
Subsidiaries (Note 3)	–	–	9,353	11,374
Staff loans	–	2	–	–
Other receivables	911	5	539	–
Net other receivables – subtotal	911	7	9,892	11,374
Total trade and other receivables	3,232	1,981	9,892	11,385
Movements in above allowance:				
Balance at beginning of the year	276	231	–	–
Charge for trade receivables to profit or loss included in other losses (Note 7)	30	64	–	–
Bad debts written off	(12)	(19)	–	–
Balance at end of the year	294	276	–	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

17. OTHER ASSETS

	GROUP		COMPANY	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-current:				
Land premium (Note 17A)	40	640	–	–
Non-current, total	40	640	–	–
Current:				
Deposits [a]	3,416	2,753	–	–
Land premium (Note 17A)	236	529	–	–
Prepayments	344	295	107	44
Current, total	3,996	3,577	107	44
Total	4,036	4,217	107	44

Notes:

[a] Included in deposits is an amount of approximately S$1.90 million relating to deposits with Spania GTA Technomotive S.L. ("Spania GTA") for the order of five GTA automobiles. Further to the announcements made on 26 May 2015, 31 August 2015 and based on the latest information, including a road legal car delivered for various road shows, the Board of Directors has agreed not to exercise the indemnity for the repayment from Executive Directors of S$1.90 million by 31 May 2016. The Board of Directors have on 26 May 2016 further agreed to extend the repayment from Executive Directors until end of November 2016. Management continues to assess the capability of Spania GTA to deliver the automobiles.

17. OTHER ASSETS (CONT'D)

17A. Land premium

	GROUP	
	2016 $'000	2015 $'000
At beginning and end of the year	1,719	1,719
Accumulated amortisation:		
At beginning of the year	550	22
Amortisation for the year included under administrative expenses	893	528
At the end of the year	1,443	550
Balance to be amortised:		
Not later than one year	236	529
Later than one year and not later than five years	40	640
	276	1,169

The amount pertains to upfront land premium paid pursuant to the sale and leaseback of the property (Note 22A). The land premium is amortised on the straight line method over the period up to 31 May 2017, the original expiry of the land lease.

18. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Not restricted in use	6,295	9,221	32	191
Cash restricted in use over 3 months	360	360	–	–
	6,655	9,581	32	191

The rates of interest for cash on interest earning balances ranged between 0.1% - 1.7% (2015: 0.1% - 1.1%)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

18. CASH AND CASH EQUIVALENTS (CONT'D)

18A. Cash and cash equivalents in the statement of cash flows:

	GROUP	
	2016 $'000	2015 $'000
Amount as shown above	6,655	9,581
Cash restricted in use over 3 months	(360)	(360)
Cash and cash equivalents for statement of cash flows purposes at end of the year	6,295	9,221

18B. Non-cash transactions:

There were acquisitions of plant and equipment and inventories with a total cost of $Nil (2015: $654,000) and $1,645,856 (2015: $565,000) respectively acquired by means of finance leases.

19. SHARE CAPITAL

	Number of shares issued '000	Share capital $'000
Group and Company		
Ordinary shares of no par value:		
Balance 1 April 2014, 31 March 2015 and 31 March 2016	265,000	18,469

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.

Capital management:

The objectives when managing capital are: to safeguard the reporting entity'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).

19. SHARE CAPITAL (CONT'D)

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.

	2016 $'000	2015 $'000
Net debt:		
All current and non-current borrowings including finance leases	38,673	17,701
Less cash and cash equivalents	(6,655)	(9,581)
Net debt	32,018	8,120
Adjusted capital:		
Total equity	20,462	25,064
Adjusted capital	20,462	25,064
Debt-to-adjusted capital ratio	1.56	0.32

The unfavourable change as shown by the increase in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the increase in new debt. There was an unfavourable change with decreased retained earnings.

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

YEAR ENDED 31 MARCH, 2016

20. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Trade payables:				
Outside parties and accrued liabilities	4,502	1,447	131	347
Trade payables – subtotal	4,502	1,447	131	347
Other payables:				
Related party (Note 3C)	150	–	–	–
Other payables – subtotal	150	–	–	–
Total trade and other payables	4,652	1,447	131	347

21. OTHER FINANCIAL LIABILITIES

	GROUP	
	2016 $'000	**2015 $'000**
Non-current:		
Financial instruments with floating interest rates		
Bank loans (secured) (Note 21A)	10,875	9,840
Financial instruments with fixed interest rates		
Finance leases (Note 21C)	907	467
Non-current, total	11,782	10,307
Current:		
Financial instruments with floating interest rates		
Bank loans (secured) (Note 21A)	15,361	1,378
Trust receipts and bills payables (secured) (Note 21B)	10,568	4,429
Financial instruments with fixed interest rates		
Finance leases (Note 21C)	962	1,587
Current, total	26,891	7,394
Total	38,673	17,701
The non-current portion is repayable as follows:		
Due within 2 to 5 years	5,961	3,707
After 5 years	5,821	6,600
Total non-current portion	11,782	10,307

21. OTHER FINANCIAL LIABILITIES (CONT'D)

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

	GROUP	
	2016 **%**	**2015** **%**
Bank loans	2.68 – 3.25	1.58 – 2.68
Trust receipts and bill payables	1.38 – 5.00	2.00 – 5.00

21A. Bank overdrafts and bank loans

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

(a) A legal mortgage over the leasehold properties under construction in progress; and
(b) Corporate guarantee by the company.

A bank loan is repayable monthly from March 2013 by 180 instalments of approximately $76,000 per month.

During the year, a subsidiary obtained a new money market loan of $3,000,000. The money market loan is repayable on demand and the interest rate range from 2.76% to 3.17% per year.

21B. Trust receipts 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 inventories and accounts receivables; and
(b) 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% per annum over Singapore Inter Bank Offer Rate (SIBOR) prevailing from time to time.

21. OTHER FINANCIAL LIABILITIES (CONT'D)

21C. Finance lease payables

Group	Minimum payments $'000	Finance charges $'000	Present value $'000
2016:			
Minimum lease payments payable:			
Due within one year	1,010	(48)	962
Due within 2 to 5 years	950	(43)	907
Total	1,960	(91)	1,869
Net book value of plant and equipment and inventories under finance leases			5,916
2015:			
Minimum lease payments payable:			
Due within one year	1,653	(66)	1,587
Due within 2 to 5 years	498	(31)	467
Total	2,151	(97)	2,054
Net book value of plant and equipment and inventories under finance leases			4,368

There are leases for certain of its plant and equipment and inventories under finance leases. The average lease term is 2 to 5 years. The average effective interest rate is about 1.38% to 2.86% (2015: 1.38% to 1.88%) per year. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets, corporate guarantee by the company and personal guarantees from the executive directors of the company.

22. OTHER LIABILITIES

	GROUP	
	2016 $'000	2015 $'000
Non-current:		
Deferred income (Note 22A)	9,866	13,199
Non-current, total	9,866	13,199
Current:		
Deferred income (Note 22A)	3,333	3,333
Deferred income – others	386	282
Warranty provision (Note 22B)	53	96
Deposits from customers	13,075	10,896
Current, total	16,847	14,607
Total	26,713	27,806

22. OTHER LIABILITIES (CONT'D)

22A. Deferred income

	GROUP	
	2016 $'000	2015 $'000
At beginning of the year	16,532	19,865
Credit to profit or loss included in other income	(3,333)	(3,333)
At end of the year	13,199	16,532
Presented in the statement of financial position as:		
Current	3,333	3,333
Non-current	9,866	13,199
	13,199	16,532

Pursuant to a conditional sale and purchase agreement dated 4 July 2012 between EuroSports Auto Pte Ltd and RBC Dexia Trust Services Singapore Limited (in its capacity as trustee of Cambridge Industrial Trust) (the "**Purchaser**"), EuroSports Auto Pte Ltd agreed to sell its leasehold interest in respect of 30 Teban Garden Crescent Singapore 608927, comprising the land, building and all mechanical and electrical equipment installed therein, to the Purchaser for a consideration of $41.0 million. On 17 March 2014, the sale of property was completed and EuroSports Auto Pte Ltd has leased the property from the Purchaser for six years commencing from 17 March 2014 at an average annual rent of $3,589,000 over the lease term, with an option to renew the lease for a further term of six years. Knight Frank Pte Ltd, a firm of independent professional valuers, valued the property as at 4 July 2012 at $21.0 million on the assumption that the 22 years lease extension from JTC has been or will be granted and the property is sold in the open market without the benefit of any leaseback agreement. The difference between the consideration of $41.0 million and fair value of $21.0 million is deferred and amortised over the leaseback period of six years or at an annual amount of $3,333,000.

22B. Warranty provision

	GROUP	
	2016 $'000	2015 $'000
Balance at beginning of the year	96	234
Provision charged to profit or loss included in cost of sales	23	77
Used	(66)	(215)
Balance at end of the year	53	96

23. ACQUISITION OF SUBSIDIARY

There were no acquisition of subsidiaries during the reporting year ended 31 March 2016.

As previously disclosed in the financial statements for the reporting year ended 31 March 2015, the group incorporated a new subsidiary, AutoInc EuroSports Pte Ltd ("AE") on 15 August 2014 and AE acquired the relevant assets and liabilities of AutoInc Sports Pte Ltd, Birel Singapore Pte Ltd and AutoInc Liftstyle Pte Ltd, entities that were owned by a common controlling shareholder.

The consideration paid by AE was $1,500,000 and the group holds a shareholding interest of 60% in AE. The transaction was accounted for by the acquisition method of accounting.

Details of the assets and liabilities acquired and goodwill arising from the acquisition were as follows:

	2015 $'000
Inventories	292
Other assets	122
Cash	144
Plant and equipment	116
Deferred income	(144)
	530

<u>Net cash outflows on acquisition</u>:

	2015 $'000
Cash consideration	1,500
Less: cash and cash equivalents acquired	(144)
Net cash outflow	1,356

<u>Goodwill arising on acquisition:</u>

The goodwill arising on acquisition was as follows:

	2015 $'000
Consideration transferred	1,500
Non-controlling interests at fair value	1,000
Fair value of identifiable net assets acquired	(530)
Goodwill arising on acquisition	1,970

The non-controlling interest of 40% in the acquiree at the acquisition date was measured based on the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

23. ACQUISITION OF SUBSIDIARY (CONT'D)

The results of AE for the period between the date of acquisition and the end of the reporting year 2015 were as follows:

	2015 $'000
Revenue	5,295
Loss before income tax	(1,222)

The goodwill was tested for impairment at the end of the reporting year 2015. In view of the unfavourable market conditions for luxury cars and the challenging business environment, full impairment of the goodwill was made. The amount was charged to statement of profit and loss in other charges in reporting year ended 2015.

The value in use was measured by a firm of independent financial advisers. The key assumptions for the value in use and the quantitative information about the value in use measurement using significant unobservable inputs (Level 3) for the cash generating unit were as follows:

Valuation techniques and Unobservable inputs **Discounted cash flow method**	**2015**
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGU.	18.5%
Growth rates based on industry growth forecasts and not exceeding the average long-term growth rate for the relevant markets.	3%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management.	5 years

The impairment test was carried out using a discounted cash flow model covering a 5-year period. Cash flows projections were based on the next five year budgets and plans approved by management. The discount rate applied (weighted average cost of capital "WACC" gross of tax effect) was 18.5%.

NOTES TO THE FINANCIAL STATEMENTS

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24. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

24A. 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	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Financial assets:				
Cash and cash equivalents	6,655	9,581	32	191
Loans and receivables	3,232	1,981	9,892	11,385
At end of the year	9,887	11,562	9,924	11,576
Financial liabilities:				
Other financial liabilities at amortised cost	38,673	17,701	–	–
Trade and other payables at amortised cost	4,652	1,447	131	347
At end of the year	43,325	19,148	131	347

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

24B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, 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 risk and price risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following good market practices.

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.

24C. 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.

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

24D. 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 consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks is limited because the counter-parties are entities with acceptable credit ratings. For credit risk on receivables, an on-going credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and customers.

Note 18 discloses the maturity of the cash and cash equivalents balances.

The group generally does not grant credit terms except for distributors of watches where an average credit term of 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	
	2016 $'000	**2015 $'000**
Trade receivables:		
Less than 30 days	927	156
31 to 60 days	164	51
61 to 90 days	283	79
Over 90 days	919	1,318
Total	2,293	1,604

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

	GROUP	
	2016 $'000	**2015 $'000**
Trade receivables:		
Over 90 days	294	276
Total	294	276

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

24D. Credit risk on financial assets (cont'd)

Other receivables are normally with no fixed terms and therefore there is no maturity. Trade receivable amounts that are over 365 days have been fully provided as at 31 March 2016 and 31 March 2015.

24E. 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	After 5 years $'000	Total $'000
2016:				
Non-derivative financial liabilities:				
Trade and other payables	4,652	–	–	4,652
Gross borrowing commitments	27,453	7,331	8,113	42,897
At end of the year	32,105	7,331	8,113	47,549
2015:				
Non-derivative financial liabilities:				
Trade and other payables	1,447	–	–	1,447
Gross borrowing commitments	7,679	4,706	9,286	21,671
At end of the year	9,126	4,706	9,286	23,118

Company	Less than 1 year $'000	2 – 5 years $'000	After 5 years $'000	Total $'000
2016:				
Non-derivative financial liabilities:				
Trade and other payables	131	–	–	131
Financial guarantee contracts – in favour of certain subsidiaries	58,089	–	–	58,089
At end of the year	58,220	–	–	58,220
2015:				
Non-derivative financial liabilities:				
Trade and other payables	347	–	–	347
Financial guarantee contracts – in favour of certain subsidiaries	58,377	–	–	58,377
At end of the year	58,724	–	–	58,724

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

24E. Liquidity risk – financial liabilities maturity analysis (cont'd)

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.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. Purchases of new automobiles are generally conducted on a cash on delivery basis and for purchase of new demo automobiles, a credit period of 90 days may be granted. The average credit period taken to settle purchases of automobile parts and accessories and other trade payables is about 30 days (2015: 30 days). The other payables are with short-term durations. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

Financial guarantee contracts - For financial guarantee contracts the maximum earliest period in which the guarantee amount can be claimed by the other party is used. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The financial guarantee contracts relates to the corporate guarantees given by the company on the banking facilities of certain subsidiaries (Note 21).

Bank facilities:

	GROUP	
	2016 $'000	**2015 $'000**
Undrawn borrowing facilities	24,047	34,323

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

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

24F. 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	
	2016 $'000	**2015 $'000**
Financial liabilities with interest:		
Fixed rates	1,869	2,054
Floating rates	36,804	15,647
Total at end of the year	38,673	17,701
Financial assets with interest:		
Fixed rates	4,903	5,360

The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on pre-tax profit is not significant.

24G. Foreign currency risks

Analysis of amounts denominated in non-functional currencies:

Group	**Euro $'000**	**Swiss Francs $'000**	**Total $'000**
2016:			
Financial assets:			
Cash and bank balances	95	–	95
Total financial assets	95	–	95
Financial liabilities:			
Trade and other payables	(11)	–	(11)
Total financial liabilities	(11)	–	(11)
Net financial assets at end of the year	84	–	84

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

24G. Foreign currency risks (cont'd)

Group	Euro $'000	Swiss Francs $'000	Total $'000
2015:			
Financial assets:			
Cash and bank balances	113	–	113
Trade and other receivables	–	20	20
Total financial assets	113	20	133
Financial liabilities:			
Trade and other payables	–	–	–
Total financial liabilities	–	–	–
Net financial assets at end of the year	113	20	133

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

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

25. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	GROUP	
	2016 $'000	2015 $'000
Commitments for construction in progress	434	434

The capital commitments are in relation to the construction of the properties at 7 and 9 Chang Charn Road, Singapore. The construction of the properties is currently on hold. This commitment will be effective should the group recommence the construction.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH, 2016

26. OPERATING LEASE PAYMENT COMMITMENTS – AS LESSEE

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

	GROUP	
	2016 $'000	2015 $'000
Not later than one year	4,374	4,258
Later than one year and not later than five years	11,979	15,706
Rental expense for the year	5,434	4,321

Operating lease payments are for rentals payable for warehouses, office and showroom premises. The lease rental terms are negotiated for an average term of six years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

27. 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	
	2016 $'000	2015 $'000
Not later than one year	2,324	1,352
Later than one year and not later than five years	2,918	2,592
Rental income for the year	1,646	1,236

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.

28. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	GROUP	
	2016 $'000	2015 $'000
Banker's guarantee in favour of suppliers of certain subsidiaries (secured)	4,534	4,253

29. EVENTS AFTER THE END OF THE REPORTING YEAR

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 sportscars (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 $536,095 which comprised the consideration of $503,218 and reimbursements for deposits and certain prepayments made by the vendors to the landlords in connection with certain leases of $32,878.

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

	2016 $'000
Plant and equipment	150
Advanced bookings cash value	(32)
	118

Goodwill arising on acquisition:

The goodwill arising on acquisition is as follows:

	2016 $'000
Consideration transferred	503
Fair value of identifiable net assets acquired	(118)
Goodwill arising on acquisition	385

Where the fair values are measured on a provisional basis they are finalised within one year from the acquisition date with consequent retrospective changes to the amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

30. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Amendments to FRS 1: Disclosure Initiative (early application)
Various	Improvements to FRSs (Issued in January 2014). Relating to FRS 103 Business Combinations FRS 24 Related Party Disclosures
Various	Improvements to FRSs (Issued in February 2014). Relating to FRS 103 Business Combinations FRS 113 Fair Value Measurement

31. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

The future reporting years new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") 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 material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018

STATISTICS OF SHAREHOLDINGS

AS AT 23 JUNE 2016

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

AS AT 23 JUNE 2016

SIZE OF SHAREHOLDINGS			NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDINGS
1	–	99	–	0.00	–	0.00
100	–	1,000	38	8.62	33,800	0.01
1,001	–	10,000	186	42.18	938,800	0.36
10,001	–	1,000,000	203	46.03	21,502,100	8.11
1,000,001	–	and above	14	3.17	242,525,300	91.52
Grand Total			**441**	**100.00**	**265,000,000**	**100.00**

TWENTY-FOUR LARGEST SHAREHOLDERS

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1	GOH KIM SAN	75,189,200	28.37
2	BANK OF SINGAPORE NOMINEES PTE LTD	72,912,000	27.51
3	GOH KIM HUP	63,500,000	23.96
4	CITIBANK NOMINEES SINGAPORE PTE LTD	4,740,000	1.79
5	LEO CHUN KONG	4,363,800	1.65
6	ESTATE OF KWEK LENG JOO, DECEASED	4,000,000	1.51
7	BEN CHNG BENG BENG	2,800,000	1.06
8	YAP BOH SIM	2,600,000	0.98
9	RAFFLES NOMINEES (PTE) LTD	2,428,000	0.92
10	HONG LEONG FINANCE NOMINEES PTE LTD	2,277,000	0.86
11	MAYBANK KIM ENG SECURITIES PTE LTD	2,229,900	0.84
12	UOB KAY HIAN PTE LTD	2,076,000	0.78
13	OCBC SECURITIES PRIVATE LTD	1,889,400	0.71
14	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,520,000	0.57
15	ONG TECK BENG	896,000	0.34
16	TAI KOK CHUAN	700,000	0.26
17	TAN KAR ENG JOEL	605,000	0.23
18	FONG CHEE YAN	536,400	0.20
19	LIM SEET HUAT (LIN SHIFA)	500,000	0.19
20	LIM YONG SIM	500,000	0.19
21	NG KIM SWEE	500,000	0.19
22	SIU YEUNG SAU	500,000	0.19
23	TEO PETER @ ZHANG QINGYING	500,000	0.19
24	YAN KAM MING	500,000	0.19
	TOTAL	**248,262,700**	**93.68**

STATISTICS OF SHAREHOLDINGS

AS AT 23 JUNE 2016

SUBSTANTIAL SHAREHOLDERS

NO.	NAME	DIRECT INTEREST	%	DEEMED INTEREST	%
1	GOH KIM SAN[1]	75,189,200	28.37	40,000,000	15.09
2	GOH KIM HUP[2]	63,500,000	23.96	10,500,000	3.96

Notes:
1 Mr Goh Kim San's deemed interest is held in a nominee account held by Bank of Singapore Limited.
2 Mr Goh Kim Hup's deemed interest is held in a nominee account held by Bank of Singapore Limited.

PUBLIC FLOAT

Based on information available to the Company as at 23 June 2016, approximately 28.62% of the Company's issued ordinary shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Catalist Rule.

NOTICE OF ANNUAL GENERAL MEETING

EUROSPORTS GLOBAL LIMITED
(Incorporated in Singapore)
(Registration No. 201230284Z)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of EuroSports Global Limited (the "**Company**") will be held at Raffles Hotel Singapore, Casuarina Suite A, Level 3, 1 Beach Road, Singapore 189673 on Thursday, 28 July 2016 at 2.00 p.m. for the following purposes:

AS ROUTINE BUSINESS:

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2016 and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr Ng Tiak Soon, being a Director retiring by rotation pursuant to Article 113 of the Constitution of the Company. [See Explanatory Note (i)] **(Resolution 2)**

3. To re-elect Mr Lim Kim Quee, being a Director retiring by rotation 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 S$120,000 for the financial year ending 31 March 2017, to be paid quarterly in arrears. **(Resolution 4)**

5. To re-appoint Messrs RSM Chio Lim LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. To transact any other routine business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS:

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

7. **SHARE ISSUE MANDATE**

   That pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**") and Rule 806 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Rules of Catalist**") and notwithstanding the provisions of the Constitution of the Company, authority be and is hereby given to the Directors of the Company (the "**Directors**") to:

   a. (i) allot and issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

   (ii) make or grant offers, agreements or options that may or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares (collectively, "**Instruments**"),

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

   b. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

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 one hundred per cent (100%) of the total number of issued shares excluding treasury shares of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be granted other than on a pro-rata basis to shareholders of the Company with registered addresses in Singapore (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares excluding treasury shares of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) 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 treasury shares of the Company shall be calculated based on the total number of issued shares excluding treasury shares 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 Part VIII of Chapter 8 of the Rules of Catalist; and

(3) any subsequent bonus issue, consolidation or subdivision of shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST) and 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 Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note (iii)] **(Resolution 6)**

8. **PROPOSED RENEWAL OF SHARE PURCHASE MANDATE**

That:-

(a) for the purposes of Section 76C and 76E of the Companies Act, 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 Rules of Catalist, 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 Annual General Meeting of the Company ("**AGM**") 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 Shareholders in 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 Rules of Catalist, 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 Shareholders, 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 (iv)] **(Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING

9. **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 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 issued pursuant to the Performance Share Plan and any other share-based incentive schemes of the Company shall not exceed fifteen per cent (15%) of the total number of shares excluding treasury shares of the Company from time to time.
[See Explanatory Note (v)] **(Resolution 8)**

10. **EUROSPORTS 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 shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Scheme, provided always that the aggregate number of shares to be issued pursuant to the Scheme and any other share-based incentive schemes of the Company shall not exceed fifteen per cent (15%) of the total number of issued shares excluding treasury shares of the Company from time to time.
[See Explanatory Note (vi)] **(Resolution 9)**

By Order of the Board

Loh Lee Eng
Joint Company Secretary
Singapore, 11 July 2016

Notes:

1. Save as provided in the Constitution, a member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

3. Where an instrument appointing a proxy or proxies 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.

4. The instrument appointing a proxy or proxies, duly executed must be deposited at the Registered Office of the Company at 30 Teban Gardens Crescent, Singapore 608927 not less than 48 hours before the time appointed for holding the Annual General Meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney duly authorised.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

EXPLANATORY NOTES:

(i) Mr Ng Tiak Soon, upon re-election as a Director of the Company, will remain as the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee of the Company. Mr Ng is the Lead Independent Director.

(ii) Mr Lim Kim Quee, upon re-election as a Director of the Company, will remain as the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee of the Company. Mr Lim is an Independent Director.

(iii) **Resolution 6** proposed in item 7. above, if passed, is to 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 6 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per cent (100%) of the total number of issued shares excluding treasury shares of the Company, with a sub-limit of fifty per cent (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 shareholders with registered addresses in Singapore. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding treasury shares of the Company will be calculated based on the total number of issued shares excluding treasury shares of the Company at the time of the passing of Resolution 6, 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 Resolution 6, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.

(iv) **Resolution 7** is to empower the Directors from the date of the above Meeting until the next Annual General Meeting to purchase or otherwise acquire issued ordinary Shares by way of market purchases or off-market purchases of up to ten per cent (10%) of the total number of issued Shares (excluding treasury shares) at the Maximum Price in accordance with the terms and conditions set out in Appendix dated 11 July 2016 to this Notice of Annual General Meeting, the Companies Act and the Rules of Catalist. Please refer to Appendix dated 11 July 2016 circulated together with the Company's Annual Report for details.

(v) **Resolution 8** proposed in item 9. above, if passed, is to authorise the Directors to offer and grant awards in accordance with the provisions of the Performance Share Plan and to allot and issue shares thereunder.

NOTICE OF ANNUAL GENERAL MEETING

(vi) **Resolution 9** proposed in item 10. above, if passed, is to authorise 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 fifteen per cent (15%) of the total number of issued shares excluding treasury shares of the Company for the time being.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This Notice of Annual General Meeting ("**Notice**") 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 Notice.

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

The contact person for the Sponsor is Mr Eric Wong, Director, Investment Banking, Singapore. The contact particulars are 50 Raffles Place, #09-01, Singapore Land Tower, Singapore 048623, telephone: +65 6337 5115.

PROXY FORM
(Please see notes overleaf before completing this Form)

EUROSPORTS GLOBAL LIMITED
(Incorporated in Singapore)
(Registration No. 201230284Z)

IMPORTANT:
1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Scheme") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRA Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We,_____________________________________NRIC/Passport/Company Registration No.____________________________

of ____

being a member/members of EuroSports Global Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or failing him/her (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company ("Meeting") to be held at Raffles Hotel Singapore, Casuarina Suite A, Level 3, 1 Beach Road, Singapore 189673 on Thursday, 28 July 2016 at 2.00 p.m. and at any adjournment thereof.

The proxy/proxies shall vote on the Resolutions set out in the notice of Meeting in accordance with my/our directions as indicated with an "x" in the appropriate space below. Where no such direction is given, the proxy/proxies may vote or abstain from voting at his/their discretion, on any matter at the Meeting or at any adjournment thereof.

No.	Resolutions relating to:	For	Against
	ROUTINE BUSINESS		
1	Adoption of the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2016 and the Auditors' Report thereon **(Resolution 1)**		
2	Re-election of Mr Ng Tiak Soon as a Director **(Resolution 2)**		
3	Re-election of Mr Lim Kim Quee as a Director **(Resolution 3)**		
4	Approval of Directors' fees amounting to S$120,000 for the financial year ending 31 March 2017, to be paid quarterly in arrears **(Resolution 4)**		
5	Re-appointment of Messrs RSM Chio Lim LLP as Auditors **(Resolution 5)**		
6	Any other business		
	SPECIAL BUSINESS		
7	Authority for Directors to allot and issue new shares **(Resolution 6)**		
8	Approval of the renewal of the Share Purchase Mandate **(Resolution 7)**		
9	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 **(Resolution 8)**		
10	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 **(Resolution 9)**		

* Please indicate your vote "For" or "Against" with a tick (x) within the box provided.

Dated this ________________ day of ______________ 2016

Total Number of Shares held in:	
CDP Register	
Register of Members	

____
Signature(s) of member(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. 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, Chapter 289 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 form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint up to two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 30 Teban Gardens Crescent, Singapore 608927 not less than 48 hours before the time set for holding the meeting.

4. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).

6. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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 or proxies 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.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50 and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

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

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 July 2016.

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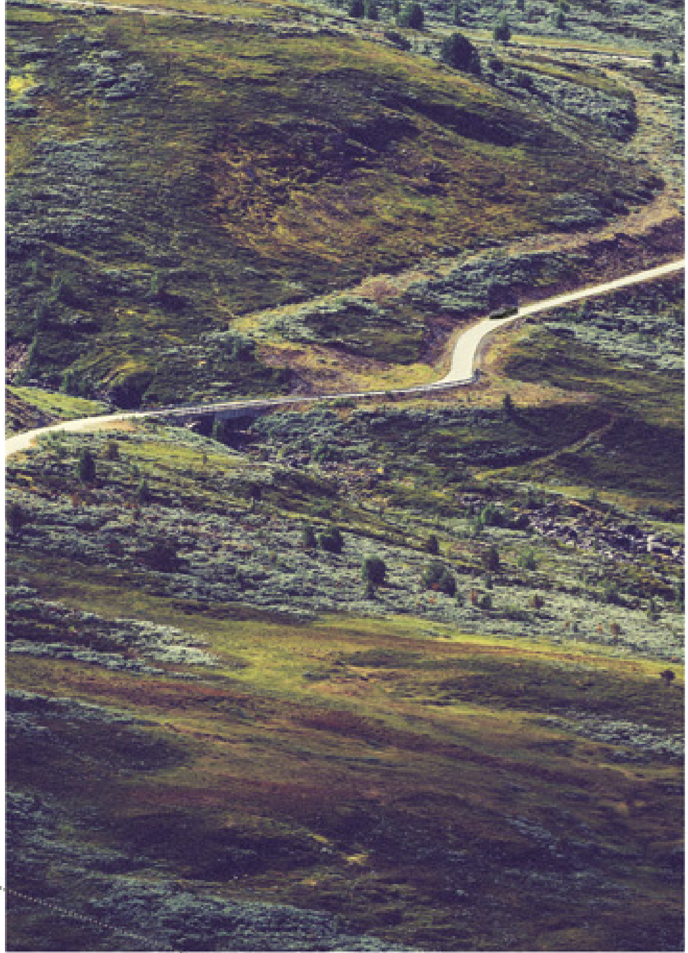

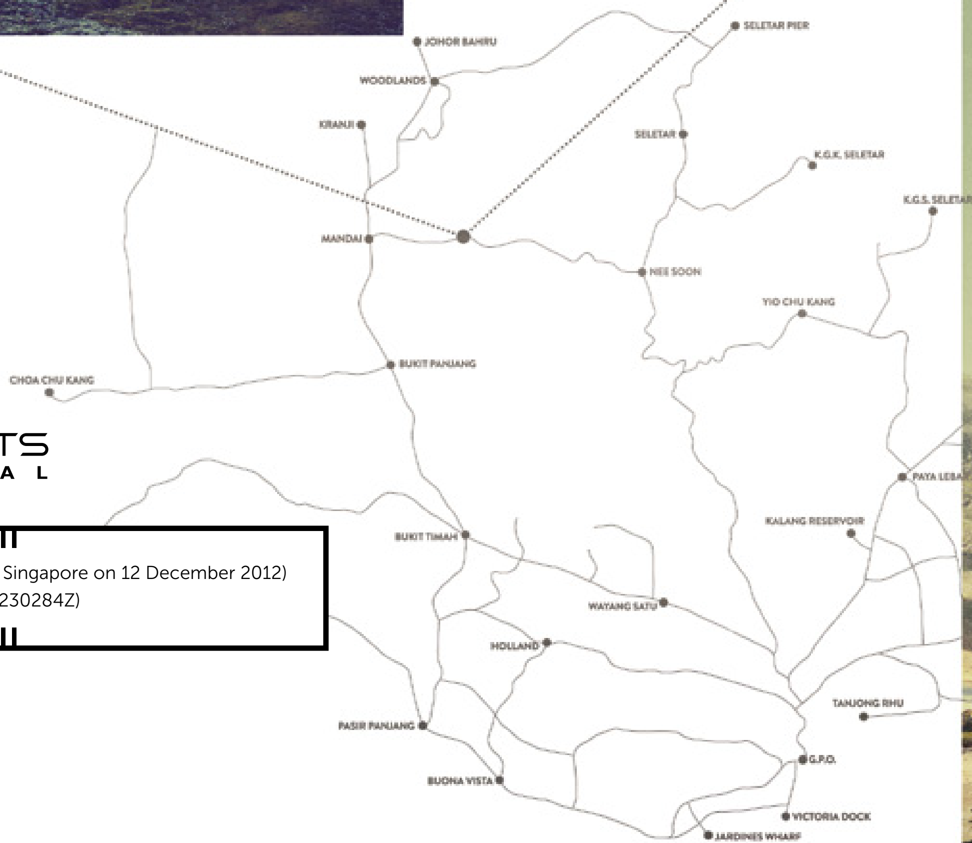

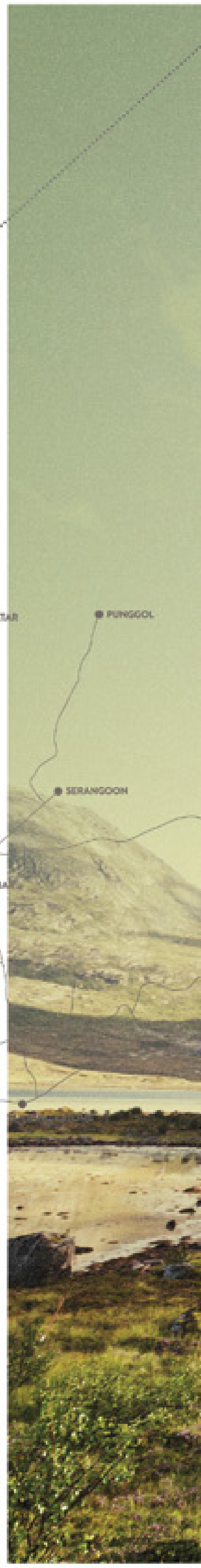

EUROSPORTS
GLOBAL

(Incorporated in the Republic of Singapore on 12 December 2012)
(Company Registration No.: 201230284Z)

EUROSPORTS
GLOBAL LIMITED

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