

EUROSPORTS GLOBAL LIMITED

Company Registration Number: 201230284Z

**Full Year Financial Statements and Related Announcement
For The Financial Year Ended 31 March 2016**

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

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

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PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

	Group		Increase/ (Decrease) %
	Year Ended 31 March		
	2016 S\$'000	2015 S\$'000	
Revenue	63,531	40,374	57.4
Cost of Sales	(55,403)	(33,018)	67.8
Gross Profit	8,128	7,356	10.5
Other Income	8,540	6,471	32.0
Interest Income	120	71	67.3
Other Credits (Charges), net	85	(1,467)	n.m. ⁽¹⁾
Marketing and Distribution Expenses	(3,454)	(3,320)	4.0
Administrative Expenses	(16,781)	(13,788)	21.7
Finance Costs	(1,052)	(164)	540.0
Loss Before Tax	(4,414)	(4,841)	(8.8)
Income Tax Expense	(188)	(68)	178.2
Loss, Net of Tax	(4,602)	(4,909)	(6.3)
Total Comprehensive Loss	(4,602)	(4,909)	(6.3)
Loss, Net of Tax and Total Comprehensive Loss			
Attributable to:			
Owners of the Company	(4,496)	(4,020)	11.8
Non-Controlling Interest	(106)	(889)	(88.0)
	(4,602)	(4,909)	(6.3)
Loss Per Share (Cents)			
Basic and Diluted	(1.70)	(1.52)	11.8

Note:

(1) n.m. denotes not meaningful

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

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

	Group		Increase/ (Decrease) %
	Year Ended 31 March		
	2016	2015	
	S\$'000	S\$'000	
Other Income			
Commission Income	2,672	1,473	81.5
Rental Income	1,646	1,236	33.2
- <i>includes leasing income</i>	850	560	51.8
Deferred Income	3,333	3,333	-
Other Income	889	429	107.2
Other Credits (Charges), Net			
Allowance for Impairment on Trade Receivables	(30)	(49)	(38.6)
Bad Trade Debts Written Off	(9)	(15)	(36.0)
Foreign Exchange Adjustments Gain	115	33	250.0
Gain on Disposal of Property, Plant and Equipment	9	22	(60.7)
Impairment Loss on Intangibles (Goodwill)	-	(1,969)	(100.0)
Other Payables Written Back	-	511	(100.0)
Marketing and Distribution Expenses			
Advertising and Promotions	(2,282)	(2,493)	(8.5)
Sales Commission Expense	(587)	(339)	73.3
Entertainment	(427)	(353)	21.0
Administrative Expenses			
Employee Benefits Expense	(5,876)	(4,739)	24.0
Rental Expense	(5,477)	(4,357)	25.7
- <i>includes Amortisation of Land Premium</i>	(539)	(528)	2.1
Depreciation Expense	(1,640)	(1,452)	13.0
Professional Fees	(447)	(629)	(29.0)
Property Tax	(651)	(432)	50.7
Income Tax Expense			
Current Tax Expense	-	-	-
Under Adjustments to Current Tax in respect of Prior Periods	(188)	(68)	178.2

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

	Group		Company	
	As at		As at	
	31-Mar-16 S\$'000	31-Mar-15 S\$'000	31-Mar-16 S\$'000	31-Mar-15 S\$'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	24,259	23,045	-	-
Investment in Subsidiaries	-	-	7,953	7,953
Other Assets, Non-Current	90	640	-	-
Total Non-Current Assets	24,349	23,685	7,953	7,953
Current Assets				
Inventories	52,216	33,329	-	-
Trade and Other Receivables	3,232	1,981	9,892	11,385
Other Assets, Current	3,946	3,577	107	44
Cash and Cash Equivalents	6,655	9,581	32	191
Total Current Assets	66,049	48,468	10,031	11,620
Total Assets	90,398	72,153	17,984	19,573
EQUITY AND LIABILITIES				
Equity				
Share Capital	18,469	18,469	18,469	18,469
Retained Earnings (Accumulated Losses)	1,988	6,484	(616)	757
Equity Attributable to Owners of Company	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				
Financial Liabilities, Non-Current	14,788	10,307	-	-
Other Liabilities, Non-Current	9,867	13,199	-	-
Total Non-Current Liabilities	24,655	23,506	-	-
Current Liabilities				
Income Tax Payable	139	135	-	-
Trade and Other Payables	8,186	1,447	131	347
Financial Liabilities, Current	20,110	7,394	-	-
Other Liabilities, Current	16,846	14,607	-	-
Total Current Liabilities	45,281	23,583	131	347
Total Equity and Liabilities	90,398	72,153	17,984	19,573

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

	As at 31-Mar-16		As at 31-Mar-15	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	20,110	-	7,394	-
Amount repayable after one year	14,788	-	10,307	-

Details of Collaterals

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

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

As at 31 March 2015, the Group’s borrowings are secured by:

- A legal mortgage over the leasehold properties under construction in progress
- A fixed and floating charge over inventories
- Corporate guarantee by the Company
- Finance leases are secured by the lessor’s charge over the leased assets

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

	Group	
	Year Ended 31 March	
	2016	2015
	S\$'000	S\$'000
<u>Cash Flows Used in Operating Activities</u>		
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	539	528
Gain on Disposal of Property, Plant and Equipment	(9)	(22)
Impairment Loss on Inventories	578	-
Impairment Loss on Intangibles (Goodwill)	-	1,969
Interest Income	(120)	(71)
Interest Expense	1,052	164
Operating Cash Flows Before Changes in Working Capital	(4,067)	(4,154)
Inventories	(19,465)	(12,897)
Trade and Other Receivables	(1,251)	(602)
Other Assets	(358)	788
Other Liabilities	2,240	5,730
Trade and Other Payables	6,740	(2,007)
Net Cash Flows Used in Operations	(16,161)	(13,142)
Income Taxes Paid	(184)	(68)
Net Cash Flows Used in Operating Activities	(16,345)	(13,210)
<u>Cash Flows Used in Investing Activities</u>		
Net Cash Used in Acquisition of a Subsidiary	-	(1,356)
Purchase of Property, Plant and Equipment	(2,846)	(4,303)
Disposal of Property, Plant and Equipment	-	116
Interest Received	120	71
Net Cash Flows Used in Investing Activities	(2,726)	(5,472)
<u>Cash Flows From (Used in) Financing Activities</u>		
Increase of Financial Liabilities	18,903	3,639
Finance Lease Repayment	(1,706)	(1,946)
Dividends Paid to Equity Owners	-	(7,420)
Interest Paid	(1,052)	(164)
Net Cash Flows From (Used in) Financing Activities	16,145	(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	6,295⁽¹⁾	9,221⁽¹⁾

Notes:

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

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

	Group					
	Share Capital	Merger Reserves	Retained Earnings	Attributable to Owners of the Company	Non- Controlling Interest	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 April 2015	18,469	-	6,484	24,953	111	25,064
Movements in Equity:						
Total Comprehensive Loss for the Year	-	-	(4,496)	(4,496)	(106)	(4,602)
As at 31 March 2016	18,469	-	1,988	20,457	5	20,462
As at 1 April 2014	18,469	(4,453)	22,377	36,393	-	36,393
Movements in Equity:						
Total Comprehensive Loss for the Year	-	-	(4,020)	(4,020)	(889)	(4,909)
Transferred to Retained Earnings	-	4,453	(4,453)	-	-	-
Effects of Acquisition of a Subsidiary	-	-	-	-	1,000	1,000
Dividends Paid	-	-	(7,420)	(7,420)	-	(7,420)
As at 31 March 2015	18,469	-	6,484	24,953	111	25,064

	Company		
	Share Capital	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000
As at 1 April 2015	18,469	757	19,226
Movements in Equity:			
Total Comprehensive Loss for the Year	-	(1,373)	(1,373)
As at 31 March 2016	18,469	(616)	17,853
As at 1 April 2014	18,469	(1,733)	16,736
Movements in Equity:			
Total Comprehensive Income for the Year	-	9,910	9,910
Dividends Paid	-	(7,420)	(7,420)
As at 31 March 2015	18,469	757	19,226

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

	Company	
	Number of Ordinary Shares	Issued and Paid-up Share Capital S\$
Issued and paid up share capital as at 31 March 2015 and 31 March 2016	265,000,000	18,469,317

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

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

	Number of Ordinary Shares	
	As at	
	31-Mar-16	31-Mar-15
Total number of issued shares excluding treasury shares	265,000,000	265,000,000

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

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

Not applicable.

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

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

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

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as compared to its audited financial statements for the financial year ended 31 March 2015.

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

In the current financial period, the Group has adopted all the new and revised financial reporting standards (“**FRS**”) and Interpretations of FRS (“**INT FRS**”) that are relevant to the Group and effective for the financial period beginning 1 April 2015. The adoption of these new and revised FRS and INT FRS does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior years.

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

	Group	
	Year Ended 31 March	
	2016	2015
Loss, Net of Tax Attributable to Owners of the Company (S\$'000)	(4,496)	(4,020)
Weighted Average Number of Ordinary Shares	265,000,000	265,000,000
Loss Per Share - Basic and Diluted (cents)	(1.70)	(1.52)

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

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

	Group		Company	
	As at		As at	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
NAV per Ordinary Shares (cents)	7.72	9.42	6.74	7.26
Equity Attributable to Owners of the Company (S\$'000)	20,457	24,953	17,853	19,226
Number of Shares used in computation of NAV per Ordinary Shares ('000)	265,000	265,000	265,000	265,000

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) Review of Group's Performance

Revenue

Revenue increased by approximately S\$23.12 million or 57.4%, from S\$40.37 million in FY2015 to S\$63.53 million in FY2016.

- (a) Sale of automobiles increased by approximately S\$21.73 million or 64.8%, from S\$33.51 million in FY2015 to S\$55.24 million in FY2016. This was mainly due to:
 - (i) Increase in sales of new automobiles of S\$10.63 million as a result of (i) more Lamborghini models sold; (ii) more competitive selling price of new Lamborghini automobiles; (iii) new leasing program with the finance company; and (iv) attractive trade-in package. 31 new Lamborghini automobiles were sold in FY2016 compared to 13 new Lamborghini automobiles in FY2015.
 - (ii) Increase in sales of pre-owned automobiles of S\$11.10 million as a result of full year contribution of revenue in FY2016 by the new subsidiary acquired in August 2014 which deals mainly in the sale of pre-owned automobiles and provision of after-sales services, whereas in FY2015, there was only 8 months of revenue contribution by the subsidiary.
- (b) The increase in sales of deLaCour watches is approximately S\$0.88 million or 64.5% from S\$1.37 million in FY2015 to S\$2.25 million in FY2016. The increase was due to the number of watches sold are higher by approximately 44% in FY2016 as compared to FY2015 following the opening of deLaCour Boutique at Wisma Atria in December 2014.
- (c) The increase of revenue from provision of after-sales services is approximately S\$0.55 million or 10.0%, from S\$5.50 million in FY2015 to S\$6.05 million in FY2016 which is in line with the increase in car sales.

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 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\$2.11 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 X30 Challenge event.

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 3 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:

- (i) an increase in property tax of S\$0.22 million due to upwards revision of assessment;
- (ii) an increase in employee benefits expenses of S\$1.14 million due to an increase in headcounts as well as accruals for bonus;
- (iii) an increase in rental expense of S\$1.12 million mainly due to opening of deLaCour Boutique at Wisma Atria in December 2014 as well as Lamborghini display and retail store at Suntec City Mall in November 2015; and
- (iv) 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.

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, we record a loss after tax of S\$4.60 million in FY2016, which is S\$0.31 million lower as compared to loss after tax of S\$4.91 million in FY2015. The 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.

(b) Review of Group's Financial Position

Non-Current Assets

Non-current assets increased by S\$0.67 million from S\$23.68 million as at 31 March 2015 to S\$24.35 million as at 31 March 2016. This was mainly due to increase in property, plant and equipment of S\$1.21 million arising mainly from additions of motor vehicles which was offset by decrease in other assets of S\$0.55 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\$17.58 million from S\$48.47 million as at 31 March 2015 to S\$66.05 million as at 31 March 2016. The increase in current assets was mainly due to:

- (i) Increase in trade and other receivables of S\$1.25 million mainly due to balances from automobile customers; and
- (ii) Increase in inventories of S\$18.89 million mainly due to increase in inventories of new automobiles and pre-owned automobiles of S\$11.20 million and S\$7.61 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 has agreed not to exercise the indemnity for the repayment of S\$1.90 million by 31 May 2016. The Board of Directors further agrees 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 increased by S\$1.15 million from S\$23.51 million as at 31 March 2015 to S\$24.66 million as at 31 March 2016. The increase was mainly due to increase in non-current financial liabilities of S\$4.48 million which was offset by decrease in non-current other liabilities of S\$3.33 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\$21.70 million from S\$23.58 million as at 31 March 2015 to S\$45.28 million as at 31 March 2016 mainly due to:

- (i) Increase in trade and other payables of S\$6.74 million; The increase was mainly due to more purchases of new automobiles particularly in March 2016 as compared to last reporting period;
- (ii) Increase in financial liabilities of S\$12.72 million arising mainly from increases in short-term bank borrowings; and
- (iii) Increase in other liabilities of S\$2.24 million mainly due to an increase of S\$2.18 million of deposit received.

Review of Group's Cash Flows

In FY2016, the net cash used in operating activities amounted to S\$16.34 million. This comprises negative operating cash flows before changes in working capital of S\$4.07 million, adjusted by net working capital outflow of S\$12.09 million and taxed paid of S\$0.18 million. The net working capital outflow was mainly due to increase in inventories of S\$19.46 million, trade and other receivables of S\$1.25 million and other assets of S\$0.36 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\$6.74 million arising from more purchases of automobiles particularly near financial year end.

Net cash used in investing activities amounted to S\$2.73 million in FY2016. This was mainly due to the purchases of property, plant and equipment of S\$2.85 million, which was offset by interest received of S\$0.12 million.

Net cash from financing activities amounted to S\$16.15 million in FY2016. This was mainly due to increase in financial liabilities of S\$18.90 million which was offset by finance lease repayment of S\$1.70 million and interest paid of S\$1.05 million.

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

Following the opening of new Lamborghini display and retail store at Suntec City Mall as well as the launching of two new variants of the Lamborghini model Huracán, the Group managed to increase its sale by S\$23.11 million year-on-year and S\$6.88 million as compared to 2HFY2015 which was in line with what was disclosed in Section 10 of the Company's results announcement released on 29 October 2015.

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

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

On 1 April 2016, a new subsidiary was incorporated with principal activities of renting of high end luxury vehicles with or without operator. The new subsidiary will commence business by end of May and is expected to increase the revenue of the Group for FY2017.

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

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

None.

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

None.

(c) The date the dividend is payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared (recommended).

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

The Company has not obtained an IPT mandate.

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

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

15. Use of Proceeds

In accordance with the section entitled “Use of Proceeds and Listing Expenses” in the Offer Document, and as at 31 March 2016, the Company wishes to announce that the net proceeds of approximately S\$8.46 million have been utilised as follows:

	Amount allocated as stated in the Offer Document (S\$' million)	Amount utilised as at 31 March 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⁾	-
	8.46	3.96	4.50

Notes:

- (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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

The Group has two reportable segments as described below:

- (i) Automobiles distribution business retails new luxury automobiles as well as pre-owned automobiles; and
- (ii) Watches business comprising trading and distribution of watches and related accessories.

	Group	
	Year Ended 31 March	
	2016	2015
	S\$'000	S\$'000
Segment Revenue		
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)
Segment Asset		
Automobiles distribution	116,112	92,136
Watches business	4,371	4,601
Elimination of Inter-Segment Assets	(30,085)	(24,584)
Total	90,398	72,153
Segment Liability		
Automobiles distribution	91,936	62,069
Watches business	5,372	4,926
Elimination of Inter-Segment Liabilities	(27,372)	(19,906)
Total	69,936	47,089
Depreciation		
Automobiles distribution	1,555	1,425
Watches business	85	27
Total	1,640	1,452

	Group	
	Year Ended 31 March	
	2016	2015
	S\$'000	S\$'000
Finance Cost		
Automobiles distribution	1,002	160
Watches business	50	4
Total	1,052	164

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

Refer to Section 8 for details.

18. A breakdown of sales as follows:

	Group		
	Year Ended 31 March		
	2016	2015	Increase/ (Decrease)
	S\$'000	S\$'000	%
(a) Sales reported for first half year	32,030	15,799	102.7
(b) Operating loss after tax before deducting minority interests reported for first half year	(1,605)	(3,167)	(49.3)
(c) Sales reported for second half year	31,501	24,575	28.2
(d) Operating loss after tax before deducting minority interests reported for second half year	(2,997)	(1,742) ⁽¹⁾	72.0

Note:

(1) Operating loss after tax before minority interests is after charging a one-time loss of S\$1.97 million arising from impairment of goodwill on the acquisition of a subsidiary.

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

No dividends were declared for FY2015 and FY2016.

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

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

By Order of the Board
EuroSports Global Limited

Melvin Goh
Executive Chairman and CEO

27 May 2016