

EUROSPORTS GLOBAL LIMITED

Company Registration Number: 201230284Z

**Half Year Financial Statements and Related Announcement
For The Six Months Financial Period Ended 30 September 2014**

*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) %
	Six Months Ended		
	30-Sep-14 S\$'000	30-Sep-13 S\$'000	
Revenue	15,799	26,874	(41.2)
Cost of Sales	(13,528)	(20,493)	(34.0)
Gross Profit	2,271	6,381	(64.4)
Other Income	2,939	1,657	77.4
Interest Income	33	2	n.m. ⁽¹⁾
Other Credits (Charges), Net	(23)	82	n.m. ⁽¹⁾
Marketing and Distribution Expenses	(1,718)	(1,515)	13.4
Administrative Expenses	(6,581)	(4,231)	55.5
Finance Costs	(72)	(268)	(73.2)
(Loss) Profit Before Tax	(3,151)	2,108	(249.5)
Income Tax Expense	(16)	(223)	(92.7)
(Loss) Profit, Net of Tax	(3,167)	1,885	(268.0)
Total Comprehensive (Loss) Income	(3,167)	1,885	(268.0)
(Loss) Profit, Net of Tax and Total Comprehensive (Loss) Income			
Attributable to:			
Owners of the Company	(3,133)	1,885	(266.2)
Non-Controlling Interest	(34)	-	n.m. ⁽¹⁾
	(3,167)	1,885	(268.0)
(Loss) Earnings Per Share (Cents)			
Basic and Diluted	(1.18)	0.84	(241.1)

Note:

(1) n.m. denotes not meaningful

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

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

	Group		Increase/ (Decrease) %
	Six Months Ended		
	30-Sep-14	30-Sep-13	
	S\$'000	S\$'000	
Other Income:			
Commission Income	453	832	(45.5)
Rental Income	552	354	56.1
Deferred Income	1,667	224	643.1
Other Income	267	247	8.0
Other Credits (Charges), Net:			
Allowance for Impairment on Trade Receivables	(31)	-	n.m. ⁽¹⁾
Foreign Exchange Adjustments Gains (Losses)	21	(14)	248.5
(Loss) Gain on Disposal of Property, Plant and Equipment	(13)	96	(113.9)
Administrative Expense			
Depreciation of Property, Plant and Equipment	(761)	(908)	(16.1)
Income Tax Expense:			
Current Tax Expense	-	(223)	(100.0)
Under Adjustments to Current Tax in respect of Prior Periods	(16)	-	n.m. ⁽¹⁾

Note:

(1) n.m. denotes not meaningful

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

	Group		Company	
	As at		As at	
	30-Sep-14	31-Mar-14	30-Sep-14	31-Mar-14
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	22,871	19,517	-	-
Intangible Assets	2,470	-	-	-
Investment in Subsidiaries	-	-	9,753	7,953
Other Assets, Non-Current	904	1,161	-	-
Total Non-Current Assets	26,245	20,678	9,753	7,953
Current Assets				
Inventories	23,625	19,574	-	-
Trade and Other Receivables	2,873	1,379	8,202	8,866
Other Assets, Current	3,329	4,251	74	17
Cash and Cash Equivalents	16,121	34,154	882	-
Total Current Assets	45,948	59,358	9,158	8,883
Total Assets	72,193	80,036	18,911	16,836
EQUITY AND LIABILITIES				
Equity				
Share Capital	18,469	18,469	18,469	18,469
Merger Reserves	(4,453)	(4,453)	-	-
Retained Earnings (Accumulated Losses)	11,824	22,377	(22)	(1,733)
Equity Attributable to Owners of Company	25,840	36,393	18,447	16,736
Non-Controlling Interest	1,166	-	-	-
Total Equity	27,006	36,393	18,447	16,736
Non-Current Liabilities				
Other Financial Liabilities, Non-Current	10,871	12,149	-	-
Other Liabilities, Non-Current	14,866	16,532	-	-
Total Non-Current liabilities	25,737	28,681	-	-
Current Liabilities				
Income Tax Payable	135	135	-	-
Trade and Other Payables	3,398	3,454	164	100
Other Financial Liabilities, Current	4,844	2,640	-	-
Other Liabilities, Current	11,073	8,733	300	-
Total Current Liabilities	19,450	14,962	464	100
Total Equity and Liabilities	72,193	80,036	18,911	16,836

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 30-Sep-14		As at 31-Mar-14	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	4,844	-	2,640	-
Amount repayable after one year	10,871	-	12,149	-

Details of Collaterals

As at 30 September 2014 and 31 March 2014, the Group's borrowings are secured by:

- Legal mortgages over leasehold properties under construction in progress
- Joint and several guarantees from the Executive Directors of the Company
- Fixed and floating charges over inventories
- A 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	
	Six Months Ended	
	30-Sep-14 S\$'000	30-Sep-13 S\$'000
<u>Cash Flows From Operating Activities</u>		
(Loss) Profit before Tax	(3,151)	2,108
Adjustments for:		
Deferred Income	(1,667)	(224)
Depreciation of Property, Plant and Equipment	761	908
Amortisation of Other Assets	264	-
Loss (Gain) on Disposal of Property, Plant and Equipment	13	(96)
Interest Income	(33)	(2)
Interest Expense	72	268
Operating Cash Flows before Changes in Working Capital	(3,741)	2,962
Inventories	(3,758)	3,706
Trade and Other Receivables	(1,494)	(833)
Other Assets	1,036	(1,048)
Other Liabilities	1,897	(1,336)
Trade and Other Payables	(56)	(351)
Net Cash Flows (Used in) From Operations	(6,116)	3,100
Income Taxes Paid	(16)	(1,109)
Net Cash Flows (Used in) From Operating Activities	(6,132)	1,991
 <u>Cash Flows Used in Investing Activities</u>		
Net Cash Used in Acquisition of a subsidiary	(1,356)	-
Purchase of Property, Plant and Equipment	(2,989)	(3,300)
Disposal of Property, Plant and Equipment	87	99
Interest Received	33	2
Net Cash Flows Used In Investing Activities	(4,225)	(3,199)

	Group	
	Six Months Ended	
	30-Sep-14	30-Sep-13
	S\$'000	S\$'000
<u>Cash Flows Used in Financing Activities</u>		
Increase (Decrease) of Other Financial Liabilities	1,476	(1,474)
Finance Lease Repayment	(1,660)	(863)
Dividends Paid to Equity Owners	(7,420)	-
Interest Paid	(72)	(268)
Net Cash Flows Used In Financing Activities	(7,676)	(2,605)
Net Decrease in Cash and Cash Equivalents	(18,033)	(3,813)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	33,794	3,682
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	15,761⁽¹⁾	(131)⁽²⁾

Notes:

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

(2) Cash and cash equivalents is net of cash restricted in use over 3 months of S\$0.36 million and bank overdrafts of S\$1.06 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 2014	18,469	(4,453)	22,377	36,393	-	36,393
Movements in Equity:						
Total Comprehensive Loss for the Year	-	-	(3,133)	(3,133)	(34)	(3,167)
Effects of Acquisition of a Subsidiary	-	-	-	-	1,200	1,200
Dividends Paid	-	-	(7,420)	(7,420)	-	(7,420)
As at 30 September 2014	18,469	(4,453)	11,824	25,840	1,166	27,006
As at 1 April 2013	3,500	-	5,357	8,857	-	8,857
Movements in Equity:						
Total Comprehensive Income for the Year	-	-	1,885	1,885	-	1,885
As at 30 September 2013	3,500	-	7,242	10,742	-	10,742

	Company			
	Share Capital	Merger Reserves	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 April 2014	18,469	-	(1,733)	16,736
Movements in Equity:				
Total Comprehensive Income for the Year	-	-	9,131	9,131
Dividends Paid	-	-	(7,420)	(7,420)
As at 30 September 2014	18,469	-	(22)	18,447
As at 1 April 2013 and 30 September 2013	_(1)	-	-	_(1)

Note:

(1) Amount less than S\$1,000.

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 1 April 2013 and 30 September 2013	2	2
Issue of new shares pursuant to the Restructuring Exercise	224,999,998	7,952,861
Issued and paid-up shares immediately after the Restructuring Exercise ⁽¹⁾	225,000,000	7,952,863
New shares issued pursuant to the IPO	40,000,000	11,200,000
Share issuance expense	-	(683,546)
Issued and paid up share capital as at 31 March 2014 and 30 September 2014	265,000,000	18,469,317

Note:

(1) As part of the Restructuring Exercise, on 29 November 2013, the Company increased its issued and paid-up share capital to S\$7,952,863 with the issue of 224,999,998 new ordinary shares for the consideration of S\$7,952,861 to Melvin Goh and Andy Goh, the controlling shareholders of the Company. For more information, please refer to the section entitled “Share Capital” in the Offer Document.

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	
	30-Sep-14	31-Mar-14
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 year and as 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 2014.

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 2014. 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	
	Six Months Ended	
	30-Sep-14	30-Sep-13
(Loss) Profit, Net of Tax Attributable to Owners of the Company (S\$’000)	(3,133)	1,885
Weighted Average Number of Ordinary Shares	265,000,000	225,000,000 ⁽¹⁾
(Loss) Earnings Per Share - Basic and Diluted (cents)	(1.18)	0.84

Note:

(1) The issued and paid-up share capital of the Company as at 30 September 2013 of 225,000,000 assumes that the issue of shares pursuant to the Restructuring Exercise described in 1(d)(ii) above occurred on 1 April 2013.

(Loss) Earnings Per Share is computed based on the (Loss) Profit, 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	
	30-Sep-14 S\$’000	31-Mar-14 S\$’000	30-Sep-14 S\$’000	31-Mar-14 S\$’000
NAV per Ordinary Shares (cents)	10.19	13.73	6.96	6.32
Total Equity (S\$’000)	27,006	36,393	18,447	16,736
Number of Shares used in computation of NAV per Ordinary Shares	265,000,000	265,000,000	265,000,000	265,000,000

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

(a) Review of Group's Performance

Revenue

Revenue decreased by approximately S\$11.07 million or 41.2%, from S\$26.87 million in 1HFY2014 to S\$15.80 million in 1HFY2015.

Sale of automobiles decreased by approximately S\$9.79 million or 43.7%, from S\$22.41 million in 1HFY2014 to S\$12.62 million in 1HFY2015. The decrease was mainly due to a decrease in sale of new automobiles of S\$10.26 million mainly due to fewer Lamborghini models sold. 4 new Lamborghini automobiles were sold in 1HFY2015 compared to 12 new Lamborghini automobiles in 1HFY2014. The decrease in sales of new automobiles was mainly due to the implementation of new regulations related to increased additional registration fees and the tightening of loan financing restrictions. Lamborghini sales were also affected with no Gallardo models sold as the model has come to the end of its life cycle.

The decrease is offset by an increase in sale of pre-owned automobiles of S\$0.47 million mainly due to the higher number of pre-owned automobiles sold in 1HFY2015 (being 12 pre-owned automobiles), as compared to 7 pre-owned automobiles sold in 1HFY2014. The increase in sales of pre-owned automobiles was mainly due to the acquisition of a subsidiary which deals in pre-owned automobiles.

Sales of deLaCour watches decreased by approximately S\$0.62 million or 46.3%, from S\$1.33 million in 1HFY2014 to S\$0.71 million in 1HFY2015. The decrease was due to lower number of watches sold through distributors in 1HFY2015.

Revenue from provision of after-sales services decreased by S\$0.66 million or 21.3%, from S\$3.13 million in 1HFY2014 to S\$2.47 million in 1HFY2015. The decrease was due to a decrease in pre-delivery services relating to sales of new automobiles.

Cost of Sales

Cost of sales decreased by approximately S\$6.96 million or 34.0%, from S\$20.49 million in 1HFY2014 to S\$13.53 million in 1HFY2015. The decrease was mainly due to:

- (i) a decrease in cost of purchases of S\$5.29 million;
- (ii) a decrease in vehicle taxes and fees of S\$1.30 million; and
- (iii) a decrease in other costs of S\$0.37 million.

Gross Profit and Gross Profit Margin

Gross profit decreased by approximately S\$4.11 million or 64.4% from S\$6.38 million in 1HFY2014 to S\$2.27 million in 1HFY2015. Gross profit margin decreased from approximately 23.7% in 1HFY2014 to 14.4% in 1HFY2015 due to the increase in proportion of pre-owned automobiles sold in comparison to the new automobiles sold. In general, sales of pre-owned automobiles have lower gross profit margins compared to the sales of new automobiles.

Other Income

Other income increased by approximately S\$1.28 million or 77.4%, from S\$1.66 million in 1HFY2014 to S\$2.94 million in 1HFY2015. The increase was mainly due to an increase in deferred income of S\$1.44 million related to the completion of the sales and leaseback of 30 Teban Gardens Crescent on 17 March 2014, and an increase in leasing income of S\$0.16 million arising from increased number of leasing automobiles. The increase is offset by a decrease in commission income of S\$0.38 million.

Interest Income

Interest income increased by approximately S\$0.03 million, from approximately \$2,000 in 1HFY2014 to S\$0.03 million in 1HFY2015 mainly due to interest earned from fixed deposits.

Other Credits and Charges

Other credit decreased by approximately S\$0.10 million from S\$0.08 million in 1HFY2014 to a charge of S\$0.02 million in 1HFY2015. The decrease was mainly due to:

- (i) allowance for impairment on trade receivables of S\$0.03 million arising from motor insurance claims; and
- (ii) loss on disposal of property, plant and equipment of S\$0.01 million as compared to a gain of S\$0.10 million in 1HFY2014.

The decrease in other credit was offset by foreign exchange gain of S\$0.02 million compared to a foreign exchange loss of S\$0.01 million in 1HFY2014.

Marketing and Distribution Expenses

Marketing and distribution expenses increased by approximately S\$0.20 million or 13.4%, from S\$1.52 million in 1HFY2014 to S\$1.72 million in 1HFY2015. The increase was due to an increase in advertising and promotions expenses of S\$0.45 million which was mainly due to:

- (i) S\$0.21 million expenses on the launch events of new Lamborghini Huracán; and
- (ii) S\$0.22 million expenses on brand building activities held at Wisma Atria.

The increase in marketing and distribution expenses was partially offset by:

- (i) a decrease in the sales commission of S\$0.14 million due to lower sale of automobiles achieved in 1HFY2015; and
- (ii) a decrease in entertainment expenses of S\$0.09 million.

Administrative Expenses

Administrative expenses increased by approximately S\$2.35 million or 55.5% from S\$4.23 million in 1HFY2014 to S\$6.58 million in 1HFY2015. The increase was mainly due to:

- (i) an increase of rental expenses of S\$1.86 million mainly due to the leaseback of 30 Teban Gardens Crescent; and
- (ii) an increase in employee benefits expenses of S\$0.29 million due to an increase in headcounts arising from additional hiring of staff and from the acquisition of a subsidiary.

Finance Costs

Finance costs decreased by approximately S\$0.20 million or 73.2% from S\$0.27 million in 1HFY2014 to S\$0.07 million in 1HFY2015, mainly due to a decrease in the level of bank borrowings during 1HFY2015.

Income Tax Expense

Income tax expense decreased by approximately S\$0.20 million or 92.7% from S\$0.22 million in 1HFY2014 to S\$0.02 million in 1HFY2015, mainly due to losses in 1HFY2015.

Profit, Net of Tax

As a result of the above, a loss after tax of S\$3.17 million in 1HFY2015 is recorded, as compared a profit after tax of S\$1.89 million in 1HFY2014.

(b) Review of Group's Financial Position

Non-current Assets

Non-current assets increased by S\$5.56 million from S\$20.68 million as at 31 March 2014 to S\$26.24 million as at 30 September 2014 mainly due to:

- (i) an increase in property, plant and equipment of S\$3.35 million mainly due to additions in motor vehicles amounting to S\$3.29 million arising mainly from an increase in leasing automobiles; and
- (ii) an increase in intangible assets of S\$2.47 million relating to preliminary goodwill recognised from the acquisition of a subsidiary.

The increase was offset by a decrease in the non-current other assets of S\$0.26 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 decreased by S\$13.41 million from S\$59.36 million as at 31 March 2014 to S\$45.95 million as at 30 September 2014. The decrease in current assets was mainly due to:

- (i) a decrease in cash and cash equivalents of S\$18.03 million mainly due to the payment of dividends of S\$7.42 million and other uses of funds in operating, investing and other financing activities; and
- (ii) a decrease in other assets of S\$0.92 million mainly due to the decrease in deposit payment of S\$1.07 million relating to one Pagani automobile, which has been delivered to the Group and recognised as part of the Group's inventories.

The decrease in current assets was offset by:

- (i) an increase in inventories of S\$4.05 million mainly due to an increase in inventories of new automobiles of S\$8.03 million which was offset by a decrease of pre-owned automobiles of S\$4.36 million; and
- (ii) an increase in trade and other receivables of S\$1.49 million, mainly due to balances from a few customers.

Equity

Equity comprises share capital, retained earnings, merger reserves and non-controlling interest. The decrease in equity of S\$9.39 million was due to the payment of dividends of S\$7.42 million and loss for the period of S\$3.17 million, which was offset by an increase in non-controlling interest of S\$1.20 million arising from the acquisition of a subsidiary.

Non-Current Liabilities

Non-current liabilities decreased by S\$2.94 million from S\$28.68 million as at 31 March 2014 to S\$25.74 million as at 30 September 2014. The decrease was mainly due to:

- (i) a decrease in non-current other liabilities of S\$1.66 million. Non-current other liabilities comprises long-term portion of the deferred income recognised under the sales and leaseback arrangement; and
- (ii) a decrease in non-current other financial liabilities of S\$1.28 million. Non-current other financial liabilities decreased mainly due to the repayment of term loan of S\$0.37 million for the financing of the Group's leasehold properties at Chang Charn Road and repayment of hire-purchase finance leases relating to the Group's automobiles of S\$0.91 million.

Current Liabilities

Current liabilities increased by S\$4.49 million from S\$14.96 million to S\$19.45 million mainly due to:

- (i) an increase in other financial liabilities of S\$2.20 million arising mainly from increases in short-term bank borrowings; and

- (ii) an increase in current other liabilities of S\$2.34 million mainly due to an increase of S\$1.94 million of deposits received.

(c) Review of Group's Cash Flows

In 1HFY2015, the net cash used in operations amounted to S\$6.13 million. This comprises negative operating cash flows before changes in working capital of S\$3.74 million, adjusted by net working capital outflow of S\$2.37 million and taxes paid of S\$0.02 million. The net working capital outflow was mainly due to increases in inventories of S\$3.76 million and trade and other receivables of S\$1.49 million, which was offset by a decrease in other assets of S\$1.04 million and an increase in other liabilities of S\$1.90 million.

Net cash used in investing activities amounted to S\$4.23 million in 1HFY2015. This was mainly due to the purchases of property, plant and equipment of S\$2.99 million and net cash used in acquisition of a subsidiary of S\$1.36 million.

Net cash used in financing activities amounted to S\$7.68 million in 1HFY2015. This was mainly due to dividends paid of S\$7.42 million and finance lease repayment of S\$1.66 million which was offset by increase in other financial liabilities of S\$1.48 million.

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

The financial performance of the Group for the six months ended 30 September 2014 is generally in line with what was disclosed in the Section 10 of the Company's results announcement released on 27 May 2014. While we had mentioned previously that the launch date of the Alfa Romeo 4C model to be July 2014, due to delays from the manufacturer, the model will likely only be launched in early 2015.

The financial performance for 1HFY2015 is also in line with the profit guidance announcement released on 13 October 2014.

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, vehicle ownership is highly regulated in Singapore and market demand will be affected should the Singapore government impose policies that increase vehicle registration fees and financing restrictions. However, with the launch of Lamborghini's new Huracán model in September 2014, the Group expects the sales of new automobiles to pick up in the second half of FY2015. We are also opening a new deLaCour boutique at Wisma Atria in December 2014, which we hope will help us to drive more sales of the watches.

Moving forward, the Group will continue to explore the plans and strategies outlined in our Offer Document when we launched our IPO in January 2014. These plans include:

- (i) growing our distribution network for our existing products locally and into other emerging markets in the region;
- (ii) acquiring existing distributorships or dealerships for more luxury products to expand our product portfolio; and/or
- (iii) entering into strategic alliances or joint ventures, which we believe will complement our existing or future businesses.

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) Date 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 pursuant to the Rule 705(5) of the Listing Manual

The Board of Directors of the Company hereby confirms, to the best of its knowledge, nothing has come to its attention which may render the financial results for the half year ended 30 September 2014 to be false or misleading in any material aspect.

On behalf of the Board,

Melvin Goh
Executive Chairman and CEO

Andy Goh
Executive Director and Deputy CEO

15. Use of Proceeds

In accordance with the section entitled "Use of Proceeds and Listing Expenses" in the Offer Document, and as at 30 September 2014, 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 30 September 2014 (S\$' million)	Balance of net proceeds as at 30 September 2014 (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.

By Order of the Board
EuroSports Global Limited

Melvin Goh
Executive Chairman and CEO

11 November 2014