

**EUROSPORTS GLOBAL LIMITED**

Company Registration Number: 201230284Z

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**Full Year Financial Statements and Related Announcement  
For The Financial Year Ended 31 March 2019**

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*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**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST 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.*

*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 63375115.*

**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.**

	<b>Group</b>		Increase/ (Decrease) %
	<b>Year Ended 31 March 2019 S\$'000</b>	<b>2018 S\$'000 (Restated)</b>	
<b><u>Continuing Operations</u></b>			
Revenue	96,237	60,891	58.0
Cost of Sales	(80,296)	(52,107)	54.1
<b>Gross Profit</b>	<b>15,941</b>	<b>8,784</b>	
Other Income	7,559	9,421	(19.8)
Interest Income	46	2	n.m.
Other Charges, Net	(657)	(1,324)	(50.4)
Marketing and Distribution Expenses	(2,707)	(2,185)	23.9
Administrative Expenses	(18,488)	(17,264)	7.1
Finance Costs	(1,044)	(831)	25.6
<b>Profit (Loss) Before Tax from Continuing Operations</b>	<b>650</b>	<b>(3,397)</b>	
Income Tax Credit	6	-	n.m.
<b>Profit (Loss) from Continuing Operations, Net of Tax</b>	<b>656</b>	<b>(3,397)</b>	
<b><u>Discontinued Operation</u></b>			
Loss from Discontinued Operation, Net of Tax	(627)	(570)	10.0
<b>Profit (Loss), Net of Tax</b>	<b>29</b>	<b>(3,967)</b>	
<b>Profit (Loss), Net of Tax and Total Comprehensive Income (Loss) Attributable to:</b>			
Owners of the Company	(178)	(3,905)	(95.4)
Non-Controlling Interest	207	(62)	433.9
	<b>29</b>	<b>(3,967)</b>	
<b>Loss, Net of Tax and Total Comprehensive Loss Attributable to Owners of the Company:</b>			
Continuing Operations	449	(3,335)	113.5
Discontinued Operation	(627)	(570)	10.0
	<b>(178)</b>	<b>(3,905)</b>	
<b>Loss Per Share (Cents)</b>			
Basic and Diluted	<b>(0.07)</b>	<b>(1.47)</b>	(95.2)

Note:

(1) n.m. denotes not meaningful

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

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

	<b>Group</b>		Increase/ (Decrease) %
	<b>Year Ended 31 March</b>		
	<b>2019</b>	<b>2018</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	
		<b>(Restated)</b>	
<b><u>Continuing Operations</u></b>			
<b>Other Income</b>			
Commission Income	902	1,956	(53.9)
Rental Income	2,246	2,425	(7.4)
- <i>includes leasing income</i>	1,261	1,412	(10.7)
Deferred Income	3,333	3,333	n.m.
Other Income	1,078	1,707	(36.8)
<b>Other Charges, Net</b>			
Allowance for Impairment on Trade Receivables	(141)	(80)	76.3
Bad Trade Debts Written Off	(36)	(18)	100.0
Foreign Exchange Adjustments (Loss) Gain	(44)	52	(184.6)
Gain on Disposal of Plant and Equipment	227	23	887.0
Gain on Disposal of Subsidiary	237	-	100.0
Impairment Loss on Assets Held for Sale	(900)	(1,301)	(30.8)
<b>Marketing and Distribution Expenses</b>			
Advertising and Promotions	(1,433)	(1,203)	19.1
Sales Commission Expense	(763)	(518)	47.3
Entertainment	(396)	(379)	n.m.
<b>Administrative Expenses</b>			
Employee Benefits Expense	(5,277)	(5,363)	n.m.
Rental Expense	(7,075)	(6,267)	12.9
- <i>includes Amortisation of Land Premium</i>	(382)	(422)	(9.5)
Depreciation Expense	(2,062)	(2,140)	n.m.
Professional Fees	(976)	(453)	115.5
Property Tax	(433)	(444)	n.m.
<b>Income Tax Credit</b>			
Income Tax Refund	6	-	n.m.

Note:

(1) n.m. denotes not meaningful

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

	Group		Company	
	As at		As at	
	31-Mar-19 S\$'000	31-Mar-18 S\$'000	31-Mar-19 S\$'000	31-Mar-18 S\$'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Plant and Equipment	7,526	11,811	-	-
Intangible Assets	692	-	-	-
Investment in Subsidiaries	-	-	3,097	2,097
Trade and Other Receivables	822	-	275	-
<b>Total Non-Current Assets</b>	<b>9,040</b>	<b>11,811</b>	<b>3,372</b>	<b>2,097</b>
<b>Current Assets</b>				
Assets Held for Sale	14,286	15,186	-	-
Inventories	21,045	27,592	-	-
Trade and Other Receivables	5,668	3,727	7,599	5,196
Other Assets	2,445	2,497	67	65
Cash and Cash Equivalents	7,890	4,357	351	16
<b>Total Current Assets</b>	<b>51,334</b>	<b>53,359</b>	<b>8,017</b>	<b>5,277</b>
<b>Total Assets</b>	<b>60,374</b>	<b>65,170</b>	<b>11,389</b>	<b>7,374</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	18,047	18,469	18,047	18,469
Accumulated Losses	(10,063)	(9,885)	(12,956)	(11,203)
Equity Attributable to Owners of Company	7,984	8,584	5,091	7,266
Non-Controlling Interest	602	237	-	-
<b>Total Equity</b>	<b>8,586</b>	<b>8,821</b>	<b>5,091</b>	<b>7,266</b>
<b>Non-Current Liabilities</b>				
Other Financial Liabilities	7,338	4,273	6,000	-
Other Liabilities	-	3,433	-	-
<b>Total Non-Current Liabilities</b>	<b>7,338</b>	<b>7,706</b>	<b>6,000</b>	<b>-</b>
<b>Current Liabilities</b>				
Trade and Other Payables	11,515	8,478	298	108
Liabilities In Relation to Assets Held for Sale	7,881	8,620	-	-
Other Financial Liabilities	8,526	13,550	-	-
Other Liabilities	16,528	17,995	-	-
<b>Total Current Liabilities</b>	<b>44,450</b>	<b>48,643</b>	<b>298</b>	<b>108</b>
<b>Total Liabilities</b>	<b>51,788</b>	<b>56,349</b>	<b>6,298</b>	<b>108</b>
<b>Total Equity and Liabilities</b>	<b>60,374</b>	<b>65,170</b>	<b>11,389</b>	<b>7,374</b>

**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-19		As at 31-Mar-18	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	16,407	-	22,170	-
Amount repayable after one year	7,338	-	4,273	-

**Details of Collaterals**

As at 31 March 2019, the Group’s borrowings are secured by:

- (a) A legal mortgage over the assets held for sale
- (b) A fixed and floating charge over security deposits, inventories and accounts receivables
- (c) Corporate guarantee by the Company

As at 31 March 2018, the Group’s borrowings are secured by:

- (a) A legal mortgage over the assets held for sale
- (b) A fixed and floating charge over security deposits, inventories and accounts receivables
- (c) Joint and several guarantees by the Executive Directors of the Company
- (d) Corporate guarantee by the Company

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

	<b>Group</b>	
	<b>Year Ended 31 March</b>	<b>2018</b>
	<b>2019</b>	<b>2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Cash Flows From Operating Activities</u></b>		
Profit (Loss) before tax from Continuing Operations	650	(3,397)
Loss before tax from Discontinued Operation	(627)	(570)
Adjustments for:		
Deferred Income	(3,333)	(3,333)
Depreciation of plant and equipment	2,262	2,742
Amortisation of other assets	-	40
Impairment loss on assets held for sale	900	1,301
Impairment loss on plant and equipment	101	-
Gain on disposal of plant and equipment	(5)	(22)
Gain on disposal of subsidiary	(237)	-
Interest income	(46)	(2)
Interest expense	1,066	898
Operating Cash Flows From (Used In) Before Changes in Working Capital	731	(2,343)
Inventories	5,139	9,581
Trade and other receivables	(4,543)	(791)
Other assets	(308)	(1,094)
Other liabilities	(751)	(1,544)
Trade and other payables	6,480	3,694
Net Cash Flows From Operations	6,748	7,503
Income tax refund	6	-
<b>Net Cash Flows From Operating Activities</b>	<b>6,754</b>	<b>7,503</b>
<b><u>Cash Flows From (Used In) Investing Activities</u></b>		
Additions to intangible assets	(692)	-
Purchase of plant and equipment	(1,119)	(2,807)
Disposal of plant and equipment	2,678	290
Disposal of subsidiaries	177	-
Interest received	46	2
Purchase of treasury shares	(422)	-
<b>Net Cash Flows From (Used in) Investing Activities</b>	<b>668</b>	<b>(2,515)</b>
<b><u>Cash Flows Used In Financing Activities</u></b>		
Capital contribution by non-controlling interests of subsidiaries	-	245
(Decrease) Increase of other financial liabilities	(5,786)	673
Decrease of other liabilities	-	(3,481)
Finance lease repayment	(3,037)	(2,225)
Interest paid	(1,066)	(898)
Proceeds from issue of redeemable, convertible and exchangeable bond	6,000	-
Security deposits for bank facilities	(1,430)	(1,560)
<b>Net Cash Flows Used in Financing Activities</b>	<b>(5,319)</b>	<b>(7,246)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	2,103	(2,258)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	2,437	4,695
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance <sup>(1)</sup></b>	<b>4,540</b>	<b>2,437</b>

Notes:

(1) Cash and cash equivalents is net of security deposits for bank facilities of S\$3.35 million.

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

	Share Capital S\$'000	Accumulated losses S\$'000	Attributable to Owners of the Company S\$'000	Non- Controlling Interest S\$'000	Total Equity S\$'000
<b>As at 1 April 2018</b>	18,469	(9,885)	8,584	237	8,821
<b>Movements in Equity:</b>					
Disposal of Subsidiaries with a Change in Control	-	-	-	158	158
Purchase of Treasury Shares	(422)	-	(422)	-	(422)
Total Comprehensive Loss for the Year	-	(178)	(178)	207	29
<b>As at 31 March 2019</b>	<u>18,047</u>	<u>(10,063)</u>	<u>7,984</u>	<u>602</u>	<u>8,586</u>
<b>As at 1 April 2017</b>	18,469	(5,980)	12,489	54	12,543
<b>Movements in Equity:</b>					
Total Comprehensive Loss for the Year	-	(3,905)	(3,905)	(62)	(3,967)
Capital Contribution by Non-controlling Interest of Subsidiary	-	-	-	245	245
<b>As at 31 March 2018</b>	<u>18,469</u>	<u>(9,885)</u>	<u>8,584</u>	<u>237</u>	<u>8,821</u>

	Company		
	Share Capital S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
<b>As at 1 April 2018</b>	18,469	(11,203)	7,266
<b>Movements in Equity:</b>			
Purchase of Treasury Shares	(422)	-	(422)
Total Comprehensive Loss for the Year	-	(1,753)	(1,753)
<b>As at 31 March 2019</b>	<u>18,047</u>	<u>(12,956)</u>	<u>5,091</u>
<b>As at 1 April 2017</b>	18,469	(6,065)	12,404
<b>Movements in Equity:</b>			
Total Comprehensive Loss for the Year	-	(5,138)	(5,138)
<b>As at 31 March 2018</b>	<u>18,469</u>	<u>(11,203)</u>	<u>7,266</u>

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

During the half-year ended 31 March 2019 ("2H2019"), the changes in the Company's issued share capital were as follows:

	Company	
	Number of Ordinary Shares	Issued and Paid- up Share Capital S\$
Balance as at 30 September 2018	265,000,000	18,469,317
Purchase of treasury shares during 2H2019	(2,191,400)	(421,552)
Balance as at 31 March 2019	262,808,600	18,047,706

### Treasury Shares

During the 2H2019, the Company bought back 2,191,400 shares by way of market acquisition and all shares acquired are held as treasury shares. As at 31 March 2019, the Company held 2,191,400 treasury shares which represented approximately 0.8% of the 262,808,600 total issued shares (excluding treasury shares and subsidiary holdings). As at 31 March 2018, the Company did not have any treasury shares.

### Convertibles

As at 31 March 2019, the Company has a redeemable, convertible and exchangeable bond due of an aggregate amount of S\$6,000,000 ("**Convertible Bond**"), of which 100% of the Convertible Bond may be converted to up to 25,000,000 ordinary shares of EuroSports Global Limited ("**ESG**") based on a conversion price of S\$0.240 per share or up to 50% of the Convertible Bond may be exchanged into shares of EuroSports Technologies Pte. Ltd. ("**EST**") at any time prior to the maturity date on 9 September 2021 based on a pre-money valuation (before dilution) of S\$30 million. Further details on this Convertible Bond can be found in the Company's SGXNET announcement dated 28 August 2018. Save for the Convertible Bond, the Company did not have any other outstanding options and convertibles as at 31 March 2019. The Company did not have any outstanding options and convertibles as at 31 March 2018.

There were no subsidiary holdings as at 31 March 2019 and 31 March 2018.



**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.**

**Ordinary share capital**

	<b>Number of Ordinary Shares</b>	
	<b>As at</b>	<b>As at</b>
	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Total number of issued ordinary shares excluding treasury shares	262,808,600	265,000,000

**Treasury shares**

Movement in the Company's treasury shares were as follows:

	<b>Number of Ordinary Shares</b>
	<b>As at</b>
	<b>31-Mar-19</b>
Balance at beginning of the year	-
Purchase of treasury shares	2,191,400
Balance at the end of the year	2,191,400

As at 31 March 2019, the Company held 2,191,400 treasury share (2018: Nil) which represents 0.834% of the total number of issued ordinary shares excluding treasury shares.

**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.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of financial year of 31 March 2019.

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

There were no holdings in Eurosports Global Limited by any subsidiary at the end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

**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 2019.

**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 2019. 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).**

	<b>Group</b>	
	<b>Year Ended 31 March</b>	
	<b>2019</b>	<b>2018</b>
Loss, Net of Tax Attributable to Owners of the Company (S\$'000)	(178)	(3,905)
Weighted Average Number of Ordinary Shares	264,759,032	265,000,000
Loss Per Share - Basic and Diluted (cents)	(0.07)	(1.47)

Earnings (Loss) Per Share is computed based on the Profit (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 the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current period reported on; and (b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>31-Mar-19</b>	<b>31-Mar-18</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
NAV per Ordinary Shares (cents)	3.04	3.24	1.94	2.74
Equity Attributable to Owners of the Company (S\$'000)	7,984	8,584	5,091	7,266
Number of Shares used in computation of NAV per Ordinary Shares ('000)	262,809	265,000	262,809	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.**

## **CONTINUING OPERATIONS**

### **(a) Review of Group's Performance**

#### **Revenue**

Revenue of the Group increased by approximately S\$35.35 million or 58.0%, from S\$60.89 million in FY2018 to S\$96.24 million in FY2019. In FY2019, this was mainly contributed by higher sales in new Lamborghini and Alfa Romeo automobiles, which made up S\$62.52 million or 65.0% (FY2018: S\$29.09 million or 47.8%) and S\$10.35 million or 10.75% (FY2018: S\$1.86 million or 3.05%) of total revenue of the Group respectively.

#### **Cost of Sales**

Cost of sales of the Group increased by approximately S\$28.19 million or 54.1%, from S\$52.11 million in FY2018 to S\$80.30 million in FY2019, which was move in tandem with the increase in revenue.

#### **Gross Profit and Gross Profit Margin**

Gross profit of the Group increased by approximately S\$7.16 million or 81.5%, from S\$8.78 million in FY2018 to S\$15.94 million in FY2019, while gross profit margin of the Group has increased by 2.2 percentage point, from 14.4% in FY2018 to 16.6% in FY2019. The slightly higher profit margin was mainly due to:

- (a) decrease in sales of used automobiles with lower profit margins; and
- (b) increase in sales of new automobiles with higher margins.

#### **Other Income**

Other income of the Group decreased by approximately S\$1.86 million or 19.8%, from S\$9.42 million in FY2018 to S\$7.56 million in FY2019. The decrease was mainly due to:

- (a) decrease in commission income of S\$1.05 million; and
- (b) decrease in other income from forfeited non-refundable deposit by S\$0.76 million.

#### **Other Charges, Net**

Other charges, net of S\$0.66 million is mainly due to the additional provision of S\$0.90 million in impairment loss on asset held for sale is in relation to the assignment levy imposed by Jurong Town Corporation ("JTC"). The Company is appealing with JTC on the levy.

#### **Marketing and Distribution Expenses**

Marketing and distribution expenses of the Group increased by approximately S\$0.52 million or 23.9%, from S\$2.19 million in FY2018 to S\$2.71 million in FY2019. The increase was mainly due to:

- (a) increase in marketing expenses incurred for participation in motor show and launching of new model for Lamborghini and Alfa Romeo.
- (b) increase in sales commission which is in line with increase of revenue of the Group.

### **Administrative Expenses**

Administrative expenses of the Group increased by approximately S\$1.22 million or 7.1%, from S\$17.26 million in FY2018 to S\$18.49 million in FY2019, mainly due to:

- (a) increase in consultancy fee of S\$0.45 million mainly due to issuance of redeemable, convertible and exchangeable bond; and
- (b) increase in rental expense of S\$0.71 million mainly due to the rental for office, showroom and workshop at 24 Leng Kee Road.

### **Finance Costs**

Finance costs of the Group increased by approximately S\$0.21 million or 25.6%, from S\$0.83 million in FY2018 to S\$1.04 million in FY2019, mainly due to increase in accrual of bond interest of S\$0.18 million for redeemable, convertible and exchangeable bond.

### **(b) Review of Group's Financial Position**

#### **Non-Current Assets**

Non-current assets of the Group decreased by S\$2.75 million, from S\$11.81 million as at 31 March 2018 to S\$9.06 million as at 31 March 2019, mainly due to

- (a) decrease in plant and equipment by S\$4.28 million mainly due to disposal of plant and equipment arising in the event of disposal of subsidiaries; and offset by
- (b) additions to intangible assets by S\$0.69 million, which relates to development cost of electric motorcycles in sustainable mobility segment; and
- (c) increase in other receivable by S\$0.82 million.

#### **Current Assets**

Current assets of the Group decreased by S\$2.05 million, from S\$53.36 million as at 31 March 2018 to S\$51.31 million as at 31 March 2019. This was mainly due to:

- (a) decrease in inventories of S\$6.55 million mainly due to reduce in inventories level for new automobiles and pre-owned automobiles, which is in line with increase in the revenue of automobiles; and offset by
- (b) increase in trade and other receivables of S\$1.94 million mainly due to receivables from the sales of new automobiles; and
- (c) increase in cash and cash equivalents of S\$3.53 million mainly due to cash inflow from operating activities and investing activities.

#### **Equity**

Equity comprises share capital, accumulated losses and non-controlling interest. The decrease in equity of S\$0.24 million was due to:

- (a) the loss attributable to owners of the Company for the year of S\$0.18 million; and
- (b) the purchase of treasury share of S\$0.42 million; offset by
- (c) increase in non-controlling interest of S\$0.37 million arising from (i) share of non-controlling interest profit of S\$0.21 million and (ii) disposal of subsidiaries with a change in control of S\$0.16 million.

### **Non-Current Liabilities**

Non-current liabilities of the Group decreased by S\$0.37 million, from S\$7.71 million as at 31 March 2018 to S\$7.34 million as at 31 March 2019, mainly due to:

- (a) decrease in non-current other liabilities of S\$3.40 million. Non-current other liabilities comprises long-term portion of the deferred income recognised under the sales and leaseback arrangement; offset by
- (b) increase in non-current other financial liabilities of S\$3.07 million mainly due to issuance of redeemable, convertible and exchangeable bond payable of S\$6 million issued on September 2018 with maturity of 3 years and offset by repayment of hire purchase creditors of S\$2.94 million.

### **Current Liabilities**

Current liabilities of the Group decreased by S\$4.19 million, from S\$48.64 million as at 31 March 2018 to S\$44.45 million as at 31 March 2019, mainly due to:

- (a) decrease in current other financial liabilities of S\$5.02 million mainly due to decrease in short-term bank facilities; and
- (b) decrease in current other liabilities of S\$1.47 million mainly due to decrease in deposits from overseas dealer; and offset by
- (c) increase in trade and other payables of S\$3.04 million mainly due to increase in purchases of automobiles at year end.

### **(c) Review of Group's Cash Flows**

Net cash from operating activities amounted to S\$6.75 million in FY2019. This was mainly due to net working capital inflow of S\$6.02 million.

Net cash from investing activities amounted to S\$0.67 million in FY2019. This was mainly due to:

- (a) cash from (i) disposal of plant and equipment of S\$2.68 million and (ii) disposal of subsidiaries of S\$0.18 million; and
- (b) cash used in (i) addition to intangible assets of S\$0.69 million, (ii) purchase of treasury shares of S\$0.42 million and (iii) purchase of plant and equipment of S\$1.12 million; and offset by

Net cash used in financing activities amounted to S\$5.32 million in FY2019. This was mainly due to repayment of financial liabilities and offset by proceeds from issue of redeemable, convertible and exchangeable bond.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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

While the automobile industry remains challenging due to intense competition and the highly regulated environment in the Singapore and regional markets in which we operate, we are cautiously optimistic on our prospects of the automobiles distribution segment for the next 12 months. Our subsidiary, Eurosports Technologies Pte. Ltd. (“EST”) which is developing sustainable mobility (electric motorcycles) will continue to incur expenses and we do not expect to generate meaningful revenue from EST for the next 12 months.

**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 and the reason(s) for the decision.**

No dividend has been declared (recommended) for the current financial year ended 31 March 2019 as the Group is conserving cash for business growth and opportunities.

**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 2019, the Company wishes to announce that the net proceeds of approximately S\$8.46 million have been fully utilised as follows:

	Amount allocated as stated in the Offer Document (S\$' million)	Amount after reallocation (S\$' million)	Amount utilised as at 31 March 2019 (S\$' million)	Balance of net proceeds as at 31 March 2019 (S\$' million)
Expansion of our operations locally and in other markets and diversification into other luxury lifestyle business	6.00	4.56	4.56 <sup>(1)</sup>	-
General working capital	2.46	3.90	3.90 <sup>(2)</sup>	-
	<b>8.46</b>	<b>8.46</b>	<b>8.46</b>	<b>-</b>

Notes:

- (1) Amount utilised as at 31 March 2016 was S\$1.50 million. An amount of S\$2.50 million was utilised on 24 May 2016 for Ultimate Drive EuroSports Pte. Ltd. (“**UDE**”). An amount of S\$0.30 million was utilised on 23 February 2017 to fund the Shareholder Loan provided by Autoinc EuroSports Pte. Ltd. (“**Autoinc**”) to Exquisite Marques Holding Pte. Ltd. (“**EMHPL**”) for the Business Transfer. An amount of S\$0.26 million was utilised on 11 October 2017 to fund the subscription of new shares in Prosper Auto Pte. Ltd. (“**Prosper**”).
- (2) The amount of S\$3.90 million deployed for general working capital includes the purchase of inventories and operating expenses.

## 16. Use of Proceeds from Convertible Bond

The Company refers to the proceeds amounting to S\$6 million from placement and issuance of 5% of Convertible Bond as announced on 28 August 2018, 7 September 2018, 10 September 2018, 17 September 2018, 28 September 2018 and 21 March 2019.

As at 31 March 2019, the Company wishes to announce that the net proceeds of approximately S\$5.73 million have been fully utilised as follows:

	Amount allocated (S\$' million)	Amount utilised as at 31 March 2019 (S\$' million)	Balance of bond proceeds as at 31 March 2019 (S\$' million)
General working capital purposes (Company)	3.73	3.73 <sup>(1)</sup>	-
General corporate purposes (EST)	2.00	2.00	-
	<b>5.73</b>	<b>5.73</b>	<b>-</b>

Notes:

- (1) Amount utilised as at 31 March 2019 was S\$3.73 million for general working capital purposes, such as the purchase of new automobiles, the payment of salaries, rental charges, the purchase of new spare parts, and supplier bills which is in line with the intended use of the bond proceeds as disclosed.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**17. 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 four reportable segments as described below:

- (i) Automobiles distribution business retails new luxury automobiles as well as pre-owned automobiles; and
- (ii) Experiential business which engages in super car rental and super car sharing membership club; and
- (iii) Sustainable mobility (electric motorcycles); and
- (iv) Other.

	<b>Group</b>	
	<b>Year Ended 31 March</b>	
	<b>2019</b>	<b>2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Segment Revenue</b>		
Automobiles distribution	95,617	60,047
Experiential business <sup>(1)</sup>	509	1,188
Sustainable mobility	-	-
Other	620	848
<b>Total</b>	<b>96,746</b>	<b>62,083</b>
<b>Segment Result</b>		
Automobiles distribution	1,370	(2,717)
Experiential business <sup>(1)</sup>	(627)	(570)
Sustainable mobility	(560)	(241)
Other	(160)	(439)
Consolidated Profit (Loss) Before Tax	23	(3,967)
Income Tax Credit	6	-
<b>Profit (Loss) for the year</b>	<b>29</b>	<b>(3,967)</b>
<b>Segment Asset</b>		
Automobiles distribution	57,752	58,392
Experiential business <sup>(1)</sup>	-	3,482
Sustainable mobility	895	105
Other	2,475	3,293
Elimination of Inter-Segment Assets	(748)	(102)
<b>Total</b>	<b>60,374</b>	<b>65,170</b>
<b>Segment Liability</b>		
Automobiles distribution	58,593	60,938
Experiential business <sup>(1)</sup>	-	2,417
Sustainable mobility	60	7
Other	34	295
Elimination of Inter-Segment Liabilities	(6,899)	(7,308)
<b>Total</b>	<b>51,788</b>	<b>56,349</b>

Note:

(1) With effect from 1 November 2018, the Group had ceased its business operation on the experiential business segment.



	<b>Group</b>	
	<b>Year Ended 31 March</b>	
	<b>2019</b>	<b>2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Depreciation</b>		
Automobiles distribution	2,044	2,027
Experiential business <sup>(1)</sup>	200	602
Sustainable mobility	9	1
Other	9	112
<b>Total</b>	<b>2,262</b>	<b>2,742</b>
<b>Finance Cost</b>		
Automobiles distribution	1,044	831
Experiential business <sup>(1)</sup>	22	67
Sustainable mobility	-	-
Other	-	-
<b>Total</b>	<b>1,066</b>	<b>898</b>

Note:

(1) With effect from 1 November 2018, the Group had ceased its business operation on the experiential business segment.

**18. 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.

**19. A breakdown of sales as follows:**

	<b>Group</b>		Increase/ (Decrease) %
	<b>Year Ended 31 March</b>		
	<b>2019</b>	<b>2018</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	
(a) Sales reported for first half year	43,046	32,716	31.57
(b) Operating loss after tax before deducting minority interests reported for first half year	(2,937)	(1,500)	(95.80)
(c) Sales reported for second half year	53,700	29,367	82.86
(d) Operating profit (loss) after tax before deducting minority interests reported for second half year	2,966	(2,467)	234.41

**20. 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 FY2018 and FY2019.

21. 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 <sup>(1)</sup>	61	Brother of Melvin Goh and Andy Goh.	Director – System and Business Development, appointed on 15 February 2016.	There is no change during the year.
Joshua Goh Yi Shun	28	Son of Melvin Goh and Nephew of Andy Goh	Assistant Manager – Operations appointed on 12 January 2017.	There is no change during the year.

Note:

(1) On 09 May 2019, Goh Kim Siew has resigned from his position as Director - System and Business Development.

**By Order of the Board**  
**EuroSports Global Limited**

**Melvin Goh**  
**Executive Chairman and CEO**

**30 May 2019**