

EUROSPORTS GLOBAL LIMITED
Company Registration Number: 201230284Z

**Full Year Financial Statements and Related Announcement
For The Financial Year Ended 31 March 2020**

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 Catalyst.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes 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		
	2020	2019	
	S\$'000	S\$'000	
<u>Continuing Operations</u>			
Revenue	80,422	96,237	(16.4)
Cost of Sales	(63,671)	(80,296)	(20.7)
Gross Profit	16,751	15,941	5.1
Other Income	6,459	7,559	(14.6)
Interest Income	63	46	n.m.
Other Credits/(Charges), Net	(576)	(657)	(12.3)
Marketing and Distribution Expenses	(2,890)	(2,707)	6.8
Administrative Expenses	(16,731)	(18,488)	(9.5)
Finance Costs	(746)	(1,044)	(28.5)
Profit Before Tax from Continuing Operations	2,330	650	258.5
Income Tax (Expense)/Credit	(33)	6	n.m.
Profit from Continuing Operations, Net of Tax	2,297	656	250.2
<u>Discontinued Operation</u>			
Loss from Discontinued Operation, Net of Tax	-	(627)	100.0
Profit, Net of Tax	2,297	29	7,820.7
Profit, Net of Tax and Total Comprehensive Income Attributable to:			
Owners of the Company	2,312	(178)	1,398.9
Non-Controlling Interest	(15)	207	(107.2)
	2,297	29	7,820.7
Profit/(Loss), Net of Tax and Total Comprehensive Income/(Loss) Attributable to Owners of the Company:			
Continuing Operations	2,312	449	414.9
Discontinued Operation	-	(627)	100.0
	2,312	(178)	1,398.9
Earnings/(Loss) Per Share (Cents)			
Basic and Diluted			
Continuing Operations	0.88	0.17	429.4
Discontinued Operation	-	(0.24)	(100.0)

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):

	Group		Increase/ (Decrease) %
	Year Ended 31 March		
	2020	2019	
	S\$'000	S\$'000	
<u>Continuing Operations</u>			
Other Income			
Commission Income	440	902	(51.2)
Rental Income	1,396	2,246	(37.8)
- <i>includes leasing income</i>	835	1,261	(33.8)
Deferred Income	3,200	3,333	(4.0)
Other Income	1,423	1,078	32.0
Other Credits/(Charges), Net			
Allowance for Impairment on Trade Receivables	(756)	(141)	436.2
Bad Trade Debts Written Off	(66)	(36)	n.m.
Foreign Exchange Adjustments Gain/(Loss)	8	(44)	n.m.
Gain on Disposal of Plant and Equipment	(52)	227	(122.9)
Gain on Disposal of Subsidiary	-	237	100.0
Impairment Loss on Assets Held for Sale	-	(900)	100.0
Reduction in the Assignment Levy from Jurong Town Corporation ("JTC")	305	-	100.0
Other Gains	35	-	100.0
Marketing and Distribution Expenses			
Advertising and Promotions	(1,435)	(1,433)	n.m.
Sales Commission Expense	(852)	(763)	11.7
Entertainment	(316)	(396)	(20.2)
Administrative Expenses			
Employee Benefits Expense	(5,601)	(5,277)	6.1
Rental Expense	(508)	(7,075)	(92.8)
- <i>includes Amortisation of Land Premium</i>	(365)	(382)	n.m.
Distributor Support Fee	(650)	-	100.0
Depreciation Expense	(1,527)	(2,262)	(32.5)
Depreciation Right-of-Use Asset	(5,026)	-	100.0
Professional Fees	(715)	(976)	(26.7)
Property Tax	(394)	(433)	n.m.
Finance Costs			
Interest on Convertible Bond	(300)	(175)	71.4
Interest on Other Financial Liabilities	(545)	(869)	(37.8)
Interest Right-of-Use Asset	(407)	-	100.0
Fair Value Gain on Convertible Bond	506	-	100.0
Income Tax (Expense)/Credit			
Income Tax (Expense)/Refund	(33)	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-20 S\$'000	31-Mar-19 S\$'000	31-Mar-20 S\$'000	31-Mar-19 S\$'000
ASSETS				
Non-Current Assets				
Plant and Equipment	4,864	7,526	-	-
Right-of-Use Assets	5,449	-	5,449	-
Intangible Assets	2,235	692	-	-
Investment in Subsidiaries	-	-	2,162	3,097
Trade and Other Receivables	652	838	175	275
Total Non-Current Assets	13,200	9,056	7,786	3,372
Current Assets				
Assets Held for Sale	-	14,286	-	-
Inventories	17,754	21,045	-	-
Trade and Other Receivables	1,629	5,272	5,680	7,599
Other Assets	2,609	2,445	420	67
Cash and Cash Equivalents	8,891	7,890	29	351
Total Current Assets	30,883	50,938	6,129	8,017
Total Assets	44,083	59,994	13,915	11,389
EQUITY AND LIABILITIES				
Equity				
Share Capital	17,801	18,047	17,801	18,047
Accumulated Losses	(8,377)	(10,063)	(16,222)	(12,956)
Equity Attributable to Owners of Company	9,424	7,984	1,579	5,091
Non-Controlling Interest	622	602	-	-
Total Equity	10,046	8,586	1,579	5,091
Non-Current Liabilities				
Other Financial Liabilities	7,951	7,457	5,494	6,000
Lease Liabilities	3,692	-	3,692	-
Total Non-Current Liabilities	11,643	7,457	9,186	6,000
Current Liabilities				
Income Tax Payables	25	-	-	-
Trade and Other Payables	6,278	11,515	1,078	298
Liabilities In Relation to Assets Held for Sale	-	7,881	-	-
Other Financial Liabilities	5,879	8,407	-	-
Lease Liabilities	2,072	-	2,072	-
Other Liabilities	8,140	16,148	-	-
Total Current Liabilities	22,394	43,951	3,150	298
Total Liabilities	34,037	51,408	12,336	6,298
Total Equity and Liabilities	44,083	59,994	13,915	11,389

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-20		As at 31-Mar-19	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	5,879	-	16,288	-
Amount repayable after one year	7,951	-	7,457	-

Details of Collaterals

As at 31 March 2020, the Group's borrowings are secured by:

- (a) A fixed and floating charge over security deposits, inventories and accounts receivables
- (b) Corporate guarantee by the Company

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

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	
	2020	2019
	S\$'000	S\$'000
<u>Cash Flows From Operating Activities</u>		
Profit before tax from Continuing Operations	2,330	650
Loss before tax from Discontinued Operation	-	(627)
Adjustments for:		
Deferred Income	(3,200)	(3,333)
Depreciation of plant and equipment	1,527	2,262
Depreciation right-of-use asset	5,026	-
Loss/(Gain) on disposal of plant and equipment	52	(5)
Impairment loss on assets held for sale	-	900
Impairment loss on plant and equipment	-	101
Fair value gain on convertible bond	(506)	-
Gain on disposal of subsidiary	-	(237)
Interest income	(63)	(46)
Interest expense	1,252	1,066
Reduction in the assignment levy from JTC	(305)	-
Operating Cash Flows From Before Changes in Working Capital	6,113	731
Inventories	3,291	5,215
Trade and other receivables	3,828	(4,065)
Other assets	11	(308)
Other liabilities	(4,808)	(1,306)
Trade and other payables	(5,537)	6,480
Net Cash Flows From Operations	2,898	6,747
Income tax (expense)/refund	(8)	6
Net Cash Flows From Operating Activities	2,890	6,753
<u>Cash Flows From Investing Activities</u>		
Additions to intangible assets	(1,543)	(692)
Purchase of plant and equipment	(978)	(924)
Disposal of assets held for sale	14,591	-
Disposal of plant and equipment	2,741	2,678
Disposal of subsidiaries	-	177
Interest received	63	46
Net Cash Flows From Investing Activities	14,874	1,285
<u>Cash Flows Used In Financing Activities</u>		
Capital contribution by non-controlling interests of subsidiary	35	-
Decrease of other financial liabilities	(9,086)	(5,786)
Security deposits for bank facilities	(3,575)	(1,430)
Finance lease repayment	(2,712)	(3,406)
Proceeds from issue of redeemable, convertible and exchangeable bond	-	6,000
Proceeds from issue of convertible loan	1,708	-
Repayment of principal portion of lease liabilities	(5,511)	-
Interest paid	(545)	(891)
Interest portion of lease liabilities paid	(407)	-
Purchase of treasury shares	(246)	(422)
Net Cash Flows Used in Financing Activities	(20,339)	(5,935)

	Group	
	Year Ended 31 March	2019
	2020	2019
	S\$'000	S\$'000
Net (Decrease)/Increase in Cash and Cash Equivalents	(2,575)	2,103
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	4,540	2,437
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance ⁽¹⁾	1,965	4,540

Notes:

(1) Cash and cash equivalents is net of security deposits for bank facilities of S\$6.93 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 S\$'000	Accumulated losses S\$'000	Attributable to Owners of the Company S\$'000	Non- Controlling Interest S\$'000	Total Equity S\$'000
As at 1 April 2019	18,047	(10,063)	7,984	602	8,586
Effects on adoption of SFRS(I) 16	-	(626)	(626)	-	(626)
As at 1 April 2019 (Restated)	<u>18,047</u>	<u>(10,689)</u>	<u>7,358</u>	<u>602</u>	<u>7,960</u>
Movements in Equity:					
Capital contribution by non-controlling interest of subsidiary	-	-	-	35	35
Purchase of Treasury Shares	(246)	-	(246)	-	(246)
Total Comprehensive Income for the Year	-	2,312	2,312	(15)	2,297
As at 31 March 2020	<u>17,801</u>	<u>(8,377)</u>	<u>9,424</u>	<u>622</u>	<u>10,046</u>
As at 1 April 2018	18,469	(9,885)	8,584	237	8,821
Movements in Equity:					
Disposal of Subsidiaries with a Change in Control	-	-	-	158	158
Purchase of Treasury Shares	(422)	-	(422)	-	(422)
Total Comprehensive (Loss)/Income for the Year	-	(178)	(178)	207	29
As at 31 March 2019	<u>18,047</u>	<u>(10,063)</u>	<u>7,984</u>	<u>602</u>	<u>8,586</u>

	Company		
	Share Capital S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
As at 1 April 2019	18,047	(12,956)	5,091
Effects on adoption of SFRS(I) 16	-	(244)	(244)
As at 1 April 2019 (Restated)	<u>18,047</u>	<u>(13,200)</u>	<u>4,847</u>
Movements in Equity:			
Purchase of Treasury Shares	(246)	-	(246)
Total Comprehensive Loss for the Year	-	(3,022)	(3,022)
As at 31 March 2020	<u>17,801</u>	<u>(16,222)</u>	<u>1,579</u>
As at 1 April 2018	18,469	(11,203)	7,266
Movements in Equity:			
Purchase of Treasury Shares	(422)	-	(422)
Total Comprehensive Loss for the Year	-	(1,753)	(1,753)
As at 31 March 2019	<u>18,047</u>	<u>(12,956)</u>	<u>5,091</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.

Since the last half year financial period reported on, during the half-year ended 31 March 2020 (“2H2020”), 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 2019	261,971,600	17,885,350
Purchase of treasury shares during 2H2020	(459,000)	(84,789)
Balance as at 31 March 2020	261,512,600	17,800,561

Treasury Shares

During the 2H2020, the Company bought back 459,000 shares by way of market acquisition and all shares acquired are held as treasury shares. As at 31 March 2020, the Company held 3,487,400 treasury shares which represented approximately 1.33% of the 261,512,600 total issued shares (excluding treasury shares and subsidiary holdings). As at 31 March 2019, the Company held 2,191,400 treasury shares which represented approximately 0.83% of the 262,808,600 total issued shares (excluding treasury shares and subsidiary holdings).

Convertibles Bond

As at 31 March 2020, 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 2020 and 31 March 2019.

There were no subsidiary holdings as at 31 March 2020, 30 September 2019 and 31 March 2019.

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

	Number of Ordinary Shares	
	As at	
	31-Mar-20	31-Mar-19
Total number of issued ordinary shares excluding treasury shares	261,512,600	262,808,600

Treasury shares

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

	Number of Ordinary Shares	
	As at	
	31-Mar-20	31-Mar-19
Balance at beginning of the year	2,191,400	-
Purchase of treasury shares	1,296,000	2,191,400
Balance at the end of the year	3,487,400	2,191,400

As at 31 March 2020, the Company held 3,487,400 treasury share (2019: 2,191,400) which represents 1.33% 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 2020.

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 year, as at the end of the corresponding period of the immediately preceding financial year as well as at the end of the last half year period reported on.

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 SFRS(I)s and related Interpretations to SFRS(I) ("**SFRS(I) INT**") that are relevant to the Group and effective for the financial period beginning 1 April 2019. Except for SFRS(I) 16, Leases, the Group expects that the adoption of other standards 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.

SFRS(I) 16 Leases introduces a single model that will bring almost all leases onto statements of financial position (except leases of less than 12 months and leases of low-value assets) for lessees, eliminating the distinction between operating and finance lease. It requires lessees to recognise a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments.

The Group has adopted SFRS(I) 16 Leases on 1 April 2019, using the modified retrospective approach in accordance with the transitional provisions. The Group capitalised its operating leases on offices on the statement of financial position by recognising 'right-of-use' assets and their corresponding lease liabilities for the present value of future lease payments on date of implementation. Subsequently, the lease assets will be depreciated over the lease term on a straight-line basis and the lease liabilities will be measured at amortised cost. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The adoption of SFRS(I) 16 resulted in adjustments to the statement of financial position and the opening balance of retained earnings of the Group as at 1 April 2019. The Company has recognised right-of-use assets of S\$10.48 million and lease liabilities of S\$11.28 million for its leases previously classified as operating leases as at 1 April 2019. The carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the period are as follows:

	Group	
	Right-of- Use Assets S\$'000	Lease Liabilities S\$'000
As at 1 April 2019	10,475	11,275
Depreciation	(5,026)	-
Interest Expense	-	407
Payment	-	(5,918)
As at 31 March 2020	5,449	5,764

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	
	2020	2019
Profit/(Loss), Net of Tax Attributable to Owners of the Company (S\$'000)	2,312	(178)
Weighted Average Number of Ordinary Shares	261,898,075	264,759,032
Earnings/(Loss) Per Share - Basic and Diluted (cents)	0.88	(0.07)

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.

	Group		Company	
	As at		As at	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
NAV per Ordinary Shares (cents)	3.60	3.04	0.60	1.94
Equity Attributable to Owners of the Company (S\$'000)	9,424	7,984	1,579	5,091
Number of Shares used in computation of NAV per Ordinary Shares ('000)	261,513	262,809	261,513	262,809

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 decreased by S\$15.82 million or 16.4%, from S\$96.24 million in FY2019 to S\$80.42 million in FY2020, was mainly due to lower sales in new Lamborghini and used automobiles, which made up S\$59.23 million or 73.7% (FY2019: S\$62.52 million or 64.6%) and S\$6.24 million or 7.8% (FY2019: S\$15.10 million or 15.6%) of total revenue of the Group respectively.

Cost of Sales

Cost of sales of the Group decreased by S\$16.63 million or 20.7%, from S\$80.30 million in FY2019 to S\$63.67 million in FY2020, which was move in tandem with the decrease in revenue.

Gross Profit and Gross Profit Margin

Gross profit of the Group increased by S\$0.81 million or 5.1%, from S\$15.94 million in FY2019 to S\$16.75 million in FY2020, while gross profit margin of the Group increased by 4.2 percentage point, from 16.6% in FY2019 to 20.8% in FY2020. The 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 S\$1.10 million or 14.6%, from S\$7.56 million in FY2019 to S\$6.46 million in FY2020. The decrease in other income mainly due to:

- (a) decrease in commission income and rental income by S\$0.46 million and S\$0.85 million respectively; and offset by
- (b) increase in other income for sales support received from manufacturer of S\$0.23 million.

Other Credits/(Charges), Net

Other charges, net of S\$0.58 million is mainly due to allowance for impairment on trade receivables of S\$0.76 million and offset by reduction of the assignment levy by S\$0.31 million, following the Company's appeal to JTC.

Marketing and Distribution Expenses

Marketing and distribution expenses of the Group increased by S\$0.18 million or 6.8%, from S\$2.71 million in FY2019 to S\$2.89 million in FY2020, mainly due to an increase in option commission, various exhibitions and events for vehicle launch.

Administrative Expenses

Administrative expenses of the Group decreased by S\$1.76 million or 9.5%, from S\$18.49 million in FY2019 to S\$16.73 million in FY2020, mainly due to:

- (a) decreases in (i) rental expenses arising from adoption of SFRS(I) 16 Leases that requires lease assets to depreciate over the lease term on a straight-line basis and recognise as depreciation right-of-use assets, (ii) depreciation expenses by S\$0.74 million and (iii) professional fees by S\$0.26 million; and offset by
- (b) increase in (i) employee benefits expenses by S\$0.32 million mainly due to reinstatement of employees' salary and (ii) distributor support fee of S\$0.65 million in FY2020.

Finance Costs

Finance costs of the Group decreased by S\$0.29 million or 28.5%, from S\$1.04 million in FY2019 to S\$0.75 million in FY2020, mainly due to:

- (a) recognition of fair value gain on convertible bond of S\$0.51 million; and
- (b) decrease in interest of other financial liabilities by S\$0.32 million; and offset by
- (c) increase in interest expense on right-of-use asset of S\$0.41 million arising from adoption of SFRS(I) 16 Leases.

(b) Review of Group's Financial Position**Non-Current Assets**

Non-current assets of the Group increased by S\$4.14 million, from S\$9.06 million as at 31 March 2019 to S\$13.20 million as at 31 March 2020, mainly due to:

- (a) increase in intangible assets by S\$1.54 million, which relates to development cost of electric motorcycles; and
- (b) adoption of SFRS(I) 16 Leases that requires capitalisation of right-of-use assets for operating leases on offices of S\$5.45 million; and offset by
- (d) decrease in plant and equipment by S\$2.66 million mainly due to depreciation charge and disposal of motor vehicles; and
- (e) decrease in trade and other receivables by S\$0.19 million.

Current Assets

Current assets of the Group decreased by S\$20.06 million, from S\$50.94 million as at 31 March 2019 to S\$30.88 million as at 31 March 2020. This was mainly due to:

- (a) the completion of disposal of asset held sale on 10 July 2019, in which the carrying value of asset held for sale amounted to S\$14.29 million as at 31 March 2019; and
- (b) decrease in inventories by S\$3.29 million; and
- (c) decrease in trade and other receivables by S\$3.64 million mainly due to receipt from customers for the sales of new automobiles; and offset by
- (d) increase in cash and cash equivalents by S\$1.00 million mainly due to additions in placement of security deposit for bank facilities and offset by net cash outflows from financing activities.

Equity

Equity comprises share capital, accumulated losses and non-controlling interest. The increase in equity of S\$1.46 million was due to:

- (a) the profit attributable to owners of the Company for the year of S\$2.31 million; and
- (b) increase in capital contribution by non-controlling interest of subsidiary of S\$0.04 million and; offset by
- (c) share of non-controlling interest loss of S\$0.02 million
- (d) adjustment on the opening retained earnings of the Group on adoption of SFRS(I) 16 Leases of S\$0.63 million; and
- (e) the purchase of treasury share of S\$0.25 million.

Non-Current Liabilities

Non-current liabilities of the Group increased by S\$4.18 million, from S\$7.46 million as at 31 March 2019 to S\$11.64 million as at 31 March 2020, mainly due to adoption of SFRS(I) 16 Leases that requires recognition of lease liabilities of S\$3.69 million for operating leases on offices.

Current Liabilities

Current liabilities of the Group decreased by S\$21.56 million, from S\$43.95 million as at 31 March 2019 to S\$22.39 million as at 31 March 2020, mainly due to:

- (a) decrease in trade and other payables mainly due to repayment to suppliers; and
- (b) full settlement of liabilities in relation to assets held for sale amounted to S\$7.88 million; and
- (c) settlement of short-term money market loan and floor stocks; and offset by
- (d) increase in lease liabilities of S\$2.07 million due to adoption of SFRS(I) 16 Leases that requires recognition of lease liabilities for operating leases on offices.

(c) Review of Group's Cash Flows

Net cash from operating activities amounted to S\$2.89 million in FY2020. This was mainly due to positive cash flows before changes in working capital of S\$6.11 million and offset by net working capital outflow of S\$3.22 million.

Net cash from investing activities amounted to S\$14.87 million in FY2020. This was mainly due to:

- (a) cash from (i) disposal of asset held for sales of S\$14.59 million and (ii) disposal of plant and equipment of S\$2.74 million; and offset by
- (b) cash used in (i) addition to intangible assets of S\$1.54 million and (ii) purchase of plant and equipment of S\$0.98 million.

Net cash used in financing activities amounted to S\$20.34 million in FY2020. This was mainly due to:

- (a) (i) repayment of other financial liabilities of S\$9.09 million, (ii) finance lease repayment of S\$2.71 million, (iii) interest paid of S\$0.55 million, (iv) interest portion of lease liabilities paid of S\$0.41 million, (v) repayment of principal portion of lease liabilities of S\$5.51 million and (vi) placement of security deposits for bank facilities of S\$3.58 million; and offset by
- (b) proceeds from issue of convertible loan of S\$1.71 million.

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.

Further to the announcement made on 12 May 2020 in relation to the update on the impact on operations in view of COVID-19, all showrooms have re-opened from 19 June 2020. We are closely monitoring and cautiously managing our business operations to mitigate the implications arising from COVID-19. Amidst the unprecedented challenges arising from the continued global outbreak of COVID-19 pandemic, the Group's operations is expected to be negatively affected due to the slowdown of the global economy and consumer demand. The automobile industry remains highly challenging amidst intense competition and the highly regulated environment in the Singapore and regional markets in which we operate. 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 2020 as the Group is conserving cash amid COVID-19 and uncertain economic outlook.

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. Negative confirmation pursuant to the Rule 705(5)

The Board of Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to its attention which may render financial results for the financial year ended 31 March 2020 to be false or misleading in any material aspect.

15. 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.

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 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.

	Group	
	Year Ended 31 March	
	2020	2019
	S\$'000	S\$'000
Segment Revenue		
Automobiles distribution	80,322	95,617
Experiential business ⁽¹⁾	-	509
Other	100	620
Total	80,422	96,746
Segment Result		
Automobiles distribution	4,458	1,370
Experiential business ⁽¹⁾	-	(627)
Sustainable mobility	(1,452)	(560)
Other	(676)	(160)
Consolidated Profit Before Tax	2,330	23
Income Tax (Expense)/Credit	(33)	6
Profit for the year	2,297	29
Segment Asset		
Automobiles distribution	41,873	56,624
Sustainable mobility	3,003	1,643
Other	1,752	2,475
Elimination of Inter-Segment Assets	(2,545)	(748)
Total	44,083	59,994
Segment Liability		
Automobiles distribution	31,997	51,314
Sustainable mobility	4,515	2,099
Other	4,847	4,894
Elimination of Inter-Segment Liabilities	(7,322)	(6,899)
Total	34,037	51,408

Note:

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

	Group	
	Year Ended 31 March	
	2020	2019
	S\$'000	S\$'000
Depreciation		
Automobiles distribution	1,422	2,044
Experiential business ⁽¹⁾	-	200
Sustainable mobility	100	9
Other	5	9
Total	1,527	2,262

Finance Cost

Automobiles distribution	746	1,044
Experiential business ⁽¹⁾	-	22
Other	-	-
Total	746	1,066

Note:

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

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

Refer to Section 8 for details.

18. A breakdown of sales as follows:

	Group		Increase/ (Decrease) %
	Year Ended 31 March		
	2020	2019	
	S\$'000	S\$'000	
(a) Sales reported for first half year	42,468	43,046	(1.3)
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	1,559	(2,937)	153.1
(c) Sales reported for second half year	37,954	53,700	(29.3)
(d) Operating profit after tax before deducting minority interests reported for second half year	738	2,966	(75.1)

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 FY2019 and FY2020.

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
Joshua Goh Yi Shun	30	Son of Melvin Goh and Nephew of Andy Goh	Assistant Manager – Operations appointed on 12 January 2017.	Appointed as director of JES Auto Pte Ltd, a newly incorporated joint venture company on 15 November 2019.

By Order of the Board
EuroSports Global Limited

Melvin Goh
Executive Chairman and CEO

01 July 2020