

EUROSPORTS GLOBAL LIMITED

Company Registration Number: 201230284Z

**Full Year Financial Statements and Dividend Announcement
For The Financial Year Ended 31 March 2014**

Background

EuroSports Global Limited (the “**Company**”) was listed on Catalist Board of the SGX-ST on 17 January 2014. The Initial Public Offering (the “**IPO**”) was sponsored by CIMB Bank Berhad, Singapore Branch.

Our Group was formed through a restructuring exercise (the “**Restructuring Exercise**”) which involved a series of acquisitions and its rationalisation of our corporate and shareholding structure for the purpose of the IPO. Pursuant to the Restructuring Exercise, our Company became the holding company of the Group.

Our Company was incorporated on 12 December 2012 in the Republic of Singapore as a private limited company. On 29 November 2013, our Company acquired EuroSports Auto Pte Ltd (“**EuroSports Auto**”), EuroAutomobile Pte. Ltd. (“**EuroAutomobile**”), deLaCour Asia Pacific Pte. Ltd. and Spania GTA Asia Pacific Private Ltd. The companies being acquired became 100% owned subsidiaries of our Company. On 5 December 2013, our Company was converted into a public limited company. Please refer to the Company’s offer document dated 7 January 2014 (the “**Offer Document**”) for further details of the Restructuring Exercise.

For the purpose of this announcement, the results of the Group for the full year ended 31 March 2014 (“**FY2014**”) with the comparative results of the Group for the full year ended 31 March 2013 (“**FY2013**”) were presented in a manner similar to a pooling-of-interest method to give retrospective application to transactions involving entities under common control, as a result of the Restructuring Exercise undertaken.

On 17 March 2014, EuroSports Auto completed the sale and leaseback arrangement of 30 Teban Gardens Crescent as described in the Offer Document. An upfront land premium of S\$1.8 million, covering the period until 31 May 2017, the expiry of the initial land lease term, was paid by the Group via a set off against the consideration of S\$41.0 million arising from the sale and leaseback arrangement. Please refer to the Company’s SGX-ST announcement made on 18 March 2014.

On the completion of the sales and leaseback arrangement, EuroSports Auto has leased back the property for a period of six years with an average rent of approximately S\$3.6 million per annum over the lease term, with an option to renew for a further term of six years. The difference between the consideration of S\$41.0 million and the fair valuation of the property of S\$21.0 million by an independent professional valuer has been deferred and amortised as deferred income over the leaseback period of six years at an annual amount of approximately S\$3.3 million.

*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 and 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.

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

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		
	2014	2013	
	S\$'000	S\$'000	
Revenue	39,758	86,368	(54.0)
Cost of Sales	(30,928)	(69,171)	(55.3)
Gross Profit	8,830	17,197	(48.7)
Other Income	5,189	4,135	25.5
Interest Income	15	70	(79.0)
Other Credits (Charges), Net	16,354	(489)	n.m. ⁽¹⁾
Marketing and Distribution Expenses	(2,926)	(3,362)	(12.9)
Administrative Expenses	(9,704)	(8,740)	11.0
Finance Costs	(540)	(466)	15.9
Profit Before Tax	17,218	8,345	106.3
Income Tax Expense	(198)	(1,626)	(87.8)
Profit, Net of Tax	17,020	6,719	153.3
Total Comprehensive Income	17,020	6,719	153.3
Earnings Per Share (Cents)			
Basic and Diluted	7.30	2.99	144.5

Note:

(1) n.m. denotes not meaningful

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

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

	Group		Increase/ (Decrease) %
	Year Ended 31 March		
	2014 S\$'000	2013 S\$'000	
Other Income:			
Commission Income	2,046	2,542	(19.5)
Rental Income	729	606	20.4
Deferred Income	1,929	448	330.5
Other Income	485	539	(10.0)
Other Credits (Charges), Net:			
Allowance for Impairment on Trade Receivables	(3)	(183)	(98.5)
Foreign Exchange Adjustments Gains (Losses)	50	(206)	(124.1)
Gain on Disposal of Property, Plant and Equipment	16,307	82	n.m. ⁽¹⁾
Plant & Equipment Written Off	-	(194)	(100.0)
Administrative Expense			
Depreciation of Property, Plant and Equipment	(1,834)	(1,808)	1.4
Income Tax Expense:			
Current Tax Expense	-	(1,600)	(100.0)
Under adjustments to tax in respect of prior periods	(198)	(26)	656.1

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 31 March		As at 31 March	
	2014	2013	2014	2013 ⁽¹⁾
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	19,517	22,279	-	-
Investment in Subsidiaries	-	-	7,953	-
Other Assets, Non-Current	1,161	-	-	-
Total Non-Current Assets	20,678	22,279	7,953	-
Current Assets				
Inventories	19,574	16,958	-	-
Trade and Other Receivables	1,379	6,362	8,866	-
Other Assets, Current	4,251	2,985	17	-
Cash and Cash Equivalents	34,154	5,942	-	-
Total Current Assets	59,358	32,247	8,883	-
Total Assets	80,036	54,526	16,836	-
EQUITY AND LIABILITIES				
Equity				
Share Capital	18,469	3,500	18,469	-
Merger Reserves	(4,453)	-	-	-
Retained Earnings (Accumulated Losses)	22,377	5,357	(1,733)	-
Total Equity	36,393	8,857	16,736	-
Non-Current Liabilities				
Other Financial Liabilities, Non-Current	12,149	12,521	-	-
Other Liabilities, Non-Current	16,532	1,346	-	-
Total Non-Current liabilities	28,681	13,867	-	-
Current Liabilities				
Income Tax Payable	135	1,662	-	-
Trade and Other Payables	3,454	6,443	100	-
Other Financial Liabilities, Current	2,640	17,964	-	-
Other Liabilities, Current	8,733	5,733	-	-
Total Current Liabilities	14,962	31,802	100	-
Total Equity and Liabilities	80,036	54,526	16,836	-

Note:

(1) The Company was incorporated on 12 December 2012. A previous year comparative statement is not applicable.

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 March 2014		As at 31 March 2013	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	2,640	-	17,964	-
Amount repayable after one year	12,149	-	12,521	-

Details of Collaterals

As at 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

As at 31 March 2013, the Group's borrowings are secured by:

- Legal mortgages over a leasehold property and leasehold properties under construction in progress
- Joint and several guarantees from the Executive Directors of the Company
- Fixed and floating charges over inventories and accounts receivables
- Finance leases are secured by the lessor's charge over the leased assets

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

	Group	
	Year Ended 31 March	
	2014	2013
	S\$'000	S\$'000
<u>Cash Flows From Operating Activities</u>		
Profit before Tax	17,218	8,345
Adjustments for:		
Deferred Income	(1,929)	(448)
Depreciation of Property, Plant and Equipment	1,834	1,808
Gain on Disposal of Property, Plant and Equipment	(16,307)	(82)
Listing Expenses	1,317	-
Interest Income	(15)	(70)
Interest Expense	540	466
Plant and Equipment Written Off	-	194
Operating Cash Flows before Changes in Working Capital	2,658	10,213
Inventories	872	(3,421)
Trade and Other Receivables	4,983	8,696
Finance Lease Receivables	-	57
Other Assets	(2,427)	(2,311)
Other Liabilities	115	(4,069)
Trade and Other Payables	(2,990)	(1,318)
Net Cash Flows From Operations	3,211	7,847
Income Taxes Paid	(1,724)	(1,662)
Net Cash Flows From Operating Activities	1,487	6,185
 <u>Cash Flows From Investing Activities</u>		
Purchase of Property, Plant and Equipment	(3,021)	(16,834)
Disposal of Property, Plant and Equipment	40,920	551
Interest Received	15	70
Net Cash Flows From (Used In) Investing Activities	37,914	(16,213)

	Group	
	Year Ended 31 March	
	2014	2013
	S\$'000	S\$'000
<u>Cash Flows From Financing Activities</u>		
Increase from New Borrowings	-	14,160
(Decrease) Increase of Other Financial Liabilities	(15,085)	5,311
Finance Lease Repayment	(2,863)	(2,855)
Issue of New Shares	11,200	-
Listing Expenses	(2,001)	-
Dividends Paid to Equity Owners	-	(2,500)
Interest Paid	(540)	(466)
Cash Restricted In Use Over 3 Months	-	(360)
Net Cash Flows (Used In) From Financing Activities	(9,289)	13,290
Net Increase in Cash and Cash Equivalents	30,112	3,262
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	3,682	420
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	33,794⁽¹⁾	3,682⁽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\$1.90 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	Merger Reserves S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
As at 1 April 2013	3,500	-	5,357	8,857
Movements in Equity:				
Total Comprehensive Income for the Year	-	-	17,020	17,020
Issue of New Shares pursuant to the Restructuring Exercise	4,453	-	-	4,453
Adjustment pursuant to the Restructuring Exercise	-	(4,453)	-	(4,453)
Issue of New Shares pursuant to the IPO	11,200	-	-	11,200
Share Issuance Expense	(684)	-	-	(684)
As at 31 March 2014	18,469	(4,453)	22,377	36,393
As at 1 April 2012	3,500	-	1,138	4,638
Movements in Equity:				
Total Comprehensive Income for the Year	-	-	6,719	6,719
Dividends Paid	-	-	(2,500)	(2,500)
As at 31 March 2013	3,500	-	5,357	8,857
	Company			
	Share Capital S\$'000	Merger Reserves S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
As at 12 December 2012 ⁽²⁾ and 1 April 2013	- ⁽¹⁾	-	-	- ⁽¹⁾
Movements in Equity:				
Total Comprehensive Loss for the Year	-	-	(1,733)	(1,733)
Issue of New Shares pursuant to the Restructuring Exercise	7,953	-	-	7,953
Issue of New Shares pursuant to the IPO	11,200	-	-	11,200
Share Issuance Expense	(684)	-	-	(684)
As at 31 March 2014	18,469	-	(1,733)	16,736

Notes:

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

(2) The Company was incorporated on 12 December 2012. A previous year comparative statement is not applicable.

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 12 December 2012 and 1 April 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	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 year and as at the end of the immediately preceding year.

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

	Number of Ordinary Shares	
	As at 31 March	
	2014	2013
Total number of issued shares excluding treasury shares	265,000,000	2

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 reporting year as compared to its audited financial statements for the reporting year ended 31 March 2013.

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 year, 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 2013. The adoption of these new and revised FRS and INT FRS does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior years.

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

	Group	
	Year Ended 31 March	
	2014	2013
Profit, net of tax (S\$'000)	17,020	6,719
Weighted Average Number of Ordinary Shares	233,109,589	225,000,000 ⁽¹⁾
EPS - Basic and Diluted (cents)	7.30	2.99

Note:

(1) The issued and paid-up share capital of the Company as at 31 March 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 2012.

EPS for the FY2014 and FY2013 is computed based on the Profit, Net of Tax divided by the Weighted Average Number of 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	
	Year Ended 31 March		Year Ended 31 March	
	2014	2013	2014	2013
NAV per Ordinary Shares (cents)	13.73	3.94	6.32	n.a. ⁽²⁾
Number of Shares used in computation of NAV per Ordinary Shares	265,000,000	225,000,000 ⁽¹⁾	265,000,000	n.a. ⁽²⁾

Notes:

(1) The issued and paid-up share capital of the Company as at 31 March 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 2012.

(2) n.a. denotes not applicable

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

Our revenue decreased by approximately S\$46.61 million or 54.0%, from S\$86.37 million in FY2013 to S\$39.76 million in FY2014.

Our sale of automobiles decreased by approximately S\$47.20 million or 60.1%, from S\$78.53 million in FY2013 to S\$31.33 million in FY2014. The decrease was mainly due to:

(i) a decrease in sale of new automobiles of S\$37.21 million mainly due to fewer Lamborghini models sold. 15 new Lamborghini automobiles were sold in FY2014 compared to 42 new Lamborghini automobiles in FY2013. The decrease in sales of new automobiles was mainly due to the new regulations on increases in additional registration fees charged and the loan financing restrictions. The Lamborghini sales were also affected with fewer Gallardo models sold as the model has come to the end of its life cycle; and

(ii) a decrease in sale of pre-owned automobiles of S\$9.99 million mainly due to the lower number of pre-owned automobiles sold in FY2014 (being 13 pre-owned automobiles), as compared to 32 pre-owned automobiles sold in FY2013. The decrease in sales of pre-owned automobiles was mainly due to the loan financing restrictions.

Our sales of deLaCour watches increased by approximately S\$0.91 million or 40.1% from S\$2.27 million in FY2013 to S\$3.18 million in FY2014. The increase was due to higher number of watches sold through distributors in FY2014.

Our revenue from provision of after-sales services decreased by S\$0.32 million or 5.7%, from S\$5.57 million in FY2013 to S\$5.25 million in FY2014. The decrease was due to the decrease in sales of extended warranties relating to pre-owned automobiles and decrease in pre-delivery services relating to sales of new automobiles.

Cost of Sales

Our cost of sales decreased by approximately S\$38.24 million or 55.3%, from S\$69.17 million in FY2013 to S\$30.93 million in FY2014. The decrease was mainly due to (i) a decrease in cost of purchases of S\$17.96 million; (ii) a decrease in vehicle taxes and fees of S\$19.45 million; and (iii) a decrease in other costs of S\$0.83 million.

Gross Profit and Gross Profit Margin

Our gross profit decreased by approximately S\$8.37 million or 48.7% from S\$17.20 million in FY2013 to S\$8.83 million in FY2014. Notwithstanding the decline in gross profit, our gross profit margin increased from approximately 19.9% in FY2013 to 22.2% in FY2014.

The increase in gross profit margin was mainly due to a change of sales mix as mentioned above. In general, sales of automobiles have lower gross profit margins compared to the provision of after-sales services and sale of deLaCour watches.

Other Income

Our other income increased by approximately S\$1.05 million or 25.5%, from S\$4.14 million in FY2013 to S\$5.19 million in FY2014. The increase was mainly due to the one-time recognition of the remaining balances of deferred income amounting to S\$1.36 million that was previously deferred and now recognised upon the completion of the sales and leaseback of 30 Teban Gardens Crescent on 17 March 2014.

The increase in other income was offset by a decrease in commission income of S\$0.50 million arising mainly from a decrease in hire-purchase commission income.

Interest Income

Our interest income decreased by approximately S\$0.05 million or 79.0%, from S\$0.07 million in FY2013 to S\$0.02 million in FY2014 mainly due to a decrease in interest charged for late payment in relation to sale of automobiles.

Other Credits and Charges

Our other charges increased by approximately S\$16.84 million from S\$0.49 million in FY2013 to a credit of S\$16.35 million in FY2014. The increase was mainly due to (i) one-time gain of S\$16.21 million arising from the sales and leaseback of 30 Teban Gardens Crescent; and (ii) foreign exchange gain of S\$0.05 million as compared to foreign exchange loss of S\$0.21 million in FY2013. The foreign currency loss in FY2013 arose mainly from the unwinding of forward currency contracts in early FY2013 at a loss as EUR appreciated against SGD. In FY2014, we have not transacted in forward currency contracts and the foreign exchange gain arises mainly from our foreign currency payments.

Marketing and Distribution Expenses

Our marketing and distribution expenses decreased by approximately S\$0.43 million or 12.9%, from S\$3.36 million in FY2013 to S\$2.93 million in FY2014. The decrease was mainly due to (i) a decrease in rental expenses of S\$0.12 million arising from the non-renewal of lease at 11 Leng Kee Road; and (ii) a decrease in sales commission of S\$0.34 million due to lower sale of automobiles achieved in FY2014.

Administrative Expenses

Our administrative expenses increased by approximately S\$0.96 million or 11.0% from S\$8.74 million in FY2013 to S\$9.70 million in FY2014. The increase was mainly due to (i) an increase of listing expenses of S\$0.60 million; and (ii) an increase in employee benefits expenses of S\$0.15 million due to an increase in hiring.

Finance Costs

Our finance costs increased by approximately S\$0.07 million or 15.9% from S\$0.47 million in FY2013 to S\$0.54 million in FY2014, mainly due to an increase in the level of bank borrowings during FY2014.

Income Tax Expense

Our income tax expense decreased by approximately S\$1.43 million or 87.8% from S\$1.63 million in FY2013 to S\$0.20 million in FY2014, mainly due to lower profit before tax achieved, excluding non-taxable capital gains from sales and leaseback, and utilisation of tax losses brought forward from EuroAutomobile. Our effective tax rate for FY2014 and FY2013 is 1.1% and 19.5% respectively.

Profit, Net of Tax

As a result of the above, our profit after tax increased by approximately S\$10.30 million or 153.3%, from S\$6.72 million in FY2013 to S\$17.02 million in FY2014.

(b) Review of Group's Financial Position

Non-current Assets

Non-current assets decreased by S\$1.60 million from S\$22.28 million as at 31 March 2013 to S\$20.68 million as at 31 March 2014 mainly due to the disposal of 30 Teban Gardens Crescent amounting to S\$4.61 million in the sales and leaseback arrangement on 17 March 2014, which was partially offset by additions in motor vehicles amounting to S\$1.47 million and an increase in non-current assets of S\$1.16 million relating to the long-term portion of the upfront land premium paid in the sales and leaseback arrangement.

Current Assets

Current assets increased by S\$27.11 million from S\$32.25 million as at 31 March 2013 to S\$59.36 million in 31 March 2014. The increase in current assets was mainly due to:

- (i) an increase in cash and equivalents of S\$28.21 million mainly due to the proceeds from the sales and leaseback arrangement and the receipt of the IPO proceeds;
- (ii) an increase in inventories of S\$2.62 million mainly due to the increases in inventories of watches and pre-owned automobiles; and
- (iii) an increase in other assets of S\$1.27 million mainly due to the deposit payment of S\$1.07 million for one Paganì automobile and the current portion of the upfront land premium of S\$0.54 million paid in the sales and leaseback arrangement.

The increase in current assets was offset by a decrease in trade and other receivables of S\$4.98 million, mainly due to collections from related parties of S\$4.69 million. For more information on these related parties transactions, please refer to the section entitled "Related Interested Person Transactions" in the Offer Document.

Equity

Equity comprises share capital, retained earnings and merger reserves. The increase in equity of S\$27.54 million was due to the increase from issue of new shares pursuant to the IPO of S\$10.52 million and profit for the year of S\$17.02 million.

Non-Current Liabilities

Non-current liabilities increased by S\$14.81 million from S\$13.87 million as at 31 March 2013 to S\$28.68 million in 31 March 2014. The increase was mainly due to an increase in non-current other liabilities of S\$15.19 million, offset by a decrease in non-current other financial liabilities of S\$0.37 million. Non-current other liabilities of S\$16.53 million as at 31 March 2014 comprises of long-term portion of the deferred income recognised under the sales and leaseback arrangement. Non-current other financial liabilities decreased by S\$0.37 million mainly due to the repayment of term loan of S\$1.43 million for the financing of the Group's leasehold properties at Chang Charn Road, which was offset by an increase in long-term portion of hire-purchase finance leases relating to the Group's automobiles of S\$1.03 million.

Current Liabilities

Current liabilities decreased by S\$16.84 million from S\$31.80 million to S\$14.96 million mainly due to:

- (i) a decrease in other financial liabilities of S\$15.32 million arising mainly from the repayment of short-term bank borrowings of S\$15.59 million. The Group repaid the short-term bank borrowings using proceeds from the sales and leaseback arrangement; and
- (ii) a decrease in trade and other payables of S\$2.99 million arising mainly from a decrease of S\$2.89 million in trade payables and a decrease of S\$1.09 million in other payable due to the repayment of related party balances, which was offset by an increase of S\$0.99 million relating to payables to building contractors on 30 Teban Gardens Crescent.

The decrease was offset by an increase in current other liabilities of S\$3.00 million mainly due to the current portion of the deferred income recognised under the sales and leaseback arrangement.

Review of Group's Cash Flows

In FY2014, the net cash from operations amounted to S\$1.49 million. This comprises operating cash flows before changes in working capital of S\$2.66 million, adjusted by net working capital inflow of S\$0.55 million. The net working capital inflow was mainly due to a decrease in trade and other receivables of S\$4.98 million arising mainly from the collections from related parties of S\$4.69 million, which was partially offset by an increase in other assets of S\$2.43 million arising mainly from the prepaid land premium of S\$1.70 million for 30 Teban Gardens Crescent and deposit of S\$1.07 million for one unit of Pagani automobile. In FY2014, we paid taxes of S\$1.72 million.

Net cash from investing activities amounted to S\$37.91 million in FY2014. This was mainly due to the disposal of property, plant and equipment of S\$40.92 million, which was offset by purchases of property, plant and equipment of S\$3.02 million.

Net cash used in financing activities amounted to S\$9.29 million in FY2014. This was mainly due to the repayment of bank borrowings of S\$15.09 million, finance lease repayment of S\$2.86 million and listing expenses of S\$2.00 million, which was offset by the IPO proceeds of S\$11.20 million and interest paid of S\$0.54 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 financial year ended 31 March 2014 is generally in line with what was disclosed in the section entitled "General Information in the Group . Trend Information" of the Offer Document.

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 because of 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, the Group expects the launch of Lamborghini's new Huracán model in September 2014 as well as the Alfa Romeo 4C model in July 2014 to have a positive impact on the revenue of our sales of new automobiles in the second half of FY2015.

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

- growing our distribution network for our existing products locally and into other emerging markets in the region ;
- acquiring existing distributorships or dealerships for more luxury products to expand our product portfolio; and/or,
- 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

Yes.

Name of dividend :	Final
Dividend type :	Cash
Dividend per share :	S\$0.028
Tax rate :	Tax exempt

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

None.

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

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

Not applicable.

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. Use of Proceeds

In accordance with the section entitled 'Use of Proceeds and Listing Expenses' in the Offer Document, and as at 31 March 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 31 March 2014 (S\$' million)	Balance of net proceeds as at 31 March 2014 (S\$ million)
Expansion of our operations locally and in other markets and diversification into other luxury lifestyle business	6.00	-	6.00
General working capital	2.46	2.46	-
	<u>8.46</u>	<u>2.46</u>	<u>6.00</u>

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

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical 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.

No segmented information by business or geographical location is presented as the Group is predominantly in the business of the sales and servicing of automobiles and the Group's revenue is mainly derived from Singapore.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

17. A breakdown of sales as follows:

	Group		Increase/ (Decrease) %
	Year Ended 31 March		
	2014	2013	
	S\$'000	S\$'000	
(a) Sales reported for the first half year	25,847	42,662	(39.4%)
(b) Operating profit after tax before deducting minority interests reported for the first half year	1,825	4,090	(55.4%)
(c) Sales reported for the second half year	13,911	43,706	(68.2%)
(d) Operating profit after tax before deducting minority interests reported for the second half year	15,195	2,629	478.0%

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

	Company	
	Year Ended 31 March	
	2014	2013
	S\$'000	S\$'000
(a) Ordinary	7,420	-
(b) Preference	-	-
(c) Total	7,420	-

19. 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.

Pursuant to Rule 704(10), the Company confirms that as at 31 March 2014, there was no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

By Order of the Board
EuroSports Global Limited

Melvin Goh
Chief Executive Officer
27 May 2014