

**P R E S S   R E L E A S E**

**EuroSports Global achieves FY2014 net profit of S\$17 million on one-off gains; proposes final dividend of 2.8 cents per share**

- *Net profit boosted by one-time gain arising from the successful completion of the sales and leaseback arrangement relating to its premises at 30 Teban Gardens Crescent*
- *Proposes total dividend of S\$7.42 million, representing 43.6% of net profit*

Financial Highlights (S\$' million)	Year ended 31 March		Change (%)
	FY2014	FY2013	
Revenue	39.8	86.4	(54.0)
Gross Profit	8.8	17.2	(48.7)
Net Profit	17.0	6.7	153.3
Basic Earnings per Share* (Singapore cents)	7.30	2.99	144.5
Net Asset Value per Ordinary Share** (Singapore cents)	13.73	3.94	249.7

\* Based on a weighted number of 233,109,589 Ordinary Shares in FY2014 and 225,000,000 Ordinary Shares in FY2013.

\*\* Based on the number of Ordinary Shares corresponding to the issued and paid-up share capital of the Company as at 31 March 2014 and 31 March 2013 - 265,000,000 Ordinary Shares in FY2014 and 225,000,000 Ordinary Shares in FY2013.

**SINGAPORE, 27 May 2014** – EuroSports Global Limited (“EuroSports Global” and together with its subsidiaries, the “Group”), a leading luxury lifestyle company with the only authorised dealership for Lamborghini automobiles in Singapore listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 17 January 2014, today announced a 153.3% increase in net profit to S\$17.0 million for the financial year ended 31 March 2014 (“FY2014”). The Group’s earnings were boosted mainly by a one-time gain of S\$16.2 million arising from the successful completion of the sale and leaseback arrangement relating to its premises at 30 Teban Gardens Crescent (the “Sale and Leaseback Arrangement”) on 17 March 2014.

Revenue for the year fell 54.0% to S\$39.8 million as compared to S\$86.4 million in the preceding financial year ended 31 March 2013 (“FY2013”). The decline in the topline was due mainly to new regulations introduced by the government in 2013, which gave rise to additional vehicle registration

fees and loan financing restrictions that dampened the automobile sales market for both new and pre-owned automobiles.

Consequently, gross profit also decreased 48.7% year-on-year (“y-o-y”) from S\$17.2 million to S\$8.8 million. Notwithstanding the decline, the Group’s gross profit margin rose 2.3 percentage points over the same period from 19.9% to 22.2% mainly due to a change of sales mix as sales of automobiles generally have lower gross profit margins compared to the provision of after-sales services and sale of deLaCour watches.

**Segmental Breakdown**

Revenue (S\$' million)	Year ended 31 March		Change (%)
	FY2014	FY2013	
Sales of new automobiles	21.4	58.6	(63.5)
Sales of pre-owned automobiles	9.9	19.9	(50.2)
<b>Total Sales of Automobiles</b>	<b>31.3</b>	<b>78.5</b>	<b>(60.1)</b>
<b>Provision of After-Sales Services</b>	<b>5.3</b>	<b>5.6</b>	<b>(5.7)</b>
<b>Sales of deLaCour Watches</b>	<b>3.2</b>	<b>2.3</b>	<b>40.1</b>
<b>Total</b>	<b>39.8</b>	<b>86.4</b>	<b>(54.0)</b>

The decrease in revenue from Sales of Automobiles was largely due to fewer new Lamborghini automobiles sold: 15 in FY2014 compared to 42 in the preceding financial year. Besides the new government regulations, demand for new Lamborghini automobiles in FY2014 was also affected by customers withholding their purchases in anticipation of the arrival of the new Huracán model in 2014, replacing the Gallardo model, which is at the end of its product life cycle

As a result of lower sales of both new and pre-owned automobiles, the Group’s revenue from the Provision of After-Sales Services fell 5.7% y-o-y to S\$5.3 million in FY2014.

However, revenue from the sale of deLaCour watches gained momentum during the year under review because of higher sales achieved by appointed distributors, resulting in a 40.1% y-o-y increase in revenue from the segment to S\$3.2 million in FY2014.

Based on a weighted average number of 233,109,589 ordinary shares as at 31 March 2014, the Group's earnings per share stood at 7.3 Singapore cents. Based on the number of ordinary shares as at 31 March 2014, net asset value per share stood at 13.73 Singapore cents. Cash and cash equivalents for the year ended 31 March 2014 was S\$34.2 million with no new borrowings.

#### **Proposed Dividend Payout**

The proposed final dividend of 2.8 cents per share, or S\$7.42 million in total dividend payout, is in line with the Group's announcement on 18 March 2014 in relation to the completion of its Sale and Leaseback Arrangement for a consideration of S\$41.0 million. This arrangement paved the way for the declaration of a one-time special dividend, fulfilling the commitment made to investors at the time of the Group's Initial Public Offering ("IPO") when it disclosed in its Offer Document, its intention to declare a one-time special dividend of between S\$6 million to S\$8 million in FY2015, to be funded solely by the sale proceeds arising from the completion of the transaction.

If approved at an Annual General Meeting to be held in July 2014, the dividend will be paid to shareholders in August 2014.

#### **Outlook and Future Plans**

The Group expects the next 12 months to remain challenging because of intense competition among automobile distributors in the mature but small Singapore market. However, the Group believes the launch of Lamborghini's new Huracán model in September 2014 and Alfa Romeo's new model 4C in July 2014, will stir up some excitement among its customers. This is expected to have a positive impact on sales as the luxury and ultra-luxury automobile segments are model driven markets and sales typically increase when a new model is launched.

To drive growth, the Group will also be utilising the net proceeds from its IPO, where S\$6 million had been allocated for the expansion of its operations locally and in other markets and for diversification into other luxury lifestyle businesses. The remaining S\$2.46 million in net proceeds, which had been allocated for general working capital, had been utilised.

EuroSports Global's Executive Chairman and CEO, Mr Melvin Goh, said:

*"Sales in our past financial year have been challenging due to the increased vehicle registration fees and financing restrictions, which impacted the buying power of our customers for our automobiles. At the same time, sales of new Lamborghini automobiles also slowed because the*

*Gallardo series was reaching the end of its product life cycle.*

*“However, we are cautiously optimistic about our performance in the next 12 months because of the new products that have been launched and also because we expect to begin exploring some of the plans and strategies we had outlined in our IPO Offer Document, that will enable the Group to achieve our long term goal to become a luxury lifestyle business with a diversified portfolio of bespoke products.”*

Moving forward, EuroSports Global intends to grow its distribution network locally and into other emerging markets in the region. It may expand its distribution network for its existing products into overseas markets or secure distributorships and/or dealerships for new ultra-luxury automobiles and/or luxury automobiles. For overseas expansion, the Group may acquire existing distributorships and/or dealerships in other ultra-luxury automobile and/or luxury automobile markets, or enter into strategic alliances with local distributors and/or dealers of ultra-luxury automobiles and/or luxury automobiles, should such a need arise.

The Group will continue to leverage on its established pool of high net worth customers to build its business as a luxury lifestyle products provider. It plans to acquire distributorships and/or dealerships for more luxury lifestyle products to expand its portfolio.

To expand its distribution network for the deLaCour brand of watches locally and into other emerging markets in the region, the Group may appoint local watch retailers in that particular country to act as its point of sales and/or local distributors, or it may set up its own boutique watch shops. The Group currently has two Singapore watch retailers, namely Sincere Watch Limited and Watches of Switzerland, as its point of sales in Singapore and also a local distributor in Jakarta, Indonesia. It is currently in discussions with a potential distributor in Bangkok, Thailand.

In line with its growth plans, the Group also intends to expand its operations by way of acquiring and/or constructing improved or new facilities to house its offices, showrooms, service centres and automobile parts and accessories stores. The Group has constructed an annexe to its existing premises at 30 Teban Gardens Crescent comprising an additional two storey showroom, display area and office. There are also plans to construct new facilities consisting of offices, showrooms, service centres and automobile parts and accessories stores at 7 and 9 Chang Charn Road, for which construction is expected to commence in 2015 and take approximately 24 months to complete.

*“Overall, the growing number of high net worth individuals in Singapore and the region will continue to support more discretionary spending and the growth of the luxury and ultra-luxury products market. We will continue to leverage on our key competitive strengths like our strong and long-standing relationships with existing automobile manufacturers as well as our close relationships with our customers to improve our near-term sales performance and obtain new distributorships and dealerships to widen our portfolio of automobile as well as luxury products,”* added Mr Goh.

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### **About EuroSports Global Limited**

The Group specialises in the business of distribution of ultra-luxury automobiles and luxury automobiles and provision of after-sales services.

The Group’s automobile distribution business retails new ultra-luxury automobiles and luxury automobiles as well as pre-owned automobiles. It presently carries automobile brands comprising mainly Lamborghini, Pagani and Alfa Romeo, and customised automobiles supplied by Touring Superleggera.

The provision of after-sales services by the Group includes sales of automobile parts and accessories and the Group operates the only authorised service centre in Singapore for all the automobile brands it carries. In addition, the Group also operates an automobile leasing business as an ancillary business that complements its automobile distribution business.

In September 2012, the Group embarked on the luxury watch distribution and retail business and in November 2012, it secured the exclusive distributorship rights for the deLaCour brand of watches for Singapore, Malaysia, Indonesia, Thailand and Brunei.

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**Issued for and on behalf of EuroSports Global Limited by  
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