

**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 2015**

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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**"), 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.*

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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		
	2015 S\$'000	2014 S\$'000	
Revenue	40,374	39,758	1.6
Cost of Sales	(33,018)	(30,928)	6.8
<b>Gross Profit</b>	<b>7,356</b>	<b>8,830</b>	(16.7)
Other Income	6,471	5,189	24.7
Interest Income	71	15	390.3
Other (Charges) Credits, Net	(1,467)	16,354	n.m. <sup>(1)</sup>
Marketing and Distribution Expenses	(3,320)	(2,926)	13.4
Administrative Expenses	(13,788)	(9,704)	42.1
Finance Costs	(164)	(540)	(69.6)
<b>(Loss) Profit Before Tax</b>	<b>(4,841)</b>	<b>17,218</b>	(128.1)
Income Tax Expense	(68)	(198)	(65.8)
<b>(Loss) Profit, Net of Tax</b>	<b>(4,909)</b>	<b>17,020</b>	(128.8)
<b>Total Comprehensive (Loss) Income</b>	<b>(4,909)</b>	<b>17,020</b>	(128.8)
<b>(Loss) Profit, Net of Tax and Total Comprehensive (Loss) Income</b>			
<b>Attributable to:</b>			
Owners of the Company	(4,020)	17,020	(123.6)
Non-Controlling Interest	(889)	-	n.m. <sup>(1)</sup>
	<b>(4,909)</b>	<b>17,020</b>	(128.8)
<b>(Loss) Earnings Per Share (Cents)</b>			
Basic and Diluted	<b>(1.52)</b>	<b>7.30</b>	(120.8)

Note:

(1) n.m. denotes not meaningful

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

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

	<b>Group</b>		Increase/ (Decrease) %
	<b>Year Ended 31 March</b>		
	<b>2015</b>	<b>2014</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	
<b>Other Income</b>			
Commission Income	1,473	2,046	(28.0)
Rental Income	1,236	729	69.6
- <i>includes leasing income</i>	560	171	227.7
Deferred Income	3,333	1,929	72.8
Other Income	429	485	(11.6)
<b>Other (Charges) Credits, Net</b>			
Allowance for Impairment on Trade Receivables	(49)	(3)	n.m. <sup>(1)</sup>
Bad Trade Debts Written Off	(15)	-	n.m. <sup>(1)</sup>
Foreign Exchange Adjustments Gains	33	50	(33.4)
Gain on Disposal of Property, Plant and Equipment	22	16,307	(99.9)
Impairment Loss on Intangibles (Goodwill)	(1,969)	-	n.m. <sup>(1)</sup>
Other Payables Written Back	511	-	n.m. <sup>(1)</sup>
<b>Marketing and Distribution Expenses</b>			
Advertising and Promotions	(2,493)	(1,627)	53.2
Sales Commission Expense	(339)	(416)	(18.7)
Entertainment	(353)	(636)	(44.5)
<b>Administrative Expenses</b>			
Employee Benefits Expense	(4,739)	(3,767)	25.8
Rental Expense	(4,357)	(471)	825.1
- <i>includes Amortisation of Land Premium</i>	(528)	-	n.m. <sup>(1)</sup>
Depreciation Expense	(1,452)	(1,834)	(20.9)
Professional Fees	(629)	(1,484)	(57.6)
Property Tax	(432)	(206)	109.4
<b>Income Tax Expense</b>			
Current Tax Expense	-	-	-
Under Adjustments to Current Tax in respect of Prior Periods	(68)	(198)	(65.8)

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-15 S\$'000	31-Mar-14 S\$'000	31-Mar-15 S\$'000	31-Mar-14 S\$'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	23,045	19,517	-	-
Intangible Asset	-	-	-	-
Investment in Subsidiaries	-	-	7,953	7,953
Other Assets, Non-Current	640	1,161	-	-
<b>Total Non-Current Assets</b>	<b>23,685</b>	<b>20,678</b>	<b>7,953</b>	<b>7,953</b>
<b>Current Assets</b>				
Inventories	33,329	19,574	-	-
Trade and Other Receivables	1,981	1,379	11,385	8,866
Other Assets, Current	3,577	4,251	44	17
Cash and Cash Equivalents	9,581	34,154	191	-
<b>Total Current Assets</b>	<b>48,468</b>	<b>59,358</b>	<b>11,620</b>	<b>8,883</b>
<b>Total Assets</b>	<b>72,153</b>	<b>80,036</b>	<b>19,573</b>	<b>16,836</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	18,469	18,469	18,469	18,469
Merger Reserves	(4,453)	(4,453)	-	-
Retained Earnings (Accumulated Losses)	10,937	22,377	757	(1,733)
Equity Attributable to Owners of Company	24,953	36,393	19,226	16,736
Non-Controlling Interest	111	-	-	-
<b>Total Equity</b>	<b>25,064</b>	<b>36,393</b>	<b>19,226</b>	<b>16,736</b>
<b>Non-Current Liabilities</b>				
Other Financial Liabilities, Non-Current	10,307	12,149	-	-
Other Liabilities, Non-Current	13,199	16,532	-	-
<b>Total Non-Current Liabilities</b>	<b>23,506</b>	<b>28,681</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>				
Income Tax Payable	135	135	-	-
Trade and Other Payables	1,447	3,454	347	100
Other Financial Liabilities, Current	7,394	2,640	-	-
Other Liabilities, Current	14,607	8,733	-	-
<b>Total Current Liabilities</b>	<b>23,583</b>	<b>14,962</b>	<b>347</b>	<b>100</b>
<b>Total Equity and Liabilities</b>	<b>72,153</b>	<b>80,036</b>	<b>19,573</b>	<b>16,836</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-15		As at 31-Mar-14	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	7,394	-	2,640	-
Amount repayable after one year	10,307	-	12,149	-

**Details of Collaterals**

As at 31 March 2015, the Group’s borrowings were secured by:

- Legal mortgages over leasehold properties under construction in progress
- 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 2014, the Group’s borrowings were secured by:

- Joint and several guarantees from the Executive Directors of the Company
- Legal mortgages over leasehold properties under construction in progress
- Fixed and floating charges over inventories
- A corporate guarantee by the Company
- Finance leases are secured by the lessor’s charge over the leased assets

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

	Group	
	Year Ended 31 March	
	2015	2014
	S\$'000	S\$'000
<b><u>Cash Flows (Used in) From Operating Activities</u></b>		
(Loss) Profit before Tax	(4,841)	17,218
Adjustments for:		
Deferred Income	(3,333)	(1,929)
Depreciation of Property, Plant and Equipment	1,452	1,834
Amortisation of Other Assets	528	-
Gain on Disposal of Property, Plant and Equipment	(22)	(16,307)
Impairment Loss on Intangibles (Goodwill)	1,969	-
Listing Expenses	-	1,317
Interest Income	(71)	(15)
Interest Expense	164	540
<b>Operating Cash Flows before Changes in Working Capital</b>	<b>(4,154)</b>	<b>2,658</b>
Inventories	(12,897)	872
Trade and Other Receivables	(602)	4,983
Other Assets	788	(2,427)
Other Liabilities	5,730	115
Trade and Other Payables	(2,007)	(2,990)
<b>Net Cash Flows (Used in) From Operations</b>	<b>(13,142)</b>	<b>3,211</b>
Income Taxes Paid	(68)	(1,724)
<b>Net Cash Flows (Used in) From Operating Activities</b>	<b>(13,210)</b>	<b>1,487</b>
 <b><u>Cash Flows (Used in) From Investing Activities</u></b>		
Net Cash Used in Acquisition of a subsidiary	(1,356)	-
Purchase of Property, Plant and Equipment	(4,303)	(3,021)
Disposal of Property, Plant and Equipment	116	40,920
Interest Received	71	15
<b>Net Cash Flows (Used In) From Investing Activities</b>	<b>(5,472)</b>	<b>37,914</b>

	<b>Group</b>	
	<b>Year Ended 31 March</b>	
	<b>2015</b>	<b>2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Cash Flows Used in Financing Activities</u></b>		
Increase (Decrease) of Other Financial Liabilities	3,639	(15,085)
Finance Lease Repayment	(1,946)	(2,863)
Issue of New Shares	-	11,200
Listing Expenses	-	(2,001)
Dividends Paid to Equity Owners	(7,420)	-
Interest Paid	(164)	(540)
<b>Net Cash Flows Used In Financing Activities</b>	<b>(5,891)</b>	<b>(9,289)</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(24,573)	30,112
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	33,794	3,682
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance</b>	<b>9,221<sup>(1)</sup></b>	<b>33,794<sup>(1)</sup></b>

Note:

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

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

	Group					
	Share Capital	Merger Reserves	Retained Earnings	Attributable to Owners of the Company	Non- Controlling Interest	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>As at 1 April 2014</b>	18,469	(4,453)	22,377	36,393	-	36,393
<b>Movements in Equity:</b>						
Total Comprehensive Loss for the Year	-	-	(4,020)	(4,020)	(889)	(4,909)
Effects of Acquisition of a Subsidiary	-	-	-	-	1,000	1,000
Dividends Paid	-	-	(7,420)	(7,420)	-	(7,420)
<b>As at 31 March 2015</b>	<b>18,469</b>	<b>(4,453)</b>	<b>10,937</b>	<b>24,953</b>	<b>111</b>	<b>25,064</b>
<b>As at 1 April 2013</b>	<b>3,500</b>	<b>-</b>	<b>5,357</b>	<b>8,857</b>	<b>-</b>	<b>8,857</b>
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Year	-	-	17,020	17,020	-	17,020
Issue of New Shares pursuant to the Restructuring Exercise	4,453	-	-	4,453	-	4,453
Adjustment pursuant to the Restructuring Exercise	-	(4,453)	-	(4,453)	-	(4,453)
Issue of New Shares pursuant to the IPO	11,200	-	-	11,200	-	11,200
Share Issuance Expense	(684)	-	-	(684)	-	(684)
<b>As at 31 March 2014</b>	<b>18,469</b>	<b>(4,453)</b>	<b>22,377</b>	<b>36,393</b>	<b>-</b>	<b>36,393</b>
	Company					
	Share Capital	Accumulated Losses	Total Equity			
	S\$'000	S\$'000	S\$'000			
<b>As at 1 April 2014</b>	18,469	(1,733)	16,736			
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Year	-	9,910	9,910			
Dividends Paid	-	(7,420)	(7,420)			
<b>As at 31 March 2015</b>	<b>18,469</b>	<b>757</b>	<b>19,226</b>			
<b>As at 1 April 2013</b>	-	-	-			
<b>Movements in Equity:</b>						
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)			
<b>As at 31 March 2014</b>	<b>18,469</b>	<b>(1,733)</b>	<b>16,736</b>			

Note:

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

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

	Company	
	Number of Ordinary Shares	Issued and Paid-up Share Capital S\$
Issued and paid up share capital as at 31 March 2014 and 31 March 2015	265,000,000	18,469,317

There were no changes in the Company’s share capital since the end of the previous period reported on. There were no outstanding convertibles or treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

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

	Number of Ordinary Shares	
	As at	
	31-Mar-15	31-Mar-14
Total number of issued shares excluding treasury shares	265,000,000	265,000,000

There were no treasury shares as at the end of the current financial year and as the end of the immediately preceding year.

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

Not applicable.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company’s auditors.

**3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as compared to its audited financial statements for the financial year ended 31 March 2014.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In the current financial period, the Group has adopted all the new and revised financial reporting standards (“FRS”) and Interpretations of FRS (“INT FRS”) that are relevant to the Group and effective for the financial period beginning 1 April 2014. The adoption of these new and revised FRS and INT FRS does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior years.

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

	Group	
	Year Ended 31 March	
	2015	2014
(Loss) Profit, Net of Tax Attributable to Owners of the Company (S\$’000)	(4,020)	17,020
Weighted Average Number of Ordinary Shares	265,000,000	233,109,589
(Loss) Earnings Per Share - Basic and Diluted (cents)	(1.52)	7.30

(Loss) Earnings Per Share is computed based on the (Loss) Profit, Net of Tax Attributable to Owners of the Company divided by the Weighted Average Number of Ordinary Shares.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: (a) current period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	As at		As at	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
NAV per Ordinary Shares (cents)	9.46	13.73	7.26	6.32
Equity Attributable to Owners of Company (S\$’000)	24,953	36,393	19,226	16,736
Number of Shares used in computation of NAV per Ordinary Shares	265,000,000	265,000,000	265,000,000	265,000,000

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

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

**Revenue**

Revenue increased by approximately S\$0.61 million or 1.6%, from S\$39.76 million in FY2014 to S\$40.37 million in FY2015.

Sale of automobiles increased by approximately S\$2.18 million or 7.0%, from S\$31.33 million in FY2014 to S\$33.51 million in FY2015. The increase was mainly due to an increase in sale of pre-owned automobiles of S\$2.73 million mainly as a result of the higher number of pre-owned automobiles sold in FY2015 (being 24 pre-owned automobiles), as compared to 13 pre-owned automobiles sold in FY2014. The increase in sales of pre-owned automobiles was mainly due to the acquisition of a subsidiary which deals mainly in the sale of pre-owned automobiles and provision of after-sales services.

The increase in sale of pre-owned automobiles was offset by a decrease in sale of new automobiles of S\$0.55 million mainly due to fewer Lamborghini models sold. 13 new Lamborghini automobiles were sold in FY2015 compared to 15 new Lamborghini automobiles in FY2014. The decrease in sales of new automobiles was mainly due to the effects of the regulations related to increased additional registration fees and the tightening of loan financing restrictions.

Sales of deLaCour watches decreased by approximately S\$1.82 million or 57.1%, from S\$3.18 million in FY2014 to S\$1.36 million in FY2015. The decrease was mainly due to lower number of watches sold through distributors in FY2015.

Revenue from provision of after-sales services increased by S\$0.25 million or 4.8%, from S\$5.25 million in FY2014 to S\$5.50 million in FY2015. The increase was mainly due to the acquisition of a subsidiary.

**Cost of Sales**

Cost of sales increased by approximately S\$2.08 million or 6.8%, from S\$30.93 million in FY2014 to S\$33.01 million in FY2015. The increase was mainly due to an increase in vehicle taxes and fees of S\$3.83 million, which was partially offset by a decrease in cost of purchases of S\$1.84 million.

**Gross Profit and Gross Profit Margin**

Gross profit decreased by approximately S\$1.47 million or 16.7%, from S\$8.83 million in FY2014 to S\$7.36 million in FY2015. Gross profit margin decreased from approximately 22.2% in FY2014 to 18.2% in FY2015 due to the increase in proportion of pre-owned automobiles sold in comparison to the new automobiles sold. In general, sales of pre-owned automobiles have lower gross profit margins compared to the sales of new automobiles.

**Other Income**

Other income increased by approximately S\$1.28 million or 31.2%, from S\$5.19 million in FY2014 to S\$6.47 million in FY2015. The increase was mainly due to an increase in deferred income of S\$1.40 million related to the completion of the sales and leaseback of 30 Teban Gardens Crescent on 17 March 2014, and an increase in leasing income of S\$0.39 million arising from increased number of leasing automobiles. The increase was partially offset by a decrease in commission income of S\$0.58 million.

**Interest Income**

Interest income increased by approximately S\$0.05 million, from approximately S\$0.02 million in FY2014 to S\$0.07 million in FY2015 mainly due to interest earned from fixed deposits.

### **Other Credits and Charges**

Other credit decreased by approximately S\$17.82 million from a credit of S\$16.35 million in FY2014 to a charge of S\$1.47 million in FY2015. The decrease was mainly due to:

- (i) an impairment loss of goodwill of S\$1.97 million relating to the acquisition of a subsidiary;
- (ii) an increase in allowance for impairment on trade receivables of S\$0.05 million arising from provisions on long outstanding balances from customers;
- (iii) a decrease in gain on disposal of property, plant and equipment of S\$16.28 million as the one-time gain arising from the sales and leaseback of 30 Teban Gardens Crescent was recognised in FY2014; and
- (iv) a decrease of foreign exchange gain of S\$0.02 million

The decrease in other credits was partially offset by an increase in other payables written back of S\$0.51 million relating to income recognised on non-refundable customer deposits that were more than 3 years and other long outstanding owings that were deemed non-payable.

### **Marketing and Distribution Expenses**

Marketing and distribution expenses increased by approximately S\$0.39 million or 13.4%, from S\$2.93 million in FY2014 to S\$3.32 million in FY2015. The increase was due to an increase in advertising and promotions expenses of S\$0.86 million which was mainly due to the launch events of new Lamborghini Huracán, brand building activities on Lamborghini held at Wisma Atria, and launch events of new deLaCour boutique at Wisma Atria. The increase in marketing and distribution expenses was partially offset by a decrease in entertainment expenses of S\$0.29 million.

### **Administrative Expenses**

Administrative expenses increased by approximately S\$4.09 million or 42.1%, from S\$9.70 million in FY2014 to S\$13.79 million in FY2015. The increase was mainly due to:

- (i) an increase of rental and related expenses of S\$3.89 million mainly due to the leaseback of 30 Teban Gardens Crescent;
- (ii) an increase in employee benefits expenses of S\$0.97 million due to an increase in headcounts arising from the acquisition of a subsidiary and the additional hiring of staff in the Group; and
- (iii) an increase in property taxes of S\$0.22 million.

The increase in administration expenses was offset by:

- (i) a decrease in professional fees of S\$0.85 million as higher professional fees were incurred as listing expenses in FY2014; and
- (ii) a decrease in depreciation expense of S\$0.38 million arising mainly from the disposal of 30 Teban Gardens Crescent.

### **Finance Costs**

Finance costs decreased by approximately S\$0.38 million or 69.6%, from S\$0.54 million in FY2014 to S\$0.16 million in FY2015, mainly due to a decrease in the level of bank borrowings during FY2015.

### **Income Tax Expense**

Income tax expense decreased by approximately S\$0.13 million or 65.8%, from S\$0.20 million in FY2014 to S\$0.07 million in FY2015, mainly due to losses in FY2015.

### **Loss/ Profit, Net of Tax**

As a result of the above, a loss after tax of S\$4.91 million in FY2015 was recorded, as compared to a profit after tax of S\$17.02 million in FY2014. The net loss after tax attributable to owners of the Company and non-controlling interest in FY2015 amounted to S\$4.02 million and S\$0.89 million respectively.

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

#### **Non-current Assets**

Non-current assets increased by S\$3.00 million from S\$20.68 million as at 31 March 2014 to S\$23.68 million as at 31 March 2015 mainly due to an increase in property, plant and equipment of S\$3.52 million, of which S\$3.15 million was due to additions in motor vehicles arising mainly from an increase in leasing automobiles. The increase was offset by a decrease in the non-current other assets of S\$0.52 million relating to the amortisation of the long-term portion of the upfront land premium paid in the sales and leaseback arrangement.

During the period, the Company recognised an intangible asset of S\$2.47 million relating to preliminary goodwill from the acquisition of a subsidiary which was subsequently adjusted to S\$1.97 million upon the completion of the purchase price allocation exercise. The goodwill of S\$1.97 million was fully impaired and written off as at 31 March 2015.

#### **Current Assets**

Current assets decreased by S\$10.89 million from S\$59.36 million as at 31 March 2014 to S\$48.47 million as at 31 March 2015. The decrease in current assets was mainly due to:

- (i) a decrease in cash and cash equivalents of S\$24.57 million mainly due to the payment of dividends of S\$7.42 million and other uses of funds in operating, investing and other financing activities; and
- (ii) a decrease in other assets of S\$0.67 million mainly due to a decrease in deposit payment of S\$1.07 million relating to one Pagani automobile being delivered to the Group which was partially offset by increases in deposit of S\$0.15 million relating to one Touring Superleggera automobile and rental deposits of S\$0.33 million for deLaCour boutique at Wisma Atria and Lamborghini display and retail store at Suntec City Mall.

The decrease in current assets was offset by:

- (i) an increase in inventories of S\$13.75 million mainly due to an increase in inventories of new automobiles of S\$14.63 million which was offset by a decrease of pre-owned automobiles of S\$0.92 million; and
- (ii) an increase in trade and other receivables of S\$0.60 million, mainly due to balances from a few customers.

Included in other assets is an amount of approximately S\$1.90 million relating to deposits paid to Spania GTA Technomotive S.L. for the order of five GTA automobiles. The Executive Directors of the Company have on 18 November 2013 executed a deed of indemnity in favour of the Group, pursuant to which the Executive Directors have undertaken, inter alia, that they will pay to the Group, on a joint and several basis, all deposits and monies paid to GTA Spain in connection with the GTA automobiles remaining undelivered, in the event (i) GTA Spain fails to deliver the GTA automobiles by 31 March 2015 and fails to refund the deposits and all monies paid to GTA Spain in connection therewith, in full, to the Group; or (ii) if GTA Spain is wound up, dissolved, insolvent, bankrupt or placed in judicial management, whichever is earlier. The Board of Directors has agreed not to demand for the repayment of S\$1.90 million till the end August 2015 based on correspondences from Spania GTA Technomotive S.L. on the expected delivery schedule. The Management continues to assess this delivery schedule.

## Equity

Equity comprises share capital, retained earnings, merger reserves and non-controlling interest. The decrease in equity of S\$11.31 million was due to the payment of dividends of S\$7.42 million and loss attributable to owners of the Company of S\$4.02 million, which was offset by an increase in non-controlling interest of S\$0.11 million arising from the acquisition of a subsidiary.

## Non-Current Liabilities

Non-current liabilities decreased by S\$5.17 million from S\$28.68 million as at 31 March 2014 to S\$23.51 million as at 31 March 2015. The decrease was mainly due to:

- (i) a decrease in non-current other liabilities of S\$3.33 million. Non-current other liabilities comprises long-term portion of the deferred income recognised under the sales and leaseback arrangement; and
- (ii) a decrease in non-current other financial liabilities of S\$1.84 million. Non-current other financial liabilities decreased mainly due to the repayment of term loan of S\$0.71 million for the financing of the Group's leasehold properties at Chang Charn Road and repayment of hire-purchase finance leases relating to the Group's automobiles of S\$1.13 million.

## Current Liabilities

Current liabilities increased by S\$8.62 million from S\$14.96 million to S\$23.58 million mainly due to:

- (i) an increase in other financial liabilities of S\$4.75 million arising mainly from increases in short-term bank borrowings; and
- (ii) an increase in current other liabilities of S\$5.88 million mainly due to an increase of S\$5.73 million of deposits received.

The increase was offset by a decrease in trade and other payables of S\$2.01 million arising mainly due to:

- (i) the payment of S\$1.50 million in FY2015 in respect of the construction of annex at 30 Teban Gardens Crescent which was completed in the end of the last financial period; and
- (ii) the recognition of income of S\$0.51 million of long outstanding payables and non-refundable customer deposits.

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

In FY2015, the net cash used in operations amounted to S\$13.21 million. This comprises negative operating cash flows before changes in working capital of S\$4.16 million, adjusted by net working capital outflow of S\$8.98 million and taxes paid of S\$0.07 million. The net working capital outflow was mainly due to increases in inventories of S\$12.90 million and trade and other receivables of S\$0.60 million and a decrease in trade and other payables of S\$2.00 million, which was offset by decreases in other assets of S\$0.79 million and an increase in other liabilities of S\$5.73 million.

Net cash used in investing activities amounted to S\$5.47 million in FY2015. This was mainly due to the purchases of property, plant and equipment of S\$4.30 million and net cash used in acquisition of a subsidiary of S\$1.36 million, which was offset by an aggregate amount of S\$0.19 million arising from disposal of property, plant and equipment and interest received.

Net cash used in financing activities amounted to S\$5.89 million in FY2015. This was mainly due to dividends paid of S\$7.42 million and finance lease repayment of S\$1.95 million which was offset by increase in other financial liabilities of S\$3.64 million.

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

The sales of Lamborghini's new Huracan in the second half of FY2015 was in line with what was disclosed in Section 10 of the Company's results announcement released on 11 November 2014. However, sales of watches in the second half of FY2015 did not increase as expected with the opening of the new deLaCour boutique at Wisma Atria in December 2014.

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

The Group expects the next 12 months to remain challenging due to intense competition among automobile distributors in the mature but small Singapore market. In addition, automobile ownership is highly regulated in Singapore and market demand will be affected should the Singapore government impose policies that could adversely affect the affordability of automobile ownership, for example, increase vehicle registration fees and financing restrictions.

As part of its brand building activities, the Group will target to open a new Lamborghini display and retail store at Suntec City Mall by end of 2015.

**11. If a decision regarding dividend has been made: (a) Whether an interim (final) ordinary dividend has been declared (recommended); (b) (i) Amount per share, cents (ii) Previous corresponding period, cents; (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

**(a) Dividend Declared (Recommended) for the Current Financial Period Reported On**

None.

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared (recommended).

**13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company has not obtained an IPT mandate.

**14. Use of Proceeds**

In accordance with the section entitled "Use of Proceeds and Listing Expenses" in the Offer Document, and as at 31 March 2015, the Company wishes to announce that the net proceeds of approximately S\$8.46 million have been utilised as follows:

	<b>Amount allocated as stated in the Offer Document (S\$' million)</b>	<b>Amount utilised as at 31 March 2015 (S\$' million)</b>	<b>Balance of net proceeds as at 31 March 2015 (S\$' million)</b>
Expansion of our operations locally and in other markets and diversification into other luxury lifestyle business	6.00	1.50 <sup>(1)</sup>	4.50
General working capital	2.46	2.46 <sup>(2)</sup>	-
	<b>8.46</b>	<b>3.96</b>	<b>4.50</b>

Notes:

- (1) The amount of S\$1.50 million for expansion of our operations locally was utilised in the acquisition of a subsidiary.
- (2) The amount of S\$2.46 million deployed for general working capital includes the purchase of inventories and operating expenses.

**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:**

	<b>Group</b>		Increase/ (Decrease) %
	<b>Year Ended 31 March</b>		
	<b>2015</b>	<b>2014</b>	
	<b>S\$’000</b>	<b>S\$’000</b>	
(a) Sales reported for the first half year	15,799	26,874	(41.2%)
(b) Operating (loss) profit after tax before deducting minority interests reported for the first half year	(3,167)	1,885	n.m. <sup>(1)</sup>
(c) Sales reported for the second half year	24,575	12,884	90.7%
(d) Operating (loss) profit after tax before deducting minority interests reported for the second half year	(1,742) <sup>(2)</sup>	15,135	n.m. <sup>(1)</sup>

Notes:

(1) n.m. denotes not meaningful

(2) Operating loss after tax before minority interests is after charging a one-time loss S\$1.97 million arising from impairment of goodwill on the acquisition of a subsidiary.

**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:**

	<b>Company</b>	
	<b>Year Ended 31 March</b>	
	<b>2015</b>	<b>2014</b>
	<b>S\$’000</b>	<b>S\$’000</b>
(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.

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Justin Lum Han Ming	29	Nephew of Melvin Goh and Andy Goh.	Business Development Manager since 2 May 2014.	There is no change during the year.

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

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

**26 May 2015**