

P R E S S R E L E A S E

## EuroSports Global achieves FY2015 revenue of **S\$40.37 million**

- *Bottomline impacted by the absence of a one-off gain and impairment loss of goodwill arising from the acquisition of a subsidiary*

Financial Highlights (S\$' million)	Year ended 31 March		Change (%)
	FY2015	FY2014	
Revenue	40.37	39.75	1.6
Gross Profit	7.36	8.83	(16.7)
Net (Loss)/Profit attributable to owners of the company	(4.02)	17.02	(123.6)
Basic (Loss)/Earnings per Share* (Singapore cents)	(1.52)	7.30	(120.8)
Net Asset Value per Ordinary Share** (Singapore cents)	9.46	13.73	(31.1)

\* Based on a weighted average number of 265,000,000 Ordinary Shares in FY2015 and 233,109,589 Ordinary Shares in FY2014.

\*\* Number of Shares used in computation of NAV per Ordinary Share as at 31 March 2015 and 31 March 2014: 265,000,000.

**SINGAPORE, 26 May 2015** – EuroSports Global Limited (“EuroSports” and together with its subsidiaries, the “Group”), a leading luxury lifestyle company with the only authorised dealership for Lamborghini automobiles in Singapore, registered a 1.6% increase in revenue to S\$40.37 million for the financial year ended 31 March 2015 (“FY2015”) as compared to the previous corresponding year (“FY2014”).

### **Business Review**

In August 2014, the Group completed the acquisition of a subsidiary, namely AutoInc EuroSports Pte. Ltd., which deals mainly in the sale of pre-owned automobiles and the provision of after-sales services. The new subsidiary contributed to the S\$2.73 million increase in pre-owned automobile sales with 24 vehicles in FY2015 sold as compared to 13 in FY2014.

However this increase was partially offset by a S\$0.55 million decline in sales of new automobiles due to tighter government regulations and loan financing restrictions which led to fewer new Lamborghini models sold during the year under review (FY2015: 13 ; FY2014: 15).

The result was a 7.0% increase in the overall revenue from the Group’s sale of automobiles segment to S\$33.51 million in FY2015 as compared to S\$31.33 million in FY2014.

The new subsidiary also contributed to the 4.8% increase in revenue from the Group's provision of after-sales services segment from S\$5.25 million in FY2014 to S\$5.50 million in FY2015.

Revenue from the Group's watch distribution and retail business, which is principally involved in the sale of deLaCour watches, fell 57.1% in FY2015 to S\$1.36 million mainly because of lower number of watches sold through distributors in FY2015.

Gross profit margin fell 4.0 percentage points to 18.2% in FY2015 from 22.2% in FY2014 because of higher sales of pre-owned automobiles, which typically enjoy lower gross profit margins as compared to new automobiles. In absolute amount, the gross profit fell 16.7% to S\$7.36 million in FY2015.

Expenses rose during the year with marketing and distribution expenses rising 13.4% to S\$3.32 million in FY2015 due to an increase in advertising and promotional campaigns and activities for the launch of the new Lamborghini Huracán model as well as the opening of a new deLaCour watch boutique in Wisma Atria. Administrative expenses also rose 42.1% to S\$13.79 million over the same period, primarily due to an increase in rental expenses of S\$3.89 million mainly relating to the leaseback of 30 Teban Gardens Crescent<sup>1</sup>, higher headcount arising from the acquisition and additional staff hiring, as well as a rise in property taxes.

Consequently, the Group reported a net loss attributable to owners of the company of S\$4.02 million in FY2015, as compared to a net profit of S\$17.02 million in FY2014 when a one-time gain arising from the sales and leaseback of 30 Teban Gardens Crescent<sup>1</sup> was recognised.

### ***Half-on-half comparison***

The Group's performance in the second half of FY2015 ("2H2015") was an improvement over the first half ("1H2015"). In 2H2015, the Group achieved sales of S\$24.6 million compared to S\$15.8 million in 1H2015 mainly because more units of new Lamborghini automobiles were sold (1H2015: 4 ; 2H2015: 9).

Net loss after tax in 2H2015 was S\$1.74 million as compared to S\$3.17 million in 1H2015. Excluding the one-time loss of S\$1.97 million arising from impairment of goodwill resulting from the acquisition of a subsidiary which was charged in 2H2015, the Group would have achieved a modest profit after tax of S\$0.23 million in the second half.

Based on 265,000,000 Ordinary Shares in issue as at 31 March 2015, net asset value per share stood at 9.46 Singapore cents.

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<sup>1</sup> On 18 March 2014, the Group had announced the successful completion of the sale and leaseback arrangement relating to its premises at 30 Teban Gardens Crescent.

### **Outlook and Future Plans**

The Group expects the 12 months ahead to be challenging. Besides intense competition among automobile distributors in the mature but small Singapore market, market demand will also be affected should Singapore government impose tighter regulation and policies that could adversely affect the affordability of automobile ownership such as increasing vehicle registration fees and financing restrictions.

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

*"Despite the challenging outlook we believe that we carry highly desired brands that many aspire to own, in particular the Lamborghini brand. As such, we will be continuing our brand building activities to drive sales. We are excited about our new Lamborghini display and retail store, which will be opening at Suntec City Mall by end of 2015. In the meantime, we continue to look for local and regional opportunities to enlarge our distribution network and to expand our product portfolio."*

### **Use of IPO Proceeds**

Of the S\$8.46 million in net proceeds that was raised as part of its IPO, the Group has utilised S\$1.50 million out of the S\$6.00 million that was allocated for the expansion of operations locally and in other markets and diversification into other luxury lifestyle business. All S\$2.46 million that was allocated for general working capital has been utilised. As at 31 March 2015, the balance of the IPO net proceeds stood at S\$4.50 million.

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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  
August Consulting**

Tel: +65 6733 8873

Wrisney Tan, [wrisney@august.com.sg](mailto:wrisney@august.com.sg)

Ho Lily, [lily@august.com.sg](mailto:lily@august.com.sg)

Jeremy Sing, [jeremysing@august.com.sg](mailto:jeremysing@august.com.sg)

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