

PRESS RELEASE

EuroSports Global registers 57.4% jump in revenue to S\$63.5 million in FY2016

- Higher revenue mainly due to twice as many new Lamborghini automobiles sold
- Launched supercar sharing club business – Ultimate Drive – on 24 May 2016

Financial Highlights (S\$' million)	Full year ended 31 March		Change (%)
	FY2016	FY2015	
Revenue	63.53	40.37	57.4
Gross Profit	8.13	7.36	10.5
Net attributable loss	(4.50)	(4.02)	11.8

SINGAPORE, 27 May 2016 – 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, achieved a 57.4% increase in revenue to S\$63.53 million for the full year ended 31 March 2016 (“FY2016”), from S\$40.37 million a year ago (“FY2015”).

Business Review

The better performing topline in FY2016 was a result of an increase in sales across all three business segments. In FY2016, EuroSports Global opened its new Lamborghini display and retail store at Suntec City Mall. It also launched two new variants of the Lamborghini model Huracán.

Revenue from its *Sale of Automobiles* business soared 64.8% to S\$55.24 million in FY2016 from S\$33.51 million in FY2015 mainly due to more than twice as many new Lamborghini automobiles sold (FY2016: 31; FY2015: 13). Also supporting this segment’s growth was a S\$11.10 million increase in sales of pre-owned automobiles due to full year contribution by the Group’s subsidiary, AutoInc EuroSports Pte. Ltd., which it acquired in August 2014.

Corresponding to the higher number of cars sold, the Group’s *After-Sales Services* business recorded a 10.0% increase in revenue to S\$6.05 million from S\$5.50 million for the year in review.

Also generating higher sales is the Group's *Sale of deLaCour Watches*, which saw more watches sold at its deLaCour Boutique at Wisma Atria. Revenue from this business jumped 64.5% year-on-year ("**yoy**") to S\$2.25 million from S\$1.37 million.

During the year, the Group's gross profit rose 10.5% to S\$8.13 million in FY2016. However, because of a decrease in gross profit margin from sales of new and pre-owned automobiles from 12.7% in FY2015 to 9.3% in FY2016, the Group's overall gross profit margin was trimmed by 5.2 percentage points yoy from 18.2% in FY2015 to 12.8% in FY2016.

Group-wide operating expenses for the period rose 21.7% with the bulk stemming from administrative expenses (FY2016: S\$16.78 million; FY2015: \$13.79 million). Contributing to this was an increase in staff strength and therefore higher expenses in the form of employee benefits; an increase in rental expense in relation to the opening of the Lamborghini Boutique at Suntec City Mall in November 2015 and its existing deLaCour Boutique at Wisma Atria; higher property tax due to an upward revision of assessment; and, an increase in depreciation expense arising from additions during FY2016 and full 12 months depreciation of property, plant and equipment acquired near the end of FY2015.

As a result, the Group ended FY2016 with a net loss of S\$4.50 million as compared to a net loss of S\$4.02 million in FY2015

EuroSports Global's Executive Chairman and CEO, Mr Melvin Goh, said: "Our bottomline was affected by lower gross profit margins from the sale of cars, and also because of higher operating expenses, but I am satisfied that despite the economic slowdown and government efforts to curb car ownership, we were able to double the number of Lamborghinis sold in FY2016 as compared to FY2015. Credit goes to our sales and marketing as well as business development teams, who have worked to engage our customers. Our investment in a Lamborghini showroom at Suntec City has also paid off by way of increased brand visibility and awareness."

Business update and outlook

The Group anticipates 12 challenging months ahead due to intense competition among automobile distributors in the mature and small Singapore market. In an already highly regulated automobile ownership environment, stricter government policies in terms of vehicle registration fees and financing restrictions could further affect affordability and in turn, market demand.

The proposed acquisition¹ of the business and assets of Ultimate Drive Pte Ltd and Driven By Adrenaline Pte Ltd was completed on 24 May 2016.

Under EuroSports Global's management, Ultimate Drive Eurosports Pte. Ltd. ("**Ultimate Drive**") will comprise two business segments namely:

- Ultimate Drive Club ("**UD Club**"), which is a fee-based supercar sharing club where members can purchase one- to three-year memberships at S\$12,000 to \$36,000, which will give them between 20,000 and 66,000 points that can be redeemed for drives. The number of points used per drive will depend on the marque chosen; and
- Ultimate Drive Experience ("**UD Experience**"), which is involved in the short term rental of supercars to tourists or to locals for special occasions such as weddings and corporate events.

Mr Goh said: *"Ultimate Drive is a complementary business and an exciting new revenue stream for the Group. To date, we have already received encouraging feedback from customers who want the thrill of driving a supercar without the financial commitment of owning one. It is of course our hope that members of Ultimate Drive will love driving a supercar so much that they will eventually purchase one from us!"*

###

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.

¹ See SGX announcement dated 22 March 2016: Proposed acquisition of the business and assets of (i) Ultimate Drive Pte Ltd and (ii) Driven by Adrenaline Pte Ltd.

In April 2016, the Group incorporated Ultimate Drive, a new motoring product catering to supercar enthusiasts.

Issued for and on behalf of EuroSports Global Limited by August Consulting

Tel: +65 6733 8873

Wrisney Tan, wrisneytan@august.com.sg

Serene Chia, serenechia@august.com.sg

IMPORTANT NOTICE

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch ("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. The SGX-ST and the Sponsor assume 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, Investment Banking, Singapore. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.