

For immediate release

23 June 2016



Sparkle Roll Group Limited

Stock Code: 970.HK

Announces Annual Results for the Year Ended 31 March 2016 Establishes an E-commerce Platform “Sparkle Roll Online” and Expands Non-auto Businesses

Financial Highlights (HK\$'000)	For the Year Ended 31 March		
	2016	2015	Change
Revenue	2,376,904	2,605,701	-8.8%
Gross Profit	189,103	188,427	+0.4%
Gross Profit Margin	8.0%	7.2%	+0.8ppt
Loss attributable to owners of the company	(32,278)	(455,685)	-93%

(Hong Kong, 23 June 2016) – Sparkle Roll Group Limited (“Sparkle Roll” or the “Group”) (Stock Code: 970.HK), principally engaged in distributorships and dealerships of top-tier branded consumer goods, announced its annual results for the year ended 31 March 2016 (the “Year”).

During the Year, the Group recorded revenue of HK\$2.377 billion (2015: HK\$2.606 billion), representing a decrease of 8.8% compared with last corresponding year. Gross profit was HK\$189.1 million (2015: HK\$188.4 million), representing an increase of 0.4% compared with last corresponding year. The increase was mainly due to the growth of gross profit from provision of automobile after-sales services, sales of audio equipment and apparels by approximately 16.5%, 119% and 11 times respectively, but offset by the decrease in gross profit from sales of automobiles, watches and jewellery. The gross profit margin of the Group increased from 7.2% in last year to 8.0%. Such increase was mainly due to the growth in gross profit margin from provision of after-sales services and the surging contribution from audio equipment and apparels business. Loss attributable to owners of the company narrowed to HK\$32.3 million (2015: loss of HK\$455.7 million).

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 March 2016. The Group would like to reserve more capital to meet the challenges ahead. (31 March 2015: nil).

Business Review

Automobile Dealerships

During the Year, revenue of the ultra-luxury automobile distributorships of Bentley, Lamborghini and Rolls-Royce was HK\$2.04 billion (2015: HK\$2.31 billion). Lamborghini performed the best among the Group’s other brands with total sales of HK\$182.7 million (2015: HK\$125.4 million),

representing an increase of 45.7% in sales compared with last year. A total of 40 units of Lamborghini were sold (2015: 23 units), representing a substantial growth of 73.9% compared with last year. In addition, global sales of Lamborghini super sports cars increased by 28.3% to 3,245 units during the fiscal year 2015.

A total of 322 units of Bentley were sold (2015: 358 units), representing a drop of 10.1% compared with the last corresponding year. A total of 126 units of Rolls-Royce were sold (2015:136 units), representing a decrease of 7.4% compared with the last corresponding year. During the Year, gross profit margins of Bentley and Lamborghini improved but that of Rolls-Royce recorded a decline, while the Group continued enjoying bonus from the brands.

Watch Dealerships & Jewellery Distributorships

During the year, the sales performance of our super deluxe branded watch recorded satisfactory results, revenue increased 26.9% to HK\$113.1 million (2015: HK\$89.1 million). 194 pieces of watches were sold during the Year. Brands included Richard Mille, Parmigiani, DeWitt, DelaCour and Buben & Zorweg. The sales revenue of top-tier branded jewellery was HK \$14.1 million. 419 pieces of jewellery were sold. Brands included Boucheron and Royal Asscher.

The gross profit margin of jewellery division increased to 43.1% (2015: 32.4%) while gross profit margin of watch division was 18.8% (2015: 28.4%). Among the watches and jewellery brands under our Group, Richard Mille performed the best in terms of revenue contribution.

Others

During the Year, sales of this division has outstanding performance with revenue recorded a 75.7% increase to HK\$70.8 million (2015: HK\$40.4 million). Among all brands under this division including fine wine, audio equipment, menswear apparel and accessories and cigars and smoker's accessories, B&O performed the best in terms of revenue contribution, particularly attributable to e-commerce sales of B&O PLAY.

Revenue by Segment (HK\$'000)	For the Year ended 31 March			
	2016	% of total turnover	2015	% of total turnover
Sales of automobiles and provision of after-sale services	2,178,862	91.7	2,445,514	93.9
Sales of branded watches & Jewellerys	127,197	5.3	119,819	4.6
Others	70,845	3.0	40,368	1.5
Total	2,376,904	100	2,605,701	100

Mr. Ivan Tong, Chairman of Sparkle Roll, said, "China's luxury car sales suffered slowdown during the Year despite the fact that it is still the world's biggest auto market. Nevertheless, one of our automobiles brands, Bentley has high expectation for its sales total in the coming year, especially with the Bentayga, its newly released SUV. According to the media in the PRC, the pre-orders of Bentayga have exceeded the quota for the Chinese market. Looking ahead, the Group will capture the opportunities to strengthen its competitiveness in the market with a prudent and flexible business strategy. Firstly, the Group plans to enlarge the scale of e-commerce business, establishing an e-commerce platform namely "Sparkle Roll Online" to accelerate the sales of the products. There will

be different categories of online channels for ultra-luxury cars, super deluxe branded watches, top-tier branded jewellery, fine wines, niche luxury goods, high-end tours, investment and finance, dream mansion, celebrity club and the wonderland respectively. The clients can achieve the combination of traditional high-end consumption experience and fashionable online browsing transactions. The Group targets to launch the online project in five stages and to be fully operated by the end of 2017. Secondly, the Group will continue to destock our non-auto inventory with a view to maintaining a healthy level of inventory.”

About Sparkle Roll Group Limited (Stock Code: 970.HK)

Sparkle Roll Group Limited is principally engaged in trading of top-tier automobiles, high-end watches and jewellery and other branded consumer goods in the PRC, Hong Kong, Macau and Malaysia. The Group’s businesses are divided into three divisions – (i) top-tier automobile dealerships, including Bentley in Beijing and Tianjin, Lamborghini and Rolls-Royce in Beijing; (ii) dealerships of high-end branded watches Richard Mille, DeWitt, Parmigiani in the PRC, and cohesive partnership with high-end branded jewelry Boucheron, and exclusive license agreement using trademarks of Royal Asscher in the PRC respectively, and dealership of an Austria top-notch brand, manufacturer of “OBJECTS OF TIME”, Buben & Zorweg; (iii) others including cohesive partnership with renowned French fine wines merchant Duclot Export in the PRC and distributorships of Bordeaux fine wines from renowned French fine wines merchants Maison Joanne, Ulysse Cazabonne and Compagnie Medocaine Des Grands Crus in the PRC; approved dealerships of Chateau Latour, Domaine d’ Eugenie, Chateau Margaux, Chateau d’ Yquem and Chateau Mouton Rothschild; dealership and reseller right of audio equipment brand of B&O PLAY under Bang & Olufsen in the PRC with 24 POS and 2 online stores under operations; non-exclusive right to sell clothing articles and other menswear products of Corneliani Brand in the PRC and Macau, retail business of cigars and smoker’s accessories brand of Davidoff. On 8 December 2015, the Group officially commenced in investing in the building of the channelled e-commerce platform of **【Sparkle Roll Online】** to develop the internet and mobile wireless marketing platform.

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This press release is issued by PR Asia Consultants Limited on behalf of **Sparkle Roll Group Limited**.

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