



Sparkle Roll Announced
First Interim Results after Acquisition of Luxury Distributorship Business
Turnover Reached Approximately HK\$224.7 Million
Proposed Interim Dividend Payout of HK 1.0 Cent Per Share

(Hong Kong, 8 December 2008)—**Sparkle Roll Group Limited** ("Sparkle Roll"/ "the Group")(HKSE code: 970) announced today that for the six months ended 30 September 2008, the Group recorded a turnover of approximately HK\$224.7 million (2007: approximately HK\$55.2 million). Net loss for the period was approximately HK\$78.5 million (2007: Net profit of approximately HK\$7.9 million). Basic loss per share was HK 5.9 cents (2007: earnings approximately HK 0.8 cent). Adhering to the Group's stable dividend policy, the Board has proposed to declare an interim dividend of HK 1.0 cent per share (2007: HK 0.2 cent). As at 30 September 2008, net cash balance of the Group amounted to approximately HK\$117 million (2007: approximately HK\$73 million).

The deterioration in profit was mainly attributable to the increase in impairment losses as a result of the Group's prudent approach in accounting policy and a profit warning had been issued to alert the Group's shareholders and potential investors to such. The Company had written down certain assets related to comics and animations businesses including (i) goodwill; (ii) intangible assets comprising comics books royalty, animations work-in-progress, film rights and (iii) intellectual properties in face of the worsened market conditions. As the impairment losses are non-cash in nature, the Group's cash flow condition remains sound and unaffected.

Mr. Ivan Tong, Chairman of the Company said, "Notwithstanding the US-led financial turmoil and credit crisis, our Company had made solid progress in expanding into the luxury market in the PRC. In addition, the Board remains optimistic about the luxury market in the PRC as the appetites for luxury good of the emerging riches are not seriously affected by financial crisis. The Chinese government still has room to ease monetary policy to stabilize financial conditions and provide support to address downside risks. The Group is financially healthy and cash rich at present, we will stay focused to expand the existing luxury distributorship business and seize any opportunities to secure distributorship of other luxury brands to enlarge our brand portfolio."

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During the period under review, the luxury goods dealerships business developed steadily. In addition to the recognition of HK\$31 million representing pre-acquisition profit from the single largest shareholder Mr Qi's companies in accordance with the Formal Sales and Purchase Agreement ("Agreement"), sales of the luxury car dealerships business constituted over 60% of the Company's turnover and recorded a profit of HK\$19 million. The demand for luxury goods in the PRC was not seriously affected by the global economic slowdown. Also, the Company is entitled to receive a profit guarantee of not less than HK\$55 million for the year ended 31 December 2008 as stated in the Agreement which gained the Group the upper hand amid the financial woes.

To strengthen its position as a leading luxury goods distributor in the PRC, the Group immediately started the dealership business of 「RICHARD MILLE」 branded watches and recorded a turnover of approximately HK\$8.7 million after having obtained its 5-year exclusive dealership in the PRC and purchased the Richard Mille (Shanghai) Trading Company Limited in July. The Group has just signed a lease agreement with 5-star hotel namely Legendale Hotel Wangfujing Beijing situated in Jinbao Street in Beijing for opening the flagship boutique under the brand name of 「RICHARD MILLE」 in or about the first quarter of 2009.

Comics and animations business attained satisfactory results. Further, the Group is confident of success of Hongying Group. As for the Group's international animations landmark project "Jackie Chan's Fantasia", the first 26 episodes are possible to be launched in the near future and become the Group's another profit driver.

About Sparkle Roll Group Limited (HKSE Code: 970)

Sparkle Roll Group Limited is principally engaged in (i) the dealerships and retail business of luxury goods in the PRC including dealerships of luxury cars-Bentley, Lamborghini and Rolls-Royce in Beijing and the exclusive dealership of "RICHARD MILLE" branded watches in the PRC and (ii) animations and comics businesses and multimedia development.

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