



Sparkle Roll Group Limited  
耀萊集團有限公司\*

(STOCK CODE: 970.HK)

**Announces Annual Results for the Year Ended 31 March 2017**  
**Achieved Turnaround of the Profitability**  
**Gross Profit Surged by 75.0% Year-on-Year to Approx. HK\$330 Million**  
**Consolidate Core Business and Strengthen Digital Consumption Experience**

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Financial Highlights	For the Year Ended 31 March(HK'\$000)		
	2016/17	2015/16	Change
Revenue	2,781,222	2,376,904	+17.0%
Gross Profit	330,884	189,103	+75.0%
Gross Profit Margin	11.9%	8.0%	+3.9ppt
Profit / (Loss) Attributable to Owners of the Company	87,845	(32,328)	NIL

(Hong Kong, 28 June 2017) – **Sparkle Roll Group Limited (Stock Code: 970.HK)** (“Sparkle Roll” or the “Company”, together with its subsidiaries, the “Group”), principally engaged in distributorships and dealerships of top-tier branded consumer goods, today announced its audited consolidated results for the year ended 31 March 2017 (the “Year”).

During the year, the Group’s consolidated revenue increased 17% year-on-year to approximately HK\$2.78 billion. The increase was mainly attributable to the boosting of automobile segmental revenue, which was contributed by the launch of a new model of Bentley SUV, Bentayga, and the significant improvement in sales of Rolls-Royce. The Group’s gross profit also surged by 75.0% year-on-year to approximately HK\$330 million, while gross profit margin was approximately 11.9%. Driven by the improvement in automobile dealership business including increase in bonus rebates from suppliers and the cost optimization strategy, the Group successfully achieved turnaround of the profitability by recording approximately HK\$87.85 million in profit attributable to owners of the Company for the Year (for the year ended 31 March 2016: loss of approximately HK\$32.33 million). In addition, the Group completed its acquisition of approximately 15.09% shareholding in B&O on 16 December 2016. The corresponding project benefited the development of audio equipment division. Its gross profit increased by 104.0% year-on-year has revealed its tremendous development potential.

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2017 (2016: nil), while no interim dividend (2016: nil) had been distributed during the year. This would be in the best interest of the Group because particularly, the turnaround of the profitability is at a relatively early stage and certain economic uncertainties remain. However, the Directors recognise

博達浩華國際財經傳訊集團

Porda Havas International Finance Communications Group

Units 2009-2018, 20/F, Shui On Centre, 6-8 Harbour Road, Wanchai, HK 香港灣仔港灣道6-8號瑞安中心20樓2009-2018室  
T : (852) 3150 6788 F : (852) 3150 6728

www.pordahavas.com

the importance of dividends to shareholders and will keep the matter under review.

**Mr. Ivan Tong, Chairman and Executive Director of Sparkle Roll**, said “The global luxury retail industry faced various adverse macroeconomic factors which has impaired the consumption willingness last year. In the face of negative industry sentiment, Sparkle Roll is devoted to reforming operational structure and exploring new business opportunities. The Group finally achieved contrarian growth and realized a turnaround of the profitability. Moreover, the acquisition of B&O equity was completed during the year, which enabled the Group to further expand its business, optimize the strategic business plan and lay a solid foundation for the Group's future development.”

## **Business Review**

### **Automobile Dealerships**

During the Year, the automobile dealerships business has been the major income driver of the Group, accounting for approximately 90.6% of the whole. The revenue of the ultra-luxury automobile distributorships increased by approximately 17.3% year-on-year to approximately HK\$2.4 billion. Bentley reached the highest sales amid all automotive brands under the Group with total sales of approximately HK\$1.4 billion, representing an approximately 24% increase as compared with previous financial year. Rolls-Royce showed a 14% growth in sales while Lamborghini recorded a 11% drop year-on-year. During the year, the gross profit margin of Bentley and Rolls-Royce continued to improve, the Group continued enjoying bonus from the brands.

### **Watch Dealerships & Jewellery Distributorships**

During the Year, the sales of super deluxe branded watch division declined by approximately 6.1% year-on-year to approximately HK\$106.2 million. As for the sales of top-tier branded jewellery division, it recorded an increase in revenue of approximately 44.0% to approximately HK\$20.3 million. Among all the watches and jewellery brands under the Group, Richard Mille performed the best in terms of revenue and gross profit.

### **Others**

During the Year, the sales performance of this division including fine wine, audio equipment, menswear apparel and accessories and tobacco products, performed satisfactorily. Revenue recorded an approximately 91.4% increase to approximately HK\$136 million, as compared with the previous financial year. The strong growth was driven by sales of audio equipment and menswear apparel and accessories. Among all brands under this division, B&O PLAY performed the best in terms of revenue and gross profit.

Looking ahead, given the still challenging environment of the luxury goods market in the PRC, Sparkle Roll has established a strategic development plan to continue its leading roles in the China luxury goods market and its sustainable development of business. The Group will focus on the automobile dealership business and set up a long term exhibition site at Sanya, China by the end of 2017 in order to facilitate interaction with potential customers. Meanwhile, Sparkle Roll will further expand pre-owned car selling business and reduce the non-auto inventory to enhance the Group's operational strength. With the changes in consumption patterns, the Group will also facilitate its

e-commerce platform "Sparkle Roll Online" to become O2O platform and provide a more diversified product portfolio to satisfy the new path-to-purchase of consumers."

**Mr. Tong**, continued, "Despite the recent slowdown of the China luxury goods market, China remains an engine of growth for luxury goods as the country's middle class continues to grow in size and upgrade their consumption pattern. China is also going to be the biggest luxury car market within two years. In the coming year, the Group will focus on the expansion of China automobile dealership and audio equipment business which possess high growth potential, in order to solidify our leading position in the China luxury goods market. We will also expedite the pace of development of "Sparkle Roll Online" to attract millennial consumers with digital experience and usher in the era of disciplined innovation."

**-End-**

### **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 and Rolls-Royce in Beijing and Tianjin, Lamborghini in Beijing; (ii) dealerships of high-end branded watches Richard Mille in Beijing, 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 19 POS and 4 online stores under operations; non-exclusive right to sell clothing articles and other menswear products of Corneliani Brand in the PRC, retail business of cigars and smoker's accessories brand of Davidoff. On 16 December 2016, the Group has successfully acquired approximately 15.09% equity interest in Bang & Olufsen A/S.

Released by Porda Havas International Finance Communications Group for and on behalf of Sparkle Roll Group Limited. For further information, please contact:

### **Porda Havas International Finance Communications Group**

Mr. Bunny Lee	Tel: (852) 3150 6707	Email: bunny.lee@pordahavas.com
Ms. Camy Yeung	Tel: (852) 3150 6746	Email: camy.yeung@pordahavas.com
Ms. Winkie Liu	Tel: (852) 3150 6737	Email: winkie.liu@pordahavas.com

Fax : (852) 3150 6728

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[www.pordahavas.com](http://www.pordahavas.com)