



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 2018
Grasping the enormous business opportunities derived from luxury goods market
Gross Profit Increased by Approx. 20.6% YOY to Approx. HK\$399 Million

Financial Highlights	For the Year Ended 31 March(HK'\$000)		
	2017/18	2016/17	Change
Revenue	2,893,052	2,781,222	+4.0%
Gross Profit	399,025	330,884	+20.6%
Gross Profit Margin	13.8%	11.9%	+1.9ppt
Profit Attributable to Owners	664,565	87,845	+656.5%

(Hong Kong, 25 June 2018) – **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 2018 (the “Year”).

During the year, the Group’s consolidated revenue increased 4.0% year-on-year (“yoy”) to approximately HK\$2.89 billion. The increase was mainly attributable to the increase in sales of Rolls-Royce, audio products and menswear apparel products. Driven by the improvement in automobile dealership business including increase in incentive bonuses from suppliers, the Group successfully increased its gross profit by 20.6% yoy to approximately HK\$399.0 million.

In addition, due to the change in accounting treatment on the Group’s investment in Bang & Olusen (“B&O”) as a result of loss of significant influence over B&O, it led to an increase of approximately HK\$585.6 million (which is non-cash in nature) in the consolidated net profit.

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2018 (2017: nil) while no interim dividend (2017: nil) had been distributed during the year as the Group would like to reserve more capital to capture opportunities.

Business Review

Auto Dealerships

During the year, the revenue of the ultra-luxury automobile distributorships (Bentley, Lamborghini and Rolls-Royce) increased by approximately 3.1% yoy to approximately HK\$2.470 billion.

Rolls-Royce reached the highest sales amid three automotive brands under the Group with total sales of approximately HK \$1.046 billion, representing an approximately 25.4% increase as compared with previous financial year. Among all models on sale of Rolls-Royce during the current financial year, Ghost performed the best in terms of revenue and gross profit contribution. The gross profit margin of sales of Bentley, Lamborghini and Rolls-Royce improved significantly, while the Group continued enjoying bonus from the brands.

Non-auto Dealerships

During the year, the sales performance of the non-auto division including audio equipment, menswear apparel and accessories, watches, jewellery, fine wines and tobacco products, performed satisfactorily. Revenue recorded an approximately 23.5% increase yoy to approximately HK \$323.5 million. The strong growth was mainly driven by the sales of audio equipment, menswear apparel and accessories. Among all brands under the non-auto division, B&O PLAY performed the best in terms of revenue contribution. The gross profit margin of non-auto division increased from approximately 26.5% in the last financial year to approximately 35% in the current financial year. The revenue and gross profit of audio equipment, menswear apparel and accessories and tobacco products increased by approximately 85.2% and approximately 121.3% respectively over the last financial year.

Investment, Debt Securities and Loan Receivables

In the past two financial years, in order to enhance the capital return, the Group has allocated and managed certain resources on various types of investment, P2P financing portfolios, Senior note and other financing arrangement. During the year, these contributed approximately HK\$13.8 million of gross income to the Group and represented approximately 47.6% of the total assets of the Group as at 31 March 2018. Besides, as at 31 March 2018, the Group owned approximately 15.09% of the total shareholding in B&O. The Group sold 64,454 shares in B&O and hence realized approximately HK\$12.4 million in May 2018. As at 31 May 2018, the Group held approximately 14.94% of the shareholding in B&O.

Mr. Zheng Hao Jiang, Chairman, Chief Executive Officer and Executive Director of Sparkle Roll, said “During the year, with global economic stable recovery, as well as China's economy has been growing in a fast pace, there is a growing demand of luxury goods in China. Looking forward, to grasp the market opportunity, Sparkle Roll has established a strategic development plan to expand its market share in the China luxury goods market for its sustainable development of business. The Group will focus on the automobile dealership business, actively search for the opportunities to acquire profitable businesses and enrich the brand portfolio of the Group to attract more potential customers. Meanwhile, Sparkle Roll plans to relocate an existing after-sales services center in Beijing for Bentley so as to cope with the demands of the brand and reduce the non-auto inventory especially in watch and jewellery to enhance the Group's operational strength. With our core development strategies, we will strive to maintain our leading position in the PRC market. ”

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

Sparkle Roll Group Limited is principally engaged in the dealerships of luxury goods, trading of top-tier automobiles, high-end watches and jewellery and other branded consumer goods in the PRC, Hong Kong and Malaysia. The Group's businesses are divided into two divisions – (i) Auto dealerships, includes distribution of branded automobiles, namely Bentley and Rolls-Royce in Beijing and Tianjin, Lamborghini in Beijing and provision of related after-sales services; (ii) Non-auto dealership of high-end branded watches Richard Mille in Beijing, DeWitt, Parmigiani in the PRC and DeLaCour, as well as 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; 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; 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.

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

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