



**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 2020**  
**Revenue Reached HK\$3.44 Billion, Profit Amounted to HK\$30.28 Million**

Financial Highlights	For the Year Ended 31 March (HK'\$000)		
	2019/20	2018/19	Change
<b>Revenue</b>	<b>3,443,430</b>	3,724,845	-7.6%
<b>Gross Profit</b>	<b>559,885</b>	564,937	-0.9%
<b>Gross Profit Margin</b>	<b>16.3%</b>	15.2%	+1.1 ppt
<b>Profit Attributable to Owners of the Company</b>	<b>30,283</b>	97,429	-68.9%

[Hong Kong, 30 June 2020] – **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 2020 (the “Year”).

The luxury industry faces a challenge like never before as COVID-19 presents an unprecedented crisis for the industry driven by lockdowns and the shutdown of tourism in all key markets. For the year ended 31 March 2020, the Group’s consolidated revenue decreased by approximately 7.6% year-on-year (“yoy”) to approximately HK\$3.44 billion. Gross profit decreased slightly to approximately HK\$560 million from the same period last year, while the gross profit margin increased by 1.1 percentage points yoy to approximately 16.3%. During the Year, profit attributable to owners of the Company amounted to approximately HK\$30.28 million. The auto business was still the Group’s major income driver, accounting for approximately 87.6% of the business.

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2020 (31 March 2019: nil) while no interim dividend (2019: nil) had been distributed during the year as

the Group would like to reserve more capital to operate and develop the existing businesses. However, the Directors recognise the importance of dividends to shareholders and will keep the matter under review.

## **Business Review**

### **Auto Dealerships**

During the Year, the revenue of the ultra-luxury automobile distributorships (Bentley, Lamborghini and Rolls-Royce) decreased by approximately 8.8% yoy to approximately HK\$3.02 billion. Among all automotive brands under the Group, Lamborghini recorded sales growth while Bentley and Rolls-Royce both recorded sales decline. Lamborghini recorded a substantial increase of approximately 71% in sales to approximately HK\$440 million. 115 units of Lamborghini were sold, representing an increase of approximately 117% as compared with 53 units sold in the previous year. During the Year, gross profit of sale of Bentley increased due to the increase from both quantity and gross profit margin. Among all models of Bentley sold, Bentayga, the new SUV model recorded the greatest number of units sold and performed the best in terms of revenue and gross profit contributions.

### **Non-auto Dealerships**

During the Year, the sales performance of the non-auto division including branded watches, jewelleryes, fine wines, audio equipment, menswear apparels and accessories, cigars and smoker's accessories, silver articles and home articles. Revenue recorded an approximately 8.3% yoy decrease to approximately HK\$290 million. Gross profit margin increased approximately 32.1% in the previous financial year to approximately 36.5% in this Year.

In order to further developing the non-auto dealerships division, the Group entered into a dealership agreement with Georg Jensen (Beijing) Trading Co. Limited, a wholly-owned group company of Georg Jensen A/S, during the Year. The Group is appointed as the authorised GEORG JENSEN seller and wholesale distributor, with an exclusive right to operate official Georg Jensen monobranded stores on specific pre-approved e-commerce platforms in the territory of the PRC and to sell Georg Jensen Home Articles to end-customers within the territory of the PRC.

### **Others**

During the Year, the revenue from others division, which include the provision of property management services, catering services and film investments, recorded an increase of approximate

38% to approximately HK\$130 million. The increase was due to the Group recorded operating results of property management business for full year while only 8 months were booked since the acquisition was completed during the last financial year. As disclosed in the announcement of the Company in June 2018 in relation to the acquisition of property management business, certain profit guarantees have been given by the Vendor. Based on the calculation result, the profit guarantee of not less than RMB57.5 million has been achieved during the Year in relation to the property management business.

In order to get more participated in film industry, the Group disposed of its investments in “The Dairy” 《我的日記》 and “Project X-traction” 《狂怒沙暴》 to third parties at approximately HK\$54 million and HK\$58 million respectively, recording a slight gain of approximately HK\$1.5 million. The Group re-invested the sales proceeds in the film industry in different way, specifically with higher level of participation in film production. As at 31 March 2020, the Group had 4 film investments and projects on hands.

### **Equity Investments**

As at 31 March 2020, the Group held approximately 10.85% of total issued shares of Bang & Olufsen A/S (“B&O”) as a long-term investment for capital appreciation and distributions. The carrying amount of this investment represented approximately 3.5% of the total assets of the Group and no dividend was generated from this investment to the Group during the Year.

During the fourth quarter of the Year, the Group was temporarily affected by the outbreak of COVID-19, but the financial and operational activities of the Group had recovered to healthy status since the first quarter of the FY2021. The car factories are forced to close temporarily due to the outbreak of coronavirus across the world, and hence the global supply is seriously affected. It is expected that there will be a short term impact on the Group’s luxury car sales but the supply of luxury cars is expected to be back to normal gradually in the second half of FY2021. Regarding the non-auto dealerships segment, the products of B&O are expected to record a moderate drop in sales during the first half of FY2021 due to the spread of the COVID-19. It is expected that the sales will be back to normal in the second half of FY2021. Furthermore, the pandemic causes the Group’s film investments and projects on hand to be postponed for at least 3 months since the theatres were forced to close during the outbreak of the COVID-19. Hence, the Group expects that others segment will not bring substantial contribution to the Group in the upcoming financial year.

- End -

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

Sparkle Roll Group Limited is principally engaged in the dealerships of luxury goods in the PRC. The Group's businesses are divided into three divisions – (i) Auto dealerships, includes sales of branded automobiles, namely Bentley, Lamborghini and Rolls-Royce and provision of related after-sales services, (ii) Non-auto dealership, including sales of branded watches, jewellery, fine wines, audio equipment, menswear apparels and accessories, cigars and smoker's accessories, silver articles and home articles, and (iii) Others includes provision of property management services, catering services and property rental services; and film related business including development and investment in films.

Issued 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	+852 3150 6707	bunny.lee@pordahavas.com
Ms. Mona Chow	+852 3150 6713	mona.chow@pordahavas.com
Ms. Winnie Tan	+852 3150 6730	winnie.tan@pordahavas.com
Ms. Eliza Mak	+852 3150 6736	eliza.mak@pordahavas.com