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## **SPARKLE ROLL GROUP LIMITED**

**耀萊集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 970)**

### **POSITIVE PROFIT ALERT AND POSSIBLE MODIFICATION TO AUDIT OPINION**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a profit for the year ended 31 March 2017 as compared with a net loss for the year ended 31 March 2016.

In addition, it is probable that the auditor of the Company is unable to gain access to the books and records of B&O, and such limitation in the audit scope may lead to a modification to the audit opinion in the auditor's report on the Group's consolidated financial statements for the year ended 31 March 2017.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Sparkle Roll Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the latest unaudited management accounts of the Group for the year ended 31 March 2017 and the financial information currently available to the Board, the Group is expected to record a profit for the year ended 31 March 2017 as compared with a net loss of approximately HK\$33.7 million for the year ended 31 March 2016.

\* For identification purpose only

The expected profit for the Group is mainly attributable to (i) an increase of approximately 17% and 75% in the revenue and the gross profit respectively generated from the automobile segment after the launch of a new model of Bentley SUV, Bentayga as well as significant improvement in sales of Rolls-Royce and increase in bonus rebates from suppliers; (ii) narrowed operating losses in the watch and jewellery, and other segments as a result of the closing down of certain shops during the year; and (iii) a substantial decrease of approximately 65% in finance costs of the Group resulting from substantial reduction of average balance of borrowings during the year and reduction of interest rates by the People's Bank of China, but partly offset by (iv) a decrease of approximately 40% in other income which was mainly due to the lack of sub-lease rental income and consultancy and referral fee income for the year ended 31 March 2017 as compared with last financial year and (v) increase in marketing and promotion expenses.

In addition, it is probable that the auditor of the Company is unable to gain access to the books and records of the Group's associate, Bang & Olufsen A/S ("**B&O**"), and such limitation of the audit scope may lead to a modification to the audit opinion in the auditor's report on the Group's consolidated financial statements for the year ended 31 March 2017. Further details in relation to such possible modification to the audit opinion will be published in the coming annual results announcement.

The information contained in this announcement is only based on a preliminary assessment by the Board of the latest unaudited management accounts of the Group for the year ended 31 March 2017 and the financial information currently available to the Board, which have not been reviewed or audited by the Company's auditor and are subject to finalisation and other potential adjustments, if any. The Company is in the process of finalising the results of the Group for the year ended 31 March 2017 which are expected to be published before the end of June 2017. Shareholders of the Company and potential investors are advised to read carefully the results announcement of the Company for the year ended 31 March 2017.

**Shareholders and potential investors are advised to exercise extreme caution when dealing in the shares of the Company.**

By Order of the Board  
**Sparkle Roll Group Limited**  
**Tong Kai Lap**  
*Chairman*

Hong Kong, 4 May 2017

*As at the date of this announcement, the Company has three executive Directors, three non-executive Directors and three independent non-executive Directors. The executive Directors are Mr. Tong Kai Lap, Mr. Zheng Hao Jiang and Mr. Zhu Lei. The non-executive Directors are Mr. Zhang Si Jian, Mr. Gao Yu and Mr. Qi Jian Wei. The independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong and Mr. Lee Thomas Kang Bor*