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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

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 based on the preliminary review of the unaudited consolidated management accounts of the Group, it is expected that the interim results of the Group for the six months ended 30 September 2016 will record a profit compared to a net loss for the six months ended 30 September 2015.

The information contained in this announcement is only based on a preliminary assessment made by the Board on the information currently available to it, including the unaudited consolidated management accounts of the Group for the six months ended 30 September 2016 which have not yet been reviewed by the Company's auditors. The Company is still in the course of preparing and finalizing its interim financial results for the six months ended 30 September 2016 which is scheduled to be announced on 22 November 2016.

* *for identification purpose only*

The profit alert constitutes a profit forecast under Rule 10 of the Takeovers Code and would need to be reported on by both the Company's financial advisers and its accountants or auditors in accordance with Rule 10.4 of the Takeovers Code. According to Rule 10.4 of the Takeovers Code, the profit forecasts are expected to be reported on in the composite document in relation to the Offer, which is the next document to be despatched to the shareholders of the Company under the Takeovers Code, and the reporting process will be commenced as soon as possible. However, the requirement under Rule 10.4 of the Takeovers Code to report on the profit forecasts will no longer apply in the event that the interim results of the Group for the six months ended 30 September 2016 are published before the despatch of the composite document.

This profit alert does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus shareholders of the Company and potential investors are advised to exercise caution in placing reliance on the profit alert when dealing in the shares of the Company and assessing the merits and demerits of the possible transaction as disclosed in the Joint Announcement (as defined below) (if any).

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

Reference is made to the joint announcement issued by Sparkle Roll Group Limited (the "**Company**") and Sparkle Roll Holdings Limited (the "**Offeror**") dated 20 October 2016 (the "**Joint Announcement**") in relation to, among other matters, the Offer and the Acquisition. Capitalised terms used herein have the same meanings as those defined in the Joint Announcement unless the context requires otherwise.

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 based on the preliminary review of the unaudited consolidated management accounts of the Group, it is expected that the interim results of the Group for the six months ended 30 September 2016 will record a profit compared to a net loss for the six months ended 30 September 2015.

The expected profit for the Group was mainly due to (i) an increase of approximately 13% and 50% 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; (ii) narrowed operating losses in the watch and jewellery, and other segments as a result of the closing down of certain shops; and (iii) a substantial decrease of approximately 70% in finance costs of the Group resulting from substantial reduction of average balance of borrowings during the period and reduction of interest rates by the People's Bank of China, but offset by (iv) a decrease of approximately 20% in other income which was mainly due to the lack of sub-lease rental income for the six months ended 30 September 2016 as compared with the same period last year.

The information contained in this announcement is only based on a preliminary assessment made by the Board on the information currently available to it, including the unaudited consolidated management accounts of the Group for the six months ended 30 September 2016 which have not yet been reviewed by the Company's auditors. The Company is still in the course of preparing and finalizing its interim financial results for the six months ended 30 September 2016 which is scheduled to be announced on 22 November 2016. Given the time constraints when issuing this announcement in relation to the profit alert, the Company would like to draw the attention of the shareholders of the Company and potential investors that the profit alert does not meet the standard required by Rule 10 of the Takeovers Code. According to Rule 10.4 of the Takeovers Code, the profit forecasts are expected to be reported on in the composite document in relation to the Offer, which is the next document to be despatched to the Shareholders under the Takeovers Code, and the reporting process will be commenced as soon as possible. However, the requirement under Rule 10.4 of the Takeovers Code to report on the profit forecasts will no longer apply in the event that the interim results of the Group for the six months ended 30 September 2016 are published before the despatch of the composite document.

This profit alert does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus shareholders of the Company and potential investors are advised to exercise caution in placing reliance on the profit alert when dealing in the shares of the Company and assessing the merits and demerits of the possible transaction as disclosed in the Joint Announcement (if any).

Shareholders of the Company 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 November 2016

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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any such statement contained in this announcement misleading.