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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)

DISCLOSEABLE TRANSACTION
DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

The Board announces that the Company disposed on the open market of a total of 407,345 B&O Shares in a series of transactions carried out during the period between 22 May 2018 and 17 August 2018, at the average price of DKK152.5 per B&O Share for an aggregate gross sale proceeds of approximately DKK62 million (equivalent to approximately HK$76 million) (excluding transaction costs).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules in relation to the Disposal exceeded 5% but less than 25%, the Disposal constituted a discloseable transaction for the Company and was therefore subject to the reporting and announcement requirement but was exempted from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

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The Disposal was made on the open market through the brokerage agent which is a third party independent of the Company and its connected persons (as defined in the Listing Rules) as at the relevant transaction dates.

Involved assets and relevant considerations

The Disposal involved 407,345 B&O Shares, representing approximately 0.94% of the issued share capital of B&O (calculated based on the total number of issued shares of B&O of 43,197,478 as at 31 May 2018 according to the Annual Report 2017-18 of B&O published on 12 July 2018).

The aggregate gross sale proceeds of the Disposal was approximately DKK62 million (equivalent to approximately HK$76 million) (excluding transaction costs) which was received and receivable in cash on settlement. The considerations for the Disposal represented the market prices of the B&O Shares at the relevant transaction dates.

INFORMATION OF B&O

B&O is a company incorporated in Denmark, whose shares are listed and traded on Nasdaq Copenhagen (stock code: BOAS). B&O is a global luxury-lifestyle brand, employs around 1,000 people and operates in more than 70 markets.

SUMMARY KEY FINANCIAL INFORMATION OF B&O

As extracted from the Annual Report 2017-18 of B&O published on 12 July 2018, the revenue, profit before and after taxation B&O for the year ended 31 May 2018 were approximately DKK3,285.5 million, DKK117.5 million and DKK81.5 million respectively; while the revenue, loss before and after taxation B&O for the year ended 31 May 2017 were approximately DKK2,954 million, DKK166 million and DKK166.5 million respectively.

REASONS FOR THE DISPOSAL

The Company is an investment holding company. Its subsidiaries are principally engaged in distributorships of luxury goods. The operations are mainly based in Hong Kong, the People's Republic of China and Malaysia. The Group is one of the retailers in B&O products in the People's Republic of China.

The purpose of the Disposal is to enhance the Company's working capital and to obtain additional cash flow. As a result of the Disposal, the Group is expected to increase the cash flow by approximately HK$76 million, being the aggregate gross sale proceeds from the Disposal (excluding transaction costs). As the Company has changed the accounting treatment of the total investment in B&O, subsequent changes in fair value are recognised in other comprehensive income. The amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is totally disposed of. At the time of each of the Disposal, the amount accumulated in the fair value reserve (non-recycling) was transferred to retained earnings. It is expected from the Disposal that approximately HK$0.7 million will be transferred to retained earnings which is calculated on the basis of the difference between the recognition cost as investment of available-for-sale and the Disposal price of B&O Shares subject to the auditors' review. The Group has used the proceeds of the Disposal for general working capital and repurchase of the shares of the Company.

As the Disposal was made at market price, the Directors are of the view that the Disposal was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules in relation to the Disposal exceeded 5% but less than 25%, the Disposal constituted a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirement but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

"B&O"	Bang & Olufsen A/S, a company incorporated in Denmark, whose registered office is at Peter Bangs Vej 15 DK-7600, Denmark and whose shares are listed and traded on Nasdaq Copenhagen (Stock Code: BOAS);
"B&O Shares"	shares of a nominal value DKK10 each in the issued share capital of B&O;
"Board"	the board of Directors;
"Company"	Sparkle Roll Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 970);
"Directors"	the director(s) of the Company;
"Disposal"	the disposal by the Company of a total of 407,345 B&O Shares on the open market carried out during the period between 22 May 2018 and 17 August 2018 for an aggregate gross sale proceeds of approximately DKK62 million (equivalent to approximately HK$76 million) (excluding transaction costs);
"DKK"	Danish Krone, the lawful currency of Denmark;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"percentage ratios"	as defined under Rule 14.04(9) of the Listing Rules;
"Shareholder(s)"	holder(s) of Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited; and
"%"	per cent.

By Order of the Board
Sparkle Roll Group Limited
Zheng Hao Jiang
Chairman

Exchange rate: 1DKK = HK$1.2235

Hong Kong, 20 August 2018

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. Zheng Hao Jiang, Mr. Zhu Lei and Mr. Cheung Man Kit. The non-executive Directors are Mr. Gao Yu, Mr. Qi Jian Wei and Mr. Tang Sung Wai. The independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong and Mr. Lee Thomas Kang Bor.