



Sparkle Roll Group Limited

耀萊集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 970)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that based on a preliminary assessment of the financial position of the Group, it is expected that the interim results of the Company for the six months ended 30 September 2008 would experience a significant deterioration as compared with the same period in the prior financial year and a net loss of the six months ended 30 September 2008 is expected.

The Shareholders 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”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board (the “Board”) of directors (the “Directors”) of the Company wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that based on a preliminary assessment of the financial position of the Company and its subsidiaries (collectively the “Group”), it is expected that the interim results of the Company for the six months ended 30 September 2008 would experience a significant deterioration as compared with the same period in the prior financial year. In view of the currently deteriorating economic conditions around the globe, the Directors, having taken a prudent approach, have considered that impairments should be made on certain assets of the Group which are related to the Group’s comics and animation business including: (i) goodwill; (ii) intangible assets; and (iii) intellectual properties. As a result of the expected impairment losses, it is expected that a net loss would result for the six months ended 30 September 2008.

The Directors would like to stress that the aforementioned impairment losses are non-cash in nature and do not affect the Group’s cashflow condition. Based on the financial information currently available to the Directors, it is expected that the Group would have a net cash inflow during the six months ended 30 September 2008. The Group is principally engaged in (i) the publication of comic books and multimedia development and (ii) the dealership of luxury goods in China. As a continuation of the Group’s strategy of diversifying its business into the luxury goods market, the Directors will continue to identify other luxury brand names and explore potential opportunities. Further announcement(s) may be made by the Company in this respect as and when appropriate in compliance with the Listing Rules.

The Company is still in the process of finalizing the interim results for the six months ended 30 September 2008. The information contained in this announcement is only a preliminary assessment by the management of the Group and is not based on any figures or information which has been audited or reviewed by the Company's auditors. The Company's interim results for the six months ended 30 September 2008 is expected to be published before the end of December 2008.

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

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

Hong Kong, 12 November 2008

As at the date of this announcement, the Company has three executive Directors, one non-executive director and three independent non-executive Directors. The executive Directors are Mr. Tong Kai Lap, Mr. Zheng Hao Jiang, and Mr. Wong Chun Keung. The non-executive director is Mr. Zhao Xiao Dong. The independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong and Mr. Lee Kang Bor, Thomas.

** for identification purpose only*