

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of New Sparkle Roll International Group Limited, nor shall there be any sale, purchase or subscription for the securities of New Sparkle Roll International Group Limited in any jurisdiction in which such offer, solicitation or sale would be in contravention of applicable law. This announcement is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

**VOLUNTARY CONDITIONAL CASH OFFERS BY
SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED
ON BEHALF OF SZE CHING LAU
TO ACQUIRE ALL OF THE ISSUED SHARES AND ALL OUTSTANDING
CONVERTIBLE BONDS OF
NEW SPARKLE ROLL INTERNATIONAL GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED BY OR TO BE ACQUIRED
BY SZE CHING LAU AND PARTIES ACTING IN CONCERT WITH HIM)
AND TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF NEW
SPARKLE ROLL INTERNATIONAL GROUP LIMITED**

Financial Adviser to the Offeror



THE OFFERS

On 28 September 2023 (after trading hours), the Offeror notified the Company that he has firm intention to make the Offers (in compliance with the Takeovers Code) through Shenwan Hongyuan (1) to acquire all the Shares not already owned by the Offeror and the Offeror Concert Parties at the Offer Price of HK\$0.9 per Offer Share; (2) to acquire all outstanding Convertible Bonds (other than those already owned or agreed to be acquired by the Offeror); and (3) to cancel all the outstanding Share Options.

The Offers are subject to the satisfaction or waiver (where applicable) of the conditions of the Offers as set out in the section headed “Conditions to the Offers” of this announcement.

PRINCIPAL TERMS OF THE OFFERS

The Share Offer

Shenwan Hongyuan will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make a voluntary conditional cash offer to acquire all the Offer Shares on the following terms:

For each Offer Shares HK\$0.9 in cash

The Share Offer is conditional upon the satisfaction of the following conditions on or before the Closing Date unless otherwise waived by the Offeror:

- (i) valid acceptances of the Share Offer being received would result in the Offeror and the Offeror Concert Parties holding more than 50% of the voting rights in the Company as at the Closing Date;
- (ii) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date;
- (iii) no event, up to the Closing Date, has occurred which would make the Offers or the acquisition of any of the Shares under the Offers void, unenforceable, illegal or their implementation being prohibited or which would impose material conditions, limitations or obligations with respect to the Offers;
- (iv) no Relevant Authority(ies) in Hong Kong or any other jurisdiction having taken or instigated any action, proceeding, suit, investigation or enquiry, and any statute, regulation, demand or order that would make the Offers or the acquisition of any of the Shares or securities of the Company under the Offers void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to the Offers;
- (v) no event which would constitute an event of default giving any lender to any member of the Group a right to accelerate the repayment of any obligations prior to their stated maturity date arising from any financial documentation to which any member of the Group is a party or by which it is bound, and no indication from any lender that it will exercise such rights or claim an event of default; and
- (vi) no material adverse change to the general affairs, management, financial, position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidating financial positions, shareholders' equity or results of operations of the Company or any other member of the Group.

For further details of the conditions to the Share Offer, please refer to the section headed "Conditions to the Offers" of this announcement.

All the Offer Shares to be acquired under the Share Offer shall be (i) fully-paid; (ii) free from mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, charges or other third party rights and interests of any nature; and (iii) with all rights attached to the Shares including all rights to any dividends and other distributions hereafter declared, paid or made in respect thereof as at the Closing Date or subsequently becoming attached to them, including the right to receive or retain all dividends and other distributions, if any, the record date in respect of which falls on or after the Closing Date.

Based on the published information of the Company available to the public as at the date of this announcement, there has been no dividend or distribution declared by the Company for the financial year ended 31 March 2023 and up to the date of this announcement.

The Convertible Bond Offer

Shenwan Hongyuan will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make a voluntary conditional cash offer to acquire all the outstanding Convertible Bonds (other than those already owned or agreed to be acquired by the Offeror or the Offeror Concert Parties) on the following terms:

For every HK\$1 face value of the Convertible bondsHK\$0.225 in cash

The Convertible Bonds to be acquired under the Convertible Bond Offer shall be (i) fully-paid; and (ii) free from mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, charges or other third party rights and interests of any nature; and (iii) with all rights attached to the Convertible Bonds including the right to all dividends and other distributions hereafter declared, paid or made in respect thereof as at the Closing Date or subsequently becoming attached to them, including the right to receive or retain all dividends and other distributions, if any, the record date in respect of which falls on or after the Closing Date.

The Convertible Bond Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

The Option Offer

Shenwan Hongyuan will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make an appropriate offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all the outstanding Share Options on the following terms:

For cancellation of each Share Option HK\$0.01 in cash

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. Subject to the Share Offer becoming unconditional in all respects, following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

VALUE OF THE OFFERS

Based on the published information of the Company available to the public as at the date of this announcement, the Company has a total of 374,397,090 Shares in issue, of which a total of 81,338,687 Shares are held by the Offeror and the Offeror Concert Parties (representing approximately 21.73% of the total issued Shares). Save for (i) 16,325,000 outstanding Share Options under the Share Option Schemes; and (ii) outstanding Convertible Bonds with an aggregate principal amount of HK\$10,000,000 convertible into 2,500,000 Shares, the Offeror is not aware of the Company having any other relevant securities (as defined in Note 4 to the Rule 22 of the Takeovers Code) in issue as at the date of this announcement.

On the basis of the Share Offer Price of HK\$0.9 per Share and assuming no further Shares are issued whether pursuant to the exercise of Share Options, conversion of Convertible Bonds or otherwise before the close of the Offers, 293,058,403 Shares will be subject to the Share Offer and the Share Offer is valued at approximately HK\$263,752,563.

Assuming none of the Share Options is exercised prior to the close of the Offers, 16,325,000 Share Options will be subject to the Option Offer and assuming that the Option Offer is accepted in full, the Option Offer will be valued at HK\$163,250 based on the offer price for the cancellation of each Share Option at a nominal value of HK\$0.01.

Assuming none of the Convertible Bonds is redeemed or converted prior to the close of the Offers, based on the outstanding face value of HK\$10,000,000 of the Convertible Bonds and the offer price of HK\$0.225 for every HK\$1 face value of the Convertible Bonds, the Convertible Bond Offer is valued at approximately HK\$2,250,000 on the assumption that the Convertible Bond Offer is accepted in full.

Based on the above, the aggregate value of the Offers will be approximately HK\$266,165,813.

Assuming that all the Share Options are exercised by the Optionholders and all the Convertible Bonds are converted, the number of issued Shares will be 393,222,090 Shares (including 81,338,687 Shares held by the Offeror and the Offeror Concert Parties) and the Share Offer will be valued at approximately HK\$280,695,063 and the value of the Convertible Bond Offer and the Option Offer will be nil. Accordingly, the total amount payable by the Offeror under the Offers will be approximately HK\$280,695,063.

CONFIRMATION OF FINANCIAL RESOURCES

The financial resources which are available to the Offeror to satisfy full acceptance of the Offers comprise a combination of (i) the Offeror's own resources; and (ii) a credit line granted to the Offeror by Shenwan Hongyuan Securities.

Shenwan Hongyuan, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing status of the Company after the close of Offers. According to the Listing Rules, if, at the close of the Offers, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

In such case that, at the close of the Offers, less than 25% of the issued Shares are held by the public, the Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offers.

DESPATCH OF THE OFFER DOCUMENT

In accordance with Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Offer Document containing, among others, the terms and conditions of the Offers and the forms of acceptance and transfer or cancellation (as applicable), to the Shareholders, the Optionholders and the CB Holders within 21 days of the date of this announcement. It is expected that such Offer Document will be issued on or before 26 October 2023.

Further announcement(s) regarding despatch of the Offer Document will be made by the Offeror in due course.

WARNING

Shareholders and potential investors of the Company should note that the implementation of the Offers is subject to the satisfaction or waiver (where applicable) of the conditions of the Offers. Thus, the Offers may or may not become or be declared unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the respective shares of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

THE OFFERS

On 28 September 2023 (after trading hours), the Offeror notified the Company that he has firm intention to make the Offers (in compliance with the Takeovers Code) through Shenwan Hongyuan (1) to acquire all the Shares not already owned by the Offeror and the Offeror Concert Parties at the Offer Price of HK\$0.9 per Offer Share; (2) to acquire all outstanding Convertible Bonds (other than those already owned or agreed to be acquired by the Offeror); and (3) to cancel all the outstanding Share Options, on the basis set out below.

The Offers are subject to the satisfaction or waiver (where applicable) of the conditions of the Offers as set out in the section headed “Conditions to the Offers” of this announcement.

As at the date of this announcement, save for 81,338,687 Shares, representing 21.73% of the issued Share capital of the Company, held by the Offeror and the Offeror Concert Parties, the Offeror and the Offeror Concert Parties were not interested directly or indirectly in any voting rights or rights over any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities.

PRINCIPAL TERMS OF THE OFFERS

The Share Offer

Shenwan Hongyuan will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make a voluntary conditional cash offer to acquire all the Offer Shares on the following terms:

For each Offer Shares HK\$0.9 in cash

All the Offer Shares to be acquired under the Share Offer shall be (i) fully-paid; (ii) free from mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, charges or other third party rights and interests of any nature; and (iii) with all rights attached to the Shares including all rights to any dividends and other distributions hereafter declared, paid or made in respect thereof as at the Closing Date or subsequently becoming attached to them, including the right to receive or retain all dividends and other distributions, if any, the record date in respect of which falls on or after the Closing Date.

Based on the published information of the Company available to the public as at the date of this announcement, there has been no dividend or distribution declared by the Company for the financial year ended 31 March 2023 and up to the date of this announcement.

The Convertible Bond Offer

Shenwan Hongyuan will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make a voluntary conditional cash offer to acquire all the outstanding Convertible Bonds (other than those already owned or agreed to be acquired by the Offeror or the Offeror Concert Parties) on the following terms:

For every HK\$1 face value of the Convertible bonds HK\$0.225 in cash

The Convertible Bonds to be acquired under the Convertible Bond Offer shall be (i) fully-paid; and (ii) free from mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, charges or other third party rights and interests of any nature; and (iii) with all rights attached to the Convertible Bonds including the right to all dividends and other distributions hereafter declared,

paid or made in respect thereof as at the Closing Date or subsequently becoming attached to them, including the right to receive or retain all dividends and other distributions, if any, the record date in respect of which falls on or after the Closing Date.

The Convertible Bond Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

The Convertible Bond Offer will apply to all outstanding Convertible Bonds in issue on the date on which the Convertible Bond Offer is made (other than those already owned or agreed to be acquired by the Offeror or the Offeror Concert Parties) and will not apply to any Convertible Bonds which are or have been redeemed or converted into Shares prior to the close of the Offers. In the event that the Convertible Bonds or part thereof are converted after the date of this announcement and new Shares are issued pursuant to such conversion, such Shares will form part of the Share Offer.

The offer price for the Convertible Bonds is HK\$0.225 for every HK\$1 face value of the Convertible Bonds, determined in accordance with Practice Note 6 to the Takeovers Code as the “see-through” consideration for each Convertible Bond, being the number of Shares into which the Convertible Bonds is convertible (being 2,500,000 Shares) multiplied by the Share Offer Price (HK\$0.9 per Shares).

Reference is made to the Company’s announcement dated 19 September 2023 that a conditional placing agreement dated 19 September 2023 was entered into between the Company and the placing agent, the convertible bonds under which have not yet been issued as at the date of this announcement. As such, the Convertible Bond Offer is not extended to such convertible bonds. Should such convertible bonds be issued by the Company prior to the Closing Date, the Offeror will issue further announcement(s) to detail the extension of the Convertible Bond Offer to such convertible bonds as and when appropriate.

The Option Offer

Shenwan Hongyuan will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make an appropriate offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all the outstanding Share Options on the following terms:

For cancellation of each Share Option HK\$0.01 in cash

As part of the terms of the 2012 Share Option Scheme and 2022 Share Option Scheme, if a general offer (whether by way of take-over offer, share-repurchase offer, or scheme of arrangement or otherwise in like manner) is made to all the Shareholders (or all holders other than the offeror, its concert parties and persons controlled by the offeror), and the offer becomes or is declared unconditional during the option period of an outstanding Share Option, the Optionholder shall notwithstanding any other terms on which his Share Options were granted, be entitled to exercise the Share Options (to the extent not already exercised) to its full extent or to the extent specified in the Optionholders’ notice to the Company in accordance with the terms of the Share Option Schemes at any time thereafter and up to the close of such offer. Following the close of the Offers, the Share Options shall automatically lapse thereafter.

As at the date of this announcement, the Company has (1) 15,425,000 outstanding Share Options under 2012 Share Option Scheme; and (2) 900,000 outstanding Share Options under 2022 Share Option Scheme, conferring the rights to the Optionholders to subscribe for an aggregate of 15,425,000 Shares and 900,000 Shares at an exercise price of HK\$1.60 and HK\$1.00 on or before, the Closing Date, respectively, totalling 16,325,000 Shares. Since the exercise prices of the outstanding Share Options are both above the Share Offer Price, the outstanding Share Options are out of the money and the offer price for the cancellation of each Share Option is set at a nominal value of HK\$0.01.

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. Subject to the Share Offer becoming unconditional in all respects, following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

COMPARISON OF VALUE

The Share Offer Price of HK\$0.9 per Offer Share represents:

- (i) a discount of approximately 10.0% to the closing price of HK\$1.00 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 8.2% to the average closing price of approximately HK\$0.98 per Share as quoted on the Stock Exchange for the five (5) trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 5.3% over the average closing price of approximately HK\$0.95 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 2.6% over the average closing price of approximately HK\$0.92 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day; and
- (v) a discount of approximately 84.7% to the Company's consolidated net asset value attributable to owners of the Company of approximately HK\$5.87 per Share as at 31 March 2023 as set out in the annual report of the Company for the financial year ended 31 March 2023.

The Share Offer Price is determined with reference to (i) prevailing share price of the Shares; (ii) the Offeror's review of the Group's business based on the publicly available financial information of the Group.

HIGHEST AND LOWEST CLOSING PRICE OF THE SHARES

The highest and lowest closing prices of each Share as quoted on the Stock Exchange during the six-month period preceding the Last Trading Day were HK\$1.22 on 30 March 2023 and HK\$0.86 on 2 August 2023 and 4 August 2023, respectively.

VALUE OF THE OFFERS

Based on the published information of the Company available to the public as at the date of this announcement, the Company has a total of 374,397,090 Shares in issue, of which a total of 81,338,687 Shares are held by the Offeror and the Offeror Concert Parties (representing approximately 21.73% of the total issued Shares). Save for (i) 16,325,000 outstanding Share Options under the Share Option Schemes; and (ii) outstanding Convertible Bonds with an aggregate principal amount of HK\$10,000,000 convertible into 2,500,000 Shares, the Offeror is not aware of the Company having any other relevant securities (as defined in Note 4 to the Rule 22 of the Takeovers Code) in issue as at the date of this announcement.

On the basis of the Share Offer Price of HK\$0.9 per Share and assuming no further Shares are issued whether pursuant to the exercise of Share Options, conversion of Convertible Bonds or otherwise before the close of the Offers, 293,058,403 Shares will be subject to the Share Offer and the Share Offer is valued at approximately HK\$263,752,563.

Assuming none of the Share Options is exercised prior to the close of the Offers, 16,325,000 Share Options will be subject to the Option Offer and assuming that the Option Offer is accepted in full, the Option Offer will be valued at HK\$163,250 based on the offer price for the cancellation of each Share Option at a nominal value of HK\$0.01.

Assuming none of the Convertible Bonds is redeemed or converted prior to the close of the Offers, based on the outstanding face value of HK\$10,000,000 of the Convertible Bonds and the offer price of HK\$0.225 for every HK\$1 face value of the Convertible Bonds, the Convertible Bond Offer is valued at approximately HK\$2,250,000 on the assumption that the Convertible Bond Offer is accepted in full.

Based on the above, the aggregate value of the Offers will be approximately HK\$266,165,813.

Assuming that all the Share Options are exercised by the Optionholders and all the Convertible Bonds are converted, the number of issued Shares will be 393,222,090 Shares (including 81,338,687 Shares held by the Offeror and the Offeror Concert Parties) and the Share Offer will be valued at approximately HK\$280,695,063 and the value of the Convertible Bond Offer and the Option Offer will be nil. Accordingly, the total amount payable by the Offeror under the Offers will be approximately HK\$280,695,063.

CONFIRMATION OF FINANCIAL RESOURCES

The financial resources which are available to the Offeror to satisfy full acceptance of the Offers comprise a combination of (i) the Offeror's own resources; and (ii) a credit line granted to the Offeror by Shenwan Hongyuan Securities.

Shenwan Hongyuan, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

CONDITIONS TO THE OFFERS

Conditions to the Share Offer

The Share Offer shall be conditional upon the satisfaction of the following conditions on or before the Closing Date unless otherwise waived by the Offeror:

- (i) valid acceptances of the Share Offer being received (and not, where permitted withdrawn by 4:00 P.M. on the Closing Date) (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Offer Shares which, together with Shares already owned or agreed to be acquired before or during the Offers, would result in the Offeror and the Offeror Concert Parties holding more than 50% of the voting rights in the Company as at the Closing Date;
- (ii) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading in the Shares as a result of the Offers and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either the Offers or anything done or caused by or on behalf of the Offeror or the Offeror Concert Parties;
- (iii) no event, up to the Closing Date, having occurred which would make the Offers or the acquisition of any of the Shares under the Offers void, unenforceable or illegal or their implementation being prohibited or which would impose material conditions, limitations or obligations with respect to the Offers;
- (iv) no Relevant Authority(ies) in Hong Kong or any other jurisdictions having taken or instigated any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offers or the acquisition of any of the Shares or securities of the Company under the Offers void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to, the Offers (other than such items or events above as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offers);
- (v) no event occurring or having occurred which is an event of default or other event giving any lender to any member of the Group a right to accelerate the repayment of any obligations prior to their stated maturity date arising from any financing documentation to which any member of the Group is a party or by which it is bound and no lender to any member of the Group indicating on or prior to the date to be stated in the Offer Document as the Closing Date that it will exercise such rights to accelerate repayment or claim an event of default; and
- (vi) since the date of the last audited consolidated financial statements of the Company, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs,

management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial positions, shareholders' equity or results of operations of the Company or any other member of the Group.

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions set out above save that Conditions (i) and (iii) cannot be waived. For the avoidance of doubt, based on the publicly available information of the Company, the Offeror has no knowledge and information as to whether any event mentioned in Condition (v) exists as at the date of this announcement.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke the above Conditions as a basis for not proceeding with the Offers only if the circumstances which give rise to a right to invoke such Conditions are of material significance to the Offeror in the context of the Offers. If any of the Conditions cannot be fulfilled or waived by the Closing Date, the Offers will lapse.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offers or the fulfilment (or if permissible, waiver) of the Conditions in accordance with the Takeovers Code and the Listing Rules.

The latest time on which the Offeror can declare the Offers unconditional as to acceptances is 7:00 P.M. on the 60th day after the posting of the initial Offer Document (or such later date to which the Executive may consent).

In accordance with Rule 15.3 of the Takeovers Code, the Offeror will publish an announcement when the Offers becomes unconditional as to acceptances and when the Offers become unconditional in all respects.

The Offers may or may not become unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the respective shares of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

Condition to the Convertible Bond Offer

The Convertible Bond Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

Condition to the Option Offer

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

CLOSING OF THE OFFERS

In accordance with Rule 15.1 of the Takeovers Code, the Closing Date of the Offers will fall on or after the 28th day from the date of the Offer Document. Where the Offers become or are unconditional (whether as to acceptances or in all respects), they should remain open for acceptance for not less than fourteen (14) days thereafter. The Shareholders, Optionholders and CB Holders are reminded that the Offeror does not have any obligation to keep the Offers open for acceptance beyond this minimum 14-day period.

The latest time on which the Offeror can declare the Offers unconditional as to acceptances is 7:00 P.M. on the 60th day after the posting of the initial Offer Document (or such later date to which the Executive may consent).

SETTLEMENT OF CONSIDERATION

Provided that the Offers have become, or have been declared, unconditional in all respects, payment in cash in respect of the acceptances of the Offers, net of seller's ad valorem stamp duty, will be made as soon as possible but in any event within seven (7) Business Days of the date on which (i) the relevant documents of title are received by or on behalf of the Offeror to render each such acceptance complete and valid; or (ii) when the Offers have become or are declared unconditional, whichever is later.

No fractions of a cent will be payable and the amount of cash consideration will be rounded up to the nearest cent.

HONG KONG STAMP DUTY ON STOCK TRANSACTIONS

The seller's Hong Kong ad valorem stamp duty payable by the Shareholders who accept the Share Offer and calculated at a rate of 0.13% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer.

The seller's Hong Kong ad valorem stamp duty (if any) payable by the CB Holders who accept the Convertible Bond Offer and calculated at a rate of 0.13% of the higher of (i) the market value of the Convertible Bonds; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Convertible Bond Offer, will be deducted from the amount payable by the Offeror to such person on acceptance of the Convertible Bond Offer.

The Offeror will arrange for payment of the stamp duty on behalf of accepting Shareholders and accepting CB Holders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares, and acceptance of the Convertible Bond Offer and transfer of the Convertible Bonds, respectively.

No stamp duty is payable in connection with the acceptances of the Option Offer.

TAXATION ADVICE

The Shareholders, the Optionholders and the CB Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Share Offer, the Option Offer and the Convertible Bond Offer, as applicable. None of the Offeror, the Offeror Concert Parties and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer, the Option Offer and the Convertible Bond Offer, as applicable.

OVERSEAS SHAREHOLDERS, OPTIONHOLDERS AND CB HOLDERS

The availability of the Offers to any overseas Shareholders, Optionholders and CB Holders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. The overseas Shareholders, Optionholders, CB Holders should observe any applicable legal or regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the overseas Shareholders, Optionholders and CB Holders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offers (including but not limited to obtaining any governmental or other consent which may be required or complying with other necessary formalities and the payment of any transfer or other taxes due by such overseas Shareholders, Optionholders and CB Holders in respect of such overseas jurisdictions).

Acceptance of the Offers by any overseas Shareholders, Optionholders and CB Holders will be deemed to constitute a representation and warranty from such person to the Offeror that all applicable local laws and requirements have been complied with and that the Offers can be accepted by such overseas Shareholders, Optionholders and CB Holders lawfully under the laws of the relevant jurisdictions. The overseas Shareholders, Optionholders and CB Holders should consult their professional advisers if in doubt.

In the event that the receipt of the Offer Document by overseas Shareholders, Optionholders or CB Holders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly onerous or burdensome (or otherwise not in the best interest of the Offeror or the Company or the Shareholders), the Offer Document, subject to the Executive's consent, may not be despatched to such overseas Shareholders, Optionholders or CB Holders. For that purpose, the Offeror will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

SHAREHOLDING STRUCTURE

Based on the published information of the Company available to the public as at the date of this announcement, the Company has a total of 374,397,090 Shares in issue, 16,325,000 outstanding Share Options under the Share Option Schemes, and outstanding Convertible Bonds with an aggregate principal amount of HK\$10,000,000 convertible into 2,500,000 Shares.

The table below sets out the shareholding structure of the Company as at the date of this announcement (which is prepared based on published information of the Company available as at the date of this announcement):

	Shareholding as at the date of this announcement		Shareholding as at the date of this announcement (assuming all the Share Options are exercised and the Convertible Bonds are fully converted)	
	Number of issued Shares	Approximate %	Number of issue Shares	Approximate %
Offeror	49,999,500	13.35	49,999,500	12.72
Cha Jung Hoon (<i>Note 1</i>)	16,821,000	4.49	16,821,000	4.28
Pro Honor (<i>Note 1, 2</i>)	14,518,187	3.88	14,518,187	3.69
Aggregate number of Shares held by the Offeror and the Offeror Concert Parties				
Concert Parties	81,338,687	21.73	81,338,687	20.69
Lam Chi Kin	22,170,000	5.92	22,170,000	5.64
Tam Cho Wai Josephine	21,250,000	5.68	21,250,000	5.40
Zheng Hao Jiang (<i>Note 3</i>)	4,065,000	1.09	4,065,000	1.03
Zhao Xiaodong (<i>Note 3</i>)	3,400,000	0.91	3,400,000	0.86
Zhu Lei (<i>Note 3</i>)	3,400,000	0.91	3,400,000	0.86
Choy Sze Chung, Jojo (<i>Note 3</i>)	62,500	0.02	62,500	0.02
Liu Hongqiang (<i>Note 3</i>)	18,500	0.00	18,500	0.00
Other Optionholders	—	—	16,325,000	4.15
CB Holders	—	—	2,500,000	0.64
Other public Shareholders	<u>238,692,403</u>	<u>63.75</u>	<u>238,692,403</u>	<u>60.70</u>
Total number of Shares	<u><u>374,397,090</u></u>	<u><u>100.00</u></u>	<u><u>393,222,090</u></u>	<u><u>100.00</u></u>

Notes:

- On 28 September 2023, the Offeror, Cha Jung Hoon and Pro Honor entered into a concert parties deed, pursuant to which Cha Jung Hoon and Pro Honor confirmed that they are and will be acting in concert with the Offeror in the control and management of the Group with the Offeror, including in the exercise of their voting rights in any meetings of the Company. The concert parties deed shall be in effect until Cha Jung Hoon and Pro Honor (or their respective representatives) are no longer a shareholder or a director of the Company (whichever applicable). Cha Jung Hoon and Pro Honor are therefore the Offeror Concert Parties.
- Pro Honor is a company incorporated in British Virgin Islands with limited liability. It is wholly-owned by Qiu Peiyuan.
- Each of Zheng Hao Jiang, Zhao Xiaodong and Zhu Lei is an executive director of the Company; and each of Choy Sze Chung, Jojo and Liu Hongqiang is an independent non-executive director of the Company.

INFORMATION OF THE COMPANY

The Company is a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 970). The Company is principally engaged in dealership of luxury goods in the PRC.

Set out below is a summary of consolidated financial information of the Company for the two financial years ended 31 March 2023 as extracted from the annual report of the Company for the financial years ended 31 March 2023 and 31 March 2022:

	For the financial years ended 31 March	
	2023 HK\$'000 (audited)	2022 HK\$'000 (audited)
Revenue	3,997,656	4,324,487
Profit/(loss) before taxation	(59,852)	9,619
Profit/(loss) for the year	(53,623)	31,514

As at 31 March 2023, the audited consolidated net assets of the Company were approximately HK\$2,227,920,000. The audited consolidated net assets attributable to owners to the Company were approximately HK\$2,199,224,000.

INFORMATION OF THE OFFEROR AND REASONS FOR THE OFFERS

The Offeror, Mr. Sze, BBS, JP, is an experienced merchant and is currently a shareholder of China Putian Food Holding Limited (Stock Code: 1699), China Zenith Chemical Group Ltd. (Stock Code: 362), Pan Asia Data Holdings Inc. (Stock Code: 1561), and the Company, each with more than 5% shareholdings as required to be disclosed under the relevant provisions of SFO. In addition, Mr. Sze is currently the Chairman of Lung Shing International (Group) Limited* (隆誠國際(集團)有限公司) (a company principally engaged in trading of recycled plastic products), a member of the National Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議全國委員會委員), as well as the Chairman of Hong Kong Federation of Fujian Associations* (香港福建社團聯會主席). Furthermore, Mr. Sze has extensive experience in financial and equity investing, and a diversified personal investment portfolio. Mr. Sze has been an investor in the Company since 16 December 2020 but since mid-2020, the Company's share price has been on a long-term downtrend and has even recently recorded its first net loss in its latest annual results since 2017. As a substantial shareholder (as defined under the Listing Rules) since March 2021, Mr. Sze is disappointed in the current management performance, and as such, despite not having direct experience in the fields of automobile dealership business and luxury goods trading, Mr. Sze has decided to invest further in the Company's business by way of seeking a controlling stake in order to leverage his business network to potentially reform the Company while further broaden the scope of his investments.

Mr. Sze is optimistic about the future prospect of the Company and the making of the Offers affirms Mr. Sze's confidence and commitment to the Company. The Offers are initiated with an aim to increasing the shareholding of Mr. Sze (together with the Offeror Concert Parties) in the Company via Mr. Sze making the Offers. In the event the Offers become unconditional, Mr. Sze will become a controlling shareholder of the Company (together with the Offeror Concert Parties), thereby allowing Mr. Sze to play a leading role in directing the future development of the Group with a view to creating greater value for the Shareholders in the long term.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

It is the Offeror's intention to acquire a majority interest in the Company pursuant to the Offers. The intention of the Offeror is that the Group's existing principal activities will be maintained, and at the same time after completion of the Offers, the Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules. The Offeror had not identified any investment or business opportunities for the Company nor had the Offeror entered into any related agreement, arrangements, understandings or negotiation and there is no plan on any injection or disposal of any assets or businesses into/of the Group as at the date of this announcement.

The Offeror may consider convening a general meeting to appoint new member(s) to the board of the Company if such appointment is considered to be beneficial to the future development of the Group as permitted under the Takeovers Code. Any change to the composition of the board of the Company will be made in compliance with the Takeovers Code and the Listing Rules.

The Offeror has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. Save for the potential change(s) to the composition of the board of the Company, the Offeror has no existing plan or contemplation to terminate the employment of any other employees or other personnel of the Group. However, after the close of the Offers, the Offeror will continuously review the operation of the Group and the Offeror reserves the right to make any changes that he deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group and in the interest of the overall Shareholders.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing status of the Company after the close of Offers. According to the Listing Rules, if, at the close of the Offers, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

In such case that, at the close of the Offers, less than 25% of the issued Shares are held by the public, the Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offers.

OFFEROR'S INTERESTS IN THE SECURITIES OF THE COMPANY

The Offeror confirms that as at the date of this announcement:

- (i) save for 81,338,687 Shares, representing approximately 21.73% of the issued Share capital of the Company, held by the Offeror and the Offeror Concert Parties, none of the Offeror and the Offeror Concert Parties owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (ii) save for the Offeror acquired 82,000 Shares (representing approximately 0.022% of the Company issued Share capital as at the date of this Announcement) from open market at a consideration of HK\$0.87 per Share on 21 September 2023, none of the Offeror and the Offeror Concert Parties had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six (6) months prior to and including the date of this announcement;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares which might be material to the Offers;
- (iv) there is no agreement or arrangement to which the Offeror or the Offeror Concert Parties is a party which relates to circumstances in which the Offeror may or may not seek to invoke a pre-condition or a condition to the Offers;
- (v) none of the Offeror nor the Offeror Concert Parties have borrowed or lend any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vi) none of the Offeror nor the Offeror concert Parties have received any irrevocable commitment to accept the Offers;
- (vii) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror or the Offeror Concert Parties; and

(viii) there is no understanding, or arrangement or agreement or special deal between any Shareholders; and (a) the Offeror and the Offeror Concert Parties, or (b) to the best knowledge and belief of the Offeror, the Company, its subsidiaries or associated company.

DEALING DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code which includes, among others, any person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Offeror are reminded to disclose their dealings in the securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

DESPATCH OF THE OFFER DOCUMENT

In accordance with Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Offer Document containing, among others, the terms and conditions of the Offers and the forms of acceptance and transfer or cancellation (as applicable), to the Shareholders, the Optionholders and the CB Holders within 21 days of the date of this announcement. It is expected that such Offer Document will be issued on or before 26 October 2023.

Further announcement(s) regarding despatch of the Offer Document will be made by the Offeror in due course.

WARNING

Shareholders and potential investors of the Company should note that the implementation of the Offers is subject to the satisfaction or waiver (where applicable) of the conditions of the Offers. Thus, the Offers may or may not become or be declared unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the respective shares of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

DEFINITIONS

In this announcement, unless otherwise defined, the following terms shall have the following meanings:

- “2012 Share Option Scheme” share option scheme of the Company adopted on 20 August 2012
- “2022 Share Option Scheme” share option scheme of the Company adopted on 29 September 2022
- “acting in concert” has the meaning given to it in the Takeovers Code and “concert parties” should be construed accordingly
- “associates” has the meaning given to it in the Takeovers Code
- “Business Day(s)” a day on which the Stock Exchange is open for the transaction of business
- “CB Holders” the holders of the Convertible Bonds
- “Closing Date” the date to be stated in the Offer document as the first closing date of the Offers or any subsequent closing date as may be announced by the Offeror and approved by the Executive
- “Company” New Sparkle Roll International Group Limited (新耀萊國際集團有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 970)
- “Convertible Bond Offer” the voluntary conditional cash offer to be made by Shenwan Hongyuan for and on behalf of the Offeror in compliance with the Takeovers Code to acquire the Convertible Bonds (other than those already owned or agreed to be acquired by the Offeror or the Offeror Concert Parties) in accordance with the terms described in this announcement
- “Convertible Bonds” the convertible bonds issued by the Company on 9 February 2021 with an outstanding principal amount of HK\$10,000,000 as at the date of this announcement

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“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
“Last Trading Day”	29 September 2023, being the last trading day of the Shares immediately preceding the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offers”	the Share Offer, the Convertible Bond Offer and the Option Offer
“Offer Document”	the offer document to be issued by the Offeror to all the Shareholders, Optionholders and CB Holders in accordance with the Takeovers Code containing, among other things, details of the Offers and the acceptance and transfer forms in respect of the Offers, as may be revised or supplemented as appropriate
“Offer Shares”	all the Shares in issue, other than those already owned by or to be acquired by the Offeror
“Offeror” or “Mr. Sze”	Mr. Sze Ching Lau
“Offeror Concert Parties”	parties acting, or presumed to be acting, in concert with the Offeror including but not limited to Mr. Cha Jung Hoon and Pro Honor pursuant to a concert parties deed entered into by the Offeror, Mr. Cha Jung Hoon and Pro Honor on 28 September 2023
“Optionholders”	the holders of the Share Options
“Option Offer”	the voluntary conditional cash offer to be made by Shenwan Hongyuan for and on behalf of the Offeror in accordance with the Takeovers Code to cancel all outstanding Share Options in exchange for cash in accordance with the terms described in this announcement
“PRC”	the People’s Republic of China (for the sole purpose of this announcement, excluding Hong Kong, Macao and Taiwan)

“Pro Honor”	Pro Honor Investment Limited, a company incorporated in British Virgin Islands with limited liability which is wholly owned by Qiu Peiyuan. Pro Honor is an Offeror Concert Party
“Relevant Authority(ies)”	any government, governmental, quasi-governmental, statutory or regulatory authority, body, agency, tribunal, court or institution
“SFC”	the Securities and Futures commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$1.00 each in the capital of the Company
“Shareholder(s)”	the registered holder(s) of the Shares
“Share Offer”	the voluntary conditional cash offer to be made by Shenwan Hongyuan for and on behalf of the Offeror in accordance with the Takeovers Code to acquire all of the outstanding Shares (other than those already owned or agreed to be acquired by the Offeror or the Offeror Concert Parties) in accordance with the terms and conditions set out in this announcement
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$0.9 per Offer share
“Share Options”	the share options granted by the Company pursuant to the Share Option Schemes
“Share Option Schemes”	the 2012 Share Option Scheme and the 2022 Share Option Scheme
“Shenwan Hongyuan”	Shenwan Hongyuan Capital (H.K.) Limited (申萬宏源融資(香港)有限公司), a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities, which shall make the Offers for and on behalf of the Offeror, and the financial adviser to the Offeror
“Shenwan Hongyuan Securities”	Shenwan Hongyuan Securities (H.K.) Limited (申萬宏源證券(香港)有限公司), a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities, which is a fellow subsidiary of Shenwan Hongyuan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC

“Unconditional Date” the date on which the Offers become or are declared unconditional in all respects, the latest time on which the Offeror can declare the Offers unconditional as to acceptance is 7:00 P.M. on the 60th day after the posting of the initial Offer Document (or such later date to which the Executive may consent)

“%” per cent

Sze Ching Lau
Offeror

Hong Kong, 5 October 2023

* *For identification purpose only*

Mr. Sze Ching Lau accepts full responsibility for the accuracy of the information contained in this announcement and confirms, having made all reasonable enquiries, that to the best of his 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 statement in this announcement misleading.

The information relating to the Group and the Shareholders (other than the Offeror and the Offeror Concert Parties) in this announcement has been extracted from or based on the published information of the Company, including its annual report for the financial year ended 31 March 2023, next day disclosure of the Company published on the website of the Stock Exchange on 20 September 2023. The only responsibility accepted by Mr. Sze Ching Lau in respect of such information is for the correctness and fairness of its reproduction or presentation.

This announcement will be published on the website of the Stock Exchange at www.hkexnews.hk.