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**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
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



Reference is made to (1) the announcement dated 5 October 2023 published by the Offeror in relation to the Offers (the “**Offeror Announcement**”); (2) the announcement dated 17 October 2023 published by New Sparkle Roll International Group Limited (the “**Company**”) in relation to the Offers (the “**Offeree Announcement**”); and (3) the announcements of the Company made pursuant to Rule 3.8 of the Takeovers Code in relation to update on the number of the relevant securities of the Company dated 27 October 2023 and 30 October 2023 (the “**Rule 3.8 Offeree Announcements**”). In addition to the information contained in the Offeror Announcement, the Offeror would like to provide the following supplementary information in respect of the Offers to the Shareholders and the potential investors of the Company.

This supplemental announcement should be read in conjunction with the Offeror Announcement. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Offeror Announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

According to the Rule 3.8 Offeree Announcements, the Company has allotted and issued 4,625,000 Shares and 4,750,000 Shares on 27 October 2023 and 30 October 2023 respectively, pursuant to the exercise of Share Options granted under the 2012 Share Option Scheme. As at the date of this announcement, the Company has (i) 383,772,090 Shares in issue; (ii) 10,350,000 outstanding Share Options under the Share Option Schemes; and (iii) outstanding Convertible Bonds with an aggregate principal amount of HK\$10,000,000 convertible into 2,500,000 Shares.

Mr. Sze Ka Ho is a son of the Offeror, who is acting in concert with the Offeror pursuant to the Takeovers Code. At the adjourned annual general meeting of the Company held on 25 September 2023 (the “**Adjourned AGM**”), the qualification, entitlement and title of the Shares held by Mr. Sze Ka Ho were challenged and the votes concerning the relevant Shares were declared ineffective for the resolutions to be passed in the Adjourned AGM. Given the disputed title of the Shares held by Mr. Sze Ka Ho, the information of the Shares held by the Offeror and the Offeror Concert Parties as disclosed in the Offeror Announcement did not include the Shares held by Mr. Sze Ka Ho. Since the Offeree Announcement disclosed the subject 1,020,000 Shares were held by Mr. Sze Ka Ho, the Offeror wishes to clarify the above and provide supplemental information of the shareholding structure of the Company in this announcement on the basis that, as at the date of this announcement, Mr. Sze Ka Ho has good title on 1,067,500 Shares.

In addition, Ms. Tsui Chun Mei is the wife of the Offeror, who is acting in concert with the Offeror pursuant to the Takeovers Code. As at the date of this announcement, Ms. Tsui Chun Mei has good title on 125,000 Shares, which were acquired more than six months ago. Such Shares were not disclosed in the Offeror Announcement due to a miscommunication between Ms. Tsui Chun Mei and the Offeror and it has been rectified.

Further, on the date of this announcement, the Offeror, Mr. Cha Jung Hoon, Pro Honor, Mr. Lam Chi Kin entered into a concert parties deed, pursuant to which (i) Mr. Lam Chi Kin confirmed that he joins the concert parties group of the Offeror, Mr. Cha Jung Hoon and Pro Honor formed pursuant to the concert parties deed dated 28 September 2023 entered into among them, and Mr. Lam Chi Kin confirmed that he is 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 his voting rights in any meetings of the Company; and (ii) the Offeror, Mr. Cha Jung Hoon and Pro Honor agreed Mr. Lam Chi Kin to join their concert parties group. Such concert parties deed shall be in effect until Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin (or their respective representatives) are no longer a shareholder or a director of the Company (whichever applicable).

In view of the above, as at the date of this announcement, the Offeror Concert Parties include Mr. Cha Jung Hoon, Pro Honor, Mr. Lam Chi Kin, Mr. Sze Ka Ho and Ms. Tsui Chun Mei. As such, the definition of “Offeror Concert Parties” as defined in the Offeror Announcement shall be amended to “parties acting, or presumed to be acting, in concert with the Offeror including but not limited to (1) Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin pursuant to a concert parties deed entered into by the Offeror, Mr. Cha Jung Hoon and Pro Honor on 28 September 2023 and a concert parties deed

entered into by the Offeror, Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin on the date of this announcement, (2) Mr. Sze Ka Ho, son of the Offeror, and (3) Ms. Tsui Chun Mei, the wife of the Offeror”.

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	13.03	49,999,500	12.61
Cha Jung Hoon (Note 1)	16,821,000	4.38	16,821,000	4.24
Pro Honor (Note 1, 2)	14,518,187	3.78	14,518,187	3.66
Sze Ka Ho (Note 3)	1,067,500	0.28	1,067,500	0.27
Tsui Chun Mei (Note 4)	125,000	0.03	125,000	0.03
Lam Chi Kin (Note 1)	22,159,000	5.77	22,159,000	5.59
Aggregate number of Shares held by the Offeror and the Offeror Concert Parties	104,690,187	27.28	104,690,187	26.40
Tam Cho Wai Josephine	21,250,000	5.54	21,250,000	5.36
Zheng Hao Jiang (Note 5)	4,065,000	1.06	4,065,000	1.02
Zhao Xiaodong (Note 5)	3,400,000	0.89	3,400,000	0.86
Zhu Lei (Note 5)	3,400,000	0.89	3,400,000	0.86
Choy Sze Chung, Jojo (Note 5)	62,500	0.02	62,500	0.02
Liu Hongqiang (Note 5)	18,500	0.00	18,500	0.00
Other Optionholders	—	—	10,350,000	2.61
CB Holders	—	—	2,500,000	0.63
Other public Shareholders	<u>246,885,903</u>	<u>64.33</u>	<u>246,885,903</u>	<u>62.25</u>
Total number of Shares	<u>383,772,090</u>	<u>100.00</u>	<u>396,622,090</u>	<u>100.00</u>

Notes:

1. On 28 September 2023, the Offeror, Mr. Cha Jung Hoon and Pro Honor entered into a concert parties deed, pursuant to which Mr. 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 Mr. Cha Jung Hoon and Pro Honor (or their respective representatives) are no longer a shareholder or a director of the Company (whichever applicable). On the date of this announcement, the Offeror, Mr. Cha Jung Hoon, Pro Honor, and Mr. Lam Chi Kin entered into a concert parties deed, pursuant to which, (i) Mr. Lam Chi Kin confirmed that he joins the concert parties group of the Offeror, Mr. Cha Jung Hoon and Pro Honor formed pursuant to the concert parties deed dated 28 September 2023 entered into among them, and Mr. Lam Chi Kin confirmed that he is 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 his voting rights in any meetings of the Company; and (ii) the Offeror, Mr. Cha Jung Hoon and Pro Honor agreed Mr. Lam Chi Kin to join their concert parties group. Such concert parties deed shall be in effect until Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin (or their respective representatives) are no longer a shareholder or a director of the Company (whichever applicable). Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin are therefore Offeror Concert Parties.
2. Pro Honor is a company incorporated in British Virgin Islands with limited liability. It is wholly-owned by Qiu Peiyuan.
3. Mr. Sze Ka Ho is a son of the Offeror and therefore he is acting in concert with the Offeror pursuant to the Takeovers Code and is an Offeror Concert Party.
4. Ms. Tsui Chun Mei is the Offeror's wife and therefore she is acting in concert with the Offeror pursuant to the Takeovers Code and is an Offeror Concert Party.
5. 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.

OFFEROR'S INTERESTS IN THE SECURITIES OF THE COMPANY

In light of the inclusion of Mr. Lam Chi Kin, Mr. Sze Ka Ho and Ms. Tsui Chun Mei as the Offeror Concert Parties, the Offeror wishes to clarify and confirm that, as at the date of this announcement, save for (1) the Offeror acquired 82,000 Shares (representing approximately 0.021% 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, and (2) Mr. Sze Ka Ho disposed of 80,000 Shares (representing approximately 0.020% of the Company issued Share capital as at the date of this announcement) on 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 the date of the Offeror Announcement and the period thereafter up to and including the date of this announcement.

OPTION OFFER AND VALUE OF THE OFFERS

Based on the information disclosed in the Offeree Announcement and the Rule 3.8 Offeree Announcements, as at the date of this announcement, the Company has (1) 6,050,000 outstanding Share Options under 2012 Share Option Scheme; and (2) 4,300,000 outstanding Share Options under

2022 Share Option Scheme, conferring the rights to the Optionholders to subscribe for an aggregate of 6,050,000 Shares and 4,300,000 Shares at an exercise price of HK\$1.60 and HK\$1.00 on or before, the Closing Date, respectively, totally 10,350,000 Shares.

The Offeror wishes to clarify that, accordingly, assuming none of the Share Options is exercised prior to the close of the Offers, 10,350,000 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\$103,500 based on the offer price for the cancellation of each Share Option at a nominal value of HK0.01.

In consideration of the shareholding of Mr. Lam Chi Kin, Mr. Sze Ka Ho and Ms. Tsui Chun Mei, 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, 279,081,903 Shares will be subject to the Share Offer and the Share Offer is valued at approximately HK\$251,173,713.

The value of the Convertible Bond Offer remains unchanged at HK\$2,250,000. The aggregate value of the Offers will be approximately HK\$253,527,213.

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 increased to 396,622,090 Shares (including 104,690,187 Shares held by the Offeror and the Offeror Concert Parties) and therefore 291,931,903 Shares will be subject to the Share Offer. On the basis of the Share Offer Price of HK\$0.9 per Share and the above, the Share Offer will be valued at approximately HK\$262,738,713.

CONFIRMATION OF FINANCIAL RESOURCES

Shenwan Hongyuan, the financial adviser to the Offeror in respect of the Offers, taking into account the updated information on the Offeror Concert Parties, the total number of issued Shares and outstanding Share Options, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

Save as disclosed above, all information in the Offeror Announcement remain unchanged.

Sze Ching Lau
Offeror

Hong Kong, 9 November 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, monthly return of the Company published on the website of the Stock Exchange on 1 November 2023, the Offeree Announcement and the Rule 3.8 Offeree Announcements. 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.

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