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New Sparkle Roll International Group Limited
新耀萊國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 970)

**INSIDE INFORMATION IN RELATION TO COMPLAINT TO
THE SECURITIES AND FUTURES COMMISSION**

This Announcement is made by New Sparkle Roll International Group Limited (“the **Company**”, together with its subsidiaries, “the **Group**”) pursuant to Rule 13.09 of the Rules Governing and Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”), in relation to the alleged actions potentially prejudicial to the Shareholder’s interests.

Further to the announcement of the Company dated 25 September 2023 in relation to the update of the shareholding disputes, the board of directors of the Company (“the **Board**”) was recently informed by the legal adviser who purportedly acts for the beneficial owner of shares in the Company (“**Shares**”) that a formal complaint was recently lodged with the Securities and Futures Commission (“**SFC**”) in or about September 2023 (“**Complaint**”). The Complaint contains grave allegations suggesting that there may have been deliberate efforts to manipulate the Company’s share price in connection with a scheme for acquiring of shares. The Company would like to draw the attention of all shareholders and stakeholders that if these allegations are true, it could be prejudicial to the interests of the shareholders.

Summary of Allegations (“the Allegations”):

The allegations set forth raise critical concerns:

The Complaint details at least 14 trading activities that appear to aim at suppressing the Company’s share prices to facilitate certain parties to acquire Shares below its otherwise true market value.

****Potential Prejudice to Shareholders’ Interests**:** The actions implicated could result in shareholders being compelled to sell their shares at unfairly low prices, to their financial detriment.

****Discrepancy with Market Norms**:**

The alleged trading activities are inconsistent with the Company’s historical trading patterns and the overall market behavior.

The Allegations point to a possible scheme to manipulate the market price of the Company’s shares in a manner that could specifically undermine the value proposition of the acquiring of shares to shareholders, potentially harming their financial interests and the integrity of the market operations.

The Complaint Letter has been passed on to Amasse Capital Limited (“**Amasse Capital**”), the independent financial adviser appointed in accordance with Rule 2.1 of the Code on Takeovers and Mergers issued by the SFC (“**Takeovers Code**”) to advise in respect of the voluntary conditional cash offers (“**Offers**”) made by Shenwan Hongyuan Capital (H.K.) Limited on behalf of Mr. Sze Ching Lau (“**Offeror**”) in accordance with the terms and conditions set out in the offer document dated 24 November 2023 issued by the Offeror.

Amasse Capital confirms that the Complaint does not affect its advice regarding the Offers as set out in the section headed “Letter from Amasse Capital” in the response document dated 8 December 2023 issued by the Company in relation to the Offers, and as such there is no change in its advice and recommendation having considered that (i) the Allegations relate to the dispute on beneficial ownership of certain shares of the Company between its shareholders occurred between years 2020 to 2021 and do not involve the Company; (ii) the terms of the Offers remain the same as at the date of this announcement; and (iii) the Allegations do not affect the business or financial position of the Company.

Upon an initial review, the Company takes these Allegations with the utmost seriousness and has resolved to embark on a comprehensive investigation. To this end, the Company will form an independent committee (“**Independent Committee**”) with the mandate to carry out a detailed and impartial examination of the Allegations.

Objective of the Proposed Investigation:

The Company aim at focusing the proposed investigation on but not limited to the following areas:

****Analysis of Alleged Price Manipulation****: Rigorous examination of trading activity that may have been intended to artificially deflate the Company’s share price.

****Review of Trading Irregularities****: Scrutiny of trading volumes, price movements, and timing of trades for any indications of manipulation or abuse of material non-public information.

To facilitate the Proposed Investigation as above mentioned, the Company intends to appoint reputable individuals internally and externally with a wealth of experience in legal, accounting and finance and/or investigation to sit as members of the proposed Independent Committee. Further announcement will be made once the Independent Committee is formed.

This Proposed Independent Committee is empowered to

- (i) Seek advice and/or opinion from external legal and financial counsel;
- (ii) Review all pertinent documents and transactional data;
- (iii) interview relevant parties including but not limited to employees, shareholders, and other stakeholders; and

Report its findings to the Board and regulatory agencies as required.

Furthermore, the Proposed Independent Committee is also endowed with powers to:

- (i) compel the production of information or testimony, within legal bounds;
- (ii) refer any evidence of wrongdoing to the relevant authorities for further investigation and action; and
- (iii) propose strategies to the Board to mitigate future risks of similar allegations.

Commencement of the Investigation:

Upon appointing the Proposed Independent Committee, it will be instructed by the Company to commence its investigative operations immediately and will conduct its inquiries with both diligence and expedition. All findings will be disclosed in accordance with regulatory obligations, ensuring the interests of shareholders and the public are duly served.

Shareholders and potential investors of the Company are advised to exercise prudence in their dealings with the Company's securities during this period. The Board remains committed to upholding the high level of corporate governance and market integrity.

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

Hong Kong, 3 January 2024

As at the date of this announcement, the Company has four executive Directors and five independent non-executive Directors. The executive Directors are Mr. Zheng Hao Jiang, Mr. Zhao Xiaodong, Mr. Zhu Lei and Ms. Cheng Bin. The independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong, Mr. Gao Yu, Ms. Liu Wenjing and Mr. Li Min.

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 statement in this announcement misleading.