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**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**

OFFEROR'S CLARIFICATION ANNOUNCEMENT

Financial Adviser to the Offeror



Reference is made to the announcement of the Company dated 18 January 2024 (the “**18th Jan Announcement**”). Unless otherwise stated, capitalised terms shall have the same meanings as those defined in the offer document issued by the Offeror dated 24 November 2023.

THE ALLEGATIONS IN THE 18TH JAN ANNOUNCEMENT

On 17 January 2024, the Offeror received a letter (the “**Letter**”) from the Company’s legal counsel in relation to certain allegations (the “**Allegations**”) made against the Offeror causing or procuring two individuals alleged to be the Offeror’s close associates to involve in illicit arrangement to solicit the acquisition of the Company’s shares on top of the Share Offer Price of HK\$0.9 per share (the “**Alleged Arrangement**”). The Offeror was requested to provide an undertaking to immediately cease from (i) implementing the Alleged Arrangement; and (ii) declaring the Offers as unconditional and/or allowing the Offers to become unconditional (the “**Undertaking**”).

The Offeror has responded to the Letter on 18 January 2024 and on the same day, the Company published the 18th Jan Announcement disclosing the Allegations and the injunction order.

The Offeror or any person acting in concert with him has not purchased any shares of the Company within 3 months before the Offer Period commenced on 5 October 2023 up to the date of this announcement at above the Share Offer Price.

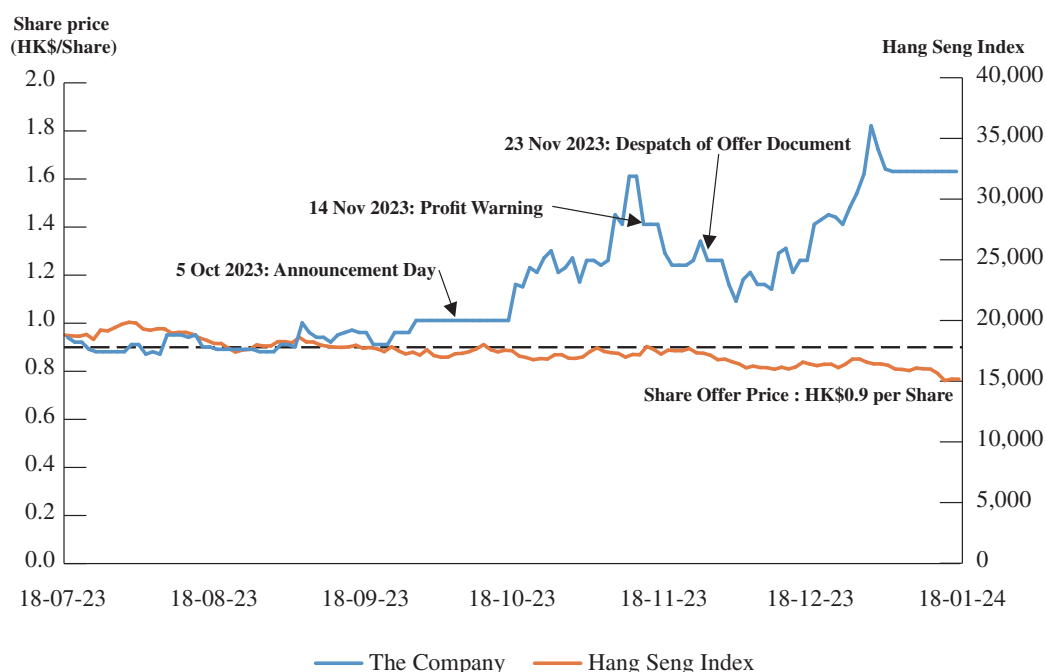
The Offeror wishes to clarify that, although the named individuals in the Letter are the Offeror’s business contacts, they are not in any way the Offeror’s close associates as defined under the Listing Rules or the Offeror’s persons acting in concert as defined under the Takeovers Code. The Allegations made by the Company regarding the Offeror’s involvement in the Alleged Arrangement were totally unfounded. The Offeror is not aware of the Alleged Arrangement, nor was he involved in the Alleged Arrangement.

The Offeror is considering to pursue appropriate legal actions against the Company for the unfounded Allegations and will issue further announcement as and when appropriate.

POTENTIAL PRICE ANOMALIES

During the period from the first trading day after the Announcement Date (being 5 October 2023) (the “**Trading Resumption Day**”) and up to the date of this announcement (the “**Post 3.5 Announcement Period**”), the Shares were traded at prices significantly higher than the Share Offer Price and the closing prices before the Announcement Date together with unusual increase in daily trading volume.

The chart below illustrates (i) the daily closing price per Share; and (ii) the daily closing Hang Seng Index during the six (6) months period prior to the date of this announcement (for the purpose of this announcement, the “**Relevant Period**”).



As demonstrated in the chart above, the prices of the Shares were relatively stable during the Relevant Period before the Announcement Date and fluctuated in the range of HK\$0.86 – HK\$1.00 per Share in which the Share Offer Price of HK\$0.9 per Share was within such range. The closing prices of the Shares on 53% of the days between the start of the Relevant Period and the Last Trading Day were lower than, or equal to, the Share Offer price. After the Trading Resumption Day, the price increased from HK\$1.00 per Share to HK\$1.60 per Share on 10 November 2023.

Despite retraction of the price to HK\$1.08 per Share on 1 December 2023 after the publication of the profit warning announcement by the Company on 14 November 2023, the price of the Shares continued to rise to an all-time high of HK\$1.81 during the Relevant Period on 2 January 2024.

The closing price of the Shares was above the Share Offer Price since the Trading Resumption Day. The Offeror considers that it is an unusual phenomenon that the Shares were persistently traded at prices above the Offer Price after the Announcement Day and that the trend of the closing price of the Shares was also not consistent with the overall performance of the market (i.e. Hang Seng Index).

Set out below is a comparison of (i) the average closing price of the Shares during the Post 3.5 Announcement Period with the average closing price for 90 trading days up to and including the Last Trading Day (being 29 September 2023) of HK\$0.92 per Share and the Share Offer Price of HK\$0.9 per Share; and (ii) average daily trading volume of the Shares during the Post 3.5 Announcement Period with average daily trading volume for 90 trading days up to and including the Last Trading Day.

	Average closing price <i>HK\$/Share</i>	Higher than the average closing price for 90 trading days up to and including Last Trading Day of HK\$0.92 per Share by %	Higher than the Share Offer Price of HK\$0.9 per Share by %	Average daily trading volume <i>Shares</i>	Higher than the average daily trading volume for 90 trading days up to and including Last Trading Day by <i>Shares</i>
Trading Resumption Day	1.15	24.5% higher	27.8% higher	1,171,000	377.6% higher
5 trading days after and including Trading Resumption Day	1.19	29.2% higher	32.7% higher	631,200	157.4% higher
10 trading days after and including Trading Resumption Day	1.21	31.0% higher	34.4% higher	472,750	92.8% higher
30 trading days after and including Trading Resumption Day	1.29	39.3% higher	43.0% higher	431,029	75.8% higher
From Trading Resumption Day up to the day of this announcement	1.32	43.3% higher	47.1% higher	829,305	238.2% higher

The above average closing prices of the Shares were 24.5% to 43.3% higher than the average closing price of 90 trading days up to and including the Last Trading Day of HK\$0.92 per Share. This shows significant increase in the closing price of the Shares compared to past performance. The average closing prices of the Shares were also 27.8% to 47.1% higher than the Share Offer Price. The average daily trading volumes after the Trading Resumption Day also increased by 75.8% to 377.6% compared

to the average daily trading volumes for 90 trading days up to and including the Last Trading Day, which the Offeror believes is one of the major causes to the significant increase in the price of the Shares.

The Offeror considers such unusual increase in Share price and trading volume implicates potential manipulation of the Share price which will significantly affect the decision of the Shareholders, CB Holders and Optionholders in accepting the Offers which in turn is not only detrimental to the Offeror but also to the interest of the Shareholders, CB Holders and Optionholders as a whole.

The Offeror reserves his right to take appropriate legal actions for damages or other relief against the Company and/or associated individual(s) for all unfounded allegations against him designed to undermine the Offeror's reputation and the Offers as a whole. Shareholders, CB Holders and Optionholders are reminded to read this announcement carefully.

Sze Ching Lau
Offeror

Hong Kong, 19 January 2024

* *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 but not limited to the Announcement. 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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