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## SPARKLE ROLL GROUP LIMITED

耀萊集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 970)**

### LITIGATION UPDATE

The Board is pleased to announce that with the conclusion of the First Litigation as set out herein, all of the First Litigation, the Second Litigation and the Third Litigation have been concluded.

This announcement is made by the board of directors (the “**Board**”) of Sparkle Roll Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

References are made to the Company’s announcements dated 3 October 2017, 12 October 2017, 17 November 2017, 19 December 2017, 29 December 2017, 3 April 2018 and 10 July 2018 (collectively, the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as they are defined in the Announcements.

In respect of the First Litigation, the Board would like to inform the shareholders and potential investors of the Company that TJXC and the plaintiff had reached a settlement on or about 20 December 2018. Thereafter, on 20 December 2018, the plaintiff made an application to the Jinghai District People’s Court of Tianjin City\* (天津市靜海區人民法院) and it was ordered that the previous freeze order against TJXC be dismissed.

On 20 December 2018, at the plaintiff’s request for withdrawal of all claims in the First Litigation, the First Intermediate People’s Court of Tianjin City\* (天津市第一中級人民法院) handed down a judgment (“**Second Appeal Judgment**”) and ordered that, among others:

- (a) the Appeal Judgment be revoked;
- (b) the plaintiff’s withdrawal of all claims in the First Litigation be permitted; and

(c) the plaintiff shall bear the litigation fee for the first hearing and the retrial of the First Litigation.

As advised by the Group's PRC legal advisers, the Second Appeal Judgment is final and binding on the parties. Having taken into account that no amount of damages was payable under the Second Appeal Judgment while provision has previously been made for the possible liquidated damages for the First Litigation, the Board is of the view that the Second Appeal Judgment will not have any significant adverse impact on the Group's ordinary operations and financial position. The Board would also like to inform the shareholders and potential investors of the Company that, with the conclusion of the First Litigation as set out herein, all of the First Litigation, the Second Litigation and the Third Litigation have been concluded.

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

Hong Kong, 28 December 2018

*As at the date of this announcement, the Company has three executive Directors, two non-executive Directors and three independent non-executive Directors. The executive Directors are Mr. Zheng Hao Jiang, Mr. Zhu Lei and Mr. Zhao Xiaodong. The non-executive Directors are Mr. Gao Yu and Mr. Qi Jian Wei. The independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong and Mr. Lee Thomas Kang Bor.*

\* *For identification purpose only*