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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)

COMPLETION OF THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF CHEER SUMMIT INVESTMENT LIMITED INVOLVING THE ISSUE OF CONSIDERATION SHARES

Financial adviser to the Company



Reference is made to the announcements (the “**Announcements**”) of Sparkle Roll Group Limited (the “**Company**”) dated 29 October 2018 and 30 December 2018 in relation to the acquisition of the entire issued share capital of Cheer Summit Investment Limited (the “**Acquisition**”). Unless otherwise expressly indicated, capitalised terms used in this announcement shall have the same meaning as they are defined in the Announcements.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that all of the conditions precedent under the SPA have been fulfilled and as such Completion took place on 17 January 2019. The initial Consideration has been settled by way of allotment and issuance of 340,000,000 Consideration Shares at HK\$0.3 each by the Company under the General Mandate to the Vendor on the date of Completion. Immediately following Completion, Cheer Summit Investment Limited has become an indirect wholly-owned subsidiary of the Company and accordingly, the financial results of the Target Group will be consolidated into the accounts of the Group.

EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company before and after Completion are as follows:

	Immediately before Completion		Immediately after Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Controlling Shareholder:				
Mr. Qi Jian Hong alias Mr. Kei Kin Hung (<i>Note 1</i>)	2,628,236,630	56.17%	2,628,236,630	52.37%
Directors:				
Mr. Zheng Hao Jiang (<i>Note 2</i>)	10,640,000	0.23%	10,640,000	0.21%
Mr. Choy Sze Chung, Jojo	1,000,000	0.02%	1,000,000	0.02%
Mr. Lee Thomas Kang Bor	1,680,000	0.04%	1,680,000	0.03%
Sub-total	13,320,000	0.29%	13,320,000	0.26%
Public	2,037,504,817	43.54%	2,037,504,817	40.60%
Vendor	–	0.00%	340,000,000	6.77%
Total	4,679,061,447	100.00%	5,019,061,447	100.00%

Notes:

- (1) Among these 2,628,236,630 Shares, 307,224,000 Shares were beneficially owned by Mr. Qi, and 2,321,012,630 Shares were held by Sparkle Roll Holdings Limited. Sparkle Roll Holdings Limited is a company wholly owned by Mr. Qi. Accordingly, Mr. Qi was deemed to be interested in the Shares held by Sparkle Roll Holdings Limited. Ms. Zhu Shuang is the wife of Mr. Qi. Accordingly, Ms. Zhu Shuang was deemed to be interested in the Shares in which Mr. Qi was interested.
- (2) These 10,640,000 Shares were held by Keyking Mission Group Co., Ltd, a company wholly owned by Mr. Zheng. Accordingly, Mr. Zheng was deemed to be interested in the Shares held by Keyking Mission Group Co., Ltd..

LOCK-UP RESTRICTION ON THE CONSIDERATION SHARES

Pursuant to the SPA, the Vendor has entered into a deed of lock-up undertaking in favour of the Company and the Purchaser on Completion whereby the Vendor undertook not to dispose of the Consideration Shares during the lock-up period from the date of issuance of the Consideration Shares to 31 December 2021, except when:

- (i) the accumulated audited profit after tax of the Target Group within the three years ending 31 December 2021 in any reporting period (calculated since the date of the Completion) shall reach HK\$36,000,000. Then, up to 110,000,000 Consideration Shares are released from the lock-up restriction;

- (ii) the accumulated audited profit after tax of the Target Group within the three years ending 31 December 2021 in any reporting period (calculated since the date of Completion) shall reach HK\$84,000,000. Then, up to 220,000,000 Consideration Shares are released from the lock-up restriction; and
- (iii) the accumulated audited profit after tax of the Target Group within the three years ending 31 December 2021 in any reporting period (calculated since the date of Completion) shall reach HK\$150,000,000. Then, all the Consideration Shares are released from the lock-up restriction.

Hong Kong, 17 January 2019

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

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*