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

*(formerly known as Sparkle Roll Group Limited 耀萊集團有限公司\*)  
(Incorporated in Bermuda with limited liability)*

**(Stock Code: 970)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ACQUISITION OF  
70.4% EQUITY INTEREST IN THE TARGET COMPANY**

**THE ACQUISITION**

The Board is pleased to announce that on 8 December 2021 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Group, and the Vendor entered into the Equity Transfer Agreement, pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Interest, representing 70.4% of the entire equity interest in the Target Company, at a consideration of RMB220.0 million, which was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (a) the audited asset value of the Target Company as at December 2019 and 2020, respectively; (b) valuation of the market value of the Properties, which was approximately RMB312.5 million as of 3 December 2021 appraised by an independent property valuer; and (c) the benefits that would be brought to the Group by the Acquisition.

The Target Company is a company established in the PRC with limited liability. It is an investment holding company. The principal assets of the Target Company are the Properties located at International Wonderland, 40 Xing Fu Er Chun, Chaoyang District, Beijing, the PRC.

Upon Completion, the Purchaser will hold 70.4% of the entire issued equity interest in the Target Company. The financial results of the Target Company will be consolidated as a non-wholly-owned subsidiary in the accounts of the Group.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but below 25%, the Acquisition under the Equity Transfer Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

## **THE ACQUISITION**

The Board is pleased to announce that on 8 December 2021 (after trading hours), the Purchaser and the Vendor entered into the Equity Transfer Agreement.

The principal terms of the Equity Transfer Agreement are summarised as follows:

### **Date**

8 December 2021

### **Parties**

1. 必歐在線文化科技有限公司 (BO Online Culture Technology Limited\*), being the Purchaser; and
2. 北京光中裝飾工程有限公司 (Beijing Guangzhong Decoration Engineering Co., Ltd.\*), being the Vendor.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

## **Subject matter**

Pursuant to the Equity Transfer Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to acquire the Sale Interest.

Upon Completion, the Purchaser will hold 70.4% of the entire equity interest in the Target Company. The financial results of the Target Company will be consolidated as a non-wholly-owned subsidiary in the accounts of the Group.

## **Consideration**

The Consideration shall be RMB220.0 million. It was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (a) the audited asset value as at December 2019 and 2020 respectively; (b) valuation of the market value of the Properties, which was approximately RMB312.5 million as of 3 December 2021 appraised by an independent property valuer; and (c) the benefits that would be brought to the Group by the Acquisition as explained in more details in the paragraph headed "Reasons for and benefits of the Acquisition" in this announcement. In view of the above, the Directors consider that the Acquisition is fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

Pursuant to the Equity Transfer Agreement, the Consideration shall be paid and satisfied by the Purchaser by two instalments in the following manner:

- (1) the first instalment of RMB66.0 million, being 30.0% of the Consideration, shall be paid within 3 days after the date of signing of the Equity Transfer Agreement; and
- (2) the remaining balance of RMB154.0 million shall be paid on or before 31 March 2022.

The Consideration is expected to be funded by the internal resources of the Group and bank borrowings.

## **Undertaking by the Vendor**

The Vendor undertakes to the Purchaser to procure the transfer of approximately 0.1% of the entire equity interest in the Target Company from Beijing Jiu Yue Da Chuan to it upon Completion.

## **Pre-emptive right**

The Purchaser shall be entitled to a pre-emptive right in respect of the equity interest in the Target Company held by the Vendor.

## **INFORMATION ON THE PARTIES**

### **The Purchaser**

The Purchaser is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of the Group. Its principal business activity is the provision of exhibition and consultancy services in the PRC.

### **The Vendor**

The Vendor is a company established under the laws of the PRC with limited liability. Its principal business includes professional contracting, engineering cost consulting, project management, undertaking exhibitions and organising cultural and artistic exchanges.

### **The Target Company**

The Target Company is a company established under the laws of the PRC with limited liability. It is an investment holding company. The principal assets of the Target Company are the Properties located at 中國北京市朝陽區幸福二村40號樓首開幸福廣場B座-1, 1, 2, 3及7層 (Basement Level 1, Levels 1, 2, 3 and 7 of Tower B, International Wonderland, 40 Xing Fu Er Chun, Chaoyang District, Beijing, the PRC\*).

As advised by the Vendor, other than the Properties, the Target Company has no material assets and business operation as at the date of this announcement. Set out below are the audited financial information of the Target Company for the two financial years ended 31 December 2019 and 31 December 2020, respectively:

	<b>For the year ended 31 December 2019 (Audited) RMB</b>	<b>For the year ended 31 December 2020 (Audited) RMB</b>
Net profit before taxation	274,008.80	101,627.59
Net profit after taxation	260,308.36	96,546.21
	<b>As of 31 December 2019 (Audited) RMB</b>	<b>As of 31 December 2020 (Audited) RMB</b>
Net assets	260,308.36	356,854.57

The above financial information of the Target Company is extracted from the audited financial statements of the Target Company prepared in accordance with China Accounting Standards for Business Enterprises.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company is an investment holding company. Its subsidiaries are principally engaged in dealerships of luxury goods and automobiles, provision of after-sales services, property management services, property rental services, film related business including development and investment in films and television program and money lending business. The Group's operations are mainly based in Hong Kong and the PRC.

As at the date of this announcement, the Group is the tenant of the Properties, occupying approximately 70% of the gross floor area of the Properties for use as showrooms of automobiles and office. The term of the tenancy in respect of the showrooms on Levels 1 and 2 and the office on Level 3 under the tenancy agreements to which the Group is a tenant will end on 30 June 2023 while that in respect of the office on Level 7 will end on 31 December 2023. The Board considers that, by becoming a major shareholder of the Target Company through the Acquisition, the Group can avoid relocation of the showrooms and offices, the cost of which are substantial, and keep the existing operation of the three automobiles showrooms including the one located in Tower A of International Wonderland under one roof. Furthermore, the Group will also enjoy an overall reduction of costs after taking into account the amount of the Consideration paid and the reduction of the amount for the rent payable for leasing the Properties. The Board also considers that the Acquisition is a good business development opportunity as the Group will be able to maintain its control and utilisation rights of the Properties.

The Board considers the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but below 25%, the Acquisition under the Equity Transfer Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Sale Interest by the Purchaser from the Vendor in accordance with the terms of the Equity Transfer Agreement;
“Beijing Jiu Yue Da Chuan”	北京九越大傳文化傳播有限公司 (Beijing Jiu Yue Da Chuan Culture Communication Co., Ltd.*), a company established under the laws of the PRC on 20 April 2015, a shareholder of the Target Company holding approximately 0.1% of the entire equity interest in the Target Company before the Acquisition and an Independent Third Party;
“Board”	the board of Directors;
“Company”	New Sparkle Roll International Group Limited 新耀萊國際集團有限公司, (formerly known as Sparkle Roll Group Limited 耀萊集團有限公司*), an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 970);
“Completion”	completion of the transactions contemplated under the Equity Transfer Agreement;
“Completion Date”	the date of registration of the Acquisition with the competent authorities in the PRC;
“Consideration”	RMB220.0 million, being the total consideration for the Acquisition;
“Director(s)”	the director(s) of the Company;
“Equity Transfer Agreement”	the Equity Transfer Agreement dated 8 December 2021 entered into by the Vendor and the Purchaser in relation to the Acquisition;

“Group”	the Company and its subsidiaries;
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Properties”	the properties situated at 中國北京市朝陽區幸福二村40號樓首開幸福廣場B座-1, 1, 2, 3及7層 (Basement Level 1, Levels 1, 2, 3 and 7 of Tower B, International Wonderland, 40 Xing Fu Er Chun, Chaoyang District, Beijing, PRC*) with gross floor area of 5,964.78 square metres, the title of which is owned by the Target Company as at the date of this announcement;
“Purchaser”	必歐在線文化科技有限公司 (BO Online Culture Technology Limited*) (formerly known as 北京耀萊盛世傳奇國際會展有限公司 (Beijing Sparkle Roll Goldence Saga International Exhibition Limited*)), a company established under the laws of the PRC on 7 September 2009 and is a wholly-owned subsidiary of the Group;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Interest”	the registered and paid up capital in the amount of RMB154.88 million of the Target Company, which is legally and beneficially owned by the Vendor, representing approximately 70.4% of the entire equity interest in the Target Company;

“Share(s)”	the ordinary share(s) in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	天津文福新天地置業有限公司 (Tianjin Wenfu Xin Tian Di Real Estate Co., Ltd.*) (formerly known as 天津光傳騰越置業有限公司 (Tianjin Guangchuan Tengyue Real Estate Co., Ltd.*)), a company established under the laws of the PRC on 12 October 2017 and the owner of the Properties;
“Vendor”	北京光中裝飾工程有限公司 (Beijing Guangzhong Decoration Engineering Co., Ltd.*) (formerly known as 北京光中裝飾工程中心 (Beijing Guangzhong Decoration Engineering Center*)), a company established under the laws of the PRC on 17 August 1994, a shareholder of the Target Company holding approximately 99.9% of the entire equity interest in the Target Company before the Acquisition, and an Independent Third Party; and
“%”	per cent.

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

Hong Kong, 8 December 2021

*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. Ma Chao, Mr. Zhao Xiaodong and Mr. Zhu Lei. The independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong, Mr. Gao Yu, Mr. Liu Hongqiang and Mr. Liu Xiaoyi.*

\* For identification purposes only