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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)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION; (2) TERMINATION OF DISCLOSEABLE AND CONNECTED TRANSACTION; AND (3) RESUMPTION IN TRADING

INTRODUCTION

Reference is made to the announcements dated 14 and 26 March 2012 respectively of Sparkle Roll Group's (the "**Company**") in relation to the suspension of trading of the shares of the Company (the "**Shares**") pending the release of an announcement pertaining to the Terminated Acquisition (as defined below).

The board of directors of the Company announces that:

(i) on 13 March 2012, (a) 耀萊東方(北京)貿易發展有限公司 (Sparkle Roll Oriental (Beijing) Trading Development Limited*) (the "**Purchaser**"), a wholly-owned subsidiary of the Company; (b) Sparkle Roll Holdings Limited ("**SRHL**"), a company wholly-owned by Mr. Qi Jian Hong ("**Mr. Qi**"), a substantial shareholder and connected person of the Company; (c) 北京耀萊投資有限公司 (Beijing Sparkle Roll Investments

* *for identification purpose only*

Co., Ltd.*) ("**BJSRI**"), an associate of Mr. Qi; and (d) Mr. Qi entered into the conditional sale and purchase agreement (the "**Acquisition Agreement**") in relation to the sale and purchase (the "**Terminated Acquisition**") of 90% of the registered capital (the "**Sale Equity**") of 北京阿萊曼尼餐飲管理有限公司 (Beijing Alaimani Restaurant Management Limited Co.*) (the "**Target**") and the Target's shareholder's loan (the "**Sale Loan**"); and

(ii) on 11 May 2012, the Purchaser, SRHL, BJSRI and Mr. Qi entered into an agreement to terminate the Acquisition Agreement and all transactions contemplated thereunder (the "**Termination Agreement**").

Further information of the Acquisition Agreement and the Termination Agreement are set out below.

THE ACQUISITION AGREEMENT

On 13 March 2012, (i) the Purchaser as purchaser; (ii) SRHL as vendor; (iii) BJSRI as nominee shareholder for SRHL in respect of its shareholding in the Target; and (iv) Mr. Qi as guarantor, entered into the Acquisition Agreement. Under the Acquisition Agreement, the Purchaser has conditionally agreed to purchase and SRHL has conditionally agreed to sell the Sale Equity and the Sale Loan for an aggregate consideration of HK$84,000,000 which was to be satisfied by way of issue of 120,000,000 new Shares at an issue price of HK$0.70 per Share. The Target is principally engaged in the event services business and the operation of a high-end restaurant under a licence agreement in Beijing, the People's Republic of China. The Terminated Acquisition would have constituted a connected and discloseable transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited had it proceeded and not terminated by the Termination Agreement.

THE TERMINATION AGREEMENT

Since the submission of the draft announcement in relation to the Terminated Acquisition and the subsequent replies to the queries of the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (or any of his delegates) on the Terminated Acquisition, the Company has encountered certain regulatory compliance requirements under the Takeovers Code. Having considered this situation, the Company considers that the likelihood of fulfilling such regulatory compliance requirements within a reasonable amount of time appears to be low. In view of this situation, the parties to the Acquisition Agreement have come to a mutual understanding to terminate the Acquisition Agreement by entering into the Termination Agreement on 11 May 2012.

Pursuant to the Termination Agreement, all of the rights, obligations and duties of the parties to the Acquisition Agreement have been terminated. In addition, all of the parties to the Acquisition Agreement have confirmed that effective from the date of the Termination Agreement, each of the parties shall renounce any disputes such as claims, demands and actions arising out of the Acquisition Agreement.

The Directors consider that the termination of the Acquisition Agreement will not have any material adverse impact on the business, operations or financial position of the Group.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 14 March 2012 pending the release of an announcement pertaining to the Terminated Acquisition. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 14 May 2012.

By order of the Board of
Sparkle Roll Group Limited
Tong Kai Lap
Chairman

Hong Kong, 11 May 2012

As at the date of this announcement, the Company has three executive Directors, three non-executive Directors and three independent non-executive Directors. The executive Directors are Mr. Tong Kai Lap, Mr. Zheng Hao Jiang and Mr. Zhao Xiao Dong. The non-executive Directors are Mr. Zhang Si Jian, 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 Kang Bor, Thomas.

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 contained in this announcement misleading.