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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)

DISCLOSEABLE TRANSACTION
DISPOSAL OF INTEREST IN SUBSIDIARIES

Financial adviser to the Company

AmCap
Ample Capital Limited
豐盛融資有限公司

The Board is pleased to announce that on 15 March 2013, SRFL as Vendor and Mr. Shi Lei as Purchaser have entered into the Agreement with the Subject Company pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, representing 30% of the issued share capital in the Subject Company at a Consideration of RMB90,000,000 (equivalent to approximately HK$112,500,000). The Subject Company will become an indirect 70% owned subsidiary of the Company upon Completion.

As the applicable percentage ratio exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.34 of the Listing Rules.

* *for identification purpose only*

THE AGREEMENT

Date

15 March 2013

Parties to the Agreement

(i) SRFL, an indirect wholly-owned subsidiary of the Company, as the Vendor;

(ii) Mr. Shi Lei as the Purchaser; and

(iii) the Subject Company, as a confirming party.

Based on the best information, knowledge and belief of the Directors after having made all reasonable enquiries, Mr. Shi Lei is an independent third party not connected with the Company or its connected persons.

Assets to be disposed

Under the Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares free from all encumbrances and together with all rights and obligations attaching thereto. The Sale Shares represents 30% of the issued share capital of the Subject Company as of the date of this announcement.

The Consideration

The Consideration is RMB90,000,000 (equivalent to approximately HK$112,500,000) which shall be settled as follows:

(i) an amount of RMB45,000,000 (equivalent to approximately HK$56,250,000), representing 50% of the Consideration, shall be paid by the Purchaser to the Vendor within 7 days from the date of the Agreement (or such other date as may be agreed by the Vendor and the Purchaser in writing) in cash; and

(ii) the remaining balance in the amount of RMB45,000,000 (equivalent to approximately HK$56,250,000), representing 50% of the Consideration, shall be paid by the Purchaser to the Vendor before 31 December 2013.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the unaudited net assets value of the Subject Company, TJHY and TJXC as at 31 December 2012 and a multiplier of approximately 5.33 times as agreed by the Vendor and the Purchaser.

If the Purchaser shall fail to pay the first 50% installment of the Consideration in accordance with terms of the Agreement, the Vendor may unilaterally terminate the Agreement and claim losses from the Purchaser.

Completion

Completion shall take place within 7 days from the date of payment of the first 50% of the Consideration by the Purchaser to the Vendor. The Subject Company will become an indirect 70% owned subsidiary of the Company upon Completion.

Charge on 50% of the Sale Shares

Upon Completion, the remaining balance in the amount of RMB45,000,000 (equivalent to approximately HK$56,250,000), representing 50% of the Consideration will be owed by the Purchaser to the Vendor. To secure the Purchaser's obligation to pay the Vendor the remaining balance of the Consideration, a charge on 50% of the Sale Shares (i.e. 15 shares in the issued share capital of the Subject Company) will be created in favour of the Vendor pursuant to a security deed to be entered into by the Purchaser and the Vendor on the date of payment by the Purchaser of the first 50% instalment of the Consideration.

INFORMATION ON THE SUBJECT GROUP

The Subject Company

The Subject Company is a company incorporated in the Federal Territory of Labuan, Malaysia on 29 September 2010. As at the date of this announcement, the Subject Company is an indirect wholly-owned subsidiary of the Company. The principal business of the Subject Company is investment holding (i.e. holding company of TJHY and TJXC) and it is not engaged in any active business activities.

Certain summary key financial information of the Subject Company is set out below:

	From 29 September 2010 to 31 March 2011	**For the year ended 31 March 2012**
	HK$'000 (audited)	*HK$'000* (audited)
Revenue	4,305	–
Net profits/(loss) before tax	1,758	(217)
Net profits/(loss) after tax	1,655	(266)
Net assets (as at period end)	1,655	1,388

TJHY

TJHY is a company established in the PRC on 28 September 2010. As at the date of this announcement, TJHY is beneficially wholly-owned by the Subject Company. TJHY is principally engaged in trading of luxury automobiles in Tianjin, the PRC.

Certain summary key financial information of TJHY is set out below:

	For the year ended 31 December	
	2011	**2012**
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue	–	136,400
Net profits before tax	280	230
Net profits after tax	209	172
Net assets (as at period end)	10,199	10,371

TJXC

TJXC is a company established in the PRC on 30 March 2010. As at the date of this announcement, TJXC is beneficially wholly-owned by the Subject Company. TJXC is principally engaged in trading of luxury automobiles in Tianjin, the PRC.

Certain summary key financial information of TJXC is set out below:

	For the year ended 31 December	
	2011	**2012**
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue	161,419	337,063
Net profits before tax	1,025	331
Net profits after tax	762	238
Net assets (as at period end)	45,867	46,105

INFORMATION ON THE GROUP

The Group is principally engaged in trading of luxury automobiles, watches and jewellery in the PRC and trading of fine wines in the PRC, Hong Kong and Macau.

REASONS FOR AND BENEFITS OF THE DISPOSAL

It is expected that the Group will recognise an unaudited gain of approximately HK$91,398,000 from the Disposal, being the difference between the Consideration and the unaudited consolidated net asset value of the Subject Group as at 31 December 2012 attributable to the Sale Shares. The actual gain or loss arising out of the Disposal to be recorded by the Group is subject to final audit. The Directors expect that the estimated net proceeds from the Disposal, after deducting the relevant expenses, will be approximately HK$112,000,000 which will be used as general working capital for non-automobile businesses of the Group. With the injection of fresh capital in the form of the Consideration, the Directors expect that the Group's gearing position can be lowered.

Given the above, the Directors (including the independent non-executive Directors) consider that the terms of the Disposal are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.34 of the Listing Rules.

DEFINITIONS

"Agreement"	the sale and purchase agreement dated 15 March 2013 entered into by the Vendor, the Purchaser and the Subject Company in relation to the Disposal
"Board"	the Board of Directors
"BVI"	the British Virgin Islands
"Company"	Sparkle Roll Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
"Completion"	completion of the Disposal
"Consideration"	the consideration of the Disposal in the amount of RMB90,000,000 (equivalent to approximately HK$112,500,000)
"connected person"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of a 30% interest in the Subject Company by the Vendor to the Purchaser pursuant to the Agreement
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Mr. Shi Lei" or "Purchaser"	Mr. Shi Lei (石磊), being the Purchaser to the Disposal
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
"Sale Shares"	30 shares in the issued share capital of the Subject Company, representing 30% of its issued share capital, being the subject to the Disposal
"Shareholder(s)"	holders of the Shares
"Share(s)"	share(s) of HK$0.002 each in the share capital of the Company
"SRFL" or "Vendor"	Sparkle Roll (France) Limited, an indirect wholly-owned subsidiary of the Company being the Vendor to the Disposal
"Subject Company"	Sparkle Roll Brands Market Management Limited, a company incorporated in the Federal Territory of Labuan, Malaysia on 29 September 2010 and as at the date of this announcement, an indirect wholly-owned subsidiary of the Company
"Subject Group"	collectively, the Subject Company, TJHY and TJXC
"TJHY"	天津恒盈泰富貿易發展有限公司 (Tianjin Heng Ying Tai Fu Trading Development Co. Ltd.*), a company established in the PRC on 28 September 2010 and is beneficially wholly-owned by the Subject Company
"TJXC"	天津信昌泰富貿易發展有限公司 (Tianjin Xin Chang Tai Fu Trading Development Co. Ltd.*), a company established in the PRC on 30 March 2010 and is beneficially wholly-owned by the Subject Company

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"RMB"	Renminbi Yuan, the lawful currency of the PRC
"%"	per cent

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

Hong Kong, 15 March 2013

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 Thomas Kang Bor.

In this announcement, RMB has been converted to HK$ at the rate of approximately RMB1 = HK$1.25 for illustration purpose only. No representation is made that any amounts in RMB or HK$ have been, could have been, or could be converted at the above rate or at any other rates or at all.