Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information only and does not constitute an invitation offer to acquire, purchase or subscribe for the securities of the Company.

Sparkle Roll Group Limited

耀萊集團有限公司 *

(*Incorporated in Bermuda with limited liability*)

(**Stock Code: 970**)

ISSUE OF HK$82,500,000 CONVERTIBLE BONDS UNDER GENERAL MANDATE

RESUMPTION OF TRADING

ISSUE OF CONVERTIBLE BONDS

The Company and the Subscribers entered into the Subscription Agreement on 13 January 2010 in relation to the subscription by the Subscribers of Convertible Bonds in aggregate principal amount of HK$82,500,000 to be issued by the Company.

The Convertible Bonds are convertible into new Shares at the Conversion Price of HK$0.55 per Share and on the terms detailed below in this announcement.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued upon exercise of the conversion rights attached to the Convertible Bonds.

The subscription by the Subscribers for the Convertible Bonds is conditional upon the fulfillment of the conditions set out under the section headed "Conditions of the Subscription" below.

Subject to completion of the Subscription Agreement, the estimated net proceeds expected to be raised from the issue of the Convertible Bonds is approximately HK$81,400,000, after deducting professional fees and all related expenses. The Company will use the net proceeds for general working capital of the Group.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 14 January 2010 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 2:30 p.m. on 14 January 2010.

ISSUE OF CONVERTIBLE BONDS

Subscription Agreement dated 13 January 2010

Parties:

Issuer: the Company

Subscribers: (i) Sculptor Finance (MD) Ireland Limited
(ii) Sculptor Finance (AS) Ireland Limited
(iii) Sculptor Finance (SI) Ireland Limited

The investment manager of the Subscribers is OZ Management LP. OZ Management LP is an operating entity of Och-Ziff Capital Management Group LLC. Och-Ziff Capital Management Group LLC is a leading global institutional asset management firm with approximately US$23.5 billion of assets under management as of 1 January 2010.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscribers, OZ Management LP and their ultimate beneficial owners are third parties independent of the Group and the Group's connected persons.

The Convertible Bonds:

HK$82,500,000 in aggregate principal amount of convertible bonds to be issued by the Company, of which:
(a) HK$55,060,000 will be subscribed by Sculptor Finance (MD) Ireland Limited;
(b) HK$24,360,000 will be subscribed by Sculptor Finance (AS) Ireland Limited; and
(c) HK$3,080,000 will be subscribed by Sculptor Finance (SI) Ireland Limited.

Subscription price:

HK$82,500,000, the entire face value of which shall be payable by the Subscribers on the Closing Date by remitting the above sum to the bank account of the Company.

Summary of principal terms of the Convertible Bonds:

Maturity Date
The date falling five years after the date of issue of the Convertible Bonds. Unless previously redeemed, converted or purchased and cancelled as provided under the terms and conditions of the Convertible Bonds, the Company will redeem each Convertible Bond on the Maturity Date at the redemption amount which is equal to the sum of (i) 100% of the principal amount outstanding of the Convertible Bonds and (ii) a further sum that will result in a total internal rate of return as of the Maturity Date of 10% per annum from the date of issue of the Convertible Bonds on its principal amount, inclusive of any As-if Dividends received.

Conversion rights
The Bondholder(s) may convert in whole or in multiples of HK$10,000 of the outstanding principal amount of the Convertible Bonds into Shares at any time during the conversion period mentioned below provided that the aggregate principal amount of the Convertible Bonds to be converted by a single converting Bondholder or by Bondholders presenting their conversion notices to the Company at the same time for each exercise of the conversion right shall be not less than HK$16,500,000 or if less, the whole of the remaining unconverted Convertible Bonds held by the converting Bondholder(s).

Conversion Price
The Conversion Price is HK$0.55 per Share (subject to adjustment for anti-dilution events as mentioned below), which was arrived at after arm's length negotiation between the Company and the Subscribers and with reference to the market price of the Shares. The terms and conditions of the Convertible Bonds contain provisions concerning adjustment to the Conversion Price in respect of events which have a diluting effect on the issued share capital of the Company. These anti-dilution events include consolidation, reclassification or sub-division of Shares, capitalization of profits or reserves, capital distribution, rights issue of shares or other securities or options over shares, issue of Shares and other issues at less than the then current market price, modification of rights attached to securities so that following such modification the consideration per Share receivable by the Company has been reduced and is less than the then current market price, offers to shareholders for acquisition of shares, and issues at a price per Share less than the Conversion Price.

The Conversion Price represents:

(i) a discount of approximately 16.67% to the closing price of HK$0.66 per Share as quoted on the Stock Exchange on 13 January 2010, being the last trading day of the Shares on the Stock Exchange prior to the date of this announcement;
(ii) a discount of approximately 18.88% to the average closing price of HK$0.678 per Share quoted on the Stock Exchange for the 5 trading days immediately prior 13 January 2010; and
(iii) a discount of approximately 20.17% to the average closing price of HK$0.689 per Share quoted on the Stock Exchange for the 10 trading days immediately prior 13 January 2010.

The net price to the Company of each of the Convertible Bonds, which is calculated by dividing the aggregate net proceeds by the total numbers of the Convertible Bonds, is approximately HK$0.543.

Interest
The Convertible Bonds are non-interest bearing, save for default interest.

Default Interest
If the Company fails to pay any sum in respect of the Convertible Bonds when it becomes due and payable under the terms and conditions of the Convertible Bonds, a further sum shall accrue on the overdue amount that will result in a total internal rate of return as of the date of actual payment of 10% per annum on the overdue sum.

As-if Dividend
In the event of any capital distribution being declared on the Shares, the Company shall pay or deliver to the Bondholders in respect of each of their Convertible Bonds the capital distribution they would be entitled to on an as-converted basis on the record date for such capital distribution. The capital distribution payable or deliverable in respect of each Convertible Bond shall be determined by multiplying the capital distribution attributable to one outstanding Share by the principal amount outstanding of a Convertible Bond divided by the then applicable Conversion Price, in each case in effect on the record date of the relevant capital distribution. The Company shall pay to the Bondholders all of the As-if Dividend due and payable by it in the same form and kind of such capital distribution at the same time as the capital distribution is paid or delivered to the holders of Shares.

Conversion period
On or after 1 April 2010 up to the close of business on the business day immediately prior to the Maturity Date or up to the close of business on the day prior to the giving of a redemption notice by a Bondholder.

Ranking
The Shares issued upon exercise of conversion rights attached to any part of the outstanding principal amount of the Convertible Bonds will be fully-paid and in all respects rank *pari passu* with the fully-paid Shares in issue at the date on which the holder(s) of these newly issued Shares is/are registered as such in the Company's register of members.

Redemption and purchase of the Convertible Bonds
The Company may by giving not less than 30 days' notice to the Bondholders to redeem all, but not some only, of the Convertible Bonds on the third anniversary date of the issue of the Convertible Bonds and on each semi-annual date thereafter at the redemption amount equal to the sum of (i) 100% of the principal amount outstanding of the Convertible Bonds to be redeemed; and (ii) a further sum that will result in a total internal rate of return as of the date of redemption of 10% per annum from the date of issue of the Convertible Bonds on the principal amount outstanding of the Convertible Bonds to be redeemed, inclusive of any As-if Dividends received relative to such Bonds.

Any Bondholder may require the Company to redeem in whole or in part the outstanding Convertible Bonds held by it on the third anniversary date of the issue of the Convertible Bonds and on each semi-annual date thereafter at the redemption amount equal to the sum of (i) 100% of the principal amount outstanding of the Convertible Bonds to be redeemed; and (ii) a further sum that will result in a total internal rate of return as of the date of redemption of 10% per annum from the date of issue of the Convertible Bonds on the principal amount outstanding of the Convertible Bonds to be redeemed, inclusive of any As-if Dividends received relative to such Convertible Bonds.

Upon the occurrence of a default made in the payment of any principal, interest or premium due in respect of the Convertible Bonds or any failure by the Company to deliver any Shares as and when the Shares are required to be delivered following conversion of Convertible Bonds, any Bondholder may require the Company to redeem in whole or in part the outstanding Convertible Bonds held by it at the redemption amount equal to the sum of (i) 100% of the principal amount outstanding of the Convertible Bonds to be redeemed; and (ii) a further sum that would result in a total internal rate of return as at the date of redemption of 25% per annum from the date of issue of the Convertible Bonds on the principal amount outstanding of the Convertible Bonds to be redeemed, inclusive of any As-if Dividends received relative to such Convertible Bonds.

The Group may at any time and from time to time purchase the Convertible Bonds at any price in the open market or otherwise.

All Convertible Bonds which are redeemed, converted or purchased by the Group, will forthwith be cancelled and such Convertible Bonds may not be reissued or resold.

Transferability
The Bondholders are entitled to transfer the Convertible Bonds in whole multiples of HK$10,000, provided that the aggregate principal amount of the Convertible Bonds for each transfer shall be not less than HK$16,500,000 or if less, the whole of the remaining Convertible Bonds held by the transferring Bondholder.

Form of the Convertible Bonds and denomination
The Convertible Bonds will be in registered form and in denomination of HK$10,000 each and integral multiples thereof.

Status
The Convertible Bonds constitute direct, unsubordinated, unconditional and (subject to the terms and conditions of the Convertible Bonds) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable legislation and subject to the terms and conditions of the Convertible Bonds, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations

Negative pledge
Except as provided in the terms and conditions of the Convertible Bonds, for so long as any Convertible Bond remains outstanding, none of the Company and its subsidiaries may create or allow to exist any security interest on any of its assets or revenues.

No guarantees or indemnities
Except as permitted under the terms and conditions of the Convertible Bonds, for so long as any Convertible Bond remains outstanding, none of the Company and its subsidiaries may incur or allow to remain outstanding any guarantee, indemnity or other assurance against loss in respect of any obligation of any person.

Financial covenants
The Company has covenanted to ensure that for so long as any Convertible Bond remains outstanding:
(a) its consolidated total debt shall not at any time exceed 2.0 times of its consolidated EBITDA;
(b) its consolidated EBITDA in respect of any relevant period shall exceed 3.0 times its consolidated interest expenses for that relevant period; and
(c) its consolidated total debt shall not at any time exceed 30% of its consolidated net asset value.

Distributions
For so long as any Convertible Bond remains outstanding, the Company will not, authorise, declare or pay any capital distribution if in the case of a relevant cash dividend or a distribution in specie, it, when taken together with the aggregate of the fair market value of any other dividend or distribution previously made or paid (including any As-if Dividends) in respect of the same, either current or prior, fiscal year, exceeds 25% of the Company's consolidated net income for the relevant fiscal year in relation to which the cash dividend or distribution is made.

Conditions of the Subscription:

The Subscription is conditional on the following conditions being fulfilled:

(a) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct in all respects and not misleading in any respect at, and as if made on, the Closing Date;

(b) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before the Closing Date;

(c) there having been delivered to each Subscriber a certificate dated as of the Closing Date signed by a duly authorized officer of the Company of compliance of paragraph (a) and (b) above and that there has been no material adverse change to the condition (financial or other), prospects, results of operations or general affairs of the Company or of the Group;

(d) there shall not have occurred any change (nor any development or event involving a prospective change), which is materially adverse to the condition (financial or other), prospects, results of operations or general affairs of the Company or of the Group;

(e) on or prior to the Closing Date, there shall have been delivered to each Subscriber copies of all consents and approvals required on the part of the Company in relation to the issue of the Convertible Bonds and the performance of its obligations under the Convertible Bonds and all the transactions contemplated under the Subscription Agreement, in each case in form and substance satisfactory to the Subscribers (including, without limitation, approval by the Board and all relevant governmental / regulatory authorities (including the Listing Committee of the Main Board of the Stock Exchange having granted the listing of, and permission to deal in, the Shares to be issued upon exercise of the conversation rights attached to the Convertible Bonds and, if required, the Bermuda Monetary Authority having approved the issue of such Shares;

(f) on the Closing Date, there having been delivered to each Subscriber a certificate of no default dated as of the Closing date, of a duly authorised officer of the Company;

(g) on or before the Closing Date, there having been delivered to each Subscriber opinion on Bermuda law, in form and substance satisfactory to the Subscribers and such other resolutions, consents, authorities and documents relating to the issue of the Convertible Bonds as the Subscribers may require;

The Majority Subscribers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the above conditions.

If at any time prior to payment of the subscription price for the Convertible Bonds to the Company:

(i) in the opinion of the Majority Subscribers there shall have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange, the Nasdaq Stock Market, Inc., the London Stock Exchange plc and/or the Stock Exchange; (ii) a suspension or material limitation in trading in the Company's securities or the Shares on the Stock Exchange (other than any routine suspension for clearance of announcement for no more than five trading days); (iii) a general moratorium on commercial banking activities in New York, London or Hong Kong declared by the relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services in the United States, the United Kingdom or Hong Kong; (iv) a change or development involving a prospective change in taxation in Bermuda or Hong Kong affecting the Company, the Shares or the Convertible Bonds or the transfer thereof; (v) the outbreak or escalation of hostilities involving the United States, the United Kingdom or Hong Kong or the declaration by the United States, the United Kingdom or Hong Kong of a national emergency or war; or (vi) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or controls;

(ii) any breach of the representations or warranties given by the Company in the Subscription Agreement, any failure by the Company to perform any of the agreements set forth in the Subscription Agreement or any change which would render the said representations or warranties inaccurate if they were to be repeated immediately thereafter comes to the notice of any Subscriber and not waived by the Majority Subscribers; or

(iii) any of the conditions of the Subscription set forth above has not been satisfied or waived by the Majority Subscribers by 15 March 2010,

then the Majority Subscribers shall be entitled (but not bound) by notice to the Company elect to treat such event, breach or failure as terminating the Subscription Agreement notwithstanding any other provisions therein.

If any of the conditions of the Subscription set forth above has not been satisfied or waived by the Majority Subscribers by 15 April 2010 and the Company has not breached any of its representations, warranties or other obligations under the Subscription Agreement, the Company may elect to terminate the Subscription Agreement.

Completion of Subscription:

The third business day after the conditions of the Subscription set forth above have been fulfilled or waived (as the case may be).

Issue of Conversion Shares under general mandate

If the Bondholder(s) exercise(s) the conversion rights attached to the Convertible Bonds in full at the Conversion Price of HK$0.55 per Share, a total of 150,000,000 Shares with nominal value of HK$300,000 will be issued, representing about 5.58% of the existing issued share capital of the Company and about 5.29% of the issued share capital of the Company as enlarged by such issue.

The Shares will, upon exercise (if so exercised) of the conversion rights attached to the Convertible Bonds, be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 31 July 2009. Under the general mandate, a maximum of 357,230,570 Shares may be issued by the Company. The Directors have not, prior to the date of the Subscription Agreement, exercised any of their powers conferred by such general mandate. Assuming the maximum number of Conversion Shares that will be issued under the Conversion Price (without further adjustment) is 150,000,000, the Company may issue all such Conversion Shares under the said general mandate.

The issue of the Convertible Bonds and the Shares upon exercise of the conversion rights attached thereto is not subject to approval of the shareholders of the Company.

Application for listing:

No application will be made by the Company for listing of the Convertible Bonds on any stock exchanges.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued upon exercise of the conversion rights attached to the Convertible Bonds.

Reason for the Subscription and use of proceeds:

The Subscription is effected to raise additional funds for the Company. The Directors have considered various means available to raise funds in the capital market or obtaining loans and other general banking facilities from the banks and financial institutions but are of the view that the issue of the Convertible Bonds is an appropriate means of raising additional capital for the Company since (i) it will not have an immediate dilution effect on the shareholding of the existing shareholders of the Company; and (ii) if the conversion rights attached to the Convertible Bonds are exercised, the financial position of the Group will be strengthened with the conversion of debt into further equity capital.

Subject to completion of the Subscription Agreement, the estimated net proceeds expected to be raised from the issue of the Convertible Bonds is approximately HK$81,400,000, after deducting professional fees and all related expenses. The Company will use the estimated net proceeds for general working capital of the Group.

The Directors consider that the terms of the Convertible Bonds, which were arrived at after arm's length negotiation between the Company and the Subscribers, are on normal commercial terms, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not undertaken any fund raising activities within the 12 months immediately prior to the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, there are a total of 2,686,152,850 Shares in issue. There are no outstanding options, warrants, convertible notes or other rights to subscribe for Shares as at the date of this announcement.

If the conversion rights attached to the Convertible Bonds are exercised in full at the Conversion Price (assuming no adjustment to the Conversion Price), the Bondholder(s) will become interested in 150,000,000 Shares, representing about 5.29% of the Company's issued share capital as enlarged by the issue of the Conversion Shares.

The following table summarises the Company's existing shareholding structure and the shareholding structure assuming and immediately after issue of Shares to the Bondholder(s) pursuant to the exercise of the conversion rights attached to the Convertible Bonds in full (based on the existing shareholding structure) at the Conversion Price:

Shareholder(s)	**Existing shareholdings as at the date of this announcement**		**Immediately after issue to the Bondholder(s) of Shares pursuant to the exercise of the conversion rights attached to the Convertible Bonds in full at the Conversion Price**	
	No. of Share(s) held	Shareholding (%)	No. of Share(s) held	Shareholding (%)
Connected persons				
Qi Jian Hong *(Note 1)*	805,000,000	29.97	805,000,000	28.38
Tong Kai Lap *(Note 2)*	17,585,866	0.65	17,585,866	0.62
Zheng Hao Jiang	10,640,000	0.40	10,640,000	0.38
Sequoia Capital China Growth Fund I, L.P.	348,880,000	12.99	348,880,000	12.30
Wong Chun Keung *(Note 3)*	1,944,000	0.07	1,944,000	0.07
Public shareholders				
Bondholder(s)	-	-	150,000,000	5.29
Other public shareholders	1,502,102,984	55.92	1,502,102,984	52.96
Total	**2,686,152,850**	**100.00**	**2,836,152,850**	**100.00**

Notes:

1. These Shares are held by Sparkle Roll Holdings Limited, a company which is wholly owned and controlled by Mr. Qi Jian Hong.

2. Among these Shares, 10,274,400 Shares, 4,760,000 Shares and 2,551,466 Shares are held by Mr. Tong Kai Lap as founder of a discretionary trust, beneficial owner and interest of spouse, respectively.

3. Mr. Wong Chun Keung is a director of certain subsidiaries of the Company and an ex-director of the Company.

The Company will be able to comply with the public float requirement under the Listing Rules immediately after completion of the Subscription and issue of Shares to the Bondholder(s) pursuant to the exercise of the conversion rights attached to the Convertible Bonds in full.

To the best knowledge, information and belief of the Directors, the issue of the Convertible Bonds by itself will not introduce any new substantial shareholder assuming the Convertible Bonds are converted in full at the Conversion Price as at the date of this announcement.

BUSINESS OF THE GROUP

The Group is principally engaged in the comics and animations development and trading of luxury goods, mainly automobiles, watches and jewelries in Hong Kong and the PRC (excluding Hong Kong and the Macau Special Administrative Region of the PRC).

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 14 January 2010 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 2:30 p.m. on 14 January 2010.

DEFINITIONS

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

"As-if Dividend"	the capital distribution payable or deliverable in respect of each Convertible Bond on an as-converted basis
"associates"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Bondholder(s)"	holder(s) of the Convertible Bonds
"Closing Date"	the date of completion of the Subscription Agreement
"Company"	Sparkle Roll Group Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Conversion Price"	HK$0.55 per Share
"Conversion Share(s)"	Share(s) which may be issued on the exercise of the conversion rights attached to the Convertible Bonds
"Convertible Bonds"	the HK$82,500,000 convertible redeemable bonds of the Company to be issued pursuant to the Subscription Agreement or, as the context may require, those outstanding principal amounts thereof for the time being or any number of them
"Director(s)"	the director(s) of the Company

"Group"	the Company and its subsidiaries
"HK$"	the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Majority Subscribers"	the Subscribers who have agreed to subscribe for more than 50% of the principal amount of the Convertible Bonds under the Subscription Agreement
"Maturity Date"	the maturity date of the Convertible Bonds, which shall be the date falling five years after the date of issue of the Convertible Bonds
"PRC"	the People's Republic of China
"Share(s)"	ordinary share(s) of HK$0.002 each in the capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscribers"	Sculptor Finance (MD) Ireland Limited, Sculptor Finance (AS) Ireland Limited and Sculptor Finance (SI) Ireland Limited, all being companies incorporated in Ireland with limited liability
"Subscription"	the subscription of the Convertible Bonds by the Subscribers pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 13 January 2010 entered into by the Company and the Subscribers in relation to the Subscription
"substantial shareholder"	has the meaning ascribed thereto under the Listing Rules

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

Hong Kong, 14 January 2010

As at the date of this announcement, the Company has three executive Directors, one non-executive Director 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 Director is Mr. Zhang Si Jian. The independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong and Mr. Lee Kang Bor, Thomas.

** For identification purpose only*