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.

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 SENIOR NOTE

On 31 May 2018, the Transferor and the Transferee executed the Transfer Form, pursuant to which the Transferor has agreed to dispose of the Second Senior Note in the principal amount of HK$330,000,000 held by it to the Transferee, at a consideration of HK$334,840,000 in accordance with the terms and conditions of the Second Senior Note. Completion of the Disposal will take place on the date of the receipt of the full principal amount of the Second Senior Note.

One or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal alone is more than 5% but less than 25%. The Disposal therefore constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules. As the Disposal and the Previous Disposal were conducted within a 12-month period prior to and inclusive of the date of the Disposal and the First Senior Note and the Second Senior Note are issued by the same Issuer, each of the Disposal and the Previous Disposal was aggregated pursuant to Rule 14.22 of the Listing Rules. For this purpose, none of the applicable percentage ratios in respect of the Disposal in aggregate with the Previous Disposal exceeds 25%.

Reference is made to the announcements of the Company dated 4 December 2017 and 2 March 2018 (the "**Announcements**") in relation to the Asset Management Agreement and the Supplemental Asset Management Agreement, respectively. Terms used in this announcements shall, unless the context otherwise requires, have the same meaning as defined in the Announcements.

The First Senior Note and the Second Senior Note were transferred to the Transferor from the Manager on 16 May 2018.

THE DISPOSAL

On 31 May 2018, the Transferor and the Transferee signed the Transfer Form, pursuant to which the Transferor has agreed to dispose of the Second Senior Note in the principal amount of HK$330,000,000 held by it to the Transferee, at a consideration of HK$334,840,000 in accordance with the terms and conditions of Second Senior Note. Completion of the Disposal will take place on the date of the receipt of the full principal amount of the Second Senior Note.

The principal terms of the Transfer Form are summarized below.

Date of Disposal: 31 May 2018

Transferor: Sparkle Roll (Denmark) Limited

Transferee: 中財和銳資產管理(北京)有限公司 (Zhong Cai He Rui Asset Management (Beijing) Co., Ltd.)

Principal amount: HK$330,000,000

Consideration: HK$334,840,000

Payment Term: Upon execution of the Transfer Form, the Transferee shall pay a sum of HK$66,000,000, being 20% of the principal amount as deposit and the interest accrued as at the date of the execution of the Transfer Form amounting to HK$4,840,000 to the Transferor. The Transferor shall retain the Transfer Form and shall not submit the same to the Issuer for registration.

The remaining balance in the sum of HK$264,000,000 shall be paid to the Transferor, by instalments or one-off payment within 90 days from the date of execution of the Transfer Form. In the event that the Transferee pays in full the remaining balance to the Transferor within 90 days from the date of the execution of the Transfer Form, the Transferor shall pass the Second Senior Note to the Transferee. Should the Transferee breach the above payment terms, the Transferor is entitled to confiscate all or part of the deposit in proportion of the amount paid by the Transferee. In addition, the Transferor shall have the right to terminate the transfer of any unpaid portion of the Second Senior Note to the Transferee and all rights relating to the unpaid portion of the Second Senior Note shall remain with the Transferor.

The Transferor agrees that 20% of the interest accrued from the Second Senior Note since the execution of the Transfer Form shall be wholly owned by the Transferee. While the remaining 80% of the interest, which will be calculated according to the interest rate contained in the Second Senior Note and the time and progress of actual payment of the consideration, shall be paid by the Transferee to the Transferor along with each instalment, or one-off payment, when the Transferor and the Transferee

agreed on the amount of each instalment. Should the Transferee breach the payment terms in relation to the remaining balance, the sum of the unpaid principal amount of the Second Senior Note and the interest accrued from such unpaid portion of the Second Senior Note shall still belong to the Transferor.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Transferee and its ultimate beneficial owner are Independent Third Parties.

The consideration of HK$334,840,000 was determined between the Transferor and the Transferee with reference to the total outstanding principal amount of the Second Senior Note held by the Transferor and the interests accrued to the date of Transfer thereon. The Transferee has paid the deposit and accrued interest to the Transferor.

FINANCIAL EFFECT OF THE DISPOSAL

Upon completion of the Disposal, the Transferor ceased to have any interest in the Second Senior Note. The net proceeds from the Disposal of approximately HK$334,840,000 after deducting expenses in relation to the Disposal is expected to be used for the repayment of borrowings, expansion of audio business of the Group and as general working capital purpose.

REASONS FOR THE DISPOSAL

The Directors consider that the Disposal provided the Group with an opportunity to realize its investment and to strengthen the cash position of the Group.

Taking into account of the above, the Directors are of the view that the terms of the Disposal and the consideration were arrived at after arm's length negotiation between the Transferor and the Transferee, and are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

PREVIOUS DISPOSAL

The Transferor has disposed of the First Senior Note in the principal amount of HK$110,000,000 plus accrued interest thereon held by it to the Transferee at a consideration of HK$111,320,000 in accordance with the terms and conditions of First Senior Note on 16 May 2018. The consideration had been fully settled by the Transferee on 16 May 2018. The Previous Disposal did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules at the relevant time.

LISTING RULES IMPLICATIONS

One or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal alone is more than 5% but less than 25%. The Disposal therefore constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules. As the Disposal and the Previous Disposal were conducted within a 12-month period prior to and inclusive of the date of the Disposal and the First Senior

Note and the Second Senior Note are issued by the same Issuer, each of the Disposal and the Previous Disposal was aggregated pursuant to Rule 14.22 of the Listing Rules. For this purpose, none of the applicable percentage ratios in respect of the Disposal in aggregate with the Previous Disposal exceeds 25%.

DEFINITIONS

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

"associate(s)"	has the meaning as ascribed in the Listing Rules
"Board"	the board of Directors
"Company"	Sparkle Roll Group Limited, an exempted company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 970)
"connected persons"	has the meaning as ascribed in the Listing Rules
"Directors"	the director(s) of the Company
"Disposal"	the disposal of the Second Senior Note by the Transferor to the Transferee
"First Senior Note"	6% senior note in the principal amount of HK$110,000,000 due on 3 June 2018 issued by the Issuer
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	person(s) or company(ies) which is/are independent of and not connected with the Company and its connected persons
"Issuer"	Shanghai Huaxin Group (Hongkong) Limited, a company incorporated in Hong Kong with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Previous Disposal"	the disposal of the First Senior Note in the principal amount of HK$110,000,000 by the Transferor to the Transferee

"Second Senior Note"	6% senior note in the principal amount of HK$330,000,000 due on 3 June 2018 issued by the Issuer
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Transfer Form(s)"	the transfer forms executed on 31 May 2018 by the Transferor and the Transferee for the sale and purchase of the Second Senior Note held by the Transferor in accordance with the terms and conditions of the Second Senior Note.
"Transferee"	中財和鋭資產管理(北京)有限公司, a company incorporated in the People's Republic of China with limited liability and is an Independent Third Party
"Transferor"	Sparkle Roll (Denmark) Limited, a company incorporated in Hong Kong with limited liability which is wholly owned by the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 31 May 2018

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. Zheng Hao Jiang, Mr. Zhu Lei and Mr. Cheung Man Kit. The non-executive Directors are Mr. Gao Yu, Mr. Qi Jian Wei and Mr. Tang Sung Wai. The independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong and Mr. Lee Thomas Kang Bor.