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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)

Sparkle Roll Holdings Limited
耀萊控股有限公司
(Incorporated in the British Virgin Islands with limited liability)

JOINT ANNOUNCEMENT

(1) COMPLETION ANNOUNCEMENT – COMPLETION OF THE ACQUISITION OF APPROXIMATELY 15.09% SHAREHOLDING IN BANG & OLUFSEN A/S AND 49% EQUITY INTERESTS IN BALANORM BEO (BEIJING) TRADING DEVELOPMENT LIMITED* AND THE ISSUANCE OF THE CONSIDERATION SHARES; AND

(2) MANDATORY CONDITIONAL CASH OFFER BY

KINGSTON SECURITIES LTD.

FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL OF THE ISSUED SHARES OF SPARKLE ROLL GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY THE OFFEROR AND MR. QI)

Financial adviser to the Company

ORIENTAL PATRON

Financial adviser to the Offeror

KINGSTON CORPORATE FINANCE LTD.

Independent Financial Adviser to the Takeovers Code Independent Board Committee

TC CAPITAL

* *for identification purpose only*

References are made to (i) the joint announcement issued by Sparkle Roll Group Limited (the "**Company**") and Sparkle Roll Holdings Limited (the "**Offeror**") dated 20 October 2016 (the "**Joint Announcement**") in relation to, among other matters, the Offer and the Acquisition; and (ii) the circular issued by the Company dated 25 November 2016 (the "**Circular**") in relation to, among other, the details of the Sale and Purchase Agreement, recommendations from the Listing Rules Independent Board Committee in respect of the Sale and Purchase Agreement and advice from the Independent Financial Adviser to the Listing Rules Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement.

Capitalised terms used herein have the same meanings as those defined in the Joint Announcement unless the context requires otherwise.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that all the conditions precedent to the Completion as set out in the Sale and Purchase Agreement have been satisfied and the Completion took place on 16 December 2016.

Following the Completion, B&O becomes an associate company of the Company and is accounted by way of equity accounting in the consolidated financial statements of the Company, and the PRC JV becomes an indirectly wholly owned subsidiary of the Company.

Also, an aggregate of 1,161,408,597 Consideration Shares were allotted and issued to the Offshore Vendor, which is wholly owned by Mr. Qi, at the Issue Price of HK$0.45 each pursuant to the Sale and Purchase Agreement, and the interests of the Offshore Vendor, Mr. Qi and parties acting in concert with any of them in the total issued share capital of the Company then increase from approximately 29.06% to approximately 48.95%.

Effect of the Completion on the Shareholding structure of the Company

The following table sets out the shareholding structure of the Company (i) immediately prior to Completion and (ii) immediately after Completion and as at the date of this joint announcement:

Shareholders	**Immediately prior to the Completion**		**Immediately after Completion and as at the date of this joint announcement**	
	Shares	*%*	*Shares*	*%*
The Offeror, Mr. Qi and parties acting in concert with any of them:				
The Offeror	855,864,000	28.72	2,017,272,597	48.71
Mr. Qi	7,224,000	0.24	7,224,000	0.17
Kingston Securities and its associates	2,992,000	0.10	2,992,000	0.07
Sub-total	**866,080,000**	**29.06**	**2,027,488,597**	**48.95**
Directors:				
Mr. Tong *(Note 2)*	20,034,400	0.67	20,034,400	0.48
Zheng Hao Jiang	10,640,000	0.36	10,640,000	0.26
Choy Sze Chung, Jojo	1,000,000	0.03	1,000,000	0.02
Lee Thomas Kang Bor	1,256,000	0.04	1,256,000	0.03
Substantial Shareholder:				
Wang Qiang ("**Mr. Wang**") *(Note1)*	328,094,000	11.01	–	–
Public:				
Mr. Wang *(Note 1)*	–	–	328,094,000	7.92
Other public shareholders	1,752,724,450	58.83	1,752,724,450	42.34
Total	**2,979,828,850**	**100.00**	**4,141,237,447**	**100.00**

Notes:

1. Mr. Wang holds 309,112,000 Shares through Street Smart Properties Limited which was wholly-owned by Mr. Wang as at the date of this joint announcement. Save as disclosed in the above shareholding structure, Mr. Wang has no other relationship with the Company and the assets to be acquired under the Acquisition. Assuming that Mr. Wang does not bring additional or dispose of his shareholding in the Company before the Completion, Mr. Wang's shareholding is regarded as Shares held by the public upon Completion.

2. Mr. Tong, an executive Director and Chairman of the Group, is also an existing director of B&O. He directly holds 9,760,000 Shares and 10,274,400 Shares are held by Rapid Alert International Limited, a company controlled by a discretionary trust of which Mr. Tong is the founder. Therefore, he holds 20,034,400 Shares, representing approximately 0.48% of interest in Shares as at the date of this joint announcement.

MANDATORY CONDITIONAL CASH OFFER

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and Mr. Qi). Pursuant to rule 26.2 of the Takeovers Code, the Offer is conditional upon the Offeror having received acceptances in respect of voting rights which, together with voting rights acquired or agreed to be acquired before or during the Offer, will result in the Offeror, Mr. Qi and parties acting in concert with any of them holding more than 50% of the voting rights. As at the date of this joint announcement, the Company has 4,141,237,447 Shares in issue.

Kingston Securities will, on behalf of the Offeror, make the mandatory conditional cash offer in compliance with the requirements of the Takeovers Code. The Offer Price is HK$0.45 for each Offer Share as stated in the Joint Announcement.

DESPATCH OF THE COMPOSITE DOCUMENT

In accordance with the terms of the extension of time to despatch the Composite Document granted by the Executive, the Composite Document must be despatched within 7 days of the date of Completion or 18 April 2017, whichever is earlier.

The composite document setting out, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer); (ii) financial information of the Group; (iii) a letter of recommendation from the Takeovers Code Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iv) a letter of advice from the Independent Financial Adviser to the Takeovers Code Independent Board Committee in relation to the Offer, together with the form of acceptance, is expected to be despatched to the Shareholders on or around 22 December 2016, and in any event on or before 23 December 2016.

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

By order of the board of
Sparkle Roll Holdings Limited
Qi Jian Hong
Director

Hong Kong, 16 December 2016

As at the date of this joint 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. Zhu Lei. 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror or any of its associates and parties acting in concert with any of them), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Offeror or any of its associates and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.

As at the date of this joint announcement, Mr. Qi is the sole director of the Offeror.

The director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group and parties acting in concert with it), and confirm, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Group and the parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.