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New Sparkle Roll International Group Limited
新耀萊國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 970)

**SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**

SUBSCRIPTION OF NEW SHARES

On 19 July 2024 (after trading hours), the Company entered into two Subscription Agreements with the Subscribers respectively, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 74,879,418 Subscription Shares at the Subscription Price of HK\$0.64 per Subscription Share.

Assuming that there will be no change to the number of issued Shares between the date of the Subscription Agreements and the date of Completion, the Subscription Shares represent (i) approximately 19.00% of the existing number of the issued Shares as at the date of this announcement and (ii) approximately 15.97% of the total number of the issued Shares as enlarged by the allotment and issue of the Subscription Shares upon Completion.

The Subscription Shares will be issued under the General Mandate and the Subscription Shares will rank pari passu in all respects among themselves and with the Shares in issue on the respective date of issue of the Subscription Shares.

The Subscription Price of HK\$0.64 per Subscription Share represent (i) a discount of approximately 18.99% to the closing price of HK\$0.79 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and (ii) a discount of 19.40% to the average closing price of approximately HK\$0.794 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Subscription Agreements.

The aggregate gross proceeds of the Subscriptions will be approximately HK\$47.9 million. The aggregate net proceeds of the Subscriptions, after the deduction of related fees and expenses, will be approximately HK\$46.4 million. The Company intends to apply the net proceeds of the Subscriptions in the manner set out in the paragraph headed “Reasons for the Subscriptions and use of proceeds” in this announcement.

Application(s) will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

Completion of each of the Subscription Agreements is not inter-conditional but it is intended that Completion of the Subscription Agreements will take place simultaneously.

Since Completion of each of the Subscriptions is subject to the fulfilment of the conditions as set out in the respective Subscription Agreements, the Subscriptions may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 19 July 2024 (after trading hours), the Company entered into two Subscription Agreements with the Subscribers respectively, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 74,879,418 Subscription Shares at the Subscription Price of HK\$0.64 per Subscription Share.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS

First Subscription Agreement

Date: 19 July 2024 (after trading hours)

Issuer: the Company

Subscriber: the First Subscriber

Pursuant to the terms of the First Subscription Agreement, the First Subscriber will subscribe for 62,149,418 Subscription Shares at the Subscription Price.

Second Subscription Agreement

Date: 19 July 2024 (after trading hours)

Issuer: the Company

Subscriber: the Second Subscriber

Pursuant to the terms of the Second Subscription Agreement, the Second Subscriber will subscribe for 12,730,000 Subscription Shares at the Subscription Price.

The Subscription Shares

Assuming that there will be no change to the number of issued Shares between the date of the Subscription Agreements and the date of Completion, the Subscribers will subscribe in an aggregate of 74,879,418 Subscription Shares, representing (i) approximately 19.00% of the existing number of the issued Shares as at the date of this announcement and (ii) approximately 15.97% of the total number of the issued Shares as enlarged by the allotment and issue of the Subscription Shares upon Completion.

The aggregate nominal value of all the Subscription Shares is approximately HK\$2,396,141.38.

Subscription Price

The Subscription Price of HK\$0.64 represents:

- (a) a discount of approximately 18.99% to the closing price of HK\$0.79 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (b) a discount of approximately 19.40% to the average closing price of approximately HK\$0.794 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers, with reference to the prevailing market price and liquidity of the Shares, the current capital market conditions, and the financial performance of the Group.

The aggregate Subscription Price shall be payable by the Subscribers in cash at least two Business Days before the date of Completion.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the respective date of issue of the Subscription Shares.

Conditions Precedents to the Subscriptions

Completion of the Subscriptions under each of the Subscription Agreements is conditional upon:

- (a) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares, and such approval not having been revoked or withdrawn;

- (b) if applicable, all approvals, authorisations, consents or permissions that are required of the Company for the transactions contemplated under the respective Subscription Agreement having been obtained, and all such approvals, authorisations, consents and permissions not having been revoked or withdrawn;
- (c) the representations, warranties and undertakings provided by the relevant Subscriber remaining true and accurate in all respects and not misleading in any respect as at the Completion of the relevant Subscription;
- (d) the General Mandate not having been revoked as at the date of Completion of the relevant Subscription; and
- (e) no order or judgment of any court or governmental, statutory or regulatory body having been issued or made prior to Completion of the relevant Subscription (and no legal or regulatory requirements remaining to be satisfied) which has the effect of making unlawful or otherwise prohibiting the relevant Subscription or any transactions contemplated by the relevant Subscription Agreement.

Each of the parties to the Subscription Agreements shall use its/his best endeavours to procure the satisfaction of the conditions as regards itself/himself. The Company may, at its discretion and upon such terms as it thinks fit, waive the compliance with the whole or any part of condition (c) above. Conditions (a), (b), (d) and (e) are not capable of being waived by the relevant parties.

If the conditions have not been satisfied (or, if applicable, waived) at or before 4 p.m. on 30 September 2024, the relevant Subscription Agreement shall cease and terminate (save and except for provisions in relation to confidentiality, notices, governing law and other general provisions which shall continue to have full force and effect) save for any antecedent breach by any party.

Completion

Completion of each of the Subscription Agreements will take place on the third Business Day after the date on which the aforesaid conditions are satisfied or (if applicable) waived or on such later date as the Company and the respective Subscriber may agree in writing. The allotment and issue of the Subscription Shares are not subject to any further Shareholders' approval.

Completion of each of the Subscription Agreements is not inter-conditional but it is intended that Completion of the Subscription Agreements will take place simultaneously.

General Mandate

The Subscription Shares will be issued under the General Mandate. As at the date of this announcement, no Share has been issued by the Company under the General Mandate. As such, the maximum number of the new Shares which may be issued by the Company under the General Mandate is 74,879,418 Shares, being 20% of the total number of 374,397,090 issued Shares as at the date of the 2023 Annual General Meeting.

Application for Listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in distributorships of luxury goods and automobiles, provision of after-sales services, provision of property management services, provision of property rental services, provision of money lending services, and film related business including development and investment in films and television program.

The Board considers that the raising of funds by the issue of the Subscription Shares represents a sound opportunity for the Company to broaden its capital base and strength its financial position. The issue of the Subscription Shares is also an appropriate means of raising additional capital as this enables the Company to obtain funds quicker with lower administrative and financial costs, as compared to rights issue, open offer or debt financing.

The aggregate gross proceeds of the Subscriptions will be approximately HK\$47.9 million. The aggregate net proceeds of the Subscriptions, after the deduction of related fees and expenses, will be approximately HK\$46.4 million. The net price per Subscription Share is approximately HK\$0.62. The Company intends to utilise the net proceeds from the Subscriptions as to (i) approximately HK\$8.0 million for litigation expenses incurred; (ii) approximately HK\$25.4 million for potential investment when opportunities arise; and (iii) approximately HK\$13.0 million for general working capital of the Group.

Given the above, the Board considers that the terms of the Subscription Agreements and the transactions contemplated thereunder, including the Subscription Price, are arrived at after arm's length negotiations between the Company and the Subscribers, on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after Completion of the Subscriptions simultaneously, assuming there is no change in the number of the issued Shares between the date of this announcement and the date of Completion of the Subscriptions save for the allotment and issue of the Subscription Shares:

Shareholders	As at the date of this announcement		Immediately after completion of the Subscriptions simultaneously	
	<i>Number of Shares held</i>	<i>Approximate %</i>	<i>Number of Shares held</i>	<i>Approximate %</i>
Sze Ching Lau (<i>Note 1</i>)	142,968,693	36.28	142,968,693	30.48
Cha Jung Hoon (<i>Note 1</i>)	16,821,000	4.27	16,821,000	3.59
Pro Honor (<i>Note 1</i>)	14,518,187	3.68	14,518,187	3.10
Sze Ka Ho (a Director) (<i>Note 2</i>)	1,067,500	0.27	1,067,500	0.23
Tsui Chun Mei (<i>Note 3</i>)	125,000	0.03	125,000	0.03
Lam Chi Kin (<i>Note 1</i>)	22,159,000	5.62	22,159,000	4.72
Aggregate number of Shares held by the Concert Parties	197,659,380	50.15	197,659,380	42.15
First Subscriber (<i>Note 4</i>)	0	0.00	62,149,418	13.25
Second Subscriber	0	0.00	12,730,000	2.71
Other public Shareholders	196,462,710	49.85	196,462,710	41.89
Total number of Shares	394,122,090	100	469,001,508	100

Notes:

1. On 9 November 2023, Mr. Sze Ching Lau, Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin entered into a concert party deed under which the parties confirmed that they are and will be acting in concert in the control and management of the Group. Therefore, Mr. Sze Ching Lau, Mr. Cha Jung Hoon, Pro Honor and Mr. Lam Chi Kin are considered to be parties acting in concert with each other under the Takeovers Code. Pro Honor is wholly owned by Mr. Qiu Peiyuan, a Director.
2. Mr. Sze Ka Ho (a Director) is the son of Mr. Sze Ching Lau and therefore he is acting in concert with Mr. Sze Ching Lau pursuant to the Takeovers Code and is a Concert Party.
3. Ms. Tsui Chun Mei is the wife of Mr. Sze Ching Lau and therefore she is acting in concert with Mr. Sze Ching Lau pursuant to the Takeovers Code and is a Concert Party.
4. Upon Completion of the First Subscription Agreement, the First Subscriber will become a substantial shareholder of the Company

INFORMATION OF THE SUBSCRIBERS

The First Subscriber is a PRC resident and the Second Subscriber is a Hong Kong resident. Both Subscribers have investment experience in private equity and securities traded on the stock markets.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each Subscriber is an Independent Third Party.

EQUITY FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save for (i) the equity fund-raising activities mentioned below and (ii) the proposed placing of convertible bonds in the principal sum of HK\$64,500,000 as disclosed in the Company's announcement dated 19 September 2023 (which proposed placing lapsed subsequently on 10 October 2023 and was not proceeded with as disclosed in the Company's announcement dated 11 October 2023), the Company has not conducted other fund-raising activities in the past twelve months immediately preceding the date of this announcement.

Date of announcement/ return	Fund raising activities	Net proceeds (approximately)	Proposed use of net proceeds
15 September 2023	Allotment and issue of 29,700,000 Shares at the exercise price of HK\$1 per Share on 15 September 2023 pursuant to the 2022 Share Option Scheme.	HK\$29,700,000	Not applicable
15 September 2023	Allotment and issue of 2,700,000 Shares at the exercise price of HK\$1.6 per Share on 15 September 2023 pursuant to the 2012 Share Option Scheme.	HK\$4,320,000	Not applicable
27 October 2023	Allotment and issue of 4,625,000 Shares at the exercise price of HK\$1.6 per Share on 27 October 2023 pursuant to the 2012 Share Option Scheme.	HK\$7,400,000	Not applicable
30 October 2023	Allotment and issue of 4,750,000 Shares at the exercise price of HK\$1.6 per Share on 30 October 2023 pursuant to the 2012 Share Option Scheme.	HK\$7,600,000	Not applicable

Date of announcement/ return	Fund raising activities	Net proceeds (approximately)	Proposed use of net proceeds
1 December 2023	Allotment and issue of 6,050,000 Shares at the exercise price of HK\$1.6 per Share on 1 December 2023 pursuant to the 2012 Share Option Scheme.	HK\$9,680,000	Not applicable
5 December 2023	Allotment and issue of 300,000 Shares at the exercise price of HK\$1 per Share on 5 December 2023 pursuant to the 2022 Share Option Scheme.	HK\$300,000	Not applicable
12 December 2023	Allotment and issue of 600,000 Shares at the exercise price of HK\$1 per Share on 12 December 2023 pursuant to the 2022 Share Option Scheme.	HK\$600,000	Not applicable
6 February 2024	Allotment and issue of 3,400,000 Shares at the exercise price of HK\$1 per Share on 6 February 2024 pursuant to the 2022 Share Option Scheme.	HK\$3,400,000	Not applicable

GENERAL

Since Completion of each of the Subscriptions is subject to the fulfilment of the conditions as set out in the respective Subscription Agreements, the Subscriptions may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“2012 Share Option Scheme”	share option scheme of the Company adopted on 20 August 2012
“2022 Share Option Scheme”	share option scheme of the Company adopted on 29 September 2022
“2023 Annual General Meeting”	the adjourned annual general meeting of the Company held on 25 September 2023
“Board”	the board of Directors
“Business Day(s)”	a day (excluding a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	New Sparkle Roll International Group Limited (新耀萊國際集團有限公司), an exempted company incorporated in Bermuda with limited liability and whose Shares are listed on the Stock Exchange (stock code: 970)

“Completion”	completion of the Subscription(s) pursuant to the Subscription Agreement(s)
“Concert Parties”	persons acting, or presumed to be acting, in concert pursuant to the Takeovers Code with respect to the control of the Company, which include Mr. Sze Ching Lau, Mr. Cha Jung Hoon, Pro Honor, Mr. Lam Chi Kin, Mr. Sze Ka Ho and Ms. Tsui Chun Mei.
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Subscriber”	Mr. Yang Yun (楊雲), a PRC resident and an Independent Third Party
“First Subscription Agreement”	the agreement dated 19 July 2024 entered into between the Company and the First Subscriber, pursuant to which the First Subscriber shall subscribe for 62,149,418 new Shares
“General Mandate”	the general mandate granted by the Shareholders at the 2023 Annual General Meeting, pursuant to which the Directors were authorized to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares then existing, that is a total of 74,879,418 Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China which, for the sole purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Pro Honor”	Pro Honor Investment Limited, a company incorporated in British Virgin Islands with limited liability which is wholly owned by Mr. Qiu Peiyuan, a Director
“Second Subscriber”	Mr. Lee Chin Ching Cyrix, a Hong Kong resident and an Independent Third Party
“Second Subscription Agreement”	the agreement dated 19 July 2024 entered into between the Company and the Second Subscriber, pursuant to which the Second Subscriber shall subscribe for 12,730,000 new Shares
“Share(s)”	the ordinary share(s) of HK\$0.032 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	the First Subscriber and the Second Subscriber
“Subscription(s)”	the subscriptions by the Subscribers for, and the allotment and issue by the Company of, the Subscription Shares subject to the conditions and upon the terms of the Subscription Agreements
“Subscription Agreement(s)”	the First Subscription Agreement and the Second Subscription Agreement
“Subscription Price”	the subscription price of HK\$0.64 per Subscription Share
“Subscription Shares”	a total of 74,879,418 new Shares to be allotted and issued by the Company to the Subscribers under the Subscription Agreements at the Subscription Price

“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“%”	per cent

By order of the Board
New Sparkle Roll International Group Limited
JU Qinghao
Chairman

Hong Kong, 19 July 2024

As at the date of this announcement, the Company has two executive Directors, four non-executive Directors and four independent non-executive Directors. The executive Directors are Mr. JU Qinghao and Mr. QIU Peiyuan. The non-executive Directors are Mr. LI Qingsong, Mr. SZE Ka Ho, Mr. WU Peng and Mr. YOU Yiyang. The independent non-executive Directors are Mr. CHAN Man Kit, Mr. LIAO Kenan, Mr. NG Wai Hung and Ms. WANG Hui.