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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)

- (1) RESIGNATION OF AN EXECUTIVE DIRECTOR, THE CHAIRMAN,
AN AUTHORIZED REPRESENTATIVE AND
A MEMBER OF THE REMUNERATION COMMITTEE;
(2) APPOINTMENT OF A NON-EXECUTIVE DIRECTOR; AND
(3) CHANGE OF AUDITORS**

The Board announces that:

- (1) Mr. Tong Kai Lap has tendered his resignation as an executive Director, the chairman, an authorized representative, a member of the remuneration committee of the Company and all positions within the Group with effect from 1 January 2018. Immediately upon Mr. Tong's resignation, Mr. Zheng Hao Jiang, an executive Director, the deputy chairman and the chief executive officer of the Company, will be designated as the chairman and the chief executive officer and appointed as an authorized representative of the Company and Mr. Zhu Lei, an executive Director, will be appointed as a member of the remuneration committee of the Company;
- (2) Mr. Tang Sung Wai has been appointed as a non-executive Director with effect from 1 January 2018; and
- (3) Crowe Horwath has been appointed as the auditors of the Company to fill the casual vacancy occasioned by the resignation of BDO with effect from 28 December 2017.

RESIGNATION OF AN EXECUTIVE DIRECTOR, THE CHAIRMAN, AN AUTHORIZED REPRESENTATIVE AND A MEMBER OF THE REMUNERATION COMMITTEE

The board (“**Board**”) of directors (“**Directors**”, and each, a “**Director**”) of Sparkle Roll Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) hereby announces that in order to substantially devote his time and efforts to his other businesses, Mr. Tong Kai Lap (“**Mr. Tong**”) has tendered his resignation as an executive Director, the chairman, an authorized representative, a member of the remuneration committee of the Company and all positions within the Group with effect from 1 January 2018.

Mr. Tong has confirmed that he has no disagreement with the Board and there are no matters with respect to his resignation that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Tong for his valuable contribution to the Company during his tenure of office and services with the Group.

Immediately upon Mr. Tong’s resignation, Mr. Zheng Hao Jiang (“**Mr. Zheng**”), an executive Director, the deputy chairman and the chief executive officer of the Company, will be designated as the chairman and the chief executive officer and appointed as an authorized representative of the Company and Mr. Zhu Lei (“**Mr. Zhu**”), an executive Director, will be appointed as a member of the remuneration committee of the Company.

The biographical details of Mr. Zheng and Mr. Zhu are set out below:

Mr. Zheng, aged 50, is currently an executive Director, the deputy chairman and the chief executive officer of the Company.

Mr. Zheng graduated in the Law Department (Economic Law Speciality) of Peking University in 1990 with a Bachelor degree in law. Mr. Zheng has nearly 15 years’ experience in Beijing in the areas of equity portfolio management, capital market analysis management and financial advisory. He is a founding member of Hong Kong Professionals and Senior Executives Association and a fellow member of the Hong Kong Institute of Directors. Mr. Zheng joined the Group in October 2006.

As at the date of this announcement, Mr. Zheng holds 10,640,000 ordinary shares in the Company. Save as disclosed above, he is not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “**SFO**”).

Mr. Zheng confirms that as at the date of this announcement, he does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Company.

Save as disclosed above, Mr. Zheng did not hold (i) any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas; or (ii) any other major appointments and professional qualifications during the period of three years preceding the date of this announcement.

Save for the information set out above, there is no other information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter which needs to be brought to the attention of the shareholders of the Company in connection with the designation and appointment of Mr. Zheng as described above.

Mr. Zhu, aged 42, is currently an executive Director of the Company.

Mr. Zhu obtained a Bachelor of Arts degree in Russian from the Department of Foreign Languages and Literatures of Beijing Normal University in 1998. He has over 17 years of experience in management and sales of watches and jewelry and management and operation of golf clubs. Mr. Zhu joined the Group in May 2011 and has since held several positions in the Group, including but not limited to the executive director of the marketing department of the Beijing headquarter, the operating director of Beijing Sparkle Roll Xin Tian Di Commerce Development Limited, the director of the fine wine business of the Group and the general manager of Sparkle Roll Online (Beijing) Business Service Limited.

As at the date of this announcement, Mr. Zhu does not have any interests in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Mr. Zhu is the brother-in-law of Mr. Qi Jian Hong who is a substantial shareholder of the Company. Mr. Qi Jian Hong is also the younger brother of Mr. Qi Jian Wei, a non-executive Director. Save as disclosed above, Mr. Zhu confirms that as at the date of this announcement, he does not have any other relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, Mr. Zhu did not hold (i) any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas; or (ii) any other major appointments and professional qualifications during the period of three years preceding the date of this announcement.

Save for the information set out above, there is no other information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter which needs to be brought to the attention of the shareholders of the Company in connection with the appointment of Mr. Zhu as described above.

Pursuant to code provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Subsequent to the resignation of Mr. Tong, Mr. Zheng will be designated as the chairman and the chief executive officer of the Company. Accordingly, the roles of the chairman and the chief executive officer will be performed by the same individual which will be a deviation from the code provision A.2.1 of the Corporate Governance Code. The Board believes

that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leading within the Group and will enable the Company to make and implement decisions promptly and effectively; and considers that such arrangement will not impair the balance of power and authority between the Board and the management and that the Company has sufficient internal controls to provide checks and balances on the functions of the chairman and the chief executive officer. Nevertheless, the Board will review such arrangement from time to time in light of the prevailing circumstances.

APPOINTMENT OF A NON-EXECUTIVE DIRECTOR

The Board is pleased to announce that Mr. Tang Sung Wai (“**Mr. Tang**”) has been appointed as a non-executive Director of the Company with effect from 1 January 2018. According to the Bye-laws of the Company (the “**Bye-laws**”), Mr. Tang shall hold office until the next following annual general meeting of the Company after his appointment and shall then be eligible for re-election.

Mr. Tang, aged 38, obtained a Bachelor of Arts degree from Macquarie University in Australia in 2006. Mr. Tang has over 9 years of experience in the life insurance industry.

Mr. Tang will enter into an appointment letter with the Company for an initial fixed term of 2 years commencing from 1 January 2018 to 31 December 2019 and renewable for an additional year, subject to retirement by rotation and re-election requirements under the Bye-laws. Mr. Tang will receive a director’s fee of HK\$20,000 per month which has been recommended by the remuneration committee of the Company and approved by the Board based on his qualifications, experience, level of responsibilities undertaken, contribution to the Company and prevailing market conditions. The director’s fee of Mr. Tang is subject to annual review by the remuneration committee of the Company and the Board.

As at the date of this announcement, Mr. Tang does not have any interests in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Mr. Tang confirms that as at the date of this announcement, he does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, Mr. Tang did not hold (i) any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas; or (ii) any other major appointments and professional qualifications during the period of three years preceding the date of this announcement.

Save for the information set out above, there is no other information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter which needs to be brought to the attention of the shareholders of the Company in connection with the appointment of Mr. Tang.

The Board would like to extend a warm welcome to Mr. Tang for joining the Board.

CHANGE OF AUDITORS

The Board announces that BDO Limited (“**BDO**”) has resigned as auditors of the Company with effect from 28 December 2017 as BDO and the Company could not reach a consensus on the audit fee for the financial year ending 31 March 2018.

BDO has confirmed in its resignation letter that, except for the fact that BDO has issued a qualified opinion in its independent auditor’s report dated 28 June 2017 on the consolidated financial statements of the Group for the year ended 31 March 2017 and a qualified conclusion in its review report dated 30 November 2017 on the interim condensed consolidated financial statements of the Group for the six months ended 30 September 2017, there are no other matters connected with its resignation which it considered should be brought to the attention of the shareholders of the Company.

The Board also confirms that there is no disagreement between the Company and BDO and there are no circumstances in respect of the change of auditors which they consider should be brought to the attention of the shareholders of the Company.

The Board further announces that Crowe Horwath (HK) CPA Limited (“**Crowe Horwath**”) has been appointed as auditors of the Company with effect from 28 December 2017 to fill the casual vacancy occasioned by the resignation of BDO. Crowe Horwath shall hold office until the conclusion of the next annual general meeting of the Company.

The Board would like to take this opportunity to express its appreciation to BDO for its professional services and support in the past years.

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

Hong Kong, 28 December 2017

As at the date of this announcement, the Company has four executive Directors, two non-executive Directors and three independent non-executive Directors. The executive Directors are Mr. Tong Kai Lap, Mr. Zheng Hao Jiang, Mr. Zhu Lei and Mr. Cheung Man Kit. The non-executive Directors are 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.

* *For identification purpose only*