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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)

**PROPOSED SHARE CONSOLIDATION AND
PROPOSED CHANGE IN BOARD LOT SIZE**

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every sixteen (16) issued and unissued Existing Shares of HK\$0.002 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.032 each. As at the date of this announcement, there are 5,471,953,447 Existing Shares in issue which are fully paid or credited as fully paid. The Share Consolidation is conditional upon, among other things, the approval by the Shareholders at the SGM.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 8,000 Existing Shares each. The Board proposes that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will be changed to 2,000 Consolidated Shares. Based on the closing price of HK\$0.082 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 2,000 Consolidated Shares would be HK\$2,624 should the Share Consolidation and the Change in Board Lot Size become effective.

GENERAL

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other matters, further details of the proposed Share Consolidation, the proposed Change in Board Lot Size and a notice convening the SGM is expected to be despatched to the Shareholders on or before 9 December 2022. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the SGM.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the proposed Share Consolidation and the proposed Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board intends to put forward a proposal to the Shareholders to implement the Share Consolidation pursuant to which every sixteen (16) issued and unissued Existing Shares of HK\$0.002 each will be consolidated into one (1) Consolidated Share of HK\$0.032 each.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the applicable laws of Bermuda and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the above conditions, the Share Consolidation is expected to become effective on 10 January 2023, which is the second Business Day immediately after the date of the SGM. As at the date of this announcement, none of the conditions above had been fulfilled.

Application for listing of the Consolidated Shares

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the approval of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation being effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC. None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 250,000,000,000 Existing Shares of HK\$0.002 each, of which 5,471,953,447 Existing Shares have been issued as fully paid or credited as fully paid. Assuming that no further Existing Shares are allotted, issued or repurchased between the date of this announcement and the date of the SGM, upon the Share Consolidation becoming effective, the authorised share capital of the Company shall remain HK\$500,000,000 but will be divided into 15,625,000,000 Consolidated Shares of HK\$0.032 each, of which 341,997,090 Consolidated Shares will be in issue.

As at the date of this announcement, other than (i) the outstanding Convertible Bonds granted under the Previous General Mandate; and (ii) the Share Options granted under the Previous Share Option Scheme, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other in accordance with the Company's memorandum of association and bye-laws.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

Exchange of share certificates for the Consolidated Shares

Should the Share Consolidation become effective, which is currently expected to be on 10 January 2023, being the second Business Day immediately after the date of the SGM, the Shareholders may, during the period from 10 January 2023 to 20 February 2023 (both days inclusive), submit their existing share certificates for the Existing Shares to the Company's share registrar in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, during business hours to exchange for new share certificates for the Consolidated Shares at the expenses of the Company. Thereafter, share certificates for the Existing Shares will be accepted for exchange only upon payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled or issued is higher. The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on 16 February 2023 and thereafter will not be accepted for delivery, trading, settlement and registration purposes. However, the existing share certificates will continue to be good evidence of title to the Consolidated Shares on the basis of sixteen (16) Existing Shares for one (1) Consolidated Share. The new share certificates for the Consolidated Shares will be issued in the colour of yellow in order to distinguish them from the share certificates for the Existing Shares which are in the colour of pink.

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation and the Change in Board Lot Size, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Odd lots arrangements and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation and the Change in Board Lot Size, a designated broker will be appointed by the Company to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers. Details of the matching service will be provided in the circular to be despatched to the Shareholders.

Shareholders or potential investors should note that (i) the above odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (ii) odd lots might be sold below the market price.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

As at the date of this announcement, the Company has (i) outstanding Convertible Bonds granted under the Previous General Mandate which are convertible to 40,000,000 Existing Shares at the initial conversion price of HK\$0.25 per Share subject to and upon the terms and conditions of the Convertible Bonds Instrument; and (ii) outstanding Share Options entitling the holders thereof to subscribe for a total of 290,000,000 Existing Shares at the exercise price of HK\$0.1 per Share under the Previous Share Option Scheme. Under the relevant terms and conditions of the Convertible Bonds Instrument and the Previous Share Option Scheme, the Share Consolidation may lead to adjustments to the conversion price and the exercise price (as the case may be) and the number of shares falling to be issued upon exercise of the Share Options. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares were traded on the Stock Exchange in board lots of 8,000 Existing Shares each. The Board proposes to change the board lot size for trading on the Stock Exchange to 2,000 Consolidated Shares per board lot, conditional upon the Share Consolidation becoming effective. Based on the closing price of HK\$0.082 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, (i) the value of each board lot of 8,000 Existing Shares is HK\$656; (ii) the value of each board lot of 8,000 Consolidated Shares would be HK\$10,496 assuming the Share Consolidation become effective; and (iii) the value of each board lot of 2,000 Consolidated Shares would be HK\$2,624. assuming the Change in Board Lot Share Size had also been effective.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has further stated that (i) market price of the Shares at a level less than HK\$0.1 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

At as the date of this announcement, the closing price of the Existing Shares as quoted on the Stock Exchange is HK\$0.082 per each and they have been traded below HK\$1.0 and the existing board lot value has been less than HK\$2,000 over the past 12 months. The Board considers that the Share Consolidation would increase the nominal value of the Shares and bring about a corresponding upward adjustment in the trading price per Consolidated Share, thus enabling the Company to comply with the trading requirements under the Listing Rules. In addition, the Share Consolidation and the Change in Board Lot Size would reduce the overall transaction and handling costs of dealings in the Shares of the Company as a proportion of the market value of each board lot, since most of the banks or securities houses will charge a minimum transaction cost for each securities trade. It is hoped that the Share Consolidation would maintain the trading amount for each board lot at a reasonable level and attract a broader range of investors, including institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor. It is also expected that the liquidity in trading of the Shares will increase accordingly.

In view of the above reasons, the Board considers that the Share Consolidation and the Change in Board Lot Size are justifiable. Accordingly, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company does not have any intention to carry out any corporate action or arrangement that may undermine the intended purpose of the Share Consolidation in the coming 12 months. However, the Board does not rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to meet its operational needs or support future development of the Company. The Board will consider carefully the likely impact to the Company as a whole before the Company proceeds with any such debt/equity fundraising exercises. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

EXPECTED TIMETABLE

The expected timetable of the proposed Share Consolidation and the proposed Change in Board Lot Size is as follows:–

Events	Time and Date
Despatch date of circular with notice of the SGM	On or before Friday, 9 December 2022
Latest time and date for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on Friday, 30 December 2022
Closure of register of members for determining the entitlement to attend and vote at the SGM	Tuesday, 3 January 2023 to Friday, 6 January 2023 (both days inclusive)
Latest time and date for lodging forms of proxy for the SGM	4:30 p.m. on Wednesday, 4 January 2023
Time and date of the SGM	4:30 p.m. on Friday, 6 January 2023
Date of publication of the announcement of voting results of the SGM	Friday, 6 January 2023

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation:

Events	Time and Date
Effective date of the Share Consolidation	Tuesday, 10 January 2023
First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares commences	Tuesday, 10 January 2023
Commencement of dealings in the Consolidated Shares.	9:00 a.m. on Tuesday, 10 January 2023
Original counter for trading in the Existing Shares in board lots of 8,000 Existing Shares (in the form of existing share certificates in pink colour) temporarily closes	9:00 a.m. on Tuesday, 10 January 2023
Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates in pink colour) opens	9:00 a.m. on Tuesday, 10 January 2023
Original counter for trading in the Consolidated Shares in new board lots of 2,000 Consolidated Shares (in the form of new share certificates in yellow colour) re-opens	9:00 a.m. on Friday, 27 January 2023
Parallel trading in the Consolidated Shares (in the form of new share certificates in yellow colour and existing share certificates in pink colour) commences	9:00 a.m. on Friday, 27 January 2023

Events**Time and Date**

Designated broker starts to stand in the market
to provide matching services for odd lots
of the Consolidated Shares 9:00 a.m. on Friday,
27 January 2023

Designated broker ceases to stand in the market
to provide matching services for odd lots
of the Consolidated Shares 4:00 p.m. on Thursday,
16 February 2023

Temporary counter for trading in the Consolidated Shares
in board lots of 500 Consolidated Shares
(in the form of existing share certificates
in pink colour) closes 4:10 p.m. on Thursday,
16 February 2023

Parallel trading in the Consolidated Shares
(in the form of new share certificates in yellow colour and
existing share certificates in pink colour) ends 4:10 p.m. on Thursday,
16 February 2023

Last day for free exchange of existing share certificates
for new share certificates Monday, 20 February 2023

All times and dates specified in the timetable above refer to Hong Kong times and dates.

The timetable is indicative only and may be extended or varied. Any change to the expected timetable above will be announced by the Company as and when appropriate.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further details of the proposed Share Consolidation, the proposed Change in Board Lot Size and a notice convening the SGM is expected to be despatched to the Shareholders on or before 9 December 2022. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the SGM.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the proposed Share Consolidation and the proposed Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, 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 open for business throughout their normal business hours

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	New Sparkle Roll International Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange (Stock Code: 970)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.032 each in the share capital of the Company upon the Share Consolidation becoming effective
“Convertible Bonds”	the unsecured zero coupon convertible bonds due on 8 February 2024 constituted by the Convertible Bonds Instrument
“Convertible Bonds Instrument”	the convertible bonds instrument issued by the Company dated 9 February 2021 in accordance with the Subscription Agreement dated 25 January 2021. For more information, please refer to the announcement issued by the Company on 25 January 2021
“Existing Share(s)”	ordinary share(s) of HK\$0.002 each in the share capital of the Company prior to the Share Consolidation becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“HKSCC”	Hong Kong Securities Clearing Company Limited

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 28 August 2020
“Previous Share Option Scheme”	the previous share option scheme which was adopted by the Company on 20 August 2012 and expired on 19 August 2022
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation
“Share(s)”	the Existing Share(s) and/or Consolidated Share(s), as the case may be
“Shareholder(s)”	holder(s) of the Shares
“Share Consolidation”	the proposed consolidation of every sixteen (16) issued and unissued Existing Shares into one (1) Consolidated Share
“Share Option(s)”	the option(s) to subscribe for new shares of the Company granted under the Previous Share Option Scheme

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

By Order of the Board
New Sparkle Roll International Group Limited
Zheng Hao Jiang
Co-Chairman

Hong Kong, 23 November 2022

As at the date of this announcement, the Company has four executive Directors and five independent non-executive Directors. The executive Directors are Mr. Zheng Hao Jiang, Mr. Ma Chao, Mr. Zhao Xiaodong and Mr. Zhu Lei. The independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong, Mr. Gao Yu, Mr. Liu Hongqiang and Mr. Liu Xiaoyi.