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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)

RE-DESIGNATION OF DIRECTOR

The Board announces that Mr. Gao Yu will be re-designated as an independent non-executive Director with effect from 10 October 2020 for a fixed period of two years, renewable for one year, and subject to the retirement by rotation and re-election in accordance with the Bye-laws.

The Nomination Committee and the Board have considered various factors and are of the view that Mr. Gao is independent notwithstanding that he has been appointed as a non-executive Director for more than nine years.

Following the re-designation of Mr. Gao, the Company will re-comply with the minimum number requirement in respect of the independent non-executive Directors under Rule 3.10A of the Listing Rules.

The board (the “**Board**”) of directors (the “**Directors**”) of Sparkle Roll Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that Mr. Gao Yu, currently a non-executive Director (“**Mr. Gao**”), will be re-designated as an independent non-executive Director with effect from 10 October 2020.

* for identification purpose only

BIOGRAPHICAL DETAILS OF MR. GAO AND TERMS OF HIS APPOINTMENT

Aged 46, Mr. Gao is currently a Managing Director and the Co-Chief Investment Officer of the Private Credit & Equity Division of Morgan Stanley Asia Limited, primarily focusing on private equity investment activities in China. He had also been a non-executive director of China Dongxiang (Group) Co., Ltd. (HK stock code: 3818) from July 2007 to May 2013 and has been re-designated as its independent non-executive director since 24 May 2013. Mr. Gao is a director of Shandong Buchang Pharmaceuticals Co., Ltd. (Shanghai Stock Exchange stock code: 603858) which was listed on 18 November 2016. He is also a non-executive director of China Feihe Limited (HK stock code: 6186) which was listed on 13 November 2019 and Home Control International Limited (HK stock code: 1747) which was listed on 14 November 2019. Mr. Gao is also an independent director of AMTD International Inc. (a company listed on New York Stock Exchange on 5 August 2019, NYSE: HKIB).

Mr. Gao was also a director of Tongkun Group Co., Ltd. (Shanghai Stock Exchange stock code: 601233) until his resignation on 30 March 2015. He had also been a non-executive director of Belle International Holdings Ltd (HK stock code: 1880) from August 2006 to August 2014 and was re-designated as its independent non-executive director from 5 August 2014 to 27 July 2017.

Prior to joining Morgan Stanley Asia Limited, Mr. Gao worked in Citigroup's Investment Banking Division in Asia for about five years. He also worked in Donaldson, Lufkin & Jenrette's Debt Capital Markets Group in New York. Mr. Gao graduated from Stanford University with a Master's degree in engineering-economic systems and operations research as well as from Tsinghua University in Beijing with dual Bachelor's degrees in engineering and economics. Mr. Gao joined the Group in September 2010.

Save as disclosed above, Mr. Gao does not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years. Mr. Gao (i) does not hold any other positions in the Company or any member of the Group; and (ii) does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. Gao does not have, and/or is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (as defined under Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong).

Mr. Gao has entered into an appointment letter with the Company as an independent non-executive Director for a fixed period of two years, renewable for one year, and subject to the retirement by rotation and re-election in accordance with the Bye-laws of the Company. The appointment letter is terminable by either party by serving the other party one month's prior written notice before the expiry of the initial two-year term. Mr. Gao will be entitled to a director's fee of HK\$240,000 per annum, which has been recommended by the remuneration committee of the Company and approved by the Board based on his qualifications, experience, and level of responsibilities undertaken, the prevailing market conditions and the Company's remuneration policy.

INDEPENDENCE OF MR. GAO

In assessing the independence of a non-executive director, The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") will take into account of the factors set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). Besides, according to Code Provision A.4.3 of Appendix 14 to the Listing Rules, serving more than nine years could be relevant to the determination of a non-executive director's independence.

As confirmed by Mr. Gao, he satisfies the independence guidelines as set out in Rule 3.13 of the Listing Rules except Rule 3.13(7) as he has been appointed as a non-executive Director with the Company for more than nine years.

The Board has considered the following factors and is of the view that such long relationship of Mr. Gao with the Company will not affect his independence:

- (a) on 30 September 2010, Mr. Gao, as a nominee of MSPEA Luxury Holding B.V. ("**MSPEA**"), a limited liability company indirectly controlled by Morgan Stanley Private Equity Asia III, L.P. and a substantial shareholder of the Company from 24 September 2010, was appointed as a non-executive Director. MSPEA disposed of all its interests in the Company in December 2013. Since such disposal, Mr. Gao ceased to represent the interests of MSPEA and sits on the Board solely in his own personal capacity;

- (b) Mr. Gao attended the Board meetings and contributed his overall guidance towards the matters discussed at the Board meetings based on his knowledge and experience, particularly in financial, investment and corporate governance matters;
- (c) Mr. Gao has not had any executive or day-to-day management role or functions in the Company or any member of the Group since his appointment as the non-executive Director;
- (d) Mr. Gao does not hold any interests in the Company or any member of the Group;
- (e) after the exit of MSPEA, Mr. Gao is independent of any connected person (within the meaning of the Listing Rules) of the Company;
- (f) apart from the signing of a letter of appointment with the Company, Mr. Gao has not been under the employment of any member of the Group; and
- (g) Mr. Gao satisfies the independence guidelines as set out in Rule 3.13 of the Listing Rules except Rule 3.13(7).

The nomination committee of the Company comprising all independent non-executive Directors before the re-designation of Mr. Gao (the “**Nomination Committee**”) had also made assessment on Mr. Gao and considers that Mr. Gao’s non-executive role in the Company has no impact on his independence and Mr. Gao possesses the experience, character and integrity to carry out the duty as an independent non-executive Director.

The Board concurs with the view of the Nomination Committee and believes that Mr. Gao is eligible to be re-designated as an independent non-executive Director and he will continue to contribute effectively to the Board.

Submissions have been made to the Stock Exchange which has been persuaded that Mr. Gao is independent to act as an independent non-executive Director based on the information provided by the Company.

Save as disclosed above, there are no other matters concerning Mr. Gao’s re-designation as an independent non-executive Director that need to be brought to the attention of the shareholders of the Company nor is there any information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

RE-COMPLIANCE WITH THE LISTING RULES

Pursuant to Rules 3.10A and 3.11 of the Listing Rules, the Company must appoint independent non-executive Directors representing at least one-third of the Board and shall appoint a sufficient number of independent non-executive Directors to meet such minimum number requirement within three months after failing to meet the requirement (the “**Grace Period**”).

As stated in the announcement published by the Company on 16 June 2020, the number of independent non-executive Directors of the Company fell below the minimum number requirement upon the appointment of Mr. Ma Chao as its executive Director on 16 June 2020.

An application for a waiver for strict compliance with the Grace Period was made to Stock Exchange which was granted to the Company to extend the time to comply with Rule 3.10A of the Listing Rules from 16 September 2020 to 15 October 2020, subject to the disclosure of the waiver (including details and reasons) by way of an announcement which was published by the Company on 25 September 2020.

Following the re-designation of Mr. Gao, the Company will re-comply with the minimum number requirement in respect of the independent non-executive Directors under Rule 3.10A of the Listing Rules.

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

Hong Kong, 8 October 2020

As at the date of this announcement, the Company has four executive Directors, three non-executive Directors and three independent non-executive Directors. The executive Directors are Mr. Zheng Hao Jiang, Mr. Ma Chao, Mr. Zhao Xiaodong and Mr. Zhu Lei. The non-executive Directors are Mr. Gao Yu, Mr. Liu Hongqiang 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.