Sparkle Roll Group Limited
耀萊集團有限公司 *

(*Incorporated in Bermuda with limited liability*)

(**Stock Code: 970**)

ANNOUNCEMENT IN RESPECT OF CONVERSION OF THE CONVERTIBLE NOTE

Reference is made to the Company's Announcement and Circular. Completion of the Proposed Acquisition involving issue of the Consideration Shares and Convertible Notes took place on 26 June 2008. As per the conditions of the listing approval granted by the Stock Exchange in respect of the Conversion Shares, the Company is required to disclose by way of announcement to inform the Shareholders and investors of dilution in the shareholding in the Company as a result of the exercise of the conversion rights attached to the Convertible Note in the event that the cumulative amount of the Conversion Shares issued pursuant to the conversion of the Convertible Note reaches 5% of the issued share capital of the Company as disclosed in the Previous Announcement.

The Company received a conversion notice from a holder of Convertible Note on 15 December 2008 in connection with the conversion of a principal amount of HK$18,700,000 in the Convertible Note into 85,000,000 new Shares, representing approximately 5.21% of the issued share capital of the Company of 1,631,152,850 Shares as disclosed in the Previous Announcement, which has been allotted and issued by the Company to the Holder on 18 December 2008.

Reference is made to the circular of Sparkle Roll Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 20 March 2008 (the "**Circular**") in relation to, amongst others, the Acquisition and the issue of the 4% Convertible Note, the announcement dated 11 December 2008 in respect of the Convertible Note (the "**Previous Announcement**") and the announcement dated 26 June 2008 (the "**Announcement**") in relation to Completion of Acquisition. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Circular.

As stated in the Announcement, Completion of the Acquisition has taken place and the Company has issued the Convertible Note to the Vendor on 26 June 2008.

** for identification purpose only*

Disclosure in relation to conversion of the Convertible Note

As per the conditions of the listing approval granted by the Stock Exchange in respect of the Conversion Shares, in addition to the monthly announcement, the Company is required to disclose by way of announcement to inform the Shareholders and investors of dilution in the shareholding in the Company as a result of the exercise of the conversion rights attached to the Convertible Note in the event that the cumulative amount of the Conversion Shares issued pursuant to the conversion of the Convertible Note reaches 5% of the issued share capital of the Company as disclosed in the Previous Announcement.

The Company received a conversion notice from a holder of Convertible Note (the "**Holder**") on 15 December 2008 in connection with the conversion of a principal amount of HK$18,700,000 in the Convertible Note into 85,000,000 new Shares, representing approximately 5.21% of the issued share capital of the Company of 1,631,152,850 Shares as disclosed in the Previous Announcement, which has been allotted and issued by the Company to the Holder on 18 December 2008.

The Directors would like to report that:

(i) conversion of principal amount of HK$18,700,000 in the Convertible Note into 85,000,000 new Shares, representing approximately 5.21% of the issued share capital of the Company had been made since the Previous Announcement;

(ii) the amount of the outstanding Convertible Note as at the date of this announcement is HK$213,400,000;

(iii) the number of Shares issued pursuant to other transactions since the Previous Announcement, including new Shares issued pursuant to exercise of options under the Company's share option scheme is nil;

(iv) the total number of issued shares of the Company as at the date of the Previous Announcement and the date of this announcement are 1,631,152,850 and 1,716,152,850 respectively; and

(v) the total issued share capital of the Company as at the date of the Previous Announcement and the date of this announcement are HK$3,262,305.70 and HK$3,432,305.70 respectively.

By Order of the Board
Sparkle Roll Group Limited
Chan Ka Kit
Company Secretary

Hong Kong, 18 December 2008

As at the date of this announcement, the Company has three executive Directors, one non-executive Director and three independent non-executive Directors. The executive Directors are Mr. Tong Kai Lap, Mr. Zheng Hao Jiang and Mr. Wong Chun Keung. The non-executive Director is Mr. Zhao Xiao Dong. The independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Lam Kwok Cheong and Mr. Lee Kang Bor, Thomas.