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SILVER GRANT INTERNATIONAL HOLDINGS GROUP LIMITED
銀建國際控股集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 171)

PROFIT WARNING

This announcement is made by Silver Grant International Holdings Group Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (“**Board**”) of directors (“**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on information currently available, the Group expects to record a loss attributable to the owners of the Company of not less than HK\$250,000,000 for the six months ended 30 June 2021 (“**Period 2021**”), as compared with that of approximately HK\$151,150,000 for the six months ended 30 June 2020 (“**Period 2020**”), mainly attributable to the combined effects of the following:

- (i) the turn from a fair value loss on investment properties of approximately HK\$16,641,000 recorded by the Group for Period 2020 to a fair value gain on investment properties for Period 2021;
- (ii) the decrease in the loss in the fair value of the financial assets at fair value through profit or loss for Period 2021 from that of approximately HK\$73,434,000 for Period 2020, mainly attributable to the amount of fair value loss made by the Group on its financial assets as at 30 June 2021 being less than that made on its financial assets as at 30 June 2020;

- (iii) the increase in the finance costs incurred by the Group for Period 2021 from those of approximately HK\$100,886,000 for Period 2020, as a result of the issuance of the 7.5% senior secured guaranteed note by the Company in the aggregate principal amount of US\$19,800,000 (equivalent to approximately HK\$154,440,000) in December 2020 and the increase in other borrowings during Period 2021 as compared to those during Period 2020; and
- (iv) the decline in the performance of the Company's joint venture, 中海油氣(泰州)石化有限公司 (Zhong Hai You Qi (Tai Zhou) Petrochemical Company Limited*) (“**Zhong Hai You Qi**”) during Period 2021 from a loss of approximately HK\$77,381,000 for Period 2020, mainly attributable to additional sales tax and related tax surcharge and fine paid by Zhong Hai You Qi during Period 2021 as a result of tax review in relation to the basis of calculation of sales tax.

The Company is still in the process of preparing its unaudited consolidated results for Period 2021. The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for Period 2021 and information currently available to the Company, which have not been audited by the auditors of the Company and may therefore be subject to change. The Group's preliminary results for Period 2021 are expected to be announced before the end of August 2021.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

On behalf of the Board
Silver Grant International Holdings Group Limited
Chu Hing Tsung
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 25 August 2021

As at the date of this announcement, the Board comprises Mr. Chu Hing Tsung (Chairman and Chief Executive Officer), Mr. Luo Zhihai, Mr. Tang Lunfei and Mr. Wang Ping as executive Directors; Mr. Chen Zhiwei as a non-executive Director; and Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming as independent non-executive Directors.

* *English name is translated for identification purpose only*