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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)

(1) MAJOR TRANSACTION — PROVISION OF LOAN; AND (2) DISCLOSEABLE TRANSACTIONS — PROVISION OF LOANS

PROVISION OF LOANS

The Board announces that, (i) after the trading hours on 15 March 2019, Lender A, a wholly-owned subsidiary of the Company, entered into Loan Agreement A with Borrower A, pursuant to which Lender A agreed to lend, and Borrower A agreed to borrow, Loan A in the principal amount of RMB150,000,000 (equivalent to approximately HK\$175,303,000); (ii) after the trading hours on 15 March 2019, Lender A, a wholly-owned subsidiary of the Company, entered into Loan Agreement B with Borrower B, pursuant to which Lender A agreed to lend, and Borrower B agreed to borrow, Loan B in the principal amount of RMB145,000,000 (equivalent to approximately HK\$169,460,000); (iii) after the trading hours on 21 December 2019, the Company entered into Loan Agreement C with Borrower C, pursuant to which the Company agreed to lend, and Borrower C agreed to borrow, Loan C in the principal amount of US\$20,900,000 (equivalent to approximately HK\$162,602,000); and (iv) after the trading hours on 26 November 2020, Lender A, a wholly-owned subsidiary of the Company, entered into Loan Agreement D with Borrower D, pursuant to which Lender A agreed to lend, and Borrower D agreed to borrow, Loan D in the principal amount of RMB200,000,000 (equivalent to approximately HK\$235,674,000).

LISTING RULES IMPLICATIONS

As the relevant percentage ratios (as defined under the Listing Rules) in respect of each of Loan A, Loan B and Loan C exceed 5% but are less than 25%, the provision of each of Loan A, Loan B and Loan C constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As one of the relevant percentage ratios (as defined under the Listing Rules) in respect of Loan D is more than 25% but less than 100%, the provision of Loan D constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

However, due to inadvertent oversight, the Company failed to comply with the notification, announcement, circular (in respect of Loan D only) and Shareholders' approval (in respect of Loan D only) requirements in respect of the Loans at the relevant time of the grant of the Loans in accordance with Chapter 14 of the Listing Rules.

The EGM will be convened for the purposes of, among other matters, considering and, if thought fit, approving and ratifying Loan Agreement D and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in Loan Agreement D, and thus no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, (i) details of Loan Agreement D and the transactions contemplated thereunder; (ii) other information as required to be disclosed under the Listing Rules; and (iii) notice to convene the EGM, will be despatched to the Shareholders on or before 15 October 2021 as more time is required for the Company to prepare the circular.

PROVISION OF LOANS

The Board announces that, (i) after the trading hours on 15 March 2019, Lender A, a wholly-owned subsidiary of the Company, entered into Loan Agreement A with Borrower A, pursuant to which Lender A agreed to lend, and Borrower A agreed to borrow, Loan A in the principal amount of RMB150,000,000 (equivalent to approximately HK\$175,303,000); (ii) after the trading hours on 15 March 2019, Lender A, a wholly-owned subsidiary of the Company, entered into Loan Agreement B with Borrower B, pursuant to which Lender A agreed to lend, and Borrower B agreed to borrow, Loan B in the principal amount of RMB145,000,000 (equivalent to approximately HK\$169,460,000); (iii) after the trading hours on 21 December 2019, the Company entered into Loan Agreement C with Borrower C, pursuant to which the Company agreed to lend, and Borrower C agreed to borrow, Loan C in the principal amount of US\$20,900,000 (equivalent to approximately HK\$162,602,000); and (iv) after the trading hours on 26 November 2020, Lender A, a wholly-owned subsidiary of the Company, entered into Loan Agreement D with Borrower D, pursuant to which Lender A agreed to lend, and Borrower D agreed to borrow, Loan D in the principal amount of RMB200,000,000 (equivalent to approximately HK\$235,674,000).

THE LOAN AGREEMENTS

The principal terms of the Loan Agreements are summarised as follows:

	Loan Agreement A	Loan Agreement B	Loan Agreement C	Loan Agreement D
Date:	15 March 2019	15 March 2019	21 December 2019	26 November 2020
Parties:	(i) Lender A; and (ii) Borrower A	(i) Lender A; and (ii) Borrower B	(i) Company; and (ii) Borrower C	(i) Lender A; and (ii) Borrower D
Principal amount:	RMB150,000,000 (equivalent to approximately HK\$175,303,000)	RMB145,000,000 (equivalent to approximately HK\$169,460,000)	US\$20,900,000 (equivalent to approximately HK\$162,602,000)	RMB200,000,000 (equivalent to approximately HK\$235,674,000)
Interest:	12% per annum from 15 March 2019 to 14 October 2019 and 15% from 15 October 2019 to 15 June 2020 and payable on the maturity date	12% per annum from 15 March 2019 to 14 October 2019 and 15% from 15 October 2019 to 15 June 2020 and payable on the maturity date	4.75% per annum and payable on the maturity date	12% per annum and payable on the maturity date
Term:	15 March 2019 to 15 June 2020	15 March 2019 to 15 June 2020	21 December 2019 to 20 December 2021	26 November 2020 to 25 November 2022
Repayment:	Subject as otherwise provided in the Loan Agreements, the Borrowers shall repay the Loans upon expiry of the term.			
Prepayment:	The Borrowers may at any time prepay all or part of the Loans and the accrued interests by giving prior written notice to the Lenders.			

	Loan Agreement A	Loan Agreement B	Loan Agreement C	Loan Agreement D
Security:	Nil	Nil	Guaranteed by Taizhou Xin Bin Jiang Development Limited* (泰州市新濱江開發有限責任公司), a non-controlling shareholder of a subsidiary of the Company, Tai Zhou Dong Thai Petrochemical Company Limited* (泰州東泰石化有限公司)	Nil

As at the date of this announcement, each of Loan A and Loan B have been fully repaid.

FUNDING OF THE LOANS

The Group financed the Loans with its internal resources.

INFORMATION ON THE GROUP AND THE LENDERS

The Group is principally engaged in property leasing and investments. Lender A is principally engaged in property leasing and management and the Company is an investment holding company.

* *English name is translated for identification purposes only*

INFORMATION ON THE BORROWERS

Each of the Borrower A, Borrower B and Borrower D is a company established in the PRC with limited liability and Borrower C is a company incorporated in Hong Kong with limited liability. Borrower A is principally engaged in the retailing of auto accessories and its ultimate beneficial owner is Mr. Ye Hanxian. Borrower B is principally engaged in property development and is ultimately owned as 50% by Mr. Liu Xiaojia and 50% by Mr. Zhu Rongcong. Borrower C is principally engaged in investment holding and its ultimate beneficial owner is Taizhou City Government. Borrower D is principally engaged in property development and is wholly-owned by Jiaxing Xin Ye Sheng Jia Investment Partnership (Limited Partnership)* (“**Jiaxing**”) (嘉興信業盛嘉投資合夥企業(有限合夥)), and Jiaxing is managed by Xin Ye Wah Fu Investment Management Company Limited* (信業華福投資管理有限公司). To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Borrowers and their ultimate beneficial owners is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOANS

The terms of the Loan Agreements (including the interest rates) were arrived at by the Lenders and the Borrowers after arm’s length negotiation, having regard to the commercial practice and the amount of the Loans. The provision of the Loans would provide interest income at the rate ranging from 4.75% to 15% per annum to the Group, which would bring better returns to the Group than bank deposits. The Group offered a lower interest rate to Borrower C as Loan C is a guaranteed loan. Having considered the financial background of the Borrowers, the interest income to be brought to the Group and the quality of the guarantee (with respect to Loan C), the Board considered that the terms of the Loan Agreements were on normal commercial terms and were fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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LISTING RULES IMPLICATIONS

As the relevant percentage ratios (as defined in the Listing Rules) in respect of each of Loan A, Loan B and Loan C exceed 5% but are less than 25%, the provision of each of Loan A, Loan B and Loan C constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As one of the relevant percentage ratios (as defined under the Listing Rules) in respect of Loan D is more than 25% but less than 100%, the provision of Loan D constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

However, due to inadvertent oversight, the Company failed to comply with the notification, announcement, circular (in respect of Loan D only) and Shareholders' approval (in respect of Loan D only) requirements in respect of the Loans at the relevant time of the grant of the Loans in accordance with Chapter 14 of the Listing Rules.

The EGM will be convened for the purposes of, among other matters, considering and, if thought fit, approving and ratifying Loan Agreement D and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in Loan Agreement D, and thus no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, (i) details of Loan Agreement D and the transactions contemplated thereunder; (ii) other information as required to be disclosed under the Listing Rules; and (iii) notice to convene the EGM, will be despatched to the Shareholders on or before 15 October 2021 as more time is required for the Company to prepare the circular.

REMEDIAL ACTIONS

The Company deeply regrets its non-compliance with the requirements under Chapter 14 of the Listing Rules in respect of the Loans and would like to stress that such non-compliance was inadvertent.

In order to avoid reoccurrence of similar events in the future, the following remedial actions will be taken by the Company to ensure strict and full compliance by the Company with the Listing Rules:

- (1) the Company will provide further guidance materials and training to the Directors and relevant staff of the Group regarding how to define a transaction and proper calculation methodology of percentage ratios relating to notifiable transactions under the Listing Rules in order to strengthen and reinforce their existing knowledge with respect to notifiable transactions;
- (2) the Company will review, strengthen and continue to monitor the reporting procedure, to ensure any proposed transactions which may constitute notifiable transactions would be promptly reported to the chief financial officer of the Company, who shall further assess the proposed transactions and ensure the proposed transactions will be conducted in compliance with the applicable requirements under the Listing Rules and the relevant rules and regulations; and
- (3) the Company shall, as and when appropriate and necessary, consult professional advisers before entering into possible notifiable transactions.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below:

“Board”	the board of Directors
“Borrower A”	Guangzhou City Chengfeng Auto Accessories Company Limited* (廣州市城峰汽車配件有限公司), a company established in the PRC with limited liability
“Borrower B”	Guangzhou City Guoguang Real Estate Company Limited* (廣州市國光置業有限公司), a company established in the PRC with limited liability
“Borrower C”	Binjiang Guotou Limited (濱江國投有限公司), a company incorporated in Hong Kong with limited liability
“Borrower D”	Hebei Guolong Real Estate Development Co., Ltd* (河北國隆房地產開發有限公司), a company established in the PRC with limited liability

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“Borrowers”	collectively Borrower A, Borrower B, Borrower C and Borrower D
“Company”	Silver Grant International Holdings Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving and ratifying Loan Agreement D and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and the connected persons of the Company
“Lender A”	Beijing East Gate Development Co., Ltd.* (北京東環置業有限公司), a company established in the PRC with limited liability, which is a wholly-owned subsidiary of the Company
“Lenders”	collectively Lender A and the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan A”	a loan in the principal amount of RMB150,000,000 (equivalent to approximately HK\$175,303,000) at the interest rate of 12% per annum from 15 March 2019 to 14 October 2019 and 15% per annum from 15 October 2019 to 15 June 2020 provided by Lender A to Borrower A pursuant to the terms of Loan Agreement A

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“Loan B”	a loan in the principal amount of RMB145,000,000 (equivalent to approximately HK\$169,460,000) at the interest rate of 12% per annum from 15 March 2019 to 14 October 2019 and 15% per annum from 15 October 2019 to 15 June 2020 provided by Lender A to Borrower B pursuant to the terms of Loan Agreement B
“Loan C”	a loan in the principal amount of US\$20,900,000 (equivalent to approximately HK\$162,602,000) at the interest rate of 4.75% per annum from 21 December 2019 to 20 December 2021 provided by the Company to Borrower C pursuant to the terms of Loan Agreement C
“Loan D”	a loan in the principal amount of RMB200,000,000 (equivalent to approximately HK\$235,674,000) at the interest rate of 12% per annum from 26 November 2020 to 25 November 2022 provided by Lender A to Borrower D pursuant to the terms of Loan Agreement D
“Loan Agreement A”	a loan agreement dated 15 March 2019 entered into between Lender A and Borrower A in respect of the provision of Loan A
“Loan Agreement B”	a loan agreement dated 15 March 2019 entered into between Lender A and Borrower B in respect of the provision of Loan B
“Loan Agreement C”	a loan agreement dated 21 December 2019 entered into between the Company and Borrower C in respect of the provision of Loan C
“Loan Agreement D”	a loan agreement dated 26 November 2020 entered into between Lender A and Borrower D in respect of the provision of Loan D
“Loan Agreements”	collectively Loan Agreement A, Loan Agreement B, Loan Agreement C and Loan Agreement D
“Loans”	collectively Loan A, Loan B, Loan C and Loan D

“PRC”	the People’s Republic of China, and for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with no par value of the Company
“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.
“US\$”	United States Dollars, the lawful currency of the United States of America

In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of HK\$7.78 to US\$1.00 and amounts quoted in RMB have been converted into HK\$ at the rate of HK\$1 to RMB0.85566 in respect of Loan A and Loan B and at the rate of HK\$1 to RMB0.84863 in respect of Loan D, based on the exchange rate at the relevant time of entering into each of the Loan Agreements. Such exchange rates have been used, where applicable, for the purpose of illustration only and do not constitute a representation that any amounts were or may have been exchanged at these or any other rates or at all.

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

Hong Kong, 6 September 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.