

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**DISCLOSEABLE TRANSACTION:
CAPITAL INJECTION AGREEMENT**

CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that on 17 December 2021, after trading hours, the Investor, a non wholly-owned subsidiary of the Company, the Existing Shareholder and the Target Company entered into the Capital Injection Agreement, pursuant to which the Investor agreed to inject RMB20,000,000 (equivalent to approximately HK\$24,480,000) by way of cash contribution into the Target Company.

Upon Completion, the Investor will hold 50% of the equity interest in the Target Company and the Target Company will be accounted for as a jointly controlled entity of the Company in the consolidated financial statements of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Capital Injection is more than 5% but less than 25%, the Capital Injection constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that on 17 December 2021, after trading hours, the Investor, a non wholly-owned subsidiary of the Company, the Existing Shareholder and the Target Company entered into the Capital Injection Agreement, pursuant to which the Investor agreed to inject RMB20,000,000 (equivalent to approximately HK\$24,480,000) by way of cash contribution into the Target Company.

Set out below are the major terms of the Capital Injection Agreement:

Date

17 December 2021

Parties

- (a) Investor: 廣州祺元一號投資合夥企業(有限合夥) (Guangzhou Qi Yuan Yi Hao Investment Partnership (Limited Partnership)*), a non wholly-owned subsidiary of the Company established as a limited liability partnership under the laws of the PRC;
- (b) Existing Shareholder: 鄭元金 (Zheng Yuanjin*), a citizen of the PRC; and
- (c) Target Company: 梅州市集善經營管理有限公司 (Meizhou City Ji Shan Operation Management Company Limited*), a company established in the PRC with limited liability.

As at the date of this announcement, the Existing Shareholder owns 100% equity interest of the Target Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Existing Shareholder and the Target Company is an Independent Third Party.

Capital Injection

Pursuant to the Capital Injection Agreement, the Investor will make capital contribution of RMB20,000,000 (equivalent to approximately HK\$24,480,000) in cash to the Target Company to increase its registered capital.

* *English name is translated for identification purpose only*

The following table illustrates the shareholding structure of the Target Company (i) as at the date of this announcement; and (ii) immediately upon Completion.

Target Company	Shareholders	As at the date of this announcement		Immediately upon Completion	
		Registered capital	Approximate % of registered capital (%)	Registered capital	Approximate % of registered capital (%)
1.	Investor	0	0	RMB20,000,000 (equivalent to approximately HK\$24,480,000)	50
2.	Existing Shareholder	RMB20,000,000 (equivalent to approximately HK\$24,480,000) <i>(Note)</i>	100	RMB20,000,000 (equivalent to approximately HK\$24,480,000)	50
	Total	RMB20,000,000 (equivalent to approximately HK\$24,480,000) <i>(Note)</i>	100	RMB40,000,000 (equivalent to approximately HK\$48,960,000)	100

Note: As at the date of this announcement, none of such registered capital has been paid up.

Payment of capital

Pursuant to the Capital Injection Agreement, the Investor shall pay the amount of the Capital Injection funded by the internal resources of the Group to the designated bank account of the Target Company within 30 Business Days after execution of the Capital Injection Agreement (or such other date as agreed between the Investor and the Existing Shareholder).

Basis of the determination of the amount of the Capital Injection

The amount of the Capital Injection to be made by the Investor to the Target Company was arrived at after arm's length negotiations between the Investor and the Existing Shareholder, having taken into account of the existing registered capital of the Target Company and the intended shareholdings of the Existing Shareholder and the Investor in the Target Company upon Completion.

The Directors consider that the amount of the Capital Injection is fair and reasonable.

Use of capital to be injected

The Capital Injection shall be used to acquire the rights or attributable gross floor areas of urban renewal projects in the Greater Bay Area or for other purposes approved by the board of directors of the Target Company after Completion, in accordance with the financial budget and operation plans approved by the board of directors of the Target Company.

Completion

Completion shall take place within 30 Business Days after the receipt of the Capital Injection by the Target Company (or such other date as agreed between the Investor and the Existing Shareholder), whereas the Target Company shall complete the requisite industrial and commercial change registration procedures with the relevant PRC authority. If the aforementioned industrial and commercial registration cannot be completed within 60 Business Days after the signing of the Capital Injection Agreement (or such other date as agreed between the Investor and the Existing Shareholder) (that is, the Investor cannot be registered as a 50% shareholder of the Target Company), the Target Company shall immediately return the Capital Injection paid by the Investor to the designated bank account of the Investor without interest.

If the Existing Shareholder has not yet paid up the unpaid registered capital of the Target Company of RMB20,000,000 (equivalent to approximately HK\$24,480,000) within five Business Days after the Target Company has received the Capital Injection from the Investor (or such other date as agreed between the Investor and the Existing Shareholder), the Target Company shall immediately return the Capital Injection paid by the Investor to the designated bank account of the Investor.

Upon Completion, the Investor will hold 50% of the equity interest in the Target Company and the Target Company will be accounted for as a jointly controlled entity of the Company in the consolidated financial statements of the Company.

Shareholders' loans to the Target Company

Pursuant to the Capital Injection Agreement, after Completion, if the Target Company requires funds for the acquisition of the rights or attributable gross floor areas of urban renewal projects in the Greater Bay Area, each of the Existing Shareholder and the Investor shall advance to the Target Company interest-free shareholders' loans of up to RMB200,000,000 (equivalent to approximately HK\$244,798,000) at the ratio of 50%:50% simultaneously, within ten Business Days after receipt of the written request from the Target Company (or such other date as agreed between the Investor and the Existing Shareholder). If the Target Company repays the aforementioned loans to the Investor and the Existing Shareholder, the repayments shall be made to the Investor and the Existing Shareholder in the ratio of 50%:50% simultaneously.

It is expected that the shareholders' loans to be advanced by the Investor shall be funded by both the internal resources of the Group and external financing.

Board composition of the Target Company

After Completion, the board of directors of the Target Company shall consist of two directors, and each of the Existing Shareholder and the Investor has the right to appoint one director of the Target Company. Unanimous consent of the directors shall be required for all the resolutions to be passed at the meetings of the board of directors of the Target Company.

Shareholders' meetings of the Target Company

After Completion, unanimous consent of the Existing Shareholder and the Investor shall be required for all the resolutions to be passed at the shareholders' meetings of the Target Company.

Rights of the shareholders of the Target Company

If either the Existing Shareholder or the Investor intends to transfer its equity interest in the Target Company to any third party in whole or in part, the other party shall have the pre-emptive right to acquire such equity interest in whole or in part under the same terms.

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability on 26 May 2021. As at the date of this announcement, the Target Company has not commenced any business. The Target Company is intended to be principally engaged in the acquisition of the rights or attributable gross floor areas of urban renewal projects in the Greater Bay Area.

As the Target Company was only established on 26 May 2021, the financial information of the Target Company for its two previous financial years is not available.

The unaudited total assets and the unaudited net liabilities of the Target Company as at 30 September 2021 were approximately RMB400 (equivalent to approximately HK\$490) and approximately RMB600 (equivalent to approximately HK\$734), respectively.

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION

The Group is principally engaged in property leasing and investments.

Under the “Greater Bay Area” initiative of the PRC government which is to spur deeper regional economic and financial integration in Hong Kong, Macau and the Pearl River Delta Region, the Board has confidence in the property market in the Greater Bay Area. It is expected that the experience of the Existing Shareholder in dealing with the acquisition of the rights or attributable gross floor areas of urban renewal projects in the PRC, together with the additional capital to be contributed by both the Existing Shareholder and the Investor to the Target Company pursuant to the Capital Injection Agreement, will facilitate the growth and business development of the Target Company. As such, the Board considers that the Capital Injection represents a good investment opportunity for the Group, which is in line with the Group’s vision to invest in target companies or businesses having promising outlooks and prospects.

The Board considers that the terms of the Capital Injection Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Capital Injection is more than 5% but less than 25%, the Capital Injection constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day(s)”	any day(s) excluding Saturday, Sunday and public holidays in the PRC
“Capital Injection”	the capital injection of RMB20,000,000 (equivalent to approximately HK\$24,480,000) into the Target Company to be made by the Investor in accordance with the terms of the Capital Injection Agreement

“Capital Injection Agreement”	the capital injection agreement dated 17 December 2021 entered into by the Investor, the Existing Shareholder and the Target Company in relation to the Capital Injection
“Company”	Silver Grant International Holdings Group Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange
“Completion”	completion of the Capital Injection
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Shareholder”	鄭元金 (Zheng Yuanjin*)
“Greater Bay Area”	comprises Hong Kong, Macau and the nine municipalities of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing in Guangdong Province in the PRC
“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(ies)”	third party(ies) independent of the Company and its connected persons
“Investor”	廣州祺元一號投資合夥企業(有限合夥) (Guangzhou Qi Yuan Yi Hao Investment Partnership (Limited Partnership)*), a limited liability partnership established under the laws of the PRC principally engaged in investment holding, corporate management and investment advisory services and is a non wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

* English name is translated for identification purpose only

“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	梅州市集善經營管理有限公司 (Meizhou City Ji Shan Operation Management Company Limited*), a company established in the PRC with limited liability and owned as to 100% by the Existing Shareholder as at the date of this announcement
“%”	per cent

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of HK\$1 to RMB0.8170. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this 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, 17 December 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*