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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 that the loss attributable to the owners of the Company will not be less than HK\$1,500,000,000 for the year ended 31 December 2021 (“**Year 2021**”), as compared with that of approximately HK\$317,641,000 for the year ended 31 December 2020 (“**Year 2020**”).

The expected increase in the loss attributable to the owners of the Company for Year 2021 mentioned above was mainly attributable to the following:

- (i) the increase in the loss from the fair value of the financial assets at fair value through profit or loss of the Group for Year 2021 from approximately HK\$667,000 for Year 2020, mainly attributable to the decrease in the fair value of the financial assets at fair value through profit or loss held by the Group as at 31 December 2021, as a result of the gloomy economic outlook at the end of Year 2021 in light of the global outbreak of the Omicron variant of Coronavirus Disease-2019 and the ongoing economic conflict between the United States and the People’s Republic of China (“**PRC**”);

- (ii) the increase in the finance costs incurred by the Group for Year 2021 from those of approximately HK\$216,675,000 for Year 2020, mainly as a result of the issuance by the Company of the 7.5% senior secured guaranteed note in the aggregate principal amount of US\$19,800,000 in December 2020 and the increase in the Group's other borrowings during Year 2021 as compared with those during Year 2020;
- (iii) the decline in the financial performance of 信達建潤地產有限公司 (Cinda Jianrun Property Company Limited\*), an associate of the Company (“**Cinda Jianrun**”), from a share of profit in Year 2020 of approximately HK\$3,325,000 to a share of loss in Year 2021, mainly due to the decrease in the fair value of the financial assets at fair value through profit or loss held by Cinda Jianrun as at 31 December 2021; and
- (iv) the substantial increase in the loss shared by the Company from its 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 Year 2021 from approximately HK\$404,061,000 for Year 2020, mainly attributable to the additional sales tax and related tax surcharge and late fees for prior years incurred by Zhong Hai You Qi during Year 2021 following a tax self-review conducted as required by the relevant tax authority in the PRC.

The Company is still in the process of preparing its unaudited consolidated results for Year 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 Year 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 Year 2021 are expected to be announced before the end of March 2022.

***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, 22 March 2022

*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*