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SILVER GRANT INTERNATIONAL INDUSTRIES LIMITED

銀建國際實業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 171)

UPDATE ON CONNECTED TRANSACTION PROPOSED PLACING AND SUBSCRIPTION OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Placing Agent



Reference is made to the announcement (the “**Announcement**”) of Silver Grant International Industries Limited (the “**Company**”) dated 20 May 2019 in relation to, among others, the proposed placing of Convertible Bonds in the principal amount of up to HK\$200,000,000 pursuant to the Placing Agreement and the proposed subscriptions of Convertible Bonds in the aggregate principal amount of HK\$950,000,000 by the Connected Subscribers. Unless otherwise defined, terms used herein shall have the same meaning as defined in the Announcement.

The Board hereby announces that, the Placing Agent has successfully procured one placee, JIC (Hong Kong) Holding Limited (“**JIC**”) to subscribe for the Convertible Bonds with a principal amount of HK\$200,000,000 pursuant to the Placing Agreement. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, JIC and its ultimate beneficial owner(s) are Independent Third Parties.

Accordingly, on 22 May 2019 (after trading hours), the Company entered in the Subscription Agreement with JIC.

Save for (a) the date of the agreement; (b) identity of the subscriber; (c) the principal amount of the Convertible Bonds to be subscribed; and (d) the inclusion of two additional conditions precedents to the completion of the Subscription Agreement (namely, (i) Mr. Chu having executed and delivered to JIC the Guarantee; and (ii) the Company shall have completed all of the obligations under the Subscription Agreement required on or before the Completion Date); the principal terms of the Subscription Agreement entered by JIC are substantially same as to those of the Subscription Agreements entered by the Connected Subscribers on 20 May 2019. For details of the principal terms of the Subscription Agreement and the Convertible Bonds, reasons for and benefits of the Placing and the Subscriptions, the Board's view on the Placing, proposed use of proceeds from the Placing and the Subscriptions, and the effect of the Placing and the Subscriptions on the shareholding structure of the Company, please refer to the Announcement.

JIC is a limited liability company incorporated in Hong Kong. It is principally engaged in debt issuance, asset management and enterprise management. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of JIC and its ultimate beneficial owner(s) is an Independent Third Party.

A circular containing, among other things, (i) further details of the Placing and the Subscriptions; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in respect of the Subscriptions; (iii) a letter of recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscriptions; and (iv) a notice convening the EGM, will be dispatched to the Shareholders on or around 10 June 2019.

Shareholders are advised to note that completion of the Placing and the Subscriptions are subject to the fulfillment or waiver (if applicable) of the conditions precedent set out in the Placing Agreement and the Subscription Agreements. The Placing and/or the Subscription may or may not proceed. Shareholder are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

By Order of the Board
Silver Grant International Industries Limited
Huang Jiajue
Executive Director

Hong Kong, 22 May 2019

As at the date of this announcement, the Board comprises Mr. Gao Jian Min (Managing Director), Mr. Huang Jiajue, Mr. Luo Zhihai and Mr. Ma Yilin as executive directors; Mr. Chu Hing Tsung (Chairman) and Mr. Chen Zhiwei as non-executive directors and Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming as independent non-executive directors.