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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)

**UPDATE ON FINANCIAL PERFORMANCE FOR THE
YEAR ENDED 31 DECEMBER 2022**

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 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 reduction in the loss attributable to the owners of the Company for the year ended 31 December 2022 (“**Year 2022**”) of not less than 25% from that of approximately HK\$1,452,609,000 for the year ended 31 December 2021 (“**Year 2021**”), mainly attributable to the combined effect of the following:

- (i) the substantial improvement in the Group’s share of the result 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**”) for Year 2022, from its share of a loss of approximately HK\$1,417,546,000 for Year 2021, mainly attributable to (a) the additional sales tax and related tax surcharge and late fee for prior years incurred by Zhong Hai You Qi during Year 2021, which were absent during Year 2022; and (b) the improvement in the operating result of Zhong Hai You Qi from Year 2021 to Year 2022;

* *English name is translated for identification purpose only*

- (ii) (a) 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 2022 from approximately HK\$102,689,000 for Year 2021, mainly due 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 2022; (b) the increase in the impairment of financial assets, net, recorded by the Group for Year 2022 from approximately HK\$950,000 for Year 2021, mainly attributable to the increase in the expected credit loss of loan receivables recorded by the Group as at 31 December 2022; and (c) the turn from the fair value gain on investment properties of approximately HK\$31,814,000 for Year 2021 to a fair value loss on investment properties for Year 2022, mainly caused by the decrease in the fair value of the investment properties held by the Group as at 31 December 2022, all as a result of the hiking interest rates during Year 2022 and the market expectations of a global economic slowdown in 2023;
- (iii) the decrease in the administrative expenses incurred by the Group for Year 2022 from approximately HK\$267,285,000 for Year 2021, mainly due to (a) the reduction in the staff costs incurred by the Group in Year 2022, as a result of the reorganisation undertaken by the Group's office in the People's Republic of China during Year 2022; and (b) the decrease in the provision of financial guarantee and bad debts recorded by the Group in Year 2022; and
- (iv) the increase in the finance costs incurred by the Group for Year 2022 from approximately HK\$410,008,000 for Year 2021, mainly attributable to the combined effect of: (a) certain other borrowings which remained outstanding as at 31 December 2022 were drawn down by the Group in the second half of Year 2021; and (b) the maturity of the Company's senior note in the aggregate principal amount of US\$19,800,000 in December 2021.

The Company is still in the process of preparing its audited consolidated results for Year 2022. 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 2022 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 2022 are expected to be announced before the end of March 2023.

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, Co-Chief Executive Officer
and Executive Director*

Hong Kong, 24 March 2023

As at the date of this announcement, the Board comprises Mr. Chu Hing Tsung (Chairman and Co-Chief Executive Officer), Mr. Chen Yongcun (Co-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.