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銀建國際控股集團有限公司
(Incorporated in Hong Kong with limited liability)

The board (“Board”) of directors (“Directors”) of Silver Grant International Holdings Group Limited (“Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2023 as follows:

For the six months ended 30 June 2023

			(Unaudited)
	Notes	HK\$'000	2022 HK\$'000
Rental income	5		58,934
Direct operating expenses			(3,584)
			55,350
Dividend income from listed securities	5		136
Other income, gains and losses	5		277,560
			(108,892)
instrument			(22,279)
assets, net			(40,264)
Administrative expenses			(46,479)
Change in fair value of investment properties			(33,831)
	6		(277,064)
— associates			4,721
— joint ventures			58,214
Loss before taxation	8		(132,828)
Taxation	7		6,970
Loss for the period			(125,858)
Loss attributable to:			
— Owners of the Company			(146,349)
— Non-controlling interests			20,491
			(125,858)
— Basic and diluted (HK cents per share)	9		(6.35)

For the six months ended 30 June 2023

	(Unaudited)
	2022
<i>HK\$'000</i>	<i>HK\$'000</i>
	(125,858)
	(209,141)
	(209,141)
Other comprehensive income/(loss) that will not be	
Gain/(loss) arising on property revaluation	(1,410)
	151
Net other comprehensive income/(loss) that will not be	(1,259)
	(210,400)
	(336,258)
Total comprehensive loss attributable to:	
— Owners of the Company	(313,583)
— Non-controlling interests	(22,675)
	(336,258)

As at 30 June 2023

		(Audited) As at 31 December 2022 HK\$'000
	Note	HK\$'000
Investment properties		2,309,146
		238,199
Right-of-use assets		43,729
Interests in associates		309,475
Interests in joint ventures		1,506,247
Amount due from an associate		439,486
		1,640
Total non-current assets		4,847,922
Trade receivables	11	3,934
Deposits, prepayments and other receivables		908,352
Amounts due from joint ventures		430,437
Loan receivables		2,246,377
		809,429
Restricted bank balance		674,814
Cash and bank balances		97,517
Total current assets		5,170,860
Accrued charges, rental deposits and other payables		1,204,446
Interest-bearing bank and other borrowings		1,388,974
Taxation payable		107,335
Lease liabilities		2,045
Convertible bonds		41,712
Total current liabilities		2,744,512

(Continued)
As at 30 June 2023

		(Audited) As at 31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
		2,426,348
		7,274,270
Interest-bearing bank and other borrowings		2,541,766
Lease liabilities		45,958
Deferred tax liabilities		192,033

NOTES:

As at 30 June 2023, notwithstanding that the Group had net current assets of approximately HK\$1,907 million, the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK\$1,688 million are due to be repayable within the next 12 months while its cash and bank balances amounted to approximately HK\$35 million. In addition, as at 30 June 2023, the Group's borrowing with a carrying amount of approximately HK\$180 million has not been repaid according to the scheduled repayment date and remained outstanding as at 30

the Group has not received any demand for immediate repayment for any of this borrowing.

In view of the above circumstances, the directors of the Company have given careful consideration to in assessing the Group's ability to continue operating as a going concern. The following plans and measures are formulated to manage the working capital and improve the financial position of the Group:

- (i) the Group will continue to implement measures to speed up the timing of collection of outstanding loan receivables and interest receivables;
- (ii) the Group will continue to take measures to expedite the disposal of financial asset
- (iii) the Group will continue its negotiations with the lenders of certain bank and other borrowings

The directors of the Company have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2023. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have

Notwithstanding the above, there are inherent uncertainties as to whether the Group is able to achieve flows to continue as a going concern would depend on (i) the continual support from the existing lender of the Group such that it will not demand for immediate repayment of the relevant borrowing; (ii) the successful and timely agreement with the lenders on the extension of the repayment dates of timely implementation of the plans and measures to speed up the timing of collection of outstanding loan receivables and interest receivables; (iv) the successful and timely implementation of the plans for the disposal of financial asset investments; and (v) the successful obtaining of new sources of

Should the Group be unable to achieve the above-mentioned plans and measures, the Group may be unable to continue to operate as a going concern, in which case adjustments would have to be made to adjust the values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current

ended 30 June 2023 have been prepared in accordance with Hong Kong Accounting Standard 34

to the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The financial information relating to the year ended 31 December 2022 that is included in the information does not constitute the Company's statutory annual consolidated financial statements

the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("Companies Ordinance") is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December

material uncertainty related to going concern to which the auditor drew attention by way of emphasis of the Companies Ordinance.

The accounting policies adopted in the preparation of these unaudited interim condensed consolidated financial statements for the six months ended 30 June 2023 are consistent with those

Disclosure of Accounting Policies

Amendments to HKAS 8
Amendments to HKAS 12

Definition of Accounting Estimates
Deferred Tax related to Assets and Liabilities arising
from a Single Transaction

- (a) Amendments to HKAS 1 *Disclosure of Accounting Policies*
material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information that the primary users of general purpose financial statements make on the basis of those guidance on how to apply the concept of materiality to accounting policy disclosures. The
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in
- (c) Amendments to HKAS 12 narrow the scope of the initial recognition exception in HKAS 12 so

the following reporting segments:

receivables; and

- (b) the property leasing segment representing the holding of properties for rental income and/or potential for capital appreciation.

Management of the Group monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that non-lease-related finance costs, share of results of associates and joint ventures and corporate expenses are excluded from such measurement.

No segment asset or liability is presented as the chief operating decision maker of the Company does not regularly review segment assets and liabilities.

	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue			
— Rental income			
— Dividend income from listed securities			
Other unallocated income, gains and losses			
Corporate expenses			
liabilities)			
— associates			
— joint ventures			
Loss before taxation			
Taxation			
Loss for the period			

Six months ended 30 June 2022 (Unaudited)

	Investments <i>HK\$'000</i>	leasing <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue			
— Rental income	—	58,934	58,934
— Dividend income from listed securities	136	—	136
	<u>136</u>	<u>58,934</u>	<u>59,070</u>
	<u>69,425</u>	<u>2,405</u>	71,830
Other unallocated income, gains and losses			34,776
Corporate expenses			(27,363)
liabilities)			(275,006)
— associates			4,721
— joint ventures			<u>58,214</u>
Loss before taxation			(132,828)
Taxation			<u>6,970</u>
Loss for the period			<u>(125,858)</u>

Revenue from external customers

(Unaudited)

	<i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong		136
	<u> </u>	<u>58,934</u>
	<u> </u>	<u>59,070</u>

The revenue information above is based on the locations of the customers.

An analysis of revenue is as follows:

	(Unaudited)	
	2022	
	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Revenue from other sources</i>		
Gross rental income		58,934
Dividend income from listed securities		136
		59,070

An analysis of other income, gains and losses is as follows:

	(Unaudited)	
	2022	
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income		
— amount due from a joint venture		37,401
— loan receivables		206,846
— bank deposits		120
Net foreign exchange gain/(loss)		(886)
		—

	(Unaudited)	
	2022	
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans		6,800
Interest on other loans		190,335
Interest on convertible bonds		77,871
Interest on lease liabilities		2,058
		<u>277,064</u>
		<u><u>277,064</u></u>

Kong incurred tax losses for both reporting periods.

made based on the Group's estimated assessable profits calculated in accordance with the relevant Corporate Income Tax ("CIT Law") and the Implementation Regulation of the CIT Law, the tax rate

The withholding tax arising from the dividend income received from the Company's subsidiaries in

	(Unaudited)	
	2022	
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current:		430
Deferred		<u>(7,400)</u>
Total tax credit for the period		<u><u>(6,970)</u></u>

The Group's loss before taxation was arrived at after charging/(crediting):

		(Unaudited)
	<i>HK\$'000</i>	2022 <i>HK\$'000</i>
Depreciation of right-of-use assets		6,790
		1,985
		108,892
Wages and salaries		28,869
scheme)		710
		29,579
Rental income under operating leases for investment properties, less outgoings of HK\$4,679,000 (six months ended 30 June 2022: HK\$3,584,000)		(55,350)
		40,264
Change in fair value of investment properties		33,831
		22,279

Company are based on the following data:

	(Unaudited)	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
of the Company used in the basic and diluted loss per share calculations	<u><u></u></u>	<u><u>(146,349)</u></u>
	<i>in thousand</i>	<i>in thousand</i>
Number of shares:		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculations	<u><u></u></u>	<u><u>2,304,850</u></u>

The denominators used in the calculations of the basic and diluted loss per share are the same as those detailed above for the calculations of the basic and diluted loss per share attributable to the

No adjustment for dilution has been made to the basic loss per share presented for the six months ended 30 June 2023 and 2022 as the Company's convertible bonds outstanding during each of the

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

The Group allows a credit period of 30 to 60 days for its trade customers.

The following is an ageing analysis of the trade receivables presented based on the invoice dates at the end of the reporting periods, which approximated the respective revenue recognition dates:

	(Audited)	
	As at	
	31 December	
	2022	
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	<u> </u>	<u>3,934</u>

The Group had the following capital commitments at the end of the reporting periods:

	(Audited)	
	As at	
	31 December	
	2022	
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contracted, but not provided for:	<u> </u>	<u>167,973</u>

Mainland and Hong Kong, there was a significant rebound in the economic activities in various product being recorded during the first half of the year. Internationally, the European and U.S. banking crisis that broke out in March 2023 had brought about an adverse impact on the global capital market and cast a shadow over the recovery of the global economy.

Despite the volatility and the declining trend in the international crude oil prices, 中海油氣(泰州)石化有限公司

You Qi”), a joint venture of the Company which is principally engaged in the crude oil processing business and the production and sale of petrochemical products, still successfully achieved the targets in respect of its production and operation for the first half of 2023. During the period under review, it expanded into the overseas market by selling 11,000 tons of diesel products to its customers in Southeast Asia in March 2023. Nevertheless, the Company’s share of the result of

facility of Zhong Hai You Qi in June 2023, which resulted in an increase in repair expenses and a line, Zhong Hai You Qi has developed a new product in the adjuvants for animal vaccines with its new product has commenced following the completion of the preliminary preparation work.

The new energy project in relation to photovoltaic battery technology invested by 北京靈駿新能源科技有限責任公司

Lingjun”), a joint venture of the Company which is engaged in the research and development, transfer and promotion of photovoltaic battery technology in China, has also made positive

owned enterprise and a leader in the energy sector, the photovoltaic technology developed by the new energy project has obtained completely independent intellectual property rights during the period under review. It is currently building a mass production facility, which is expected to meet the conditions for trial operation in the second half of 2023.

During the period under review, the Group has successfully disposed of certain non-performing asset investments and recouped part of the capital as of the date of this announcement. The Group is seeking ways proactively to exit from the remaining non-performing assets in its investment

its invested projects while planning for potential projects in the new energy industry.

NT Trust Scheme are set out below:

** English name is translated for identification purpose only*

aggregate into a trust (“NT Trust Scheme”) managed by 國民信託有限公司 (National Trust Co.,

Group, its interest in the NT Trust Scheme is held for trading purpose and classified as a current

The objective of the Group in relation to its investments in financial assets is to capture returns from the appreciation of the value of its investments and to receive income therefrom. The Board

financial and operating performance of the investee companies and market sentiment, which are

major economies. The Group will continue to adopt prudent investment principles, closely monitor the performance of its investment portfolio, and readjust its investment strategies as and when appropriate. In response to the potential market volatility and economic downturns, the Group has accelerated the realisation of its mature investments while reducing the proportion of its medium

The rental income of the Group’s property leasing business decreased by approximately

and (ii) a slight decline in the rental income as a result of the rent-free periods enjoyed by some

in respect of this property, the Group’s property management team has strived to implement

market research on a monthly basis, kept abreast of the market trends and adjusted its leasing strategy in a flexible manner. In terms of the apartment operation, the team has endeavoured to retain its existing corporate and institutional clients and develop new ones so as to maintain a stable client base in the long term. The team has also formulated a rigorous and timely payment process to recover the outstanding rent, which has improved the collectability rate of the rent in

** English name is translated for identification purpose only*

Looking forward to the second half of 2023, it is expected that China's economy will still face various difficulties and challenges, such as insufficient domestic demand, difficult local business environment and pressures from geopolitical tensions. On 19 July 2023, the Opinions of the

construct a high-level socialist market economy, as well as the continuous optimisation of a stable, fair, transparent and predictable environment for business development, so as to fully stimulate the vitality of the private economy with a "stimulant" injected into the development of the private economy.

The two joint ventures of the Company, namely Zhong Hai You Qi and Beijing Lingjun, are practitioners of the mixed-ownership reform ("Reform") introduced by the Chinese government to diversify the ownership of China's state-owned enterprises. During the period under review, with the unreunre unrte-ow.6 (h)0.i (h)0.t (h)0.t (h)0.i (h)0.ng3 ()0.(te-ow.domes)0fo3 ()0rt (h)0.d 3 ()0.(unr

A. Rental income

foreign exchange translation loss on the rental income resulted from the depreciation of the

B. Interest income

The decrease in the interest income (excluding interest income from bank deposits)

income generated from (i) the other loan receivables of the Group from approximately

(ii) the loans granted by the Group to a joint venture of the Company from approximately

loss recognised by the Group on (i) its major financial asset, NT Trust Scheme, from

2023; and (ii) its non-performing assets portfolios from approximately HK\$75,119,000 for

D. Administrative expenses

The increase in the administrative expenses of the Group from approximately

The decrease in the Company's share of profits of joint ventures from approximately primarily attributable to (i) the foreign exchange translation loss on the Company's share of the results of its joint ventures arising from the depreciation of the RMB against the

of its production facility in June 2023, which resulted in an increase in repair expenses and a one-month suspension of production.

The substantial decrease in the accrued charges, rental deposits and other payables of the Group from approximately HK\$1,204,446,000 as at 31 December 2022 to approximately HK\$656,223,000 as at 30 June 2023 was mainly resulted from the settlement of certain other

in the interest accruals due to the redemption of the convertible bonds by the Company in

in HK\$, RMB and the United States dollar ("US\$"). In the opinion of the Board, RMB will remain as a regulated currency in the foreseeable future. Although the market is generally anticipating an increased volatility in the RMB exchange rate, the Board does not expect that it will have any material adverse effect on the financial position of the Group. However, the Board will closely monitor the future development of the RMB exchange rate and will take appropriate actions as necessary.

In addition, the Board does not anticipate that there will be any material exchange exposure to the Group in respect of other currencies.

currencies other than RMB. There was also no hedging transaction contracted for by the Group

The Group has adopted a conservative treasury policy under which the Group keeps its has guidelines in place to monitor and control its investment risk exposure and to manage its capital. The Group also strives to reduce its exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. The Board closely reviews

		(Audited) As at 31 December 2022 <i>HK\$'000</i>	<i>HK\$'000</i>
Restricted bank balance			674,814
Cash and bank balances			97,517
Total			772,331

The decrease in the cash and bank balances of the Group (excluding restricted bank balance) from approximately HK\$97,517,000 as at 31 December 2022 to approximately HK\$34,772,000 as at 30 June 2023. The cash and bank balances (including restricted bank balance) of the Group as at 30 June 2023 were mainly denominated in RMB.

As at 30 June 2023, the Group's cash and bank balances (including restricted bank balance) were denominated in the following currencies:

		(Unaudited) As at 31 December 2022
HK\$		
RMB		

The Group conducted its business almost exclusively in RMB except that certain transactions were conducted in HK\$ and US\$. The conversion of RMB into HK\$, US\$ or other foreign currencies US\$ and other foreign currencies may fluctuate and is affected by factors such as changes in the for hedging purposes. However, the Group will constantly assess the foreign exchange risk it risk that may arise.

As at 30 June 2023, the Group's total borrowings amounted to approximately HK\$3,783,251,000 in aggregate. The composition of these borrowings is summarised below:

		(Audited) As at 31 December 2022 <i>HK\$'000</i>	<i>HK\$'000</i>
Short term borrowings			1,388,974
Long term borrowings			2,541,766
Convertible bonds			41,712
Total borrowings			3,972,452
Less: cash and bank balances			97,517
Net borrowings			3,874,935

annum).

As at 30 June 2023, the long and short term borrowings of the Group which remained outstanding were denominated as follows:

		(Audited) As at 31 December 2022 <i>HK\$'000</i>	<i>HK\$'000</i>
HK\$			180,000
RMB			3,750,740
			3,930,740

to owners of the Company) and the current ratio (calculated as current assets over current liabilities) respectively. These ratios are key performance indicators used by the management of the Group to monitor the financial performance of the Group (excluding investments and non-performing assets portfolio) which will bring a reasonable return to the Group.

As at 30 June 2023, the Group pledged certain investment properties and leasehold land and buildings with an aggregate carrying value of approximately HK\$2,157,507,000 (31 December 2022: HK\$2,251,652,000) and approximately HK\$180,500,000 (31 December 2022: HK\$176,300,000), respectively, to secure general banking facilities granted to the Group, other loans and other payables to an independent third party.

As at 30 June 2023, the Group did not have any capital expenditures contracted but not provided for in its unaudited condensed consolidated financial statements (31 December 2022: HK\$1,000,000). The Group does not expect there to be any plans for material investments or capital assets in the second half of 2023.

As at 30 June 2023, the Group provided corporate guarantees of approximately HK\$3,285,121,000 (31 December 2022: HK\$3,576,622,000) in respect of the loans granted to a joint venture of the Company.

As at 30 June 2023, the shareholders' fund of the Company was approximately HK\$3,918,350,000, compared to that of approximately HK\$4,022,397,000 as at 31 December 2022. The decrease was mainly

As at 30 June 2023, the Group employed 63 employees (31 December 2022: 66 employees) in

which were consistent with the prevailing market practices in the relevant jurisdictions. The remuneration package for each employee of the Group contains a combination or modification of some or all of the following four main components: (i) basic salary; (ii) incentive bonus; (iii) share options (no share option scheme of the Company is in force as at the date of this interim results announcement); and (iv) other benefits, such as statutory retirement scheme and medical insurance. Incentive bonus and share options for each employee are determined with reference to the employee's position, performance and ability to contribute to the overall success of the Group.

the Group are remunerated according to their respective job nature, market conditions, individual

its employees, ongoing training has been provided to its employees according to the needs of the

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2023

The Company is committed to maintaining high standards of corporate governance in the interests of its shareholders ("Shareholders").

any of the listed securities of the Company.

published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.silvergrant.com.cn) in due course.

The Company has established an audit committee (“Audit Committee”) with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are

systems of the Group. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Hung Muk Ming, Mr. Liang Qing and Mr. Zhang Lu. Mr. Hung Muk Ming is the chairman of the Audit Committee.

June 2023 have been reviewed by the Audit Committee.

the executive president of the Company, has been appointed as an executive Director with effect from 1 July 2023.

The Board would like to express its appreciation and gratitude to the Shareholders for their support and all the Group’s employees for their hard work and dedication in carrying out their duties and in achieving the Group’s business goals.

On behalf of the Board

Chairman, Co-Chief Executive Officer and Executive Director

Hong Kong, 30 August 2023

As at the date of this announcement, the Board comprises Mr. Chu Hing Tsung (alias Zhu Qing Yi) (Chairman and Co-Chief Executive Officer), Mr. Chen Yongcun (Co-Chief Executive Officer), Mr. Luo Zhihai, Mr. Tang Lunfei and Mr. Weng Jian as e fC