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中國白銀集團
CHINA SILVER GROUP
CHINA SILVER GROUP LIMITED
中國白銀集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 815)

PROFIT WARNING

This announcement is made by China Silver Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s announcement dated 7 June 2021 (the “**June Announcement**”) in relation to the suspension of production of Jiangxi Longtianyong Nonferrous Metals Co., Ltd. (江西龍天勇有色金屬有限公司)(“**Jiangxi Longtianyong**”), a major subsidiary of the Group’s manufacturing segment, from 26 April 2021 onwards pending completion of certain rectification measures.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the Group’s unaudited consolidated management accounts for the six months ended 30 June 2021 (“**1H 2021**”) (which have not been confirmed, reviewed or audited by the Company’s auditors or audit committee, and may be subject to adjustment) and other information currently available to the Group, the Group expects to record a substantial net loss attributable to owners of the Company of RMB2.3 billion to RMB2.5 billion for 1H 2021, as compared to a net profit attributable to owners of the Company of approximately RMB115 million for the six months ended 30 June 2020 (“**1H 2020**”).

Such expected turnaround from profit to loss is mainly attributable to the write-off of inventory in the amount of approximately RMB2.4 billion as a result of certain of Jiangxi Longtianyong's inventory of raw materials being deemed to be hazardous waste and ordered to be disposed of, as further explained in the June Announcement. This has far outweighed (i) the increase in commission income of the Group's silver exchange segment during 1H 2021; and (ii) the decrease in or absence of various expenses and losses and hence the increase in net profit of the Group's new jewellery retail segment operated under the Company's non-wholly-owned subsidiary CSMall Group Limited (stock code: 1815) ("CSMall") during 1H 2021, as further explained in CSMall's announcement dated 16 August 2021.

The Company is still in the process of finalizing its interim results for 1H 2021. Detailed financial information and performance of the Group for 1H 2021 will be disclosed in the Company's interim results announcement for 1H 2021 which is expected to be published by the end of August 2021.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
China Silver Group Limited
Chen Wantian
Chairman

Hong Kong, 16 August 2021

As at the date of this announcement, the executive directors of the Company are Mr. Chen Wantian, Mr. Song Guosheng and Mr. Liu Jiandong; and the independent non-executive directors of the Company are Mr. Song Hongbing, Dr. Li Haitao and Dr. Zeng Yilong.