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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
SIX MONTHS ENDED 30 JUNE 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 six months ended 30 June 2022 (“**Period 2022**”) of not less than HK\$90,000,000 from that of approximately HK\$251,333,000 for the six months ended 30 June 2021 (“**Period 2021**”), mainly attributable to the combined effect of:

- (i) the turnaround in 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**”), from a loss of approximately HK\$307,119,000 for Period 2021 to a profit for Period 2022, mainly attributable to (a) the additional sales tax and related tax surcharge and late fee of approximately RMB490,000,000 in total incurred by Zhong Hai You Qi during Period 2021, which were absent during Period 2022; (b) the change of Zhong Hai You Qi’s product mix to petrochemical products with higher profit margins in Period 2022; and (c) the improvement of Zhong Hai You Qi’s production process, which resulted in a reduction in its production costs in Period 2022;
- (ii) the increase in other income, gains and losses for Period 2022 from approximately HK\$155,684,000 for Period 2021, mainly due to the increase in the interest income arising from the increase in the loan receivables during Period 2022; and

* English name is translated for identification purpose only

- (iii) the increase in the finance costs incurred by the Group for Period 2022 from approximately HK\$166,760,000 for Period 2021, mainly attributable to the increase in the Group's bank loans and other borrowings during Period 2022 from those during Period 2021.

The Company is still in the process of preparing its unaudited consolidated results for Period 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 Period 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 Period 2022 are expected to be announced before the end of August 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, Co-Chief Executive Officer and
Executive Director*

Hong Kong, 24 August 2022

As at the date of this announcement, the Board comprises Mr. Chu Hing Tsung (Chairman and 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.