



SILVER GRANT INTERNATIONAL HOLDINGS GROUP LIMITED
銀建國際控股集團有限公司

(Stock Code: 171)

2023 INTERIM RESULTS ANNOUNCEMENT

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Six months ended 30 June 2023 HK\$'000
	51,611
	(4,679)
	46,932
	2
	158,223
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")	(48,037)
Change in fair value of a derivative financial	—
Reversal of impairment/(impairment) of financial	3,698
	(64,641)
	(28,054)
Finance costs	(195,263)
Share of profits of:	5,152
	45,307
	(76,681)
	7,086
	(69,595)
	(94,260)
	24,665
	(69,595)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	(4.09)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)
Six months ended 30 June
2023
HK\$'000

LOSS FOR THE PERIOD

(69,595)

OTHER COMPREHENSIVE LOSS FOR THE PERIOD

Other comprehensive loss that may be reclassified
to profit or loss in subsequent periods:

Exchange differences on translation of foreign operations

(119,247)

Total other comprehensive loss that may be reclassified to
profit or loss in subsequent periods

(119,247)

reclassified to profit or loss in subsequent periods:

Income tax effect

6,192

(858)

reclassified to profit or loss in subsequent periods

5,334

**OTHER COMPREHENSIVE LOSS FOR THE PERIOD,
NET OF TAX**

(113,913)

TOTAL COMPREHENSIVE LOSS FOR THE PERIOD

(183,508)

(104,047)

(79,461)

(183,508)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	
	As at	
	30 June	
	2023	
	HK\$'000	
NON-CURRENT ASSETS		
	2,212,750	
Property, plant and equipment	237,510	
	40,564	
	304,937	
	1,502,814	
Financial assets at FVTPL	426,168	
	1,640	
	4,726,383	
CURRENT ASSETS		
	5,886	
	968,349	
	359,192	
	2,165,076	
Financial assets at FVTPL	626,341	
	200,000	
	34,772	
	4,359,616	
CURRENT LIABILITIES		
	656,223	
	1,687,568	
	107,094	
	2,057	
	—	
	2,452,942	

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	
	As at	
	30 June	
	2023	
	<i>HK\$'000</i>	
NET CURRENT ASSETS	1,906,674	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	6,633,057	<hr/>
NON-CURRENT LIABILITIES	2,095,683	
	40,564	
	185,805	<hr/>

1. BASIS OF PRESENTATION

June 2023. The directors of the Company expect that the refinancing of the aforesaid borrowing will be completed by 31 December 2023. Up to the date of approval of this interim financial information,

the Group's future liquidity requirements, operating performance and available sources of financing

investments, including equity investments and non-performing assets portfolio; and

or other financial institutions on the refinancing of the borrowings.

sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis.

its plans and measures as described above. Whether the Group will be able to generate adequate cash

the existing borrowings subject to the Group's financial and liquidity position; (iii) the successful and

3. PRINCIPAL ACCOUNTING POLICIES

applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial statements.

Amendments to HKAS 1 and HKFRS

Practice Statement 2

The nature and impact of the revised HKFRSs that are applicable to the Group are described below:

require entities to disclose their

included in an entity's financial statements, it can reasonably be expected to influence decisions financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory amendments did not have any impact on the financial position and performance of the Group.

financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments did not have any impact on the financial position and performance of the Group.

that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any significant impact on the financial position and performance of the Group.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has

(a) the investments segment representing the investments in financial assets at FVTPL and loan

Six months ended 30 June 2023 (Unaudited)

	Investments <i>HK\$'000</i>	Property leasing <i>HK\$'000</i>	Total <i>HK\$'000</i>
	—	51,611	51,611
	<u>2</u>	<u>—</u>	<u>2</u>
	<u>2</u>	<u>51,611</u>	<u>51,613</u>
Segment profit	<u>112,146</u>	<u>1,288</u>	113,434
			(109)
Finance costs (other than interest on lease			(47,051)
			(193,414)
Share of profits of:			5,152
			<u>45,307</u>
			(76,681)
			<u>7,086</u>
			<u>(69,595)</u>

Property

	<hr/>	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Segment profit	<hr/> <hr/>	<hr/> <hr/>	
Finance costs (other than interest on lease)			
Share of profits of:			
			<hr/>
			<hr/>
			<hr/> <hr/>

Geographical information

		(Unaudited)	
		Revenue	
		Six months ended 30 June	
		2023	
		HK\$'000	
		2	
People's Republic of China ("PRC" or "China")		51,611	<hr/>
		51,613	<hr/> <hr/>

5. REVENUE AND OTHER INCOME, GAINS AND LOSSES

(Unaudited)
Six months ended 30 June
2023
HK\$'000

51,611

2

51,613

(Unaudited)
Six months ended 30 June
2023
HK\$'000

3,300

153,535

500

81

(44)

Net loss on disposal of property, plant and equipment

Gain on disposal of financial assets at FVTPL

6. FINANCE COSTS

An analysis of finance costs is as follows:

(Unaudited) Six months ended 30 June 2023 <i>HK\$'000</i>
7,780
185,634
—
<u>1,849</u>
<u><u>195,263</u></u>

7. TAXATION

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries in Hong

The taxation charge of the PRC Corporate Income Tax (“CIT”) for the reporting periods has been income tax laws applicable to the Company’s subsidiaries in the PRC. Under the Law of the PRC on of the Company’s subsidiaries in the PRC was 25% for both reporting periods.

the PRC was calculated at 5% for both reporting periods.

(Unaudited) Six months ended 30 June 2023 <i>HK\$'000</i>	
PRC CIT — charge for the period	—
	<u>(7,086)</u>
	<u><u>(7,086)</u></u>

8. LOSS BEFORE TAXATION

	(Unaudited)
	Six months ended 30 June
	2023
	HK\$'000
Depreciation of property, plant and equipment	6,092
	1,856
Change in fair value of financial assets at FVTPL	48,037
Employee benefit expense including directors' and co-chief executive officers' remuneration:	
	28,300
Pension scheme contributions (defined contribution)	1,327
	<hr/>
	29,627 <hr/>
	(46,932)
(Reversal of impairment)/impairment of financial assets, net	(3,698)
	28,054
Change in fair value of a derivative financial instrument	—
	<hr/> <hr/>

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculations of the basic and diluted loss per share attributable to ordinary equity holders of the

(Unaudited)
Six months ended 30 June
2023
HK\$'000

Loss for the period attributable to ordinary equity holders

(94,260)

Six months ended 30 June
2023
in thousand

2,304,850

ordinary equity holders of the Company.

reporting periods had an anti-dilutive effect on the basic loss per share presented.

10. DIVIDEND

11. TRADE RECEIVABLES

(Unaudited)
As at
30 June
2023
HK\$'000

5,886

12. COMMITMENTS

(Unaudited)
As at
30 June
2023
HK\$'000

Unlisted equity securities

—

BUSINESS REVIEW

During the six months ended 30 June 2023 (“Period 2023”), as the economy and society of the PRC resumed fully to normal operations along with the reopening of the borders between the regions in the country, with a year-on-year increase of approximately 5.5% in the gross domestic

中海油氣(泰州)

石化有限公司 (Zhong Hai You Qi (Tai Zhou) Petrochemical Company Limited*) (“Zhong Hai

Zhong Hai You Qi for Period 2023 had slightly decreased as compared to that for the six months ended 30 June 2022 (“Period 2022”), mainly due to the repair and maintenance of the production one-month suspension of production for Zhong Hai You Qi in Period 2023. To diversify its product existing production skills during the period under review. Preparation of the trial production of this

北京靈駿新能

源科技有限責任公司 (Beijing Lingjun New Energy Technology Company Limited*) (“Beijing progress in Period 2023. Supported by the resources of its major shareholder, which is a state-

Investments

portfolio. For equity investments, the Group has strengthened the post-investment management of

The Group has made investments in certain enterprises in the PRC which are classified by the Group as financial assets at FVTPL. As at 30 June 2023, the NT Trust Scheme (as defined below) was the most significant investment in financial assets at FVTPL of the Group, the carrying value of which represented approximately 3.9% of the total assets of the Group. Further details of the

The Group has invested RMB505,000,000 (equivalent to approximately HK\$547,722,000) in 國民信託有限公司 Ltd.*), which holds a portfolio of limited liability partnerships investing in property development investments in Zhuozhou and Shenyang in the PRC. As at 30 June 2023, the carrying value of the NT Trust Scheme as measured at FVTPL, amounted to approximately HK\$352,278,000 (31 December 2022: HK\$387,458,000) and accounted for approximately 3.9% (31 December 2022: 3.9%) of the total assets of the Group. The Group recorded a fair value loss of approximately HK\$23,846,000 on the NT Trust Scheme for Period 2023, as compared with that of approximately HK\$28,948,000 for Period 2022. The Group did not receive any distribution from the NT Trust Scheme during Period 2023 (Period 2022: nil). Based on the current investment strategy of the asset in the consolidated statement of financial position of the Company.

believes that the performance of the financial asset investments of the Group is dependent on the affected by factors, such as interest rate movements, national policies, and the performance of the and long-term investments to improve its liquidity position.

Property Leasing

12.4% to approximately HK\$51,611,000 in Period 2023, as compared to that of approximately HK\$58,934,000 in Period 2022, mainly due to (i) the exchange loss on rental income arising from the depreciation of the Renminbi (“RMB”) against the Hong Kong dollar (“HK\$”) in Period 2023; new tenants of the Group in Period 2023. Such segment revenue was derived from the Group’s investment property, East Gate Plaza, located in Beijing, China, which includes apartments, shops and office buildings. The occupancy rate of East Gate Plaza remained at approximately 85% in Period 2023. In order to maintain the overall occupancy rate and the stability of the rental income various measures. In terms of the commercial office buildings operation, the team has conducted

Period 2023.

PROSPECTS AND OUTLOOK

Central Committee of the Chinese Communist Party and the State Council on Promoting the Development and Growth of the Private Economy was released, under which 31 policies to support the development of the private economy were proposed, such as the requirement to

The basic loss per share attributable to ordinary equity holders of the Company was 4.09 HK cents for Period 2023 (Period 2022: basic loss per share of 6.35 HK cents).

The rental income earned by the Group from its investment property, East Gate Plaza, located in Beijing, China, decreased from approximately HK\$58,934,000 for Period 2022 to approximately HK\$51,611,000 for Period 2023. The decrease was mainly caused by (i) the

RMB against the HK\$ during Period 2023; and (ii) the rent-free periods enjoyed by some new tenants of the Group in Period 2023.

of the Group from approximately HK\$244,247,000 for Period 2022 to approximately HK\$156,835,000 for Period 2023 was mainly due to the decrease in the interest

HK\$206,846,000 in Period 2022 to approximately HK\$153,535,000 in Period 2023; and

HK\$37,401,000 in Period 2022 to approximately HK\$3,300,000 in Period 2023.

C. Change in fair value of financial assets at FVTPL

The decrease in the loss from the fair value of the financial assets at FVTPL of the Group from approximately HK\$108,892,000 for Period 2022 to approximately HK\$48,037,000 for Period 2023 was mainly attributable to the decrease in the amounts of fair value

approximately HK\$28,948,000 for Period 2022 to approximately HK\$23,846,000 for Period

Period 2022 to approximately HK\$4,575,000 for Period 2023.

HK\$46,479,000 for Period 2022 to approximately HK\$64,641,000 for Period 2023 was mainly due to the provision of financial guarantee liabilities written back during Period 2022, which was absent in Period 2023.

E. Share of profits of joint ventures

HK\$58,214,000 for Period 2022 to approximately HK\$45,307,000 for Period 2023 was

HK\$ during Period 2023; and (ii) the decrease in the Company's share of the profit of its joint venture, Zhong Hai You Qi, from approximately HK\$58,214,000 for Period 2022 to approximately HK\$50,162,000 for Period 2023, mainly due to the repair and maintenance

F. Accrued charges, rental deposits and other payables

payables of approximately HK\$474,610,000 by the Group in Period 2023 and the reduction December 2022 and Period 2023.

EXCHANGE EXPOSURE

In Period 2023, the Group's principal assets, liabilities, revenue and payments were denominated

At the end of Period 2023, the Group had no material liability denominated in any foreign during Period 2023.

TREASURY POLICY

investment costs under control and manages the returns on its investments efficiently. The Group

the Group's liquidity position to ensure the Group has adequate liquidity to meet its funding requirements at all times.

Cash Position

(Unaudited)

As at

30 June

2023

HK\$'000

200,000

34,772

234,772

June 2023 was mainly due to the settlement of certain other payables by the Group during Period

(Unaudited)

As at

30 June

2023

0.7%

0.5%

99.3%

99.5%

100.0%

100.0%

has been based on the rates set by the People's Bank of China. The value of RMB against HK\$, PRC's political and economic conditions. The Group has not adopted any financial instruments encounters so as to decide on the hedging policy required against the possible foreign exchange

Working Capital and Borrowings

(Unaudited)

As at
30 June
2023

HK\$'000

1,687,568

2,095,683

—

3,783,251

34,772

3,748,479

Interests for all borrowings of the Group for Period 2023 were charged at fixed and floating rates ranging from 3.6% per annum to 27.6% per annum (Period 2022: 5.4% per annum to 12.0% per

(Unaudited)

As at
30 June
2023

HK\$'000

148,400

3,634,851

3,783,251

As at 30 June 2023, the gearing ratio (calculated as total borrowings over equity attributable liabilities) of the Group were 97% (31 December 2022: 99%) and 1.8x (31 December 2022: 1.9x),

HUMAN RESOURCES

Hong Kong and in the PRC. Total employee benefit expenses for Period 2023 were approximately HK\$29,627,000, as compared to those of approximately HK\$29,579,000 for Period 2022.

During Period 2023, the Group offered its employees competitive remuneration packages,

The Group's remuneration policies remained unchanged during Period 2023. The employees of performance and qualifications. As the Group views career development as an important aspect of Group during Period 2023.

INTERIM DIVIDEND

(Period 2022: nil).

CORPORATE GOVERNANCE

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During Period 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed

INTERIM FINANCIAL REPORT

The interim report of the Company for Period 2023 will be despatched to the Shareholders and

AUDIT COMMITTEE

to review and supervise the financial reporting process and risk management and internal control