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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)

2023 INTERIM RESULTS ANNOUNCEMENT

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	(Unaudited) Six months ended 30 June 2023	HK$'000
	5	**51,611**	
		(4,679)	
		46,932	
	5	**2**	
	5	**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	*6*	**(195,263)**	
Share of profits of:		**5,152**	
		45,307	
	8	**(76,681)**	
	7	**7,086**	
		(69,595)	
		(94,260)	
		24,665	
		(69,595)	
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
	9	**(4.09)**	

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	(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:		
	6,192	
Income tax effect	**(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

As at 30 June 2023

	Note	(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	
		426,168	
Financial assets at FVTPL		**1,640**	
		4,726,383	
CURRENT ASSETS			
	11	**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

(Continued)

As at 30 June 2023

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

NOTES:

1. BASIS OF PRESENTATION

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

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

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

or other fnancial institutions on the refnancing of the borrowings.

suf cient working capital to fnance its operations and to meet its fnancial obligations as and when they fall due. Accordingly, the directors of the Company are satisfed that it is appropriate to prepare the consolidated fnancial 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 fnancial and liquidity position; (iii) the successful and

fnancing as and when needed.

assets and current liabilities, respective] l The efects of these adjustments have not been refected in these condensed consolidated fnancial statements.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated fnanciab

3. PRINCIPAL ACCOUNTING POLICIES

applied in the preparation of the Group's annual consolidated financial statements for the year ended

Six months ended 30 June 2023 (Unaudited)

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

		Property	
	HK$'000	*HK$'000*	*HK$'000*
Segment profit			
Finance costs (other than interest on lease			
Share of profits of:			

Geographical information

Revenue from external customers

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

5. REVENUE AND OTHER INCOME, GAINS AND LOSSES

	(Unaudited) Six months ended 30 June 2023
	HK$'000
Revenue from other sources	
	51,611
	2

	Six months ende 2023

6. FINANCE COSTS

An analysis of finance costs is as follows:

	(Unaudited) Six months ended 30 June 2023
	HK$'000
	7,780
	185,634
	—
	1,849
	195,263

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
	HK$'000
PRC CIT — charge for the period	**—**
	(7,086)
	(7,086)

8. LOSS BEFORE TAXATION

	(Unaudited) Six months ended 30 June 2023
	*2023***2023**

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

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.

** English name is translated for identification purpose only*

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 i

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 fxed and foating 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), to measure the Group's level of leverage to ensure the Group has the liquidity to meet its financial obligations at all times. The Group will strive to improve its liquidity by expediting its collection of outstanding loan receivables and disposal of financial asset investments (including equity

PLEDGE OF ASSETS

COMMITMENTS

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

Except for the deviation uws govesame ő ʻ p(ar] uniem l e pain ị ap ī

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