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If you are in doubt as to any aspect of this circular, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountants or other professional adviser.

If you have sold or transferred all your shares in **Silver Grant International Holdings Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser and transferee.

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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)**

**(1) MAJOR TRANSACTIONS:
DISPOSALS OF THE TARGET PROPERTIES
AND 100% INTEREST IN AND LOAN TO THE TARGET COMPANY
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 7 to 19 of this circular.

A notice convening the extraordinary general meeting of the Company (“**EGM**”) to be held at Room 1, 26/F, Guangzhou Jiayu Center, 769 Huacheng Avenue, Tianhe District, Guangzhou, Guangdong Province, the People’s Republic of China on Monday, 11 December 2023 at 11:00 a.m. or any adjournment thereof is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy form for use in the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company’s share registrar and transfer office, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the EGM (i.e. not later than 11:00 a.m. on Friday, 8 December 2023) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

22 November 2023

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DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings:

“Balance of First Initial Consideration”	the balance of the First Initial Consideration after deducting the First Deposit, which amounts to HK\$100,000,000
“Balance of Second Consideration”	the balance of the Second Consideration after deducting the Second Deposit, which amounts to HK\$50,000,000
“Board”	the board of Directors
“Business Day”	9:00 a.m. to 5:00 p.m. on any day (other than a Saturday, Sunday, a general holiday in Hong Kong or a day on which a tropical cyclone warning no. 8 or a “black” rainstorm warning is hoisted at any time between 9:00 a.m. and 5:00 p.m.)
“Company”	Silver Grant International Holdings Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposals”	the First Disposal and the Second Disposal
“EGM”	an extraordinary general meeting of the Company convened to be held at 11:00 a.m. on Monday, 11 December 2023 at Room 1, 26/F, Guangzhou Jiayu Center, 769 Huacheng Avenue, Tianhe District, Guangzhou, Guangdong Province, the PRC to consider and, if thought fit, approve the Sale and Purchase Agreements and the transactions contemplated thereunder
“Encumbrances”	any mortgage, charge (whether fixed or floating), claim, equitable interest, lien, option, pledge, bill of sale, security interest or other encumbrance of any kind securing, right of first refusal, hypothecation, deed of trust, title retention or similar restriction of any kind (including any restriction on use, voting, transfer, receipt of income, or exercise of any other ownership interest) or interest under any contract or trust or any other third party interest of whatsoever nature over or in the relevant shares, assets or property; any proxy, power of attorney, voting trust agreement, trust interest, option

DEFINITIONS

“Facilities”	all or any credit facilities granted or to be granted by the Mortgagee at any time or from time to time in favour of the Company including without limitation a secured term loan facility in the aggregate amount of HK\$180,000,000 made to the Company pursuant to the Facility Agreement, the outstanding principal amount of which amounted to HK\$150,000,000 as at the Latest Practicable Date
“Facility Agreement”	the facility agreement dated 17 December 2021 and entered into between the Company and the Mortgagee (as supplemented, modified or amended by the supplemental deed dated 5 January 2023 and entered into among the Company, SG Hainan, the Target Company and the Mortgagee) in relation to a secured term loan facility in the aggregate amount of HK\$180,000,000 made to the Company
“First Completion”	completion of the First Disposal
“First Completion Date”	a date falling within 10 Business Days following the fulfillment (or waiver, as the case may be) of the First Conditions, or such other date as the Group and the First Purchaser may agree in writing, which must be a Business Day
“First Completion Management Accounts”	the proforma accounts of the Target Company (comprising a proforma statement of comprehensive income and a proforma statement of financial position) for the period commencing from 1 September 2023 and ending on, and as at, the First Completion Date
“First Conditions”	the conditions precedent to which the First Completion is subject as set out in the paragraph headed “Conditions precedent to First Completion” under the section headed “The Sale and Purchase Agreements” in the Letter from the Board in this circular
“First Consideration”	the total consideration for the First Disposal, after adjustments as set out in the paragraph headed “First Consideration” under the section headed “The Sale and Purchase Agreements” in the Letter from the Board in this circular
“First Deposit”	the deposit in the amount of HK\$100,000,000 to be paid by the First Purchaser pursuant to the First Sale and Purchase Agreement

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“First Deposit Payment Date”	a date falling within 3 Business Days after obtaining the Shareholders’ approval in relation to, the Sale and Purchase Agreements and the respective transactions contemplated thereunder at the extraordinary general meeting of the Shareholders to consider and if thought fit to pass and approve the resolution(s) in relation to, inter alia, the aforesaid matters (or such other date as the Company, SG Hainan and the First Purchaser may agree in writing), which must be a Business Day
“First Disposal”	the disposal of the Sale Interest and the Sale Loan pursuant to the First Sale and Purchase Agreement
“First Initial Consideration”	the initial consideration of HK\$200,000,000 for the First Disposal
“First Long Stop Date”	31 December 2023 (or such other date as the Company, SG Hainan and the First Purchaser may agree in writing)
“First Properties”	the properties held by the Target Company as at the Latest Practicable Date, i.e. offices 1, 2 and 9 on 49th Floor Office Tower, Convention Plaza, No. 1 Harbour Road, Hong Kong
“First Properties Valuation”	the preliminary valuation of the First Properties as at 31 August 2023 of HK\$180,500,000 as assessed by an independent qualified valuer using the comparison approach
“First Purchaser”	Silver Grant Group Limited, a company incorporated in the British Virgin Islands with limited liability
“First Sale and Purchase Agreement”	the sale and purchase agreement dated 11 October 2023 and entered into between the Company, SG Hainan and the First Purchaser in relation to the First Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who is/are not connected person(s) of the Company and is/are independent of the Company and its connected persons
“Latest Practicable Date”	17 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mortgage Amount”	all moneys, present and future obligations and liabilities (whether actual or contingent) due, owing or incurred by the Company and/or SG Hainan and/or the Target Company from time to time to the Mortgagee in respect of the Facilities and all interest thereon and all other moneys, obligations and liabilities in respect of moneys which the Target Company and/or the Company and/or SG Hainan covenant to pay to the Mortgagee under the Facility Agreement and other finance documents as referred to in the Facility Agreement, which is not expected to be more than HK\$155,100,000 (which was determined by reference to (i) the outstanding principal amount of the Facilities as at the date of the First Sale and Purchase Agreement of HK\$150,000,000; and (ii) the estimated amount of the outstanding interest accrued thereon up to the First Completion Date) as at the First Completion Date
“Mortgagee”	CMBC Capital Finance Limited, the person who provided the Facilities under the Facility Agreement, the mortgagee under the mortgages over the Target Properties, and the chargee under the share charge over the Sale Interest, which is a wholly-owned subsidiary of CMBC Capital Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1141) and engaged in provision of financial services
“Mr. Gao”	Mr. Gao Jian Min
“Mr. Liu”	Mr. Liu Tianni
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Property Valuation Report”	the property valuation report issued by Greater China Appraisal Limited in relation to the market value of the Target Properties as at 31 August 2023, which is set out in Appendix II to this circular
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreements”	the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement
“Sale Interest”	100% of the issued shares of the Target Company

DEFINITIONS

“Sale Loan”	all amounts, including principal and interest owing by the Target Company to the Company as at the First Completion Date, which amounted to approximately HK\$98,535,000 and HK\$98,740,000 as at 31 August 2023 and the Latest Practicable Date, respectively
“Second Completion”	completion of the Second Disposal
“Second Completion Date”	a date falling within 10 Business Days after the fulfillment of the Second Conditions, or such other date as the Company and the Second Purchaser may agree in writing
“Second Conditions”	the conditions precedent to which Second Completion is subject as set out in the paragraph headed “Conditions precedent to Second Completion” under the section headed “The Sale and Purchase Agreements” in the Letter from the Board in this circular
“Second Consideration”	the consideration of HK\$70,000,000 for the Second Disposal
“Second Deposit”	the deposit in the amount of HK\$20,000,000 to be paid by the Second Purchaser pursuant to the Second Sale and Purchase Agreement
“Second Deposit Payment Date”	a date falling within 3 Business Days after obtaining the Shareholders’ approval in relation to, the Sale and Purchase Agreements and the respective transactions contemplated thereunder at the extraordinary general meeting of the Shareholders to consider and if thought fit to pass and approve the resolution(s) in relation to, inter alia, the aforesaid matters (or such other date the Company and the Second Purchaser may agree in writing)
“Second Disposal”	the disposal of the Second Properties pursuant to the Second Sale and Purchase Agreement
“Second Long Stop Date”	31 December 2023 (or such other date as the Company and the Second Purchaser may agree in writing)
“Second Properties”	the duplex apartment 9B on 9/F & 10/F, No. 6A Bowen Road, Hong Kong and the car parking space No. 106 on 2nd Level Basement, No. 6A Bowen Road, Hong Kong, which were held by the Company as at the Latest Practicable Date
“Second Purchaser”	Mr. Gao Jimmy Z., a son of Mr. Gao

DEFINITIONS

“Second Sale and Purchase Agreement”	the sale and purchase agreement dated 11 October 2023 and entered into between the Company and the Second Purchaser in relation to the Second Disposal
“SG Hainan”	Silver Grant Hainan Investment (BVI) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares
“Shares”	shares of the Company with no par value
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Real China Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Target Properties”	the First Properties and the Second Properties
“%”	per cent.

In this circular, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of HK\$1 to RMB0.918. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at these or any other rates or at all.

References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



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)

Executive Directors:

Chu Hing Tsung (alias Zhu Qing Yi)
(Chairman and Co-Chief Executive Officer)
Chen Yongcun *(Co-Chief Executive Officer)*
Luo Zhihai
Tang Lunfei
Weng Jian

Registered Office:

Suite 4901
49th Floor
Office Tower
Convention Plaza
1 Harbour Road
Wanchai
Hong Kong

Non-Executive Director:

Chen Zhiwei

Independent Non-Executive Directors:

Liang Qing
Zhang Lu
Hung Muk Ming

22 November 2023

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTIONS:
DISPOSALS OF THE TARGET PROPERTIES
AND 100% INTEREST IN AND LOAN TO THE TARGET COMPANY**

INTRODUCTION

Reference is made to the announcement of the Company dated 11 October 2023 in relation to the Sale and Purchase Agreements.

The purpose of this circular is to provide you with, among other things, (i) further details of the Sale and Purchase Agreements and the transactions contemplated thereunder; and (ii) a notice of the EGM.

LETTER FROM THE BOARD

THE SALE AND PURCHASE AGREEMENTS

The First Sale and Purchase Agreement

Date: 11 October 2023

Parties:

- (i) The Company, as one of the vendors;
- (ii) SG Hainan, as the other vendor; and
- (iii) The First Purchaser, as the purchaser.

The First Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The First Purchaser is owned by Mr. Gao, Mr. Liu, Mr. Sung Yeung Leon and Ms. Zhao Jane Qiao (the spouse of Mr. Gao) as to 30%, 30%, 20% and 20%, respectively.

Mr. Gao was an executive Director and the managing Director (also taking up the role as the chief executive officer of the Company) from June 1993 to September 2019 and a non-executive Director from September 2019 to December 2019. He was also a director of a number of the subsidiaries of the Company when he was a Director. He was responsible for formulating business strategies of the Group and overseeing and managing the business and operations of the Group.

Mr. Liu was appointed as (a) the deputy general manager of the Company from 1994 to 2005; and (b) an executive Director and the deputy managing Director from May 2001 to January 2019. He was also a director of a number of the subsidiaries of the Company when he was a Director. Mr. Liu was responsible for overseeing and managing the business and operations of the Group.

Mr. Sung Yeung Leon was a senior manager and deputy general manager of the Company from July 1995 to June 2006 and from July 2006 to January 2019 respectively. He was also a director of a number of the subsidiaries of the Company from October 2004 to July 2019. He was responsible for assisting in overseeing and managing the daily operations of the Group.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the First Purchaser and its ultimate beneficial owners are Independent Third Parties and as at the Latest Practicable Date, none of Mr. Gao, Mr. Liu, Mr. Sung Yeung Leon and Ms. Zhao Jane Qiao held any interests in the Company.

LETTER FROM THE BOARD

Assets to be disposed of:

The Company and SG Hainan have conditionally agreed to sell, and the First Purchaser has conditionally agreed to acquire, the Sale Interest (i.e. 100% of the issued shares of the Target Company). The Company has conditionally agreed to sell, and the First Purchaser has conditionally agreed to acquire, the Sale Loan. As at the Latest Practicable Date, the Sale Loan in the amount of approximately HK\$98,740,000 consisted of (a) an unsecured non-interest bearing shareholder's loan of approximately HK\$62,175,000, which was advanced in 1996 and repayable on demand; (b) an unsecured shareholder's loan of approximately HK\$35,227,000 bearing interest at Hong Kong prime lending rate per annum, which was advanced in 1996 and repayable on demand ("**Interest-bearing Loan**"); and (c) the interest accrued on the Interest-bearing Loan of approximately HK\$1,338,000. There is no loan agreement entered into between the Company and the Target Company in respect of such loans.

First Consideration:

The First Consideration shall be calculated as follows:

$$\text{First Consideration} = \text{First Initial Consideration} + \text{Sum X} - \text{Sum Y}$$

Where:

Sum X = the aggregate amount of the following tangible assets of the Target Company for the periods up to (and including) the First Completion Date as shown in the First Completion Management Accounts:

- (a) the aggregate amount of any cash and bank balance as shown in the First Completion Management Accounts (if any);
- (b) sums receivable on account of management fee deposits, utilities deposits, and any other deposits or funds (if any) in respect of the First Properties; and
- (c) prepayments already paid on account of government rents and rates, management fees and other outgoings and expenses relating to the First Properties;

Sum Y = the aggregate of the following:

- (a) the aggregate amount of the liabilities (except the Sale Loan and deferred tax liabilities) of the Target Company (whether actual or contingent) as at the First Completion Date as shown in the First Completion Management Accounts; and

LETTER FROM THE BOARD

- (b) accruals and provisions for outstanding expenses, outgoings, charges and costs (including government rents and rate, management fees and utility charges and other administrative and operating expenses and duties, but excluding deferred tax liabilities) payable in respect of the First Properties for the periods up to (and including) the First Completion Date;

provided that the balance of Sum X after deducting Sum Y shall be capped at HK\$500,000.

If (1) the First Consideration calculated with reference to the First Completion Management Accounts is less than the First Initial Consideration paid by the First Purchaser, the Company and SG Hainan shall repay to the First Purchaser the excess amount within 5 Business Days from the date of receipt of the First Completion Management Accounts; or (2) the First Consideration calculated with reference to the First Completion Management Accounts is more than the First Initial Consideration paid by the First Purchaser, the First Purchaser shall pay to the Company and SG Hainan the amount of such shortfall within 5 Business Days from the date of receipt of the First Completion Management Accounts.

If the First Completion Management Accounts are disagreed by the First Purchaser, the Company and SG Hainan shall engage an international firm of accountants to audit the First Completion Management Accounts, and in the event that (1) the First Consideration calculated with reference to the audited First Completion Management Accounts is less than the First Initial Consideration paid by the First Purchaser, the Company and SG Hainan shall repay to the First Purchaser the excess amount within 5 Business Days of production of such audited accounts; or (2) the First Consideration calculated with reference to such audited accounts is more than the First Initial Consideration paid by the First Purchaser, the First Purchaser shall pay to the Company and SG Hainan the amount of such shortfall within 5 Business Days of production of such audited accounts.

The First Consideration shall be paid in the following manner:

- (1) upon the Company and SG Hainan producing satisfactory documentary proof issued by the Mortgagee or its solicitors at least 5 Business Days prior to the First Deposit Payment Date showing that the Mortgage Amount shall not be more than HK\$155,100,000 as at the First Deposit Payment Date, the First Deposit shall be paid by the First Purchaser to the Company on the First Deposit Payment Date; and
- (2) upon the Company and SG Hainan producing satisfactory documentary proof issued by the Mortgagee or its solicitors at least 5 Business Days prior to the First Completion Date showing that the Mortgage Amount shall not be more than HK\$155,100,000 as at the First Completion Date but subject to the adjustment to the First Initial Consideration as set out above, the Balance of First Initial Consideration shall be paid by the First Purchaser to the Company and SG Hainan on First Completion.

LETTER FROM THE BOARD

Basis of the First Consideration:

The First Consideration was determined after arm's length negotiations between the Group and the First Purchaser on normal commercial terms after taking into account (i) the First Properties Valuation; and (ii) the unaudited net asset value of the Target Company as at 31 August 2023 of approximately HK\$66,351,000.

Conditions Precedent to First Completion:

First Completion is conditional upon and subject to the following First Conditions:

- (1) the obtaining of the approval of the Shareholders in relation to the First Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
- (2) the obtaining of all necessary consents and approvals from third party in respect of the First Sale and Purchase Agreement and the transactions contemplated thereunder, if applicable;
- (3) the Company and SG Hainan having shown, given and proved that the Target Company has a good title to the First Properties in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong);
- (4) the Company and SG Hainan having good title to the Sale Interest (free from all Encumbrances) and the Company having good title to the Sale Loan (free from all Encumbrances);
- (5) the representations, warranties, undertakings or indemnities made or given by the Company and SG Hainan to the First Purchaser remaining true, complete and accurate and not misleading as at the First Completion in all material aspects; and
- (6) the First Purchaser having completed the due diligence review on the Target Company and being reasonably satisfied with the result thereof.

First Conditions (1) and (2) set out above cannot be waived by any party to the First Sale and Purchase Agreement. The First Purchaser may in its absolute discretion at any time waive in writing any of the First Conditions (3) to (6) set out above or any part thereof.

In the event that (a) the above First Conditions are not fulfilled (unless, in the case of First Conditions (3) to (6) set out above, waived by the First Purchaser in whole or in part) on or before the First Long Stop Date, or (b) the First Sale and Purchase Agreement becomes unconditional but the Second Sale and Purchase Agreement does not become unconditional on or before the First Long Stop Date, or (c) the Second Sale and Purchase Agreement is terminated (whichever the earlier), the First Sale and Purchase Agreement and the transactions contemplated thereunder shall terminate and be null and void, and that the First Sale and Purchase Agreement shall have no further effect and no party to the First Sale and Purchase Agreement shall have any liability to any other party, save with respect to any antecedent breaches of the First Sale and Purchase Agreement.

LETTER FROM THE BOARD

First Completion:

Subject to the fulfilment or (as the case may be) waiver of the First Conditions, First Completion shall take place on the First Completion Date.

As at the Latest Practicable Date, the Group owned 100% of the issued shares of the Target Company. Immediately after First Completion, the Group will cease to own any issued share of the Target Company and the Target Company will cease to be a subsidiary of the Company and its financial results will cease to be consolidated into the results of the Group.

If the First Purchaser fails to complete the purchase of the Sale Interest or the Sale Loan in accordance with the terms and conditions of the First Sale and Purchase Agreement (other than as a result of the default of the Company and SG Hainan), the Company and SG Hainan may forthwith determine the First Sale and Purchase Agreement and the Company and SG Hainan shall be entitled to forfeit out of the First Deposit paid a sum equivalent to 10% of the First Initial Consideration as liquidated damages and the Company and SG Hainan shall have no further claim against the First Purchaser.

If the Company and SG Hainan fail to complete the sale of the Sale Interest or the Sale Loan in accordance with the terms and conditions of the First Sale and Purchase Agreement (other than as a result of the default of the First Purchaser), the First Purchaser may forthwith determine the First Sale and Purchase Agreement and the Company and SG Hainan shall immediately compensate the First Purchaser with a refund of all the First Deposit paid by the First Purchaser, together with a sum equivalent to 10% of the First Initial Consideration as liquidated damages and the First Purchaser shall have no further claim against the Company and SG Hainan.

The Second Sale and Purchase Agreement

Date: 11 October 2023

Parties:

- (i) The Company, as the vendor; and
- (ii) The Second Purchaser, as the purchaser.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Second Purchaser is an Independent Third Party and did not hold any interest in the Company as at the Latest Practicable Date.

Assets to be disposed of:

The Company has conditionally agreed to sell, and the Second Purchaser has conditionally agreed to acquire, the Second Properties.

LETTER FROM THE BOARD

Second Consideration:

The Second Consideration is HK\$70,000,000, which shall be paid by the Second Purchaser in the following manner:

- (1) the Second Deposit in the amount of HK\$20,000,000 shall be paid as deposit and in part payment of the Second Consideration by the Second Purchaser to the Company on the Second Deposit Payment Date upon the Company producing satisfactory documentary proof issued by the Mortgagee or its solicitors, at least 5 Business Days prior to the Second Deposit Payment Date showing that the Mortgage Amount shall not be more than HK\$155,100,000 as at the Second Deposit Payment Date; and
- (2) the Balance of Second Consideration in the amount of HK\$50,000,000 shall be paid by the Second Purchaser to the Company on the Second Completion Date upon the Company producing satisfactory documentary proof issued by the Mortgagee or its solicitors at least 5 Business Days prior to the Second Completion Date showing that the Mortgage Amount shall not be more than HK\$155,100,000 as at the Second Completion Date.

Basis of the Second Consideration:

The Second Consideration was determined after arm's length negotiations between the Company and the Second Purchaser on normal commercial terms after taking into account the preliminary valuation of the Second Properties as at 31 August 2023 of HK\$80,500,000 as assessed by an independent qualified valuer using the comparison approach.

Conditions Precedent to Second Completion:

Second Completion is conditional upon and subject to the following Second Conditions:

- (1) the obtaining of the approval of the Shareholders in relation to the Second Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the Listing Rules; and
- (2) the obtaining of all necessary consents and approvals from third party in respect of the Second Sale and Purchase Agreement and the transactions contemplated thereunder, if applicable.

Neither of the Second Conditions set out above can be waived by the Second Purchaser or the Company.

In the event that (a) the above Second Conditions are not fulfilled on or before the Second Long Stop Date, or (b) the Second Sale and Purchase Agreement becomes unconditional but the First Sale and Purchase Agreement does not become unconditional on or before the Second Long Stop Date, or (c) the First Sale and Purchase Agreement is terminated (whichever the earlier), the Second Sale and Purchase Agreement and the transactions contemplated thereunder shall terminate and be null and void, and the Second Sale and Purchase Agreement shall have no further effect, in which case the parties to the Second Sale and Purchase Agreement shall at their own costs enter into a cancellation agreement to rescind the Second Disposal and

LETTER FROM THE BOARD

all the deposits paid to the Company will be refunded to the Second Purchaser in full within 7 days after the lapse of the Second Sale and Purchase Agreement but without any interest costs or compensation and neither party to the Second Sale and Purchase Agreement shall have any other claim against the other thereon, save with respect to any antecedent breaches of the Second Sale and Purchase Agreement.

Second Completion:

Subject to the fulfilment of the Second Conditions, Second Completion shall take place on the Second Completion Date.

If the Second Purchaser fails to complete the purchase of the Second Properties in accordance with the terms and conditions of the Second Sale and Purchase Agreement (other than for the default of the Company), the Company may forthwith determine the Second Sale and Purchase Agreement by giving notice of termination in writing to the Second Purchaser or the Second Purchaser's solicitors to such effect and the Company shall thereupon be entitled to re-enter upon the Second Properties and repossess the same if possession shall have been given to the Second Purchaser free from any right or interest of the Second Purchaser therein and the Company shall be entitled to forfeit out of the Second Deposit a sum equivalent to 10% of the Second Consideration as liquidated damages (and not as a penalty) and to recover from the Second Purchaser such further damages (if any) which the Company may sustain by reason of such failure on the part of the Second Purchaser.

If the Company fails to complete the sale of the Second Properties in accordance with the terms and conditions of the Second Sale and Purchase Agreement, the Second Purchaser may forthwith determine the Second Sale and Purchase Agreement by giving notice of termination in writing to the Company or the Company's solicitors to such effect and all moneys paid by the Second Purchaser to the Company pursuant to the provisions of the Second Sale and Purchase Agreement shall be forthwith returned to the Second Purchaser who shall also be entitled to recover from the Company a sum equivalent to 10% of the Second Consideration as liquidated damages and such further damages (if any) which the Second Purchaser may sustain by reason of such failure on the part of the Company.

INFORMATION ON THE TARGET COMPANY AND THE TARGET PROPERTIES

The Target Company is a company incorporated in Hong Kong with limited liability, which is principally engaged in investment holding and its principal assets are the First Properties. The Sale Interest is subject to a share charge executed in favour of the Mortgagee. The First Properties, which are currently used by the Group as office, are subject to a mortgage executed in favour of the Mortgagee. The First Properties are classified as property, plant and equipment of the Group.

LETTER FROM THE BOARD

Set out below is the financial information of the Target Company for the years ended 31 December 2021 and 31 December 2022:

	For the year ended 31 December 2022 <i>(audited)</i> <i>HK\$'000</i>	For the year ended 31 December 2021 <i>(audited)</i> <i>HK\$'000</i>
Net loss before taxation and extraordinary items	(22,360)	(458)
Net loss after taxation and extraordinary items	(19,066)	(779)

The unaudited net assets and the unaudited total assets of the Target Company as at 31 August 2023 were approximately HK\$66,351,000 and approximately HK\$180,641,000, respectively.

The Second Properties, which are residential properties that are currently vacant, are subject to a mortgage executed in favour of the Mortgagee. The Second Properties were leased to an Independent Third Party for a term from 16 April 2017 to 15 April 2019 at the monthly rental of HK\$110,000. The Second Properties have been vacant since the expiry of such tenancy. The Second Properties are classified as investment properties of the Group. The carrying value of the Second Properties as shown in the unaudited financial statements of the Company for the eight months ended 31 August 2023 was HK\$80,500,000.

The Property Valuation Report, setting out the market value of the Target Properties as at 31 August 2023, is set out in Appendix II to this circular.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENTS

The Group is principally engaged in property leasing and investments.

The Board conducts strategic reviews of the Group's assets and operations from time to time. Taking into consideration the corporate restructuring undertaken by the Group since 2022 which has reduced the number of staff in both its offices in Hong Kong and the PRC and thus freed up part of the floor space of the First Properties which are currently used by the Group as its office in Hong Kong, the Board is of the view that it will be more cost efficient for the Group to dispose of the First Properties which will strengthen the Group's liquidity, and rent a property with a smaller area for its Hong Kong office after the First Completion. In light of the age of the Second Properties and their conditions, as well as the fierce competition in the rental market for upscale residential properties in Hong Kong, major renovation work over the Second Properties will need to be undertaken to make them competitive in the rental market. As such, the Board considers that it will be more in the interest of the Company and the Shareholders for the Group to switch its investment from the Second Properties to newer properties with greater investment value. Having considered the current market value of the Target Properties, the general economic conditions in Hong Kong, the financial position of the Group and the factors set out above, the Board is of the view that the Disposals will provide an opportunity for the Group to realise a reasonable return and improve its liquidity.

LETTER FROM THE BOARD

The Group expects to recognise (i) an unaudited gain of approximately HK\$34,435,000 from the First Disposal, which is calculated with reference to the difference between (a) the First Consideration; and (b) the aggregate of (aa) the estimated unaudited net assets of the Target Company as recorded in the Group's unaudited financial statements at First Completion (which have taken into account of the Sale Loan); and (bb) the estimated costs, expenses and taxes to be incurred in connection with the First Disposal; and (ii) an unaudited loss of approximately HK\$11,000,000 from the Second Disposal, which is calculated with reference to the difference between (a) the Second Consideration; and (b) the aggregate of (aa) the estimated carrying value of the Second Properties as recorded in the Group's unaudited financial statements at Second Completion; and (bb) the estimated costs, expenses and taxes to be incurred in connection with the Second Disposal. The actual amounts of the respective gain(s) or loss(es) as a result of the Disposals to be recorded by the Group are subject to the audit to be performed by the Company's auditors.

The Directors expect that (i) the net proceeds from the First Disposal, after deducting the expenses directly attributable thereto and the taxes, will be approximately HK\$199,321,000; and (ii) the net proceeds from the Second Disposal, after deducting the expenses directly attributable thereto and the taxes, will be approximately HK\$69,500,000. The above net proceeds from the Disposals will be used by the Group for the purposes of repayment of the Mortgage Amount and other debts of the Group, as well as general working capital.

In light of the interest rate hikes and the declining property market in Hong Kong, the Group wished to dispose of the Target Properties and obtain a reasonable return on them before further drops in the property prices. The First Consideration and the Second Consideration under the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement, respectively, were the highest purchase prices offered to the Group since the Target Properties had been put on the market for sale by the Group. As set out in the paragraph headed "Conditions Precedent to Second Completion" above, as the Second Sale and Purchase Agreement will be terminated if, among others, the First Sale and Purchase Agreement does not become unconditional on or before the Second Long Stop Date or is terminated, the Second Completion will not take place if the First Sale and Purchase Agreement does not become unconditional or is terminated. Notwithstanding that the Second Consideration (i.e. HK\$70,000,000) is lower than the valuation of the Second Properties as at 31 August 2023 of HK\$80,500,000 and the Group is expected to record a loss of approximately HK\$11,000,000 from the Second Disposal, taking into account that (i) the First Consideration (i.e. HK\$200,000,000, subject to adjustments) is higher than both (a) the valuation of the First Properties as at 31 August 2023 of HK\$180,500,000; and (b) the aggregate of the face value of the Sale Loan (which amounted to approximately HK\$98,535,000 and HK\$98,740,000 as at 31 August 2023 and the Latest Practicable Date, respectively) and the net asset value of the Target Company as at 31 August 2023 of approximately HK\$66,351,000; and (ii) the Group is expected to record a gain of approximately HK\$34,435,000 from the First Disposal, it is expected that the Disposals will generate an overall gain of approximately HK\$23,435,000 for the Group.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

LISTING RULES IMPLICATION

As 50% of the issued shares of the First Purchaser are owned by Mr. Gao and his spouse, and the Second Purchaser is a son of Mr. Gao, the First Purchaser and the Second Purchaser are connected or otherwise associated with each other and thus the transactions contemplated under the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement shall be aggregated.

As set out in the circulars of the Company dated 10 June 2019 and 5 August 2022 in relation to the convertible bonds in the aggregate principal amount of HK\$1,150,000,000 issued by the Company (“**Convertible Bonds**”), the Company had issued the Convertible Bonds in the principal amounts of HK\$200,000,000, HK\$100,000,000 and HK\$100,000,000 to (i) Mr. Gao; (ii) Wonderful Sky Financial Group Holdings Limited (a company the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1260) and as at the Latest Practicable Date, Mr. Liu was deemed to be interested in approximately 70.83% of the issued shares of this company); and (iii) Ms. Luk Ching Sanna (the spouse of Mr. Liu) respectively. Such Convertible Bonds had been redeemed by the Company in December 2022 and March 2023. To the best of the directors' knowledge, information and belief having made all reasonable enquiry, save as disclosed above, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the First Purchaser and the Second Purchaser, any of the directors, the legal representatives and/or the ultimate beneficial owner(s) of the First Purchaser who can exert influence on the Disposals; and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the Disposals).

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposals on an aggregated basis exceed 25% but are less than 75%, the Disposals constitute major transactions for the Company under Chapter 14 of the Listing Rules and are subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Given that none of the Directors has a material interest in the Sale and Purchase Agreements and the transactions contemplated thereunder, no Director was required to abstain from voting on the Board resolutions approving the same.

EGM

A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular. The EGM will be held at Room 1, 26/F, Guangzhou Jiayu Center, 769 Huacheng Avenue, Tianhe District, Guangzhou, Guangdong Province, the PRC on Monday, 11 December 2023 at 11:00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, approving, the Sale and Purchase Agreements and the transactions contemplated thereunder.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had a material interest in the Sale and Purchase Agreements and the transactions contemplated thereunder and was required to abstain from voting on the proposed resolutions at the EGM.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM or any adjournment thereof, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar and transfer office, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the EGM (i.e. not later than 11:00 a.m. on Friday, 8 December 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

CLOSURE OF REGISTER OF MEMBERS

To ascertain the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 6 December 2023 to Monday, 11 December 2023, both days inclusive, during which period no transfer of the Shares will be registered. In order to be eligible to attend and vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 5 December 2023.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreements are on normal commercial terms and are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Sale and Purchase Agreements and the transactions contemplated thereunder.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully

On behalf of the Board

Silver Grant International Holdings Group Limited

Chu Hing Tsung

Chairman, Co-Chief Executive Officer and Executive Director

1. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 September 2023, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following outstanding indebtedness:

Secured bank loans

As at 30 September 2023, the Group had outstanding secured bank loans of approximately RMB118,500,000 (equivalent to approximately HK\$129,085,000), which were secured by the following: (i) certain properties owned by the Group; and (ii) corporate guarantees executed by 東環(北京)物業管理有限公司 (East Gate (Beijing) Property Management Co., Ltd.*) (“**East Gate**”) and the Company.

Unsecured bank loans

As at 30 September 2023, the Group had outstanding unsecured bank loans of approximately RMB58,600,000 (equivalent to approximately HK\$63,834,000).

Other borrowings – secured

As at 30 September 2023, the Group had outstanding secured other borrowings of approximately HK\$149,200,000 and RMB3,084,452,000 (equivalent to approximately HK\$3,359,970,000), which were secured by the following: (i) certain properties owned by the Group; (ii) corporate guarantees executed by (a) East Gate; and (b) the Company; and (iii) personal guarantee executed by Mr. Chu Hing Tsung (“**Mr. Chu**”) and Mr. Chen Yongcun (“**Mr. Chen**”).

Other borrowings – unsecured

As at 30 September 2023, the Group had outstanding unsecured other borrowings of approximately RMB25,481,000 (equivalent to approximately HK\$27,757,000).

Lease liabilities

As at 30 September 2023, the Group had outstanding lease liabilities amounting to RMB39,296,000 (equivalent to approximately HK\$42,806,000).

Charge on assets

As at 30 September 2023, the Group pledged certain investment properties and leasehold land and buildings with an aggregate carrying value of approximately HK\$2,157,507,000 and approximately HK\$179,942,000, respectively, to secure general banking facilities granted to the Group, other loans and other payables to an independent third party.

* English name is translated for identification purpose only

Contingent liabilities

As at 30 September 2023, the Group provided corporate guarantees of approximately HK\$3,084,215,000 in respect of the loans granted to a joint venture of the Company. Save as disclosed above, the Group did not have any other significant contingent liabilities as at 30 September 2023.

Save as the aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in its ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, or any outstanding bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments which were either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding as at the close of business on 30 September 2023.

2. WORKING CAPITAL STATEMENT

The Group's borrowings with an aggregate principal amount of approximately HK\$237,029,000 have become due and remained outstanding as at the date of this circular and certain bank and other borrowings of the Group with an aggregate principal amount of approximately HK\$782,606,000 will be due within the next 12 months from the date of this circular. In consideration of that, the Directors will continue their negotiations with the lenders of certain of the Group's bank and other borrowings or other financial institutions on the refinancing of the Group's borrowings due within the next 12 months.

In the opinion of the Directors, the sufficiency of working capital of the Group in the next 12 months from the date of this circular is dependent on (i) the successful completion of the Disposals; (ii) the continual support from the existing lenders of the Group such that they will not demand immediate repayment of the relevant borrowings which have become due; (iii) the successful and timely agreement with the lenders on the extension of the repayment dates and refinancing of the Group's existing borrowings; and (iv) the successful generation of cash flows from the Group's operations.

The Directors, after due and careful enquiry, are of the opinion that, after taking into account (i) the net proceeds from the Disposals; (ii) the continual support from the existing lenders of the Group such that they will not demand immediate repayment of the relevant borrowings which have become due; (iii) the Group's ability to extend the repayment dates of, and refinance, its existing borrowings; and (iv) the Group's internal resources and cash flows from the Group's operations, the Group has sufficient working capital to satisfy its requirements for at least 12 months from the date of this circular.

The Company has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

3. FINANCIAL AND TRADING PROSPECTS

Looking forward to the coming six months, 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 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 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, (i) 中海油氣(泰州)石化有限公司 (Zhong Hai You Qi (Taizhou) Petrochemical Company Limited*) ("**Zhong Hai You Qi**"), which is principally engaged in the crude oil processing business and the production and sale of petrochemical products; and (ii) 北京靈駿新能源科技有限責任公司 (Beijing Lingjun New Energy Technology Company Limited*) ("**Beijing Lingjun**"), which is principally engaged in the research and development, transfer and promotion of photovoltaic battery technology in China, 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 first six months of 2023, with the unremitting efforts of the operation management team whose members were jointly appointed by the shareholders of Zhong Hai You Qi (including the Group), Zhong Hai You Qi had expanded into the overseas market for the first time since the commencement of the Reform. As a private enterprise which promotes the reform of state-owned enterprises, Beijing Lingjun will integrate flexibility, autonomy and incentive into the genes of new energy projects, and enhance its strength to gain a firm foothold in the fierce market competition. Riding on the favourable policy of the Reform and being confident, the Group, being part of the private economy, will concentrate its efforts to become stronger and better on its chosen path.

4. EFFECTS OF THE DISPOSALS ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

Upon First Completion, the Target Company will cease to be a wholly-owned subsidiary of the Company and the Company will cease to have any interest in the Target Company. Therefore, the profit and loss and assets and liabilities of the Target Company will no longer be consolidated into the financial statements of the Group.

Assets and liabilities

Upon First Completion, the unaudited consolidated total assets of the Group would decrease by approximately HK\$180.6 million and the unaudited consolidated total liabilities of the Group would decrease by approximately HK\$15.8 million as a result of the First Disposal.

Upon Second Completion, the unaudited consolidated total assets of the Group would decrease by approximately HK\$80.5 million and the unaudited consolidated total liabilities of the Group would decrease by approximately HK\$8.9 million as a result of the Second Disposal.

* English name is translated for identification purpose only

Upon First Completion and Second Completion, the unaudited consolidated total assets of the Group would decrease by approximately HK\$261.1 million and the unaudited consolidated total liabilities of the Group would decrease by approximately HK\$24.7 million as a result of the Disposals.

Earnings

The Group expects to recognise (i) an unaudited gain of approximately HK\$34,435,000 from the First Disposal, which is calculated with reference to the difference between (a) the First Consideration; and (b) the aggregate of (aa) the estimated unaudited net assets of the Target Company as recorded in the Group's unaudited financial statements at First Completion (which have taken into account of the Sale Loan); and (bb) the estimated costs, expenses and taxes to be incurred in connection with the First Disposal; and (ii) an unaudited loss of approximately HK\$11,000,000 from the Second Disposal, which is calculated with reference to the difference between (a) the Second Consideration; and (b) the aggregate of (aa) the estimated carrying value of the Second Properties as recorded in the Group's unaudited financial statements at Second Completion; and (bb) the estimated costs, expenses and taxes to be incurred in connection with the Second Disposal. The actual amounts of the respective gain(s) or loss(es) as a result of the Disposals to be recorded by the Group are subject to the audit to be performed by the Company's auditors.

As the Target Company and the Second Properties did not generate any revenue from third party in the year ended 31 December 2022, save as disclosed above, there will not be any other impact on the earnings of the Group as a result of any of the Disposals.

The actual amounts of the consolidated assets and liabilities of the Group upon First Completion and/or Second Completion and the gain or loss as a result of the Disposals to be recorded by the Group are subject to the audit to be performed by the Company's auditors.

The following is the text of a letter, a summary of values and valuation certificates prepared for the purpose of incorporation in this circular received from Greater China Appraisal Limited, an independent valuer, in connection with their valuation as at 31 August 2023 of the Target Properties to be disposed of by the Group.

GREATER CHINA APPRAISAL LIMITED
漢華評值有限公司

Room 304, 3/F
Shui On Centre
6-8 Harbour Road
Wanchai, Hong Kong

22 November 2023

The Board of Directors
Silver Grant International Holdings Group Limited
Suite 4901, 49th Floor, Office Tower
Convention Plaza Office Tower
1 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

Re: Valuation of various real properties in Hong Kong

In accordance with your instructions to value certain real property interests to be disposed of by Silver Grant International Holdings Group Limited (referred to as the “**Company**”) and its subsidiaries (together referred to as the “**Group**”) in Hong Kong, details of which are set out in the enclosed valuation certificates (such real property interests are hereinafter referred to as the “**Real Properties**”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Real Properties as at 31 August 2023 (referred to as the “**valuation date**”).

This letter which forms part of our valuation report explains the basis and methodology of valuation, and clarifies our assumptions made, title investigation of the Real Properties and the limiting conditions.

I. BASIS OF VALUATION

The valuation is our opinion of the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

II. PROPERTY CATEGORISATIONS

In the course of our valuation, the real property interests are categorised into the following groups:-

- Group I — Real property interest held for investment and to be disposed of by the Group in Hong Kong
- Group II — Real property interest held for owner-occupation and to be disposed of by the Group in Hong Kong

III. VALUATION METHODOLOGY

We have valued the real property interests by using the direct comparison approach assuming sale of the real property interests in their existing states with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in the relevant market.

IV. ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the real property interests on the open market in their existing states without the benefit of any deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the values of the real property interests.

For the Real Properties which are held under long-term government leases, we have assumed that the owner of the Real Properties has free and uninterrupted rights to use, transfer or lease the Real Properties for the whole of the unexpired term of the respective government leases. In our valuation, we have assumed that these real properties can be freely disposed of, transferred and leased to third parties on the open market without any additional payment to the relevant government authorities.

All applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report.

No environment impact study has been ordered or made. Full compliance with applicable local, provincial and national environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the report. It is also assumed that all required licences, consents, or other legislative or administrative authority from any local, provincial, or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

Other specific assumptions in relation to the Real Properties, if any, have been stated out in the footnotes of the valuation certificates.

V. TITLESHIP INVESTIGATION

We have caused searches made at the Land Registry in Hong Kong in respect of the real property interests. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which do not appear on the copy handed to us.

All legal documents disclosed in this report, if any, are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the real property interests set out in this report.

VI. LIMITING CONDITIONS

We have inspected the exterior and, where possible, the interior of the Real Properties. However, no structural survey has been made and we are therefore unable to report as to whether the Real Properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have not carried out detailed site measurements to verify the correctness of the areas in respect of the relevant Real Properties but have assumed that the areas shown on the relevant documents provided to us are correct. Based on our experience of valuation of similar real properties, we consider the assumptions so made to be reasonable. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

Having examined all relevant documentation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us by it on such matters as planning approvals, statutory notices, easements, tenure, occupation and floor areas and in the identification of the Real Properties. We have had no reason to doubt the truth and accuracy of the information provided by the Group. We were also advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuation for any charges, mortgages or amounts owing neither on the real properties valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the real property interests are free of encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

VII. OPINION OF VALUE

Our opinion of the market values of the Real Properties is set out in the attached summary of values and the valuation certificates.

VIII. REMARKS

Our valuation has been prepared in accordance with generally accepted valuation procedures and in compliance with the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

In valuing the real property interests, we have complied with the requirements contained in the HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors and the RICS Valuation – Global Standards (effective from 31 January 2022) published by The Royal Institution of Chartered Surveyors.

Site inspection of the Real Properties was conducted in August 2023 by Mr. Derrick Chau (BSc). The completed real properties were maintained in a reasonable condition commensurate with their ages and uses and equipped with normal building services.

Unless otherwise stated, all monetary amounts stated herein are dominated in the currency of Hong Kong Dollars (“**HK\$**”).

We enclose herewith the summary of values and valuation certificates.

This valuation report is issued subject to our General Service Conditions.

Yours faithfully,
For and on behalf of
GREATER CHINA APPRAISAL LIMITED

Ms. Yuki Chan
FRICS, FHKIS, RPS(G.P.), AAPI
Director

Mr. Andy Lee
MRICS, MHKIS
Assistant Director

Notes: Ms. Yuki Chan is a Chartered Surveyor who has more than 10 years of real property valuation experience in Hong Kong, the PRC and the Asia-Pacific region.

Mr. Andy Lee is a Chartered Surveyor who has more than 10 years of real property valuation experience in Hong Kong, the PRC and the Asia-Pacific region.

SUMMARY OF VALUES

No.	Real Properties	Market Value in existing state as at 31 August 2023 (HK\$)
Group I — Real property interest held for investment and to be disposed of by the Group in Hong Kong		
1.	Duplex Apartment 9B on 9th Floor & 10th Floor and Car Parking Space No. 106 on 2nd Level Basement, No. 6A Bowen Road, Hong Kong	80,500,000
Group II — Real property interest held for owner-occupation and to be disposed of by the Group in Hong Kong		
2.	Offices 1, 2 and 9 on 49th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Hong Kong	180,500,000
Total:		<u><u>HK\$261,000,000</u></u>

VALUATION CERTIFICATES

Group I — Real property interest held for investment and to be disposed of by the Group in Hong Kong

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 August 2023 (HK\$)
1.	Duplex Apartment 9B on 9th Floor & 10th Floor and Car Parking Space No. 106 on 2nd Level Basement, No. 6A Bowen Road, Hong Kong (the “ Real Property ”) A total of 68/1,035th shares of and in Inland Lot No. 6459 (the “ Lot ”)	<p>The Real Property is located on the middle section of Bowen Road within Mid-Levels district. The locality comprises mainly low to medium-rise residential buildings.</p> <p>The subject building, which is a 13-storey residential building with two units per floor, is served by two lifts and two staircases. It was completed in 1983.</p> <p>The Real Property comprises a duplex residential unit on the 9th Floor & 10th Floor and a car parking space on the 2nd Level Basement. The residential unit has a saleable area of approximately 2,645.8 sq.ft.</p> <p>The Lot is held under a Government Lease for a term of 75 years commencing on 5 September 1949 and renewable for further 75 years.</p> <p>The Government rent of the Lot is HK\$542 per annum.</p>	According to the information provided by the Company, the Real Property is vacant.	80,500,000 (Hong Kong Dollars Eighty Million and Five Hundred Thousand Only)

Notes:

- (i) The registered owner of the Real Property is Silver Grant International Holdings Group Limited (Certified Copy Certificate of Change of Name) via Memorial No. 20112701520088 dated 24 May 2019.
- (ii) The Real Property is subject to a Deed of Covenant via Memorial No. UB2685938 dated 23 August 1984.
- (iii) The Real Property is subject to a Mortgage in favour of CMBC Capital Finance Limited via Memorial No. 21122402030016 dated 17 December 2021.
- (iv) According to the Approved Mid-Levels West Outline Zoning Plan No. S/H11/15, the Lot is zoned under Residential (Group C) 6.

(v) In the course of our valuation of the residential portion of the Real Property, we have made reference to various sale transactions of similar real properties within the locality having similar characteristics. The selection criteria for the comparables are as follows:-

- 1) Situated within Mid-levels;
- 2) Effective saleable area in the range of about 1,800 square feet to 3,000 square feet;
- 3) Situated below 40th Floor; and
- 4) Duplex residential unit.

Details of the comparable properties for the residential portion of the Real Property are shown as follows:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name of Development	Royal Court	Dynasty Court	The Morgan	Royal Court
Tower	-	2	-	-
Address	3 Kennedy Road	23 Old Peak Road	31 Conduit Road	3 Kennedy Road
District	Mid-Levels	Mid-Levels	Mid-Levels	Mid-Levels
Completion Year	1989	1991	2016	1989
Floor	38 and 39	22 and 23	28 and 29	36 and 37
Unit	C	B	C	B
Approximate Effective Saleable Area (sq.ft.)	1,848	2,411	2,420	2,217
Date of Instrument	28 March 2023	15 June 2022	25 March 2022	7 May 2021
Consideration (HK\$)	61,000,000	110,800,000	138,000,000	81,800,000
Approximate Unit Rate on the basis of Effective Saleable Area (HK\$/sq.ft.)	33,009	45,956	57,025	36,897

Appropriate adjustments have been made to reflect the differences between the selected comparables and the residential portion of the Real Property in terms of time, age, floor, location, size, facilities and view. Details of considerations for the adjustment factors are shown as follows:

Adjustment Factor	Considerations
Time	Adjustments have been made to reflect the changes in the market conditions over a period of time.
Age	It is generally accepted that, buildings depreciate over times, properties in more recently built developments would command a higher unit rate.
Floor	Properties on higher floor level enjoy better ventilation, better privacy and less affected by noise from busy traffic on ground and hence command a higher unit rate. Properties with special amenity (if any) could also command a higher unit rate.
Location	Properties in locality with lower population density, better accessibility and better public security usually command a higher unit rate.
Size	Smaller-size units usually fetch a higher unit rate whilst a quantum discount would normally be allowed for larger-size premises.

Adjustment Factor	Considerations
Facilities	Properties with more comprehensive facilities such as club house, landscape area etc. in the development usually command a higher unit rate.
View	Generally, properties with a better view would command a higher unit rate than those with a worse view.

List of the comparables with each of their adjustments made and the resulting adjusted unit rates are tabulated as follows:

Adjustment	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Time	-2%	-8%	-6%	-6%
Floor	-24%	-6%	-8%	-13%
Building characteristic (Age, Location, Facilities, View and size)	-1%	-16%	-29%	1%
Total Adjustment	-27%	-30%	-43%	-18%
Adjusted Unit Rate on the basis of Effective Saleable Area (HK\$/sq.ft.)	24,097	32,169	32,504	30,256

Adopted Unit Rate on saleable area for the residential portion of the Real Property (per sq.ft.)

HK\$29,800

(vi) In the course of our valuation of car parking space of the Real Property, we have made reference to various sale transactions of similar real properties within the locality having similar characteristics. The selection criteria for the comparables are as follows:-

- 1) Private car parking space;
- 2) Situated within Mid-levels;
- 3) Situated within residential development with similar age; and
- 4) Unit Rate in the reasonable range of about HK\$1,500,000 to HK\$1,800,000 per car parking space.

Details of the comparable properties for the car parking space are shown as follows:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7	Comparable 8
Name of Development	Scenecliff	Albron Court	Jing Tai Garden Mansion	Albron Court	Peaksville	Valiant Park	Valiant Park	Grandview Tower
Address	33 Conduit Road	99 Caine Road	27 Robinson Road	99 Caine Road	74 Robinson Road	52 Conduit Road	52 Conduit Road	128-130 Kennedy Road
District	Mid-Levels	Mid-Levels	Mid-Levels	Mid-Levels	Mid-Levels	Mid-Levels	Mid-Levels	Mid-Levels
Floor	3	LG4	3	LG3	CP2	CPL1	CPL4	G3
No. of car parking space	2	1	1	1	1	1	1	1
Date of Instrument	24 August 2023	9 August 2023	5 May 2023	20 April 2023	23 March 2023	11 March 2023	20 February 2023	17 February 2023
Consideration (HK\$)	3,104,000	1,800,000	1,760,000	1,600,000	1,600,000	1,638,000	1,680,000	1,628,000
Unit Rate (HK\$ per car parking space)	1,552,000	1,800,000	1,760,000	1,600,000	1,600,000	1,638,000	1,680,000	1,628,000

Appropriate adjustments have been made to reflect the difference between the selected comparables and the car parking space of the Real Property in terms of time and level. Details of considerations for the adjustment factors are shown as follows:

Adjustment Factor Considerations

Time Adjustments have been made to reflect the changes in the market conditions over a period of time.

Level Car parking space near ground floor enjoy better accessibility and hence command a higher unit rate.

List of the comparables with each of their adjustments made and the resulting adjusted unit rates are tabulated as follows:

Adjustment	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7	Comparable 8
Total Adjustment (Time and Level)	2%	2%	3%	-1%	-2%	-4%	3%	1%
Adjusted Unit Rate (HK\$ per car parking space)	1,583,040	1,836,000	1,812,800	1,584,000	1,568,000	1,572,480	1,730,400	1,644,280

Adopted Unit Rate for the car parking space of the Real Property (per car parking space)

HK\$1,700,000

(vii) The details breakdown of the market value of the Real Property as at valuation date is shown as follows:

	Market Value in existing state as at 31 August 2023 (HK\$)
Residential unit	78,800,000
Car parking space	<u>1,700,000</u>
Total:	<u><u>80,500,000</u></u>

Group II — Real property interest held for owner-occupation and to be disposed of by the Group in Hong Kong

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 August 2023 (HK\$)
2.	Offices 1, 2 and 9 on 49th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Hong Kong (the “ Real Property ”)	<p>The Real Property is located on the northern side of Harbour Road and bounded by Fleming Road within Wanchai district. The locality comprises mainly commercial buildings. Some hotels and residential buildings are scattered in the vicinity.</p>	<p>According to the information provided by the Company, the Real Property is occupied by the Group for office use.</p>	<p>180,500,000 (Hong Kong Dollars One Hundred Eighty Million and Five Hundred Thousand Only)</p>
	<p>A total of 6,889/4,000,000th shares of and in Inland Lot No. 8593 (the “Lot”)</p>	<p>The subject building, which is an office tower of Convention Plaza, built over a multi-storey common podium of Convention & Exhibition Centre, hotel facilities, shopping arcade, restaurant and other ancillary facilities plus 2 levels of basement car park. The subject building was completed in 1990.</p>		
		<p>The Real Property comprises three office units on the 49th Floor. It has a total saleable area of approximately 4,243 sq.ft.</p>		
		<p>The Lot is held under a Conditions of Grant No. UB11784 for a term of 75 years commencing on 19 February 1985.</p>		
		<p>The Government rent of the Lot is HK\$1,000 per annum.</p>		

Notes:

- (i) The registered owner of the Real Property is Real China Development Limited via Memorial Nos. UB6591799 and 08082701950062 dated 29 March 1996 and 31 July 2008 respectively.
- (ii) The Real Property is subject to an Occupation Permit No. H29/90 via Memorial No. UB4501042 dated 7 March 1990.
- (iii) The Real Property is subject to a Deed of Mutual Covenant via Memorial No. UB4568130 dated 13 September 1990.
- (iv) The Real Property is subject to a Sub-Deed of Mutual Covenant via Memorial No. UB6423796 dated 18 September 1995.
- (v) The Real Property is subject to a Mortgage in favour of CMBC Capital Finance Limited via Memorial No. 21122402030021 dated 17 December 2021.
- (vi) The Real Property is subject to a G.N. 8117 under Roads (Works, Use and Compensation) Ordinance (Chapter 370) via Memorial No. 22011000830019 dated 30 December 2021, with Remarks: (Notice under Section 16) with Plan No. HKM8133 RE: Creation of Rights of Temporary Occupation of Land for PWP Item No. 7677CL Wan Chai Development Phase II – Proposed Works RE Portion.
- (vii) According to the Draft Wan Chai North Outline Zoning Plan No. S/H25/5, the Lot is zoned under Other Specified Uses (Exhibition Centre With Commercial Development).
- (viii) In the course of our valuation of the Real Property, we have made reference to various sale transactions of similar real properties within the locality having similar characteristics. The selection criteria for the comparables are as follows:-
 - 1) Situated within Wanchai;
 - 2) Grade A office unit;
 - 3) Saleable area in the range of 1,000 square feet to 2,000 square feet; and
 - 4) Floor level above 20th Floor.

Details of the comparable properties are shown as follows:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name of Development	Novo Jaffe	Novo Jaffe	Novo Jaffe	Novo Jaffe
Address	218 Jaffe Road	218 Jaffe Road	218 Jaffe Road	218 Jaffe Road
District	Wanchai	Wanchai	Wanchai	Wanchai
Completion Year	2022	2022	2022	2022
Floor	21	25	30	29
Unit	1	1	1	1
Saleable Area (sq.ft.)	1,322	1,322	1,322	1,322
Date of Instrument	4 April 2023	25 October 2022	11 July 2022	11 July 2022
Consideration (HK\$)	49,800,000	50,470,000	56,075,000	53,832,000
Approximate Unit Rate on the basis of Saleable Area (HK\$/ sq.ft.)	37,670	38,177	42,417	40,720

Appropriate adjustments have been made to reflect the difference between the selected comparables and the reference unit, Office 1 of the Real Property in terms of time, age, floor, location, quality, size and view. Details of considerations for the adjustment factors are shown as follows:

Adjustment Factor	Considerations
Time	Adjustments have been made to reflect the changes in the market conditions over a period of time.
Age	It is generally accepted that, buildings depreciate over times, properties in more recently built developments would command a higher unit rate.
Floor	Properties on higher floor level enjoy better ventilation, better privacy and less affected by noise from busy traffic on ground and hence command a higher unit rate.
Location	Properties in neighbourhood with better accessibility and better public security usually command a higher unit rate.
Quality	Properties with better building quality would fetch a higher unit rate.
Size	Smaller-size units usually fetch a higher unit rate whilst a quantum discount would normally be allowed for larger-size premises.
View	Generally, properties with a better view would command a higher unit rate than those with a worse view.

List of the comparables with each of their adjustments made and the resulting adjusted unit rates are tabulated as follows:

Adjustment	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Time	-3%	-2%	-8%	-8%
Floor	5.2%	4.6%	3.6%	3.8%
Building characteristic (Age, Location, Quality, View and Size)	9%	9%	8%	9%
Total Adjustment	11.2%	11.6%	3.6%	4.8%
Adjusted Unit Rate on the basis of saleable area (HK\$/sq.ft.)	41,889	42,606	43,944	42,675

Adopted Unit Rate on saleable area for the reference unit, Office 1 (per sq.ft.)

HK\$42,800

Having assessed the unit rate for the reference unit, Office 1 by the above analysis, adjustments have been made to reflect the differences between it and the remaining units of the Real Property (i.e. Office 2 and Office 9) in terms of size and view. List of the remaining units of the Real Property with each of their adjustments made and the resulting adjusted unit rates are tabulated as follows:

	Office 2	Office 9
Saleable Area (sq.ft.)	1,462	1,067
Total adjustment (View and Size)	1%	-4%
Approximate Adjusted Unit Rate on the basis of saleable area (HK\$/sq.ft.)	43,200	41,100

(ix) The details breakdown of the market value of the Real Property as at valuation date is shown as follows:

	Market Value in existing state as at 31 August 2023 (HK\$)
Office 1	73,400,000
Office 2	63,200,000
Office 9	43,900,000
	<hr/>
Total:	180,500,000
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1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in the securities of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules ("Code"), to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares

Name of Director	Capacity	Number of Shares interested	Approximate percentage of the issued Shares (Note 1)
Mr. Chu	Interest of controlled corporations (Note 2)	680,750,022	29.54%
Mr. Chen	Beneficial owner	700,000	0.03%
Weng Jian	Interest of spouse (Note 3)	644,000	0.03%

Notes:

1. The total number of issued Shares as at the Latest Practicable Date (i.e. 2,304,849,611 Shares) had been used for the calculation of the approximate percentage of shareholdings in the Company.
2. Mr. Chu directly holds 34.06% of the issued shares of Rong De Investments Limited (“**Rong De**”), which in turn holds approximately 65.60% of the issued shares of Zhuguang Holdings Group Company Limited (“**Zhuguang Holdings**”), which in turn holds 100% of the issued shares of Splendid Reach Limited (“**Splendid Reach**”), the beneficial owner of such 680,750,022 Shares. Accordingly, Mr. Chu, Rong De and Zhuguang Holdings are deemed to be interested in such 680,750,022 Shares pursuant to Part XV of the SFO.
3. Weng Jian is the spouse of Yang Jingxiu and under Part XV of SFO, he is deemed to be interested in all the shares in which Yang Jingxiu is interested or deemed to be interested.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interest or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Code, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, (i) Mr. Chu was the chairman and an executive director of Zhuguang Holdings; (ii) Mr. Chen Zhiwei, a non-executive Director, was the assistant general manager and managing director of the investment department of China Cinda (HK) Holdings Company Limited (“**Cinda HK**”); and (iii) Mr. Tang Lunfei, an executive Director, was the chief risk and compliance officer of Cinda HK. Both Zhuguang Holdings and Cinda HK are substantial Shareholders (having the meaning ascribed to it under the Listing Rules) whose interests in the Shares fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had any interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Substantial Shareholders’ interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, so far as it was known to the Directors or the chief executives of the Company, the following persons, other than the Directors or the chief executives of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Part XV of the SFO, and were recorded in the register required to be kept under section 336 of the SFO:

Long positions in the Shares

Name of substantial Shareholder	Capacity	Number of Shares interested	Approximate percentage of the issued Shares (Note 1)
China Cinda Asset Management Co., Ltd. ("China Cinda")	Interest of controlled corporations (Note 2)	438,056,000	19.01%
Cinda HK	Interest of a controlled corporation (Note 2)	438,056,000	19.01%
Regent Star International Limited ("Regent Star")	Beneficial owner (Note 2)	438,056,000	19.01%
Liao Tengjia	Interest of controlled corporations (Note 3)	680,750,022	29.54%
Rong De	Interest of controlled corporations (Note 3)	680,750,022	29.54%
Zhuguang Holdings	Interest of a controlled corporation (Note 3)	680,750,022	29.54%
Splendid Reach	Beneficial owner (Note 3)	680,750,022	29.54%

Notes:

1. The total number of issued Shares as at the Latest Practicable Date (i.e. 2,304,849,611 Shares) has been used for the calculation of the approximate percentage of shareholdings in the Company.
2. China Cinda directly holds 100% of the issued shares of Cinda HK, which in turn holds 100% of the issued shares of Regent Star. Therefore, China Cinda and Cinda HK are deemed to be interested in the number of Shares held by Regent Star pursuant to Part XV of the SFO.
3. Liao Tengjia directly holds 36% of the issued shares of Rong De, which in turn holds approximately 65.60% of the issued shares of Zhuguang Holdings, which in turn holds 100% of the issued shares of Splendid Reach. Therefore, Liao Tengjia, Rong De and Zhuguang Holdings are deemed to be interested in the number of Shares held by Splendid Reach pursuant to Part XV of the SFO.

Long positions in the underlying Shares

Name of substantial Shareholder	Capacity	Number of underlying Shares interested	Approximate percentage of the issued Shares (Note 1)
China Cinda	Interest of controlled corporations (Note 2)	180,257,511 (Note 3)	7.82%
Cinda HK	Interest of a controlled corporation (Note 2)	180,257,511 (Note 3)	7.82%
Regent Star	Beneficial owner (Note 2)	180,257,511 (Note 3)	7.82%

Notes:

1. The total number of issued Shares as at the Latest Practicable Date (i.e. 2,304,849,611 Shares) has been used for the calculation of the approximate percentage of shareholdings in the Company.
2. China Cinda directly holds 100% of the issued shares of Cinda HK, which in turn holds 100% of the issued shares of Regent Star, the beneficial owner of such 180,257,511 underlying Shares. Therefore, China Cinda and Cinda HK are deemed to be interested in the number of underlying Shares held by Regent Star pursuant to Part XV of the SFO.
3. These represent unlisted physically settled derivatives of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive officers of the Company were not aware of any other person (other than the Directors or the chief executives of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Part XV of the SFO or was recorded in the register required to be kept by the Company under section 366 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which was not expiring or determinable by the employer within one year without payment of compensation other than statutory compensation.

4. LITIGATION

So far as the Directors are aware, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

5. COMPETING INTERESTS

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or any of their respective close associates (having the meaning ascribed to it under the Listing Rules) were interested in any business apart from the business of the Group, which competes or is likely to compete either directly or indirectly with the business of the Group.

6. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of or leased to, any member of the Group.

As at the date of this circular, none of the Directors was materially interested in any contract or arrangement subsisting as at the date of this circular which is significant in relation to the business of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed in this circular, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

8. EXPERT AND CONSENT

The following sets out the qualification of the expert who has given an opinion or advice which is included in this circular:

Name	Qualification
Greater China Appraisal Limited	Independent professional valuer

As at the Latest Practicable Date, the expert named above:

- (a) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letter, report and/or summary of its opinions and references to its name and logo in the form and context in which they are included;
- (b) was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and

- (c) did not have any direct or indirect interest in any assets which had since 31 December 2022 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the issue of this circular which are or may be material:

- (a) the capital injection agreement dated 17 December 2021 entered into between 廣州祺元一號投資合夥企業 (有限合夥) (Guangzhou Qi Yuan Yi Hao Investment Partnership (Limited Partnership)*), a non wholly-owned subsidiary of the Company, 鄭元金 (Zheng Yuanjin*) and 梅州市集善經營管理有限公司 (Meizhou City Ji Shan Operation Management Company Limited*) (“**Meizhou City**”), in relation to the injection of RMB20,000,000 into Meizhou City, further details of which are set out in the announcement of the Company dated 17 December 2021;
- (b) the amendment deed dated 6 July 2022 (as amended and supplemented by the second amendment deed dated 15 July 2022) entered into between (i) the Company as issuer; (ii) Mr. Chu as guarantor; and (iii) Regent Star, Mr. Gao, Wonderful Sky Financial Group Holdings Limited, Ms. Luk Ching Sanna, Excel Bright Capital Limited and JIC (Hong Kong) Holding Limited, as subscribers, in relation to the amendments to certain terms and conditions of the 7% senior unsecured and guaranteed convertible bonds in the aggregate principal amount of up to HK\$1,150,000,000, further details of which are set out in the announcements of the Company dated 6 July 2022, 11 July 2022 and 15 July 2022, and the circulars of the Company dated 10 June 2019 and 5 August 2022;
- (c) the joint venture agreement dated 8 September 2022 entered into between 北京隆達天弘科技有限公司 (Beijing Longda Tianhong Technology Company Limited*) (“**Beijing Longda**”), a wholly-owned subsidiary of the Company, 姜帆 (Jiang Fan*) and Beijing Lingjun, a then wholly-owned subsidiary of the Company, pursuant to which Beijing Longda shall transfer 50% equity interest in Beijing Lingjun to Jiang Fan at nil consideration, further details of which are set out in the announcement of the Company dated 8 September 2022; and
- (d) the Sale and Purchase Agreements.

10. GENERAL

- (a) The registered office of the Company is at Suite 4901, 49th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.
- (b) The share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

* English name is translated for identification purpose only

- (c) The company secretary of the Company is Mr. Ng Hoi Leung, Leo, who is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Certified Practising Accountants of Australia.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be on display on the website of the Stock Exchange at (www.hkexnews.hk) and the website of the Company at (<http://www.silvergrant.com.cn>) for not less than 14 days from the date of this circular:

- (a) the Sale and Purchase Agreements;
- (b) the Property Valuation Report, the text of which is set out in Appendix II to this circular; and
- (c) the written consent referred to in the section headed “8. Expert and Consent” in this appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of Silver Grant International Holdings Group Limited (“**Company**”) will be held at Room 1, 26/F, Guangzhou Jiayu Center, 769 Huacheng Avenue, Tianhe District, Guangzhou, Guangdong Province, the People’s Republic of China on Monday, 11 December 2023 at 11:00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT**

- (a) the sale and purchase agreement dated 11 October 2023 (“**First Sale and Purchase Agreement**”), a copy of which has been produced to the EGM and marked as “A” and initialled by the chairman of the EGM for the purpose of identification) entered into between the Company, Silver Grant Hainan Investment (BVI) Limited and Silver Grant Group Limited, in relation to the sale and purchase of 100% of the issued shares of, and the loan advanced by the Company to, Real China Development Limited and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one or more directors of the Company (“**Directors**”) be and are hereby authorised to sign and execute all such documents, agreements, deeds, acts, matters and things, on behalf of the Company and to do all such acts and things and to take all such actions as he considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the First Sale and Purchase Agreement and the transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto (excluding any variation, amendments or waiver of such documents or any terms thereof, which are fundamentally and materially different from those as provided for in the First Sale and Purchase Agreement and which shall be subject to the approval of the shareholders of the Company) as are, in the opinion of such Director or Directors, in the interests of the Company and its shareholders as a whole.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. **“THAT**

- (a) the sale and purchase agreement dated 11 October 2023 (“**Second Sale and Purchase Agreement**”), a copy of which has been produced to the EGM and marked as “B” and initialled by the chairman of the EGM for the purpose of identification) entered into between the Company and Gao Jimmy Z., in relation to the sale and purchase of the Second Properties (as defined in the circular of the Company dated 22 November 2023 (“**Circular**”), a copy of which has been produced to the EGM and marked as “C” and initialled by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one or more Directors be and are hereby authorised to sign and execute all such documents, agreements, deeds, acts, matters and things, on behalf of the Company and to do all such acts and things and to take all such actions as he considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Second Sale and Purchase Agreement and the transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto (excluding any variation, amendments or waiver of such documents or any terms thereof, which are fundamentally and materially different from those as provided for in the Second Sale and Purchase Agreement and which shall be subject to the approval of the shareholders of the Company) as are, in the opinion of such Director or Directors, in the interests of the Company and its shareholders as a whole.”

By Order of the Board
Silver Grant International Holdings Group Limited
Ng Hoi Leung, Leo
Company Secretary

Hong Kong, 22 November 2023

Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company’s share registrar and transfer office, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the EGM (i.e. not later than 11:00 a.m. on Friday, 8 December 2023) or any adjournment thereof.
3. To ascertain the entitlement of the shareholders of the Company to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 6 December 2023 to Monday, 11 December 2023, both days inclusive, during which period no transfer of the shares of the Company will be registered. In order to be eligible to attend and

NOTICE OF EXTRAORDINARY GENERAL MEETING

vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 5 December 2023.

4. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), all votes of the shareholders of the Company at the EGM except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
5. As at the date of this notice, the board of Directors comprises Mr. Chu Hing Tsung (alias Zhu Qing Yi) (the chairman of the Company and a co-chief executive officer of the Company), Mr. Chen Yongcun (a co-chief executive officer of the Company), Mr. Luo Zihai, Mr. Tang Lunfei and Mr. Weng Jian 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.
6. References to time and dates in this notice are to Hong Kong time and dates.