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SILVER GRANT INTERNATIONAL INDUSTRIES LIMITED **銀建國際實業有限公司**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 171)

INSIDE INFORMATION AND PROFIT WARNING ANNOUNCEMENT

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform shareholders of the Company and potential investors that the Group is expected to record a loss attributable to owners of the Company in excess of HK\$50.0 million for the year ended 31 December 2015 as compared with the profit attributable to owners of the Company of approximately HK\$109.4 million recorded by the Group for the year ended 31 December 2014.

The information contained in this announcement is only based on the preliminary review by the Company's management on the unaudited management accounts of the Group for the year ended 31 December 2015 and is subject to change as necessary.

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

This announcement is made by Silver Grant International Industries Limited 銀建國際實業有限公司 (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company and potential investors that the Group is expected to record a loss attributable to owners of the Company in excess of HK\$50.0 million for the year ended 31 December 2015 as compared with the profit attributable to owners of the Company of approximately HK\$109.4 million recorded by

the Group for the year ended 31 December 2014. The Board considers that the expected loss was principally attributable to the following factors:

- (1) A significant decrease in fair value was recognised in respect of the Group's held-for-trading investments in light of a severely dropped stock market in the second half-year of 2015;
- (2) A significant operating loss was incurred by Tai Zhou United East Petrochemical Company Limited ("TZ United East") due to the accumulation of operating expenses in the absence of revenue generated from production during the year. After TZ United East completed its three months' test-running production in the second half year, TZ United East deliberately delayed the commencement of production in light of the significant fluctuations in crude oil prices and a continuous trend of significantly decreased crude oil prices in order to observe the further movements of crude oil prices and to wait for a relatively steady crude oil prices; and
- (3) A one-time gain of approximately HK\$160.8 million was recorded from the disposal of the entire equity interests in a principal associate – Yang Quan Coal Industry (Group) Tiantai Investment Limited in the last year.

The information contained in this announcement is only based on the preliminary review by the Company's management on the unaudited management accounts of the Group for the year ended 31 December 2015 and is subject to change as necessary.

The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2015. The overall results of the Group for the year ended 31 December 2015 will only be ascertained when all the relevant results and treatments are finalised. The final results announcement of the Group for the year ended 31 December 2015 is expected to be published by the end of March 2016.

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

By Order of the Board
Silver Grant International Industries Limited
銀建國際實業有限公司
Chow Kwok Wai
Company Secretary

Hong Kong, 4 March 2016

As at the date of this announcement, the Board comprises Mr. Gao Jian Min (Managing Director), Mr. Liu Tianni (Deputy Managing Director) and Mr. Gu Jianguo as executive directors; Mr. Chen Xiaozhou (Chairman), Mr. Hui Xiao Bing (Vice Chairman) and Mr. Chen Qiming (Vice Chairman) as non-executive directors and Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming as independent non-executive directors.