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中國白銀集團
CHINA SILVER GROUP

CHINA SILVER GROUP LIMITED
中國白銀集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 815)

(1) POSTPONEMENT OF BOARD MEETING
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Reference is made to various announcements of China Silver Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), including:

- (i) the announcement dated 20 March 2020 relating to a profit warning for the year ended 31 December 2019 (“**FY2019**”) (the “**Profit Warning Announcement**”);
- (ii) the announcement dated 27 March 2020 relating to the Group’s unaudited annual results for FY2019 (the “**Unaudited Annual Results Announcement**”); and
- (iii) the announcement dated 17 April 2020 relating to the date of a meeting of the Company’s board of directors (the “**Board**”) for considering and approving the Group’s audited annual results for FY2019 (the “**Date of Board Meeting Announcement**”).

FURTHER DELAY IN AUDITING PROCESS

As explained in the section headed “MANAGEMENT DISCUSSION AND ANALYSIS – Review of Unaudited Annual Results” on page 43 of the Unaudited Annual Results Announcement, the auditing process for the Group’s annual results for FY2019 had been delayed due to restrictions in force in parts of China to combat the novel coronavirus (COVID-19) outbreak and was expected to be completed by the end of April 2020.

Due to the continuing effects of some of these restrictions, the auditing process for the Group’s annual results for FY2019 is still ongoing. Based on the Company’s latest understanding of its auditor’s progress, the Company now expects such auditing process to be completed by 8 May 2020.

POSTPONEMENT OF BOARD MEETING

It was stated in the Date of Board Meeting Announcement that a Board meeting would be held on 29 April 2020 for the purpose of, among other things, considering and approving the Group’s audited annual results for FY2019.

As explained above, since the auditing process has been further delayed, such Board meeting will be postponed to 8 May 2020.

DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS

It was stated in the Unaudited Annual Results Announcement that an announcement relating to the Group’s audited annual results for FY2019 was expected to be published no later than 30 April 2020.

As explained above, since the auditing process has been further delayed, such announcement is now expected to be published on 8 May 2020.

DELAY IN PUBLICATION OF ANNUAL REPORT

Pursuant to Rule 13.46 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Company is required to send to every shareholder a copy of its annual report including its annual accounts not more than four months after the end of the financial year to which such annual accounts relate, being not later than 30 April 2020 in respect of FY2019.

In light of (i) the aforesaid delay in the auditing process; (ii) the time needed for finalising the Group’s audited consolidated financial statements for FY2019 (including the related notes thereto) after the auditing process is completed; and (iii) the time needed for bulk-printing the Company’s 2019 annual report, the Company will be unable to strictly comply with the aforesaid requirement under Rule 13.46 of the Listing Rules.

Taking into account the above factors, and in compliance with the Further Guidance on the Joint Statement in relation to Results Announcements in light of the COVID-19 Pandemic issued by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited on 16 March 2020, the Company now expects to publish its 2019 annual report on or before the date falling 60 days from the date of such joint statement, being 15 May 2020.

UPDATE ON PROFIT WARNING AND UNAUDITED ANNUAL RESULTS

This section of this announcement is issued by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

It was stated in the Profit Warning Announcement that (i) the Group expected to record a net loss attributable to owners of the Company of RMB50 million to RMB60 million for FY2019 (which net loss was stated to be RMB53.9 million in the Unaudited Annual Results Announcement); and (ii) excluding the impact of certain one-off and non-cash share-based payment expenses associated with the Group’s new jewellery retail segment and certain non-recurring impairment loss on goodwill associated with the Group’s silver exchange segment (collectively, the “**One-off Factors**”), the Group would have expected to record a year-on-year increase of 35% to 45% in its net profit attributable to owners of the Company for FY2019 on a comparable basis (which increase was stated to be 39.7% in the Unaudited Annual Results Announcement).

During the auditing process for the Group's annual results for FY2019, the Company and its auditor have discussed, among other things, the calculation of the cost of sales of palladium associated with the Group's manufacturing segment, and have tentatively come to a view that the cost of sales of palladium used for arriving at certain figures set out in the Profit Warning Announcement and the Unaudited Annual Results Announcement should be adjusted upwards, while the income tax expense should consequentially be adjusted downwards but to a smaller extent.

As a result of such adjustments, (i) the Group now expects to record a net loss attributable to owners of the Company of RMB110 million to RMB120 million for FY2019; and (ii) excluding the impact of the One-off Factors, the Group would now have expected to record a year-on-year increase of 5% to 15% in its net profit attributable to owners of the Company for FY2019 on a comparable basis.

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
China Silver Group Limited
Chen Wantian
Chairman

Hong Kong, 27 April 2020

As at the date of this announcement, the executive directors of the Company are Mr. Chen Wantian, Mr. Song Guosheng and Mr. Liu Jiandong; and the independent non-executive directors of the Company are Mr. Song Hongbing, Dr. Li Haitao and Dr. Zeng Yilong.