SILVER GRANT INTERNATIONAL INDUSTRIES LIMITED
銀 建 國 際 實 業 有 限 公 司

(Incorporated in Hong Kong with limited liability)

Website: www.silvergrant.com.hk (Stock Code: 171)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

- Turnover decreased by 77% to HK$119 million
- Profit attributable to equity holders of the Company decreased by 51% to HK$164 million
- Earnings per share amounted to HK$0.09

The board of directors (the "Board") of Silver Grant International Industries Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (together the "Group") for the six months ended 30 June 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2007 (Unaudited)

		Six months ended 30 June	
		2007	2006
	Notes	***HK$'000***	*HK$'000*
Turnover	*2*	**119,473**	528,384
Sales of properties		**15,777**	—
Property management fee income		**52,219**	43,562
Rental income		**31,671**	34,197
		99,667	77,759
Cost of sales		**(40,741)**	(31,525)
		58,926	46,234

		Six months ended 30 June	
		2007	2006
	Notes	***HK$'000***	*HK$'000*
Net gain on disposal of held-for-trading securities		**688**	74,846
Interest income from interest in distressed assets		**13,964**	46,807
Other income	*3*	**58,817**	90,023
Administrative expenses		**(47,301)**	(56,032)
Loss on disposal of investment properties		**(1,728)**	—
Surplus on revaluation of leasehold properties		**3,437**	1,102
(Decrease) increase in fair value of investment properties		**(3,630)**	88,418
Gain on convertible note at fair value through profit or loss		**16,427**	35,412
Fair value change of structured finance securities		**(8,331)**	—
Gain on disposal of available-for-sale investments		**26,518**	—
Finance costs	*4*	**(23,395)**	(24,445)
Share of results of associates		**63,237**	39,532
Share of result of a jointly controlled entity		**4,670**	6,912
Discount on acquisition of additional equity interest in a subsidiary		**—**	24,742
Gain on disposal of a subsidiary		**—**	2,550
Profit before taxation		**162,299**	376,101
Taxation	*5*	**3,515**	(43,033)
Profit for the period	*6*	**165,814**	333,068
Attributable to:			
Equity holders of the Company		**163,640**	332,600
Minority interests		**2,174**	468
		165,814	333,068
Dividend	*7*	**127,450**	108,403
Earnings per share (expressed in HK dollar per share)	*8*		
— Basic		**0.090**	0.190
— Diluted		**0.077**	0.148

CONSOLIDATED BALANCE SHEET

As at 30 June 2007

	Notes	Unaudited At 30 June 2007 HK$'000	Audited At 31 December 2006 HK$'000
ASSETS			
Non-current assets			
Investment properties		**2,192,279**	2,195,909
Property, plant and equipment		**135,368**	132,612
Goodwill		**33,525**	33,525
Interests in associates		**1,258,969**	1,330,123
Interests in a jointly controlled entity		**36,758**	32,088
Amounts due from associates		**—**	210,000
Structured finance securities		**14,844**	24,423
Available-for-sale investments		**190,187**	99,075
Other asset		**2,056**	2,742
		3,863,986	4,060,497
Current assets			
Inventories, at cost		**176**	172
Stock of properties		**236,570**	257,449
Interest in distressed assets		**116,082**	199,931
Available-for-sale investments		**141,718**	141,718
Held-for-trading investments		**61,477**	15,182
Trade receivables	*9*	**12,444**	3,205
Deposits, prepayments and other receivables		**159,853**	23,576
Amounts due from associates		**817,149**	569,822
Amount due from a jointly controlled entity		**186,863**	250,922
Restricted bank balances		**26,882**	532,871
Bank balances and cash		**455,274**	724,995
		2,214,488	2,719,843
Assets classified as held for sale		**—**	88,180
		2,214,488	2,808,023
TOTAL ASSETS		**6,078,474**	6,868,520

	Notes	Unaudited At 30 June 2007 HK$'000	Audited At 31 December 2006 HK$'000
EQUITY			
Capital and reserves			
Share capital		**364,142**	364,142
Reserves		**4,386,179**	4,226,499
Equity attributable to equity holders of the Company		**4,750,321**	4,590,641
Minority interests		**18,435**	16,261
Total equity		**4,768,756**	4,606,902
LIABILITIES			
Non-current liabilities			
Borrowings		**5,175**	5,750
Convertible notes		**385,686**	402,112
Deferred tax liabilities		**251,391**	257,639
		642,252	665,501
Current liabilities			
Trade payables	*10*	**57,106**	84,792
Accrued charges, rental deposits and other payables		**262,059**	241,154
Amounts due to associates		**301,661**	352,146
Accruals for management fee to holding company of a shareholder		**4,270**	58,072
Loan from a shareholder		**—**	220,000
Borrowings		**1,150**	601,150
Taxation payable		**41,220**	38,803
		667,466	1,596,117
Total liabilities		**1,309,718**	2,261,618
TOTAL EQUITY AND LIABILITIES		**6,078,474**	6,868,520
Net current assets		**1,547,022**	1,211,906
Total assets less current liabilities		**5,411,008**	5,272,403

Notes:

1. **Basis of preparation and principal accounting policies**

The consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rule") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The consolidated financial statements have been prepared under the historical cost basis except for properties and certain financial assets and liabilities, which are measured at fair values or revalued amounts.

The accounting policies used in the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006.

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretation (hereinafter referred to as the "New HKFRSs") issued by the HKICPA, which are applicable to accounting period beginning on or after 1 January 2007. The adoption of these New HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following New HKFRSs that have been issued but are not yet effective.

HKAS 23 (Revised)	Borrowing Cost[1]
HKFRS 8	Operating Segments[1]
HK(IFIRC)-INT 11	HKFRS 2 — Group and Treasury Share Transactions[2]
HK(IFIRC)-INT 12	Service Concession Arrangements[3]

[1] Effective for annual period beginning on or after 1 January 2009.
[2] Effective for annual period beginning on or after 1 March 2007.
[3] Effective for annual period beginning on or after 1 January 2008.

The Board anticipated that the application of these New HKFRSs will have no material impact on the results and financial position of the Group.

2. **Turnover and segment information**

Turnover is analysed as follows:

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Proceeds from held-for-trading investments	**5,842**	403,818
Interest income from interest in distressed assets	**13,964**	46,807
Property management fee income	**52,219**	43,562
Rental income	**31,671**	34,197
Sales of properties	**15,777**	—
	119,473	528,384

(i) Business segments

An analysis of the Group's turnover and results by business segments is as follows:

	Six months ended 30 June 2007					
	Distressed assets business *HK$'000*	Investments *HK$'000*	Sales of properties *HK$'000*	Property leasing *HK$'000*	Property management *HK$'000*	Consolidated *HK$'000*
Turnover	13,964	5,842	15,777	31,671	52,219	119,473
Results						
Segment results	13,924	(2,173)	6,875	17,389	7,658	43,673
Interest income						50,614
Surplus on revaluation of leasehold properties						3,437
Decrease in fair value of investment properties	—	—	—	(3,630)	—	(3,630)
Loss on disposal of investment properties	—	—	—	(1,728)	—	(1,728)
Gain on convertible note at fair value through profit or loss						16,427
Fair value change of structured finance securities						(8,331)
Unallocated corporate expenses						(9,193)
Finance costs						(23,395)
Gain on disposal of available-for-sale investments						26,518
Share of results of associates						63,237
Share of results of a jointly controlled entity						4,670
Profit before taxation						162,299
Taxation						3,515
Profit for the period						165,814

	Six months ended 30 June 2006					
	Distressed assets business *HK$'000*	Investments *HK$'000*	Sales of properties *HK$'000*	Property leasing *HK$'000*	Property management *HK$'000*	Consolidated *HK$'000*
Turnover	46,807	403,818	—	34,197	43,562	528,384
Results						
Segment results	46,807	128,126	(1,614)	15,160	994	189,473
Interest income						31,636
Surplus on revaluation of leasehold properties						1,102
Increase in fair value of investment properties	—	—	—	88,418	—	88,418
Gain on convertible note at fair value through profit or loss						35,412
Unallocated corporate expenses						(19,231)
Finance costs						(24,445)
Discount on acquisition of additional equity interest in a subsidiary						24,742
Share of results of associates						39,532
Share of results of a jointly controlled entity						6,912
Gain on disposal of a subsidiary						2,550
Profit before taxation						376,101
Taxation						(43,033)
Profit for the period						333,068

(ii) Geographical segments

An analysis of the Group's turnover by geographical location of customers is as follows:

	Turnover	
	2007	2006
	HK$'000	*HK$'000*
Hong Kong	**5,907**	405,641
The PRC	**113,566**	122,743
	119,473	528,384

3. Other income

Other income includes the following income:

	2007	2006
	HK$'000	*HK$'000*
Change of fair value of held-for-trading investments	**1,200**	57,313
Interest income	**50,614**	31,636
Commission income	**832**	916
Consultancy fee income	**720**	—
Gain on disposal of property, plant and equipment	**55**	—
Exchange gain	**5,084**	—
Others	**312**	158
	58,817	90,023

4. Finance costs

	2007	2006
	HK$'000	*HK$'000*
Interest on bank borrowings		
— wholly repayable within five years	**15,084**	15,356
— not wholly repayable within five years	**181**	222
Interest on other loans wholly repayable within five years	**1,108**	1,055
Interest on convertible notes wholly repayable within five years	**3,116**	7,812
Interest on loan from a shareholder wholly repayable within five years	**3,906**	—
	23,395	24,445

5. Taxation

The charge comprises:

	2007	2006
	HK$'000	*HK$'000*
PRC Enterprises Income Tax	**2,733**	500
Deferred Taxation	**(6,248)**	42,533
Taxation attributable to the Company and subsidiaries	**(3,515)**	43,033

No provision for Hong Kong profits tax has been provided in the current period and the previous period as there is no assessable profit.

The taxation charge of the PRC Enterprise Income Tax for the current and the previous period have been made based on the Group's estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the subsidiaries in the PRC.

6. Profit for the period

	2007	2006
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging:		
Auditors' remuneration	**900**	1,200
Depreciation	**3,800**	3,653
Loss on disposal of property, plant and equipment	**2**	2
Repairs and maintenance fund expensed relating to the Group's investment properties in the PRC	**686**	686
Operating lease rentals in respect of land and buildings	**1,657**	1,791
Staff cost including directors' remuneration and the retirement benefit costs of HK$1,944,000 (2006: HK$1,427,000)	**29,213**	26,260
Share of tax of associate (included in share of results of associates)	**3,727**	2,293
Share of tax of a jointly controlled entity (included in share of results of jointly controlled entity)	**989**	1,570
And after crediting:		
Rental income under operating leases less outgoings of HK$920,000 (2006: HK$1,501,000)	**30,751**	32,300

7. Dividend

On 12 June 2007, the Company paid a dividend of HK$0.07 per share, approximately HK$127,450,000 in aggregate, to the shareholders as final dividend for the year ended 31 December 2006.

On 6 June 2006, the Company paid a dividend of HK$0.06 per share, approximately HK$108,403,000 in aggregate, to the shareholders as final dividend for the year ended 31 December 2005.

The Board has resolved not to recommend payment of any interim dividend for the six months ended 30 June 2007 (2006: Nil).

8. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Earnings:		
Earnings for the purpose of basic earnings per share (profit for the period attributable to equity holders of the Company)	**163,640**	332,600
Effect of dilutive potential shares in respect of convertible notes:		
— gain on convertible note at fair value through profit or loss	**(16,427)**	(35,412)
— finance costs	**3,116**	7,812
— deferred tax	**—**	(537)
Earnings for the purpose of diluted earnings per share	**150,329**	304,463

	Number of shares	
	2007	2006
	In thousand	
Number of shares:		
Weighted average number of shares for the purpose of basic earnings per share	**1,820,710**	1,752,240
Effect of dilutive potential ordinary shares from		
— convertible notes	**138,813**	282,460
— share options	**—**	16,351
Weighted average number of shares for the purpose of diluted earnings per shares	**1,959,523**	2,051,051

9. Trade receivables

The Group allows an average credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables at the balance sheet date:

	30 June 2007	31 December 2006
	HK$'000	*HK$'000*
0 to 30 days	**3,130**	1,062
31 to 90 days	**1,109**	1,281
Over 90 days	**8,205**	862
	12,444	3,205

10. Trade payables

The following is an aged analysis of trade payables at the balance sheet date:

	30 June 2007	31 December 2006
	HK$'000	*HK$'000*
0 to 30 days	**12,214**	53,437
31 to 90 days	**11,198**	11,784
Over 90 days	**33,694**	19,571
	57,106	84,792

REVIEW OF RESULTS

Turnover decreased by 77% to HK$119.5 million (2006: HK$528.4 million). The decrease was mainly due to the HK$398.0 million decrease in turnover attributable to securities trading activities. In the previous period, the Group's realization of IPO investment shares had generated huge turnover and accounted for most of the turnover for securities trading. The turnover in the current period attributable to IPO investments was insignificant.

Profit for the period attributable to equity holders of the Company was HK$163.6 million. Compared to that of the previous period, the profit has decreased by HK$169.0 million, representing a decrease of 51%.

The decrease in profit was mainly due to the decreases in the following income components:

First of all, net profit from trading in securities dropped significantly by HK$130.3 million as a result of lack of realization of IPO investments.

Secondly, the decrease in profit contribution in the amount of HK$89.7 million from the revaluation of leasehold properties and investment properties. However, deferred tax charge in respect of revaluation of investment properties was also decreased by approximately HK$31.4 million. Leaving a net decrease in profit contribution of HK$58.3 million.

Thirdly, the decrease in profit contribution in the amount of HK$19.0 million from the valuation of the Group's convertible note.

Lastly, there was a one-off profit contribution in the amount of HK$24.7 million which was represented by the discount on acquisition of additional equity interest in a subsidiary in the previous period.

And was partially compensated by the increases in the following profit components:

On one hand, the one-off gain in the current period from the partial realization of the Group's investment in Tongjitang in the amount of HK$26.5 million.

On the other hand, the new portfolio of distressed assets acquired in the current period contributed approximately HK$39.0 million profit to the Group.

BUSINESS REVIEW & PROSPECTS

Property investments, development and management

The operations of the Group's property leasing, property development and property management were relatively stable during the current period.

The cumulative property sales and profit of East Gate Metro Garden up to 30 June 2007 was HK$223.8 million and HK$50.5 million respectively. The profit recognized during the current period was approximately HK$6.9 million. The Board expects that total amount of property sales for East Gate Metro Garden will approximate to HK$423.1 million. After the completing the selling of the East Gate Metro Garden, the development of the third phase, which is also the last phase of the Tiexi development project, will commence.

The progress of the re-development project "Zhi You Xiao Zhen" and the "Si He Yuan" project were on scheduled.

Infrastructure investments

Profit contribution from CII was HK$23.2 million (2006: HK$39.8 million). The decrease in profit contribution was mainly due to reduction in toll fee income following the disposal of most of the road and bridge projects. CII now only have two small road and bridge projects, which operations are barely breakeven. The total carrying value of these two road and bridge projects is approximately HK$122.0 million.

The Taian Natural Gas Pipeline project

CII holds 80% and 74% effective interest in the Taian Natural Gas Pipeline project and Taian Gangxin Gas Co., Ltd respectively. The carrying value of the both projects as at 30 June 2007 was approximately HK$114.8 million in aggregate. Profit contribution to CII from both projects was approximately HK$1.4 million in aggregate.

Petrochemical projects

CII invested in, through a 50% owned associated company, CII Petrochemical Limited, three petrochemical projects. The projects are United East Petrochemical Company Limited (in which CII holds a 25% effective interest), Tai Zhou Dong Tai Petrochemical Company Ltd. (in which CII holds a 34% effective interest) and 江蘇中海華東燃油化工有限公司 (in which CII holds a 16.25% effective interest). As at 30 June 2007, the carrying value of these three projects was approximately HK$168.1 million in aggregate. For the current period, there was no profit contribution to CII from these projects (2006: HK$1.5 million).

In light of the high crude oil prices, operation results of these projects are barely breakeven. CII expects that operation results of these projects will be improved when a long term and stable supply of crude oil for the refinery business is secured. CII is still negotiating with the holding company of the local partner to secure such contract.

Financial Investments

Distressed Assets Business

The Cinda Portfolio

In the current period, interest income from the Cinda Portfolio decreased with the reduction in the principal amount of distressed assets to approximately HK$14.0 million (2006: HK$46.8 million). Up to 30 June 2007, the cumulative principal amount of distressed assets in the Cinda Portfolio that has been disposed was approximately HK$44.2 billion, representing 78% of the total principal amount of the Cinda Portfolio. The cumulative amount of cash recovered was approximately HK$1.4 billion. The effective cash recovery rate was approximately 3.2%.

During the current period, the total principal amount of distressed assets in the Cinda Portfolio that has been disposed was approximately HK$2.0 billion. The total amount of cash recovered was approximately HK$115.8 million with a cash recovery rate of approximately 5.8%.

The Group expects to complete the disposal of the Cinda Portfolio by the end of 2007.

The Huarong Portfolio

The Group acquired a portfolio of distressed assets with a total principal amount of RMB36.4 billion (equivalent to approximately HK$35.0 billion) including booked interest ("The Huarong Portfolio") from China Huarong Asset Management Corporation at a total consideration of RMB546.6 million (equivalent to approximately HK$526.6 million) in January 2006. The Huarong Portfolio comprises a total of 11,126 borrowers located in a total of 27 provinces, directly administrated municipalities and autonomies in the PRC. The Group has set a target to complete the disposal of the Huarong Portfolio in two years' time.

The progress of the disposal of the Huarong Portfolio was unsatisfactory during the period. Up to 30 June 2007, the cumulative principal amount of distressed assets in the Huarong Portfolio that has been disposed was approximately HK$10.5 billion, representing approximately 29% of the total principal amount of the Huarong Portfolio. The cumulative cash recovered was approximately HK$246.4 million. The effective cash recovery rate was approximately 2.3%.

The principal amount of distressed assets disposed of during the period was approximately HK$4.2 billion. The cash recovered was approximately HK$93.9 million. And the cash recovery rate was 2.2%.

Profit contribution from the Huarong Portfolio for the period was approximately HK$4.7 million and is included in share of results of jointly controlled entity.

The Orient Portfolio

During the period, the Group acquired from China Orient Asset Management Corporation a portfolio of distressed assets with principal amount of RMB21.3 billion in aggregate at a consideration of RMB319.7 million (equivalent to approximately HK$310.4 million at that time) (the "Orient Portfolio"). And a joint venture was set up for the purpose of disposing of the Orient Portfolio. The Group intends to complete the disposal of the Orient Portfolio in two to three years time.

In the current period, total amount of cash recovered from the Orient Portfolio was approximately HK$110.9 million. Moreover, there was a cash recovery of approximately HK$93.0 million received on behalf by a local bank and is pending transfer back to the joint venture.

Profit contribution from the Orient Portfolio for the period was approximately HK$39.0 million and is included in share of result of associates.

Other financial investments

The Group made a RMB100.0 million (equivalent to HK$96.1 million at that time) strategic investment in a Chinese medicine manufacturer now known as Tongjitang China Medicines Company ("Tongjitang") in 2005. Tongjitang succeeded in getting a listing on the New York Stock Exchange on 16 March 2007 through the issuance of American Depository Shares ("ADS") at an initial offer price of US$10.0 each. At the time of Tongjitang initial listing, the Group sold 625,000 ADSs and recognized a profit of approximately HK$26.5 million. After the disposal, the Group is still holding 2,086,000 ADSs, which has a market value of approximately US$23.5 million (equivalent to approximately HK$183.0 million) and a unrealized holding gains of approximately HK$108.8 million as at 30 June 2007.

GROWTH STRATEGIES

The Group continues to invest in its three core-business: property investment, infrastructure investments and financial investments.

In the coming few years, the Board has intention to commit more resources in the property investment segment.

FINANCIAL REVIEW

Exchange exposure & hedging

At 30 June 2007, the principal foreign currency denominated liability of the Group was a USD52.5 million (equivalent to HK$409.5 million) outstanding convertible note. In light of the currency peg between the USD and HKD, the Board does not consider that this exchange exposure will have material adverse effect on the financial position of the Group.

Except for the above, the Group's principal assets, liabilities, revenue and payments are denominated in HKD and RMB. Despite the recent mild appreciation of the RMB exchange rate, the Board believes that the RMB exchange rate will only appreciate by a small percentage in the foreseeable future. In this regard, the Board believes that exposure to exchange rate fluctuations in respect of RMB will not have material adverse effect on the financial position of the Group.

There was no hedging transaction contracted for by the Group during the current period.

Working capital & borrowings

The Group's total borrowings excluding convertible notes as at 30 June 2007 amounted to approximately HK$6.3 million which was wholly represented by a long-term mortgage loan of which HK$1.2 million will be repayable within one year and is regarded as short term loan. The interest of the mortgage loan was charged at floating rate and the prevailing applicable interest rate was 5.375% per annum. The Group also has a convertible note with an outstanding amount of approximately HK$385.7 million. Interest of the convertible note is charged at 1.5% per annum. Unless converted, the convertible note is due repayable in 2009.

During the period, the Group early repaid a short-term bank loan in the amount of HK$600.0 million granted to a wholly owned subsidiary. As a result, bank balances and secured short-term bank borrowings were reduced significantly.

At the balance sheet date, the cash and bank balances including the restricted bank balances was HK$482.2 million. In addition, the Group has net current assets in the amount of HK$1,547.0 million. In light of the foregoing, the Board is confident that the working capital of the Group is adequate for daily operations and the Group has a healthy financial position.

Capital structure

At 30 June 2007, the shareholders' fund of the Group was HK$4,750.3 million and has increased by HK$159.7 million or 3.5% compared to that as at 31 December 2006.

During the current period, the Company paid HK$127.5 million to shareholders of the Company as final dividend for the year ended 31 December 2006, which has an effect of reducing the overall capital.

Human resources

At 30 June 2007, the Group employed approximately 1,400 employees in Hong Kong and in the PRC. The Group offers its employees competitive remuneration packages, which are consistent with the prevailing market practice. The Group's remuneration policies remain unchanged during the current period. Total staff costs for the current period was HK$29.2 million (2006: HK$26.3 million).

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the accounting period covered by the interim financial report except for CG Code provision E.1.2. CG Code provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting. Due to the fact that the Chairman of the Board was out of town, he did not attend the annual general meeting of the Company held on 29 May 2007. The Chairman of the Board will endeavor to attend all future annual general meetings of the Company unless unexpected or special circumstances preventing him from doing so.

The Company has adopted codes of conduct regarding securities transactions by directors and by relevant employees (as defined in the CG Code) on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("the Model Code") contained in Appendix 10 of the Listing Rules.

On specific enquiries made, all directors have confirmed that, in respect of the accounting period covered by the interim financial report, they have complied with the required standards set out in the Model Code and the Company's code of conduct regarding directors' securities transactions.

The consolidated financial statements for the six months ended 30 June 2007 were unaudited. The Audit Committee has reviewed, accepted and approved the consolidated financial statements for the six months ended 30 June 2007.

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

During the six months ended 30 June 2007, neither the Company nor any of its subsidiaries purchased or sold any of its listed securities.

CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

The Group did not have any material capital commitment as at 30 June 2007. Moreover, the Group did not incur any new contingent liability, which is material during the current period.

FINANCIAL ASSISTANCE GIVEN TO AFFILIATED COMPANIES AMOUNTING TO MORE THAN 8% OF THE ASSETS RATIO

As at 30 June 2007, the aggregate amount of advances made by the Group to its associates was approximately HK$696,930,000.

As at 30 June 2007, the advances made by the Group to its associates are as follows:

	Advances
	HK$'000
北京君合百年房地產開發有限公司	392,248
Ju Fu San Yan Jing Investment Company Limited	137,083
Beijing East Bay Investment Consultants Limited	145,000
Beijing Ju Fu Real Estate Development Company Limited	22,599
	696,930

INTERIM FINANCIAL REPORT

The Interim Financial Report will be dispatch to shareholders and published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.silvergrant.com.hk) in due course.

APPRECIATION

On behalf of the Board, I would like to express my appreciation and gratitude to our shareholders for their support and all the Group's employees for their hard work and dedication in carrying out their duties and in achieving the Group's business goal.

By order of the board of directors
Gao Jian Min
Managing Director

Hong Kong, 25 September 2007

As at the date of this announcement, the Board comprises Mr. Gao Jian Min (Managing Director), Mr. Liu Tianni (Deputy Managing Director), Mr. Gu Jianguo, Mr. Chen Yongcun and Mr. Chow Kwok Wai as executive directors, Mr. Chen Xiaozhou (Chairman), Mr. Hui Xiao Bing (Vice Chairman) and Mr. Yuen Wing Shing as non-executive directors and Mr. Kang Dian, Mr. Zhang Lu and Mr. Hung Muk Ming as independent non-executive directors.