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 2008

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 2008 as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2008 (Unaudited)

		Six months ended 30 June	
		2008	2007
	Notes	***HK$'000***	*HK$'000*
Sales of properties	*2*	—	15,777
Property management fee income	*2*	**68,890**	52,219
Rental income	*2*	**32,253**	31,671
		101,143	99,667
Cost of sales		**(48,463)**	(40,741)
		52,680	58,926
Change in fair value of held-for-trading investments	*2*	**(27,431)**	1,888
Interest income from interest in distressed assets	*2*	—	13,964
Income from investment in distressed assets through establishment of a special purpose vehicle	*2*	**22,811**	—
Dividend income from listed securities	*2*	**932**	—
Other income	*3*	**132,115**	57,617
Administrative expenses		**(59,762)**	(47,301)
Loss on disposal of investment properties		—	(1,728)
Reversal of impairment loss of leasehold properties		**922**	3,437
Change in fair value of investment properties		**12,731**	(3,630)
(Loss) gain on convertible note classified as liabilities at fair value through profit or loss		**(6,846)**	16,427
Change in fair value of structured finance securities		**1,818**	(8,331)
Gain on disposal of available-for-sale investments		—	26,518
Finance costs	*4*	**(12,269)**	(23,395)
Share of results of associates		**58,890**	63,237
Share of result of a jointly controlled entity		**(716)**	4,670
Profit before taxation		**175,875**	162,299
Taxation	*5*	**(3,343)**	3,515
Profit for the period	*6*	**172,532**	165,814
Attributable to:			
Equity holders of the Company		**171,724**	163,640
Minority interests		**808**	2,174
		172,532	165,814
Dividend	*7*	**145,657**	127,450
Earnings per share *(in HK dollar)*	*8*		
— Basic		**0.094**	0.090
— Diluted		**0.092**	0.077

CONSOLIDATED BALANCE SHEET

As at 30 June 2008

	Notes	**Unaudited At 30 June 2008 *HK$'000***	Audited At 31 December 2007 *HK$'000*
ASSETS			
Non-current assets			
Investment properties		**2,220,983**	2,126,216
Property, plant and equipment		**172,716**	156,346
Goodwill		**7,001**	7,001
Interest in associates		**1,255,180**	1,110,780
Interest in a jointly controlled entity		**12,871**	13,587
Structured finance securities		**12,888**	12,046
Available-for-sale investments		**75,545**	167,755
Investment in distressed assets through establishment of a special purpose vehicle		**5,720**	9,745
Deposit paid for establishment of an associate		**—**	64,171
Deposit paid for acquisition of leasehold properties		**5,000**	—
Other asset		**686**	1,371
		3,768,590	3,669,018
Current assets			
Inventories, at cost		**224**	183
Investment in distressed assets through establishment of a special purpose vehicle		**129,240**	97,446
Available-for-sale investments	*10*	**238,622**	—
Held-for-trading investments		**33,415**	63,130
Trade receivables	*9*	**12,349**	4,897
Deposits, prepayments and other receivables		**322,822**	302,262
Amounts due from associates		**776,642**	781,802
Amount due from a jointly controlled entity		**61,199**	122,630
Restricted bank balance		**157,420**	163,677
Bank balances and cash		**995,903**	1,171,064
		2,727,836	2,707,091
Assets classified as held-for-sale		**—**	5,000
		2,727,836	2,712,091
TOTAL ASSETS		**6,496,426**	6,381,109

	Notes	Unaudited At 30 June 2008 HK$'000	Audited At 31 December 2007 HK$'000
EQUITY			
Capital and reserves			
Share capital		**364,142**	364,142
Reserves		**4,679,248**	4,641,885
Equity attributable to equity holders of the Company		**5,043,390**	5,006,027
Minority interests		**13,958**	12,658
Total equity		**5,057,348**	5,018,685
LIABILITIES			
Non-current liabilities			
Borrowings		**4,025**	4,600
Convertible note		**389,582**	382,736
Deferred tax liabilities		**94,948**	91,928
		488,555	479,264
Current liabilities			
Trade payables	*11*	**86,980**	76,725
Accrued charges, rental deposits and other payables		**183,619**	177,850
Amounts due to associates		**168,097**	162,002
Amount due to holding company of a shareholder		**151,382**	96,676
Borrowings		**223,372**	233,278
Taxation payable		**137,073**	136,629
		950,523	883,160
Total liabilities		**1,439,078**	1,362,424
TOTAL EQUITY AND LIABILITIES		**6,496,426**	6,381,109
Net current assets		**1,777,313**	1,828,931
Total assets less current liabilities		**5,545,903**	5,497,949

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 on the Stock Exchange of Hong Kong Limited (the ''Listing Rules'') 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 2007.

In the current period, the Group has applied, for the first time, a number of new interpretations issued by the HKICPA, which are applicable to accounting period beginning on or after 1 January 2008.

HK(IFRIC)-INT 11	HKFRS 2 — Group and treasury share transactions
HK(IFRIC)-INT 12	Service concession arrangements
HK(IFRIC)-INT 14	HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of these new interpretations 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 standards, amendments and interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements[1]
HKAS 23 (Revised)	Borrowing costs[1]
HKAS 27 (Revised)	Consolidated and separate financial statements[2]
HKAS 32 and HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation[1]
HKFRS 2 (Amendment)	Vesting conditions and cancellations[1]
HKFRS 3 (Revised)	Business combinations[2]
HKFRS 8	Operating segments[1]
HK(IFRIC)-INT 13	Customer loyalty programmes[3]

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

The Board anticipates that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. Revenue and segment information

Revenue is analysed as follows:

	Six months ended 30 June 2008 *HK$'000*	2007 *HK$'000*
Change in fair value of held-for-trading investments	**(27,431)**	1,888
Sales of properties	**—**	15,777
Property management fee income	**68,890**	52,219
Interest income from interest in distressed assets	**—**	13,964
Income from investment in distressed assets through establishment of a special purpose vehicle	**22,811**	—
Rental income	**32,253**	31,671
Dividend income from listed securities	**932**	—
	97,455	115,519

(i) Business segments

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

	Six months ended 30 June 2008					
	Distressed assets business *HK$'000*	Investments *HK$'000*	Sales of properties *HK$'000*	Property leasing *HK$'000*	Property management *HK$'000*	Consolidated *HK$'000*
Revenue	22,811	(26,499)	—	32,253	68,890	97,455
Results						
Segment results	41,336	38,570	(119)	19,478	9,504	108,769
Interest income						45,951
Reversal of impairment loss of leasehold properties						922
Loss on convertible note classified as liabilities at fair value through profit or loss						(6,846)
Unallocated corporate expenses						(18,826)
Finance costs						(12,269)
Share of results of associates						58,890
Share of result of a jointly controlled entity						(716)
Profit before taxation						175,875
Taxation						(3,343)
Profit for the period						172,532

	Six months ended 30 June 2007					
	Distressed assets business	Investments	Sales of properties	Property leasing	Property management	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	13,964	1,888	15,777	31,671	52,219	115,519
Results						
Segment results	13,924	16,014	6,875	12,031	7,658	56,502
Interest income						50,614
Reversal of impairment loss of leasehold properties						3,437
Gain on convertible note classified as liabilities at fair value through profit or loss						16,427
Unallocated corporate expenses						(9,193)
Finance costs						(23,395)
Share of results of associates						63,237
Share of result of a jointly controlled entity						4,670
Profit before taxation						162,299
Taxation						3,515
Profit for the period						165,814

(ii) Geographical segments

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

	Revenue	
	2008	2007
	HK$'000	*HK$'000*
Hong Kong	**(36,443)**	1,953
The PRC	**133,898**	113,566
	97,455	115,519

3. Other income

	2008	2007
	HK$'000	*HK$'000*
Interest income		
— bank deposits	**2,155**	8,944
— structured finance securities	**842**	1,323
— others	**42,954**	40,347
Commission income	**789**	832
Consultancy fee income	**—**	720
Gain on disposal of property, plant and equipment	**—**	55
Net foreign exchange gain	**83,223**	5,084
Others	**2,152**	312
	132,115	57,617

4. Finance costs

	2008	2007
	HK$'000	*HK$'000*
Interest on bank borrowings		
— wholly repayable within five years	**8,546**	15,084
— not wholly repayable within five years	**—**	181
Interest on other loans wholly repayable within five years	**1,232**	1,108
Interest on convertible notes classified as liabilities at fair value through profit or loss	**2,491**	3,116
Interest on loan from a shareholder wholly repayable within five years	**—**	3,906
	12,269	23,395

5. Taxation

Tax charge (credit) comprises:

	2008	2007
	HK$'000	*HK$'000*
PRC Enterprises Income Tax	**323**	2,733
Deferred Taxation	**3,020**	(6,248)
Tax charge (credit) attributable to the Company and its subsidiaries	**3,343**	(3,515)

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

	2008	2007
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging:		
Auditor's remuneration	**1,000**	900
Depreciation	**4,348**	3,800
Loss on disposal of property, plant and equipment	**3**	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	**1,850**	1,657
Staff cost including directors' remuneration and the retirement benefit costs of HK$2,212,000 (2007: HK$1,944,000)	**35,933**	29,213
And after crediting:		
Rental income under operating leases less outgoings of HK$2,015,000 (2007: HK$920,000)	**30,239**	30,751

7. Dividend

On 3 June 2008, the Company paid a dividend of HK$0.08 per share, approximately HK$145,657,000 in aggregate, to the shareholders as final dividend for the year ended 31 December 2007.

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.

The Board has resolved not to recommend payment of any interim dividend for the six months ended 30 June 2008 (2007: 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	
	2008	2007
	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)	**171,724**	163,640
Effect of dilutive potential shares in respect of convertible notes:		
— loss (gain) on convertible note classified as liabilities at fair value through profit or loss	**6,846**	(16,427)
— finance costs	**2,491**	3,116
Earnings for the purpose of diluted earnings per share	**181,061**	150,329

	Number of shares 2008	2007
	In thousand	*In thousand*
Number of shares:		
Weighted average number of shares for the purpose of basic earnings per share	**1,820,710**	1,820,710
Effect of dilutive potential ordinary shares from		
— convertible notes	**138,814**	138,814
Weighted average number of shares for the purpose of diluted earnings per shares	**1,959,524**	1,959,524

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 2008	31 December 2007
	HK$'000	*HK$'000*
0 to 30 days	**3,224**	1,440
31 to 90 days	**4,150**	1,937
Over 90 days	**4,975**	1,520
	12,349	4,897

10. Available-for-sale investments

Amount represents strategic investments made by the Group in certain PRC enterprises which have potential for separate listing. The businesses of those enterprises include, but not limited to, power, banking, financial services and information technology.

11. Trade payables

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

	30 June 2008	31 December 2007
	HK$'000	*HK$'000*
0 to 30 days	**20,620**	37,603
31 to 90 days	**13,452**	16,219
Over 90 days	**52,908**	22,903
	86,980	76,725

REVIEW OF RESULTS

Profit after tax increased by 4% to HK$172.5 million (2007: HK$165.8 million). Earnings per share also increased by 4% to HK$0.094 (2007: HK$0.090).

The increase in profit after tax was a result of the combined effects of the changes in the major sources of income. They are explained in the following paragraphs.

Major sources leading to income growth are: Firstly, other income increased by HK$74.5 million which was mainly due to the significant increase in net foreign exchange gain of approximately HK$78.1 million as a result of the continuous appreciation of the RMB to HKD exchange rate. Secondly, the increase in income contribution from CII in the amount of HK$34.6 million, which was grouped under share of results of associates. In the previous period, the profit contribution from the Orient Portfolio was included in shares of results of associates. In the current period, the profit contribution from the Orient Portfolio was separately disclosed in the consolidated income statement.

The principal reasons for the decrease in profit are: Firstly, at the balance sheet date, the Group's investment in listed securities recorded unrealized losses, which has caused a decrease in profit by HK$29.3 million. Secondly, the decrease in profit contribution in the amount of HK$23.3 million from the valuation of the Group's convertible note. Thirdly, decrease in profit contribution from the Orient Portfolio and the Cinda Portfolio in the amount of HK$16.2 million and HK$13.9 million respectively. The decrease in profit contribution from the Orient Portfolio was due to and was in line with the decrease in the amount of outstanding distressed asset pending disposal. There was no income contribution from the Cinda Portfolio in the current period because the disposal of the Cinda Portfolio was completed in year 2007. Lastly, there was a one-off income in the amount of HK$26.5 million in the previous period from the partial disposal of Tongjitang ADSs at Tongjitang's initial listing on the New York Stock Exchange.

BUSINESS REVIEW & PROSPECTS

Property Investments, Development and Management

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

In addition, the re-development project "Zi You Xiao Zhen" was progressing smoothly as scheduled. As at 30 June 2008, the Group has invested approximately HK$537.6 million in aggregate in the "Zi You Xiao Zhen" project.

As for the "Si He Yuan" project, the Board is still waiting and taking more time to observe the post-Olympic Games economic and government policies before making any decision whether to resume the construction works of the "Si He Yuan" project or not.

Cinda Jianrun

Cinda Jianrun has made no significant investment since its incorporation in January 2008. For the time being, Cinda Jianrun is still carrying out investigations to select suitable projects, from the land resources owned by China Cinda under the enforcement of charge or repayment of debt, for making investment in those projects.

Infrastructure Investments

Profit contribution from CII was HK$57.8 million (2007: HK$23.2 million). The increase in profit contribution was mainly due to the disposal of the entire interest in the Taian Natural Gas Pipeline project and the entire interest in Taian Gangxin Gas Co., Ltd. A profit before expenses of approximately HK$119.4 million in aggregate was recognized by CII from the disposal.

The shareholders of CII have decided not to utilize CII as a platform to co-operate and to invest in infrastructure projects. In this regard, CII will focus on liquidating all its existing investments and projects in the remaining time. The funds realized will be distributed to the shareholders as soon as practicable.

Despite the above, the Board has intention to continue its investment by investing in the petrochemical projects directly.

Financial Investments

Distressed Assets Business

The Huarong Portfolio

The progress of the disposal of the Huarong Portfolio was unsatisfactory. China Huarong Asset Management Corporation ("China Huarong") failed to complete the disposal within the time limit of its servicing contract. As a result, the servicing contract had been further extended to the end of year 2008 to give China Huarong more time to dispose the Huarong Portfolio.

Up to 30 June 2008, the cumulative principal amount of distressed assets in the Huarong Portfolio that has been disposed was approximately RMB22.8 billion (equivalent to approximately HK$25.3 billion), representing approximately 62% of the total principal amount of the Huarong Portfolio. The cumulative cash recovered was approximately RMB457.7 million (equivalent to approximately HK$508.6 million). The effective cash recovery rate was approximately 2.0%.

After deducing operating expenses and management fee payable to China Huarong, loss attributable to the Huarong Portfolio for the period was less than HK$1.0 million and was included in the share of result of a jointly controlled entity.

The Group will push for the completion the disposal of the Huarong Portfolio within the extended period and will try its best effort to ensure the disposal of the Huarong Portfolio will contribute profit to the Group to certain extend as a whole.

The Orient Portfolio

Profit contribution from the Orient Portfolio for the period ended 30 June 2008 was HK$22.8 million (2007: HK$39.0 million). The decrease was due to and was in line with the decrease in the amount of outstanding distressed assets pending disposal. The cumulative cash recoveries of the Orient Portfolio was approximately RMB429.6 million (equivalent to HK$477.3 million), representing a recovery rate of 2.0%.

Other Financial Investments

The Group has an investment in Tongjitang China Medicines Company ("Tongjitang") with a historical cost of approximately HK$74.2 million. The investment representing 2,086,000 Tongjitang's ADSs which are listed on the New York Stock Exchange. The market value of the investment as at 30 June 2008 was approximately US$8.7 million (equivalent to approximately HK$67.8 million).

On 9 March 2008, two senior executives of Tongjitang have made an offer to acquire all the outstanding ADSs of Tongjitang at a consideration of USD10.20 each for the purpose of privatizing Tongjitang. However, the privatization offer was withdrawn on 27 June 2008.

During the period, the Group made strategic investments by investment in certain PRC enterprises which have potential for separate listing. The businesses of those enterprises include, but not limited to, power, banking, financial services and information technology. Total investment amounted to approximately HK$238.6 million in aggregate.

On 13 August 2008, the Group and Well Kent International Investment Company Limited ("Well Kent") jointly entered into a conditional agreement with an independent third party to acquire 40,022,000 shares (representing equity interest of approximately 9.58%) and 218,650,000 shares (representing an equity interest of approximately 52.32%) respectively in Hantec Investment Holdings Limited ("Hantec"), which shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). As Well Kent is a substantial shareholder of the Company, the transaction constitute a connected transaction of the Company and is subject to independent shareholders' approval. The transaction is also conditional upon, amongst other things, the completion of a reorganization and distribution in species of by Hantec.

Upon completion, Hantec will become a group principally engaged in leveraged foreign exchange trading services and securities broking, commodities and future broking, corporate financial advisory, asset management and individual financial planning in Hong Kong. With the strong PRC background of Well Kent, the Board believes that this would attract investors and other financial institutions from both the PRC and Hong Kong requiring financial services to subscribe the services of Hantec. For this reason, the Board has confidence in the prospect and profitability of Hantec post acquisition. The Board believes the investment will be capable of generating future capital gain to the Group.

GROWTH STRATEGIES

Following the decision of not to invest in infrastructure projects through CII as a platform, the Group has fine tuned its three core-businesses to be property investments, industrial investments and financial investments. The Board will allocate resources and make investment in each core-business based on its judgment on the medium and long term economic environment and development of both the Hong Kong and China market.

FINANCIAL REVIEW

Exchange Exposure & Hedging

At 30 June 2008, 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 any exchange exposure arising from the convertible note 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 2008 amounted to approximately HK$227.4 million. Over 90% of the borrowings were represented by short-term working capital loan granted by a reputable bank to a subsidiary of the Company in the PRC. The remaining was long-term mortgage loan of which approximately HK$1.2 million will be repayable within one year and was regarded as short term loan.

The interest of both the working capital loan and the mortgage loan was charged at floating rate and the prevailing applicable interest rate of the working capital loan and the mortgage loan were 7.47% and 2.875% per annum respectively. The Group also has a convertible note with an outstanding amount of approximately HK$389.6 million. Interest of the convertible note is charged at 1.5% per annum. Unless converted, the convertible note is due repayable in November 2009. At the balance sheet date, the cash and bank balances including the restricted bank balances was HK$1,153.3 million. In addition, the Group has net current assets in the amount of HK$1,777.3 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.

At the balance sheet date, the Group's Gearing Ratio was 12% (2007: 8%), which was calculated as total borrowing over equity attributable to equity holders of the Company.

Capital Structure

At 30 June 2008, the shareholders' fund of the Group was HK$5,043.4 million and has increased by HK$37.4 million or 0.7% compared to that as at 31 December 2007.

During the current period, the Company paid HK$145.7 million to shareholders of the Company as final dividend for the year ended 31 December 2007, which has an effect of reducing the overall capital.

Human Resources

There is no material change in the number of employees during the first half year of 2008. 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$35.9 million (2007: HK$29.2 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 Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange 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 23 May 2008. 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 and the interim results for the six months ended 30 June 2008 were unaudited but have been reviewed, accepted and approved by the Audit Committee.

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

During the six months ended 30 June 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

The capital commitments of the Group as at 30 June 2008 was HK$653.3 million, of which HK$608.3 million was represented by the unpaid contribution for the establishment of the associate Cinda Jianrun and HK$45.0 million was represented by the balance of payment in respect of the acquisition of an office premise.

The Group did not incur any new contingent liability, which is material during the current period.

CHANGE OF DIRECTORS

On 27 February 2008, Mr. Chen Yongcun resigned as executive director of the Company due to personal commitments.

On 14 March 2008, Mr. Tang Baoqi was appointed executive director of the Company.

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

As at 30 June 2008, the aggregate amount of advances made by the Group to its associates was approximately HK$759,497,000.

As at 30 June 2008, 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	505,571
Beijing East Bay Investment Consultants Limited	188,889
貴州同濟堂新天投資管理有限公司	65,037
	759,497

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
Silver Grant International Industries Limited
Gao Jian Min
Managing Director

Hong Kong, 19 September 2008

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. Tang Baoqi 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.