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 POSITIVE PROFIT ALERT 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 it is expected that the unaudited profit attributable to owners of the Company for the period ended 30 June 2017 as compared with that of the previous period in 2016 is likely to record a significant increment. The increment is expected to be in excess of 100%.

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 period ended 30 June 2017 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 director of the Company (the "**Board**") wishes to inform shareholders of the Company and potential investors that it is expected that the unaudited profit attributable to owners of the Company for the period ended 30 June 2017 as compared with that of the previous period in 2016 is likely to record a significant increment. The increment is expected to be in excess of 100%.

The Board considers that the increase in profit was mainly attributable to the significant improvement in operating results achieved by the subsidiary Tai Zhou United East Petrochemical Company Limited ("**TZ United East**") and the associate Zhong Hai You Qi (Taizhou) Petrochemical Company Limited ("**Zhong Hai You Qi**") during the current period.

In the first half of 2017, the global economy recovered moderately. The global crude oil supply gradually tends to be balanced, the international crude oil price increased prominently as compared with the corresponding period of last year. As a result, the overall selling prices of petrochemical products in Mainland China recorded an increase. In additions, as production efficiency and effectiveness was enhanced under the joint production arrangements, the operating results of TZ United East and Zhong Hai You Qi during the current period have recorded significant improvement. The net loss of TZ United East decreased significantly by approximately HK$39.3 million to approximately HK$50.1 million (2016: HK$89.4 million) in the current period. Share of results of Zhong Hai You Qi improved significantly from loss of approximately HK$0.9 million in the previous period to profit of approximately HK$164.6 million in the current period. Profit contribution from the petrochemical products businesses, having taken into account the effect of the one-off gain on early redemption of loan receivable with embedded derivative of approximately HK$75.8 million in the previous period, has made great contribution to the improvement and increase in the net profit in the current period.

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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, 8 August 2017

As at the date of this announcement, the Board comprises Mr. Gao Jian Min (Managing Director), Mr. Liu Tianni (Deputy Managing Director) and Mr. Ma Yilin as executive directors; Mr. Wu Songyun (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.