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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)**

### **DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE**

#### **PROVISION OF FINANCIAL ASSISTANCE**

The Board announces that on 26 November 2018, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to lend, and the Borrower agreed to borrow, a term loan in the principal amount of RMB200,000,000 (equivalent to approximately HK\$225,383,000, to the nearest thousand dollars) for a term of two years.

#### **LISTING RULES IMPLICATIONS**

The provision of the Loan under the Loan Agreement constituted financial assistance provided by the Lender to the Borrower within the meaning of the Listing Rules. As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the provision of the Loan were more than 5% but less than 25%, the provision of the Loan constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and was therefore subject to the reporting and announcement requirements under the Listing Rules.

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## THE LOAN AGREEMENT

The principal terms of the Loan Agreement are summarised as follows:

**Date:** 26 November 2018

**Parties:** (i) The Lender  
(ii) The Borrower

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Borrower and its ultimate beneficial owners is a third party independent of and not connected with the Company and its connected person.

**Principal amount of the Loan:** RMB200,000,000 (equivalent to approximately HK\$225,383,000, to the nearest thousand dollars)

**Interest rate and payment:** Fixed interest rate of 12% per annum, with interest calculated on the basis of the actual number of days elapsed in a year of 365 days and payable upon maturity of the Loan

**Term:** 2 years from the date on which the advance of the Loan was deposited into the Borrower's designated bank account, that may be extended upon negotiation and agreement between the Lender and the Borrower

**Repayment:** The Borrower shall repay the Loan and the interest thereon to the Lender on the date and in the amount as provided in the Loan Agreement.

All monies repaid by the Borrower to the Lender under the Loan Agreement shall be applied in the following order of priority towards settlement of (i) the Lender's expenses incurred in realising the debt, (ii) default payment, (iii) damages, (iv) penalty payment, (v) compound interest, (vi) interest accrued on the Loan, and (vii) the principal amount of the Loan.

**Prepayment:** The Borrower may elect to prepay all outstanding principal amount of the Loan together with the interest thereon, with the relevant prepayment arrangement to be made after negotiation and agreement between the Lender and the Borrower.

During the subsistence of the Loan Agreement, should there be any deterioration in the Borrower's operating condition, or any transfer, damage, seizure or freeze of its material assets, or any third party claim against the Borrower's assets, or any change in the Borrower's operation that may result in any adverse impact on the Borrower's repayment of the Loan, the Lender shall be entitled to give the Borrower a written notice demanding for early repayment by the Borrower. In that case, the final repayment date shall fall on the second business day after the date on which such written notice is to be issued. Upon occurrence of any of the foregoing events, the Lender shall be entitled to unilaterally terminate the Loan Agreement.

In the event that the Borrower has taken any remedial action against the foregoing event(s) in the manner acceptable and agreeable to the Lender, the Loan Agreement will proceed upon signing of relevant documentation to that effect.

**Rights of the Lender:**

During the subsistence of the Loan Agreement, the Lender shall be entitled to, among others, monitor and inspect the Borrower's use of the Loan, and also supervise the Borrower's operation.

**Transferability:**

The Borrower shall not transfer all or part of the rights and/or obligations under the Loan Agreement to any third party without the Lender's written consent. In the event that the Borrower intends to, during the validity of the Loan Agreement, transfer any rights and/or obligations under the Loan Agreement to any third party, the aforesaid written consent from the Lender shall be obtained, with a new loan agreement and any incidental documents to be entered into between the Lender and the transferee.

**Default:**

In the event that the Borrower fails to repay the Loan and the interest thereon in the manner as provided under the Loan Agreement, the Lender shall be entitled to demand for such repayment. Whether or not the Loan Agreement shall be extended and additional interest shall be charged shall be negotiated between the Lender and the Borrower.

Should the Borrower act in material breach of the Loan Agreement by, among others, avoiding supervision by the Lender, the Lender shall be entitled to receive from the Borrower a default payment equivalent to 5% of the principal amount of the Loan.

## **FUNDING OF THE LOAN**

The Loan was financed by the Group's internal resources.

## **INFORMATION ON THE GROUP AND THE LENDER**

The Group is principally engaged in property investment, property leasing, other investments and production and trading of petrochemical products.

The Lender is principally engaged in property development and investment as well as other investment in the PRC.

## **INFORMATION ON THE BORROWER**

The Borrower is principally engaged in property development and investment in the PRC.

## **REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN**

The provision of the Loan provides interest income at the rate of 12% per annum, which has brought better returns than bank deposit to the Lender, and the Loan is recorded as a loan receivable of the Group.

The terms of the Loan Agreement were arrived at after arm's length negotiations between the Lender and the Borrower. The Directors considered that the provision of the Loan under the Loan Agreement were on normal commercial terms and the terms of the Loan Agreement were fair and reasonable and were in the interests of the Group and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The provision of the Loan under the Loan Agreement constituted financial assistance provided by the Lender to the Borrower within the meaning of the Listing Rules. As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the provision of the Loan were more than 5% but less than 25%, the provision of the Loan constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and was therefore subject to the reporting and announcement requirements under the Listing Rules.

Due to an inadvertent oversight, the Company did not announce the provision of the Loan under the Loan Agreement in a timely manner in accordance with Chapter 14 of the Listing Rules, and the Company would like to stress that such non-compliance was however unintentional. To prevent occurrence of similar incidents in the future, the Group will adopt the following measures:

- (a) the Company will strengthen the coordination and reporting arrangements for notifiable transactions among the senior management of the Group to ensure compliance with the Listing Rules;

- (b) the Company will improve its communication with other members of the Group to emphasise the importance of ensuring the Group's compliance with the Listing Rules; and
- (c) if the Group intends to provide any financial assistance in the future, it will, as and when appropriate and necessary, seek advice from its external legal or other professional advisers on whether this will trigger any disclosure or compliance requirements under the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below:

“Board”	the board of Directors
“Borrower”	Hebei Guolong Real Estate Development Co., Ltd.* (河北國隆房地產開發有限公司), a company established in the PRC with limited liability
“Company”	Silver Grant International Industries Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lender”	Beijing East Gate Development Co., Ltd. (北京東環置業有限公司), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a term loan in the principal amount of RMB200,000,000 (equivalent to approximately HK\$225,383,000, to the nearest thousand dollars) provided by the Lender to the Borrower pursuant to the terms of the Loan Agreement
“Loan Agreement”	a loan agreement dated 26 November 2018 entered into between the Lender and the Borrower in respect of the provision of the Loan

“PRC”	the People’s Republic of China, which shall for the purpose of this announcement exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with no par value of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board  
**Silver Grant International Industries Limited**  
**Gao Jian Min**  
*Executive Director and Managing Director*

Hong Kong, 8 April 2019

*As at the date of this announcement, the Board comprises Mr. Gao Jian Min (Managing Director), Mr. Huang Jiajue, Mr. Ma Yilin and Mr. Luo Zhihai as executive Directors; Mr. Chu Hing Tsung (Chairman) and Mr. Chen Zhiwei as non-executive Directors; and Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming as independent non-executive Directors.*

*For the purpose of this announcement, the exchange rate of RMB88.738 to HK\$100 has been used for currency conversions. This is for the purpose of illustration only and does not constitute a representation that any amounts in RMB or HK\$ have been, could have been or may be converted at such rate or any other exchange rate.*

\* *For identification purpose only*