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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)**

## **INSIDE INFORMATION**

### **BUSINESS UPDATES ON THE GROUP'S MANUFACTURING SEGMENT**

This announcement is made by China Silver Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the Company’s announcement dated 7 June 2021 in relation to the suspension of production of Jiangxi Longtianyong Nonferrous Metals Co., Ltd. (江西龍天勇有色金屬有限公司) (“**Jiangxi Longtianyong**”), a major subsidiary of the Group’s manufacturing segment, from 26 April 2021 onwards pending completion of certain rectification measures; and (ii) the Company’s announcement dated 25 August 2021 in relation to the relevant authorities’ approval in principle of the partial resumption of production of Jiangxi Longtianyong’s silver electrolysis production line.

## **BUSINESS UPDATE ON THE 2021 FULL-YEAR PERFORMANCE OF THE GROUP'S MANUFACTURING SEGMENT**

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the Group’s unaudited consolidated management accounts for the year ended 31 December 2021 (“**FY2021**”) (which have not been confirmed, reviewed or audited by the Company’s auditors or audit committee, and may be subject to adjustment) and other information currently available to the Group, the amount of external sales of the Group’s manufacturing segment is expected to range from RMB1,850 million to RMB1,950 million for FY2021, down from approximately RMB4,326 million for the year ended 31 December 2020 (“**FY2020**”). Such significant decrease in external sales is mainly attributable to the decline in both volume and variety of the polymetallic sales of Jiangxi Longtianyong since May 2021, with its external transactions mainly confined to the indent trading of silver ingots.

The manufacturing segment is one of the Group’s three principal operating segments during FY2021 and contributed approximately 91% of the Group’s total revenues for FY2020. The aforesaid significant decrease in external sales, coupled with the write-off of Jiangxi Longtianyong’s inventories of approximately RMB2,409 million as already disclosed in the Company’s 2021 interim results announcement, are expected to have a direct and material negative impact on the Group’s profitability for FY2021.

The Company is still in the process of finalizing its annual results for FY2021. Detailed financial information and performance of the Group for FY2021 will be disclosed in the Company’s annual results announcement for FY2021 which is expected to be published by the end of March 2022.

## **BUSINESS UPDATE ON THE PROGRESS OF RECTIFICATION OF JIANGXI LONGTIANYONG’S PRODUCTION FACILITIES**

Following the relevant authorities’ approval in principle of the partial resumption of production of Jiangxi Longtianyong’s silver electrolysis production line, Jiangxi Longtianyong has continued to closely communicate with the competent governmental authorities with a view to fully resuming its other production activities.

In particular, as part of the efforts to fully resume production activities at Jiangxi Longtianyong, Jiangxi Longtianyong has been working to upgrade and enhance its production facilities for the clean production of tin and precious metals (including gold, silver and palladium) (the “**Project**”). The Project is subject to approvals by multiple governmental authorities. As of the date of this announcement, a consultation draft of the environmental impact report for the Project (the “**Report**”) has been made available for public inspection by the local government of Yongfeng County and no opposition has been received during the public inspection period. Following the completion of the public inspection period, the total pollutant emission levels calculated based on the Report and the emission standards adopted by the Report have been submitted to the relevant governmental authorities of Ji’an City and Jiangxi Province for review and approval. It is expected that if such authorities approve the emission levels and emission standards as stated in the Report, the Report will be further submitted to the Department of Ecology and Environment of Jiangxi Province (江西省生態環境廳) for review, expert assessment and pre-approval public inspection. The Report may be subject to further revision before it is formally approved by the relevant governmental authorities.

In parallel with the aforesaid environmental impact assessment process, Jiangxi Longtianyong has begun constructing some of the production facilities for the Project. It is expected that, following the approval of the Report and completion of such construction works, Jiangxi Longtianyong will carry out installation and testing of relevant equipment as well as trial run of the production facilities to ensure that they operate smoothly and are consistent with the emission levels and emission standards as approved by the relevant governmental authorities. Following such efforts, Jiangxi Longtianyong will apply for completion acceptance of the Project, after which the production facilities for the Project will be formally put into operation. The Company currently targets to fully resume production activities at Jiangxi Longtianyong in the second quarter of 2022.

The Company will make further announcement(s) as necessary and when appropriate to keep shareholders informed of the latest progress.

**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, 22 February 2022

*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.*