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SILVER GRANT INTERNATIONAL HOLDINGS GROUP LIMITED

銀建國際控股集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 171)

**DISCLOSEABLE TRANSACTION:
JOINT VENTURE AGREEMENT**

THE JOINT VENTURE AGREEMENT

The Board is pleased to announce that on 8 September 2022 (after trading hours), Party A, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Party B and the Joint Venture Company, pursuant to which Party A will transfer 50% equity interest in the Joint Venture Company to Party B at nil consideration.

Immediately before Completion, the Joint Venture Company is wholly-owned by Party A. After Completion, the Joint Venture Company will be owned as to 50% by Party A and 50% by Party B and the Joint Venture Company will be accounted for as a jointly controlled entity of the Company in the consolidated financial statements of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transactions is more than 5% but less than 25%, the Transactions constitute discloseable transactions of the Company under the Listing Rules and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE JOINT VENTURE AGREEMENT

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Set out below are the major terms of the Joint Venture Agreement:

Date

8 September 2022

Parties

- (a) Party A: 北京隆達天弘科技有限公司 (Beijing Longda Tianhong Technology Company Limited*), a wholly-owned subsidiary of the Company established in the PRC with limited liability;
- (b) Party B: 姜帆 (Jiang Fan*); and
- (c) Joint Venture Company: 北京靈駿新能源科技有限責任公司 (Beijing Lingjun New Energy Technology Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement.

As at the date of this announcement, Party A owns 100% equity interest of the Joint Venture Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Party B is an Independent Third Party.

Consideration

Pursuant to the Joint Venture Agreement, Party A shall transfer 50% equity interest in the Joint Venture Company (represented by the registered capital of the Joint Venture Company of RMB50,000,000 (equivalent to approximately HK\$56,800,000) attributable to 50% of its equity interest) to Party B at nil consideration.

** English translation is for identification purpose only*

Basis of the determination of the amount of the consideration

The consideration for the Transfer was determined after arm's length negotiations between Party A and Party B having taken into account that the registered capital of the Joint Venture Company has not been paid up and Party B is required to pay up the registered capital of RMB50,000,000 (equivalent to approximately HK\$56,800,000) attributable to the 50% equity interest of the Joint Venture Company to be transferred to him.

The Directors consider that the amount of the consideration for the Transfer is fair and reasonable.

Completion

Completion shall take place after the registration of the Transfer with the relevant authorities in the PRC.

Immediately before Completion, the Joint Venture Company is wholly-owned by Party A. After Completion, the Joint Venture Company will be owned as to 50% by Party A and 50% by Party B and the Joint Venture Company will be accounted for as a jointly controlled entity of the Company in the consolidated financial statements of the Company. The Transactions will result in a loss of control by the Group in the Joint Venture Company and the Joint Venture Company will cease to be a subsidiary of the Company after Completion. As the Joint Venture Company has not commenced any operations, it is expected that the Company will not record any loss from the Transactions in its consolidated profit and loss.

Payment of registered capital and shareholder's loans to the Joint Venture Company

Pursuant to the Joint Venture Agreement, Party A and Party B agree to the following:

- (1) each of Party A and Party B shall pay up the registered capital of the Joint Venture Company in the amount of RMB50,000,000 (equivalent to approximately HK\$56,800,000) by 30 April 2030; and
- (2) after Completion, if the Joint Venture Company requires funds for project investment and the daily operation management of the Joint Venture Company, each of Party A and Party B shall advance to the Joint Venture Company a shareholder's loan within 15 days from the request of the Joint Venture Company, in proportion to each of Party A and Party B's respective shareholdings in the Joint Venture Company simultaneously, provided that at all times the aggregate amount of the paid up registered capital and the shareholder's loan advanced by each of Party A and Party B to the Joint Venture Company shall not be more than RMB180,000,000 (equivalent to approximately HK\$204,480,000), which is determined by reference to the expected amount of funds required for the development and operation of the Joint Venture Company.

If Party B does not pay up the registered capital of the Joint Venture Company or pay the shareholder's loan in accordance with the Joint Venture Agreement, Party A has the right to repurchase the 50% equity interest in the Joint Venture Company held by Party B at nil consideration, and to terminate the Joint Venture Agreement. Party B shall be liable for his breach of the Joint Venture Agreement.

It is expected that the registered capital to be paid up and the shareholder's loan to be advanced by Party A to the Joint Venture Company shall be funded by the internal resources of the Group and/or external financing.

Meetings of the shareholders of the Joint Venture Company

After Completion, unanimous consent of the shareholders of the Joint Venture Company shall be required for all the resolutions to be passed at the meetings of the shareholders of the Joint Venture Company.

INFORMATION ABOUT THE JOINT VENTURE COMPANY

The Joint Venture Company is a company established in the PRC with limited liability in April 2022, which is intended to be principally engaged in the research and development, transfer and promotion of new energy technology. As at the date of this announcement, the Joint Venture Company has not commenced any operations. After Completion, the Joint Venture Company is intended to be principally engaged in investment projects relating to new energy (or other projects approved by the board of directors of the Joint Venture Company).

As the Joint Venture Company was only incorporated in April 2022, its financial information for the previous two financial years is not applicable. As at 31 May 2022, the Joint Venture Company did not record any assets or liabilities in its financial statements.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Company is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in property leasing and investments.

For the development of the green industry in the PRC, the proposed “carbon neutrality” and “emission peak” strategic goals of the Chinese government have greatly advanced the domestic green transformation, providing a good momentum to the development of the green industry in the country. As such, the Company considers that the formation of a joint venture with Party B, who can provide additional funding and expertise in the new energy industry to the Joint Venture Company, will facilitate the growth and business development of the Joint Venture Company and allow the Group to further develop its business in the field of new energy, which is in line with the business development strategy of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Joint Venture Agreement (including the consideration for the Transfer) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transactions is more than 5% but less than 25%, the Transactions constitute discloseable transactions of the Company under the Listing Rules and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

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| “Board” | the board of Directors |
| “Company” | Silver Grant International Holdings Group Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange |
| “Completion” | completion of the Transfer |

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| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the 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 |
| “Independent Third Party(ies)” | third party(ies) independent of the Company and its connected persons |
| “Joint Venture Agreement” | the agreement dated 8 September 2022 and entered into among Party A, Party B and the Joint Venture Company in relation to the Transactions and the Joint Venture Company |
| “Joint Venture Company” | 北京靈駿新能源科技有限責任公司 (Beijing Lingjun New Energy Technology Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Party A” | 北京隆達天弘科技有限公司 (Beijing Longda Tianhong Technology Company Limited*), a wholly-owned subsidiary of the Company established in the PRC with limited liability |
| “Party B” | 姜帆 (Jiang Fan*) |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | holder(s) of the share(s) of the Company |

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| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transactions” | the transactions contemplated under the Joint Venture Agreement |
| “Transfer” | the transfer of 50% equity interest in the Joint Venture Company (represented by the registered capital of the Joint Venture Company of RMB50,000,000 (equivalent to approximately HK\$56,800,000) attributable to 50% of its equity interest) from Party A to Party B at nil consideration pursuant to the Joint Venture Agreement |
| “%” | per cent |

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1 to HK\$1.1360. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

On behalf of the Board
Silver Grant International Holdings Group Limited
Chu Hing Tsung
Chairman, Co-Chief Executive Officer and Executive Director

Hong Kong, 8 September 2022

As at the date of this announcement, the Board comprises Mr. Chu Hing Tsung (Chairman and Co-Chief Executive Officer), Mr. Luo Zhihai, Mr. Tang Lunfei and Mr. Wang Ping as executive Directors; Mr. Chen Zhiwei as a non-executive Director; and Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming as independent non-executive Directors.