**If you are in doubt** as to any aspect of this circular, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountants or other professional adviser.

**If you have sold or transferred** all your shares in **Silver Grant International Holdings Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser and transferee.

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# SILVER GRANT INTERNATIONAL HOLDINGS GROUP LIMITED

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## PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In accordance with the health advice recommended by the Centre for Health Protection, please refer to the Notice of Extraordinary General Meeting (page EGM-3) for the precautionary measures to be taken at the EGM to prevent and control the spread of the novel coronavirus pneumonia (COVID-19) at the EGM, including the following:

(i) mandatory body temperature screening at the entrance of the venue for each attendee. Any person with a body temperature over 37.5°C shall not be permitted to enter the venue;
(ii) use of a surgical face mask for each attendee;
(iii) no distribution of corporate souvenirs/gifts or refreshments; and
(iv) appropriate distancing and spacing between seats.

Any attendee who does not comply with the precautionary measures or is subject to quarantine, with any flu-like symptoms, who has had close contact with any person under quarantine, or has travelled overseas within 14 days immediately before the EGM shall not be permitted to enter the venue. All shareholders of the Company are strongly encouraged to appoint the chairman of the EGM as their meeting proxy to vote on the relevant resolutions(s) at the EGM as an alternative to attending the EGM in person and contacting the Investor Relations Department of the Company for questions to management.

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| "Additional Securities Documents" | Beijing Yuanda Share Pledge, East Gate Pledge of Receivables, East Gate Share Pledge, Issuer Pledge of Receivables, SG Guangzhou Pledge of Receivables, SGI Petrochemical Share Pledge, Taizhou Dong Tai Pledge of Receivables, Taizhou Yinjian Pledge of Receivables, Yinjian Energy Pledge of Receivables, Assignment of Receivables (in favour of Excel Bright), Assignment of Receivables (in favour of JIC), Assignment of Receivables (in favour of Mr. Gao), Assignment of Receivables (in favour of Ms. Luk), Assignment of Receivables (in favour of Regent Star), Assignment of Receivables (in favour of Wonderfulsky), HK Share Charge (in favour of Excel Bright), HK Share Charge (in favour of JIC), HK Share Charge (in favour of Mr. Gao), HK Share Charge (in favour of Ms. Luk), HK Share Charge (in favour of Regent Star) and HK Share Charge (in favour of Wonderfulsky) |
| "Amendment Deeds" | the First Amendment Deed (as amended and supplemented by the Second Amendment Deed) |
| "Assignment of Receivables (in favour of Excel Bright)" | an assignment of receivables to be executed by the Company in favour of Excel Bright |
| "Assignment of Receivables (in favour of JIC)" | an assignment of receivables to be executed by the Company in favour of JIC |
| "Assignment of Receivables (in favour of Mr. Gao)" | an assignment of receivables to be executed by the Company in favour of Mr. Gao |
| "Assignment of Receivables (in favour of Ms. Luk)" | an assignment of receivables to be executed by the Company in favour of Ms. Luk |
| "Assignment of Receivables (in favour of Regent Star)" | an assignment of receivables to be executed by the Company in favour of Regent Star |
| "Assignment of Receivables (in favour of Wonderfulsky)" | an assignment of receivables to be executed by the Company in favour of Wonderfulsky |
| "associate(s)" | has the meaning ascribed to it under the Listing Rules |

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| "Beijing Yuanda" | 北京遠達天化科技有限公司 (English name for identification purpose only, Beijing Yuanda Tianhua Technology Co., Ltd.), a company established under the laws of the PRC |
| "Beijing Yuanda Share Pledge" | |

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| "East Gate Pledge of Receivables" | a pledge of receivables to be entered into between East Gate as pledger and the PRC Security Agent as pledgee |
| "East Gate Share Pledge" | a pledge in respect of 30% of the equity interest of 信達建潤地產有限公司 (English name for identification purpose only, Xinda Jianrun Real Estate Co., Ltd.) to be entered into between East Gate as pledger and the PRC Security Agent as pledgee |
| "Effective Date" | the first Business Day immediately after the date on which all of the Conditions Precedent are fulfilled (or such other date as the Company and the Subscribers may agree in writing) |
| "EGM" | an extraordinary general meeting of the Company convened to be held at 11:00 a.m. on Wednesday, 24 August 2022 at Room 1, 26/F, Guangzhou Jiayu Center, 769 Huacheng Avenue, Tianhe District, Guangzhou, Guangdong Province, the People's Republic of China to consider and, if thought fit, approve the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments) |
| "Existing Documents" | the Subscription Agreements, the Bond Instrument, the respective bond certificates issued to the Subscribers in respect of the Convertible Bonds issued by the Company in favour of the Subscribers and the Guarantees |
| "Financial Indebtedness" | any indebtedness for or in respect of (i) money borrowed; (ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent; (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; or (iv) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing |
| "First Amendment Deed" | the amendment deed dated 6 July 2022 executed by the Company, the Subscribers and the Guarantor, to amend certain terms and conditions of the Convertible Bonds |
| "Group" | the Company and its subsidiaries |
| "Guarantees" | the personal guarantees executed by Mr. Chu in favour of each of the Subscribers pursuant to the issue of the Convertible Bonds by the Company to the Subscribers |

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| "Guarantor" or "Mr. Chu" | Mr. Chu Hing Tsung, the chairman of the Board, a co-chief executive officer of the Company and an executive Director, who owns 34.06% of the issued share capital of Rong De Investments Limited, a substantial Shareholder (within the |

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| ”Independent Financial Adviser” | Opus Capital Limited, a corporation licensed to carry out |

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| "PRC Securities Documents" | collectively, Beijing Yuanda Share Pledge, East Gate Pledge of Receivables, East Gate Share Pledge, Issuer Pledge of Receivables, SG Guangzhou Pledge of Receivables, SGI Petrochemical Share Pledge, Taizhou Dong Tai Pledge of Receivables, Taizhou Yinjian Pledge of Receivables and Yinjian Energy Pledge of Receivables |
| "PRC Security Agent" | 廣東建投嘉昱物業服務有限責任公司 (English name for identification purpose only, Guangdong Construction Investment Jiayu Property Service Co., Ltd), a company established under the laws of the PRC |
| "PRC Security Providers" | collectively, Beijing Yuanda, East Gate, SG Holding Guangzhou, SGI Petrochemical, Taizhou Dong Tai, Taizhou Yinjian and Yinjian Energy, and "PRC Security Provider" means each one of them |
| "Proposed Amendments" | the proposed amendments to the terms and conditions of the Convertible Bonds as set out in the Amendment Deeds |
| "Relevant Costs" | all legal and other expenses incurred by each of the Subscribers for the negotiation, preparation, execution and/or performance of the Amendment Deeds and the transaction as contemplated under the Amendment Deeds (including but without limitation, the Additional Securities Documents, all ancillary documents for effecting the Proposed Amendments and/or any other documents as referred to in the Amendment Deeds), which shall be borne by the Company in accordance with the Amendment Deeds |
| "Relevant Payment Date" | the date falling on the 36th month from the Issue Date, and if that is not a Trading day, the first Trading Day after (i.e. 4 July 2022) |
| "Relevant Subscriber" | any one of the Subscribers who issues a written demand to the Company to redeem the Outstanding Bonds in accordance with the Bond Instrument, if any of the Amendment Deeds or any provision of the Amendment Deeds is not (or ceases to be) legal, valid, binding and/or enforceable |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Second Amendment Deed" | the second amendment deed dated 15 July 2022 executed by the Company, the Subscribers and the Guarantor, to amend certain terms and conditions of the First Amendment Deed |

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| "Security" | a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect |
| "SFO" | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong |
| "SG Guangzhou Pledge of Receivables" | a pledge of receivables to be entered into between SG Holding Guangzhou as pledger and the PRC Security Agent as pledgee |
| "SG Holding Guangzhou" | 銀建國際控股(廣州)有限公司 (English name for identification purpose only, Silver Grant International Holding (Guangzhou) Co., Limited), a company established under the laws of the PRC |
| "SGI Petrochemical" | SILVER GRANT INTERNATIONAL PETROCHEMICAL LIMITED 銀建國際石化有限公司, a company incorporated under the laws of Hong Kong |
| "SGI Petrochemical Share Pledge" | a pledge in respect of 17.6118% of the equity interest of Taizhou Dong Tai to be entered into between SGI Petrochemical as pledger and the PRC Security Agent as pledgee |
| "Shareholder(s)" | holders of the Shares |
| "Shares" | shares of the Company with no par value |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Subscribers" | collectively, Regent Star, Mr. Gao, Wonderfulsky, Ms. Luk, Excel Bright and JIC |
| "Sun Steed" | SUN STEED INTERNATIONAL INVESTMENTS LIMITED 日駿國際投資有限公司, a company incorporated under the laws of the British Virgin Islands |
| "Taizhou Dong Tai" | 泰州東泰石化有限公司 (English name for identification purpose only, Taizhou Dong Tai Petrochemical Company Limited), a company established under the laws of the PRC |
| "Taizhou Dong Tai Pledge of Receivables" | a pledge of receivables to be entered into between Taizhou Dong Tai as pledger and the PRC Security Agent as pledgee |

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| "Taizhou Yinjian" | 泰州銀建能源投資有限公司 (English name for identification purpose only, Taizhou Yinjian Energy Investment Co., Limited), a company established under the laws of the PRC |
| "Taizhou Yinjian Pledge of Receivables" | a pledge of receivables to be entered into between Taizhou Yinjian as pledger and the PRC Security Agent as pledgee |
| "Takeovers Code" | the Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong, and as amended from time to time |
| "Trading Day" | a day when the Stock Exchange is open for dealing business, provided that if no closing price of the Shares is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not have existed when ascertaining any period of dealing days |
| "Yinjian Energy" | 銀建能源貿易(廣州)有限公司 (English name for identification purpose only, Yinjian Energy Trading (Guangzhou) Co., Limited), a company established under the laws of the PRC |
| "Yinjian Energy Pledge of Receivables" | a pledge of receivables to be entered into between Yinjian Energy as pledger and the PRC Security Agent as pledgee |
| "US$" | United States dollars, the lawful currency of the United States of America |
| "%" | per cent. |

**SILVER GRANT INTERNATIONAL HOLDINGS GROUP LIMITED**
**銀建國際控股集團有限公司**

**(Stock Code: 171)**

Chu Hing Tsung

Luo Zhihai
Tang Lunfei
Wang Ping

Chen Zhiwei

Liang Qing
Zhang Lu
Hung Muk Ming

Suite 4901
49th Floor
Office Tower
Convention Plaza
1 Harbour Road
Wanchai
Hong Kong

5 August 2022

Dear Sir or Madam,

## CONNECTED TRANSACTION: PROPOSED ALTERATION OF TERMS OF THE CONVERTIBLE BONDS

### INTRODUCTION

Reference is made to (i) the 2019 Circular in relation to the issue of the Convertible Bonds; (ii) the announcement of the Company dated 6 July 2022 in relation to the First Amendment Deed; and (iii) the announcements of the Company dated 11 July 2022 and 15 July 2022 in relation to the Second Amendment Deed.

The purpose of this circular is to provide you with, among other things, (i) further details of the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments); and (ii) a notice of the EGM.

# LETTER FROM THE BOARD

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| (iv) | Ms. Luk: | Ms. Luk Ching Sanna, who is an Independent Third Party |
| (v) | Excel Bright: | Excel Bright Capital Limited, a company incorporated in the British Virgin Islands with limited liability, which is an Independent Third Party |
| (vi) | JIC: | JIC (Hong Kong) Holding Limited, a company incorporated in Hong Kong with limited liability, which is an Independent Third Party |
| Guarantor: | | Mr. Chu Hing Tsung, the chairman of the Board, a co-chief executive officer of the Company and an executive Director, who owns 34.06% of the issued share capital of Rong De Investments Limited, a substantial shareholder (within the meaning of the Listing Rules) of Zhuguang Holdings Group Company Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1176), which is a substantial Shareholder (within the meaning of the Listing Rules) through its wholly-owned subsidiary, Splendid Reach Limited |

**Proposed Amendments**

Pursuant to the Amendment Deeds, the Company and the Subscribers conditionally agreed to amend certain terms and conditions of the Convertible Bonds set out in the Bond Instrument as follows:

1. the insertion of the definition of "Closing Price", being "for the Shares for any Trading Day, last traded price per Share as published in the daily quotation sheet of the Stock Exchange for such day" into the Bond Instrument;

2. the maturity date of the Convertible Bonds ("**Maturity Date**") shall be extended to 30 December 2022, with the definition of "Maturity Date" as set out in the Bond Instrument to be amended accordingly from "the date falling on the 36th month from the relevant date of issue of the Convertible Bonds, and if that is not a Trading Day, the first Trading Day after" to "30 December 2022, and if that is not a Trading Day, the first Trading Day after";

3. the interest rate of the Convertible Bonds shall be adjusted from "seven per cent. (7%) per annum for the period from and including the Issue Date to the Relevant Payment Date", to "(i) seven per cent. (7%) per annum for the period from and including the Issue Date to the Relevant Payment Date; and (ii) twelve per cent. (12%) per annum for the period from the date immediately after the Relevant Payment Date to the Maturity Date", and the definition of "Convertible Bonds" and all references to the Convertible Bonds (where applicable) in the Bond Instrument shall be accordingly amended by deleting the words "7 per cent.";

4. the Maturity Redemption Price payable by the Company to redeem all of the Convertible Bonds outstanding on the Maturity Date ("**Outstanding Bonds**

**Details of the Additional Securities Documents**

Under the Proposed Amendments, the Convertible Bonds will be secured by the Additional Securities Documents as follows:

| No. | Nature | Name of Additional Securities Documents | Value as at 30 June 2022 |
|---|---|---|---|
| 1 | Receivables | East Gate Pledge of Receivables | 927.8 |
| 2 | | Issuer Pledge of Receivables | 161.4 |
| 3 | | SG Guangzhou Pledge of Receivables | 120.0 |
| 4 | | Taizhou Dong Tai Pledge of Receivables | 926.4 |
| 5 | | Taizhou Yinjian Pledge of Receivables | 441.4 |
| 6 | | Yinjian Energy Pledge of Receivables | 100.0 |
| 7 | | Assignment of receivables by the Company in favour of the Subscribers | 252.2 |
| | | Subtotal: | 2,929.2 |
| 7 | Share charge | Beijing Yuanda Share Pledge | (306.3) |
| 8 | | East Gate Share Pledge | 86.4 |
| 9 | | SGI Petrochemical Share Pledge | 485.6 |
| 10 | | Pledge over 100% of the issued shares of SGI Petrochemical | 73.1 |
| | | Subtotal: | 338.8 |
| | | Total: | 3,268.0 |

1. For illustration purpose, this amount was denominated in HK$ and has been translated into RMB at the rate of RMB1.00 to HK$1.16.

2. These pledges of receivables are pledges over the receivables of the Company of the aggregate amount of approximately HK$292,600,000 (equivalent to approximately RMB252.2 million) and are covered by Assignment of Receivables (in favour of Excel Bright), Assignment of Receivables (in favour of JIC), Assignment of Receivables (in favour of Mr. Gao), Assignment of Receivables (in favour of Ms. Luk), Assignment of Receivables (in favour of Regent Star) and Assignment of Receivables (in favour of Wonderfulsky). The amount of the receivables covered by Assignment of Receivables (in favour of Regent Star) is HK$114,495,652 (equivalent to approximately RMB98,703,148), which is in proportion to the amount of the Convertible Bonds held by Regent Star to the total amount of the Convertible Bonds.

3. This share charge is a pledge over 100% of the equity interest of Taizhou Yinjian, a subsidiary of the Company.

4. This share charge is a pledge over 30% of the equity interest of 信達建潤地產有限公司 (English name for identification purpose only, Xinda Jianrun Real Estate Co., Ltd.), an associate of the Company.

5. The share charge is a pledge over 17.6118% of the equity interest of Taizhou Dong Tai, an associate of the Company.

6. These share charges are pledges over 100% of the issued shares of SGI Petrochemical, a subsidiary of the Company, and are covered by HK Share Charge (in favour of Excel Bright), HK Share Charge (in favour of JIC), HK Share Charge (in favour of Mr. Gao), HK Share Charge (in favour of Ms. Luk), HK Share Charge (in favour of Regent Star) and HK Share Charge (in favour of Wonderfulsky).

Based on (1) the aggregate principal amount of the Convertible Bonds of HK$1,150,000,000; and (2) the aggregate value of the Securities constituted under the Additional Securities Documents as at 30 June 2022 amounting to approximately RMB3,268.0 million (equivalent to approximately HK$3,790.9 million based on the exchange rate of HK$1.16 to RMB1.00) as shown in the table above, the loan-to-value ("**LTV**") ratio of the Convertible Bonds is approximately 30.34%. Such ratio is in line with the LTV of other existing borrowings of the Group. As the security interests of each of the Subscribers in the Securities constituted under the Additional Securities Documents are determined in accordance with the ratio of the principal amount of the Convertible Bonds held by each of them to the total principal amount of the Convertible Bonds of HK$1,150,000,000, the LTV ratio of the Convertible Bonds held by each of the Subscribers (including Regent Star) is the same (i.e. approximately 30.34%). In view of the above, the Directors consider that the LTV ratio of the Convertible Bonds held by Regent Star is fair and reasonable.

The Subscribers are entitled to enforce the securities under the Additional Securities Documents, if, among others, the Company fails to pay the sum due under, and/or comply with the terms of, the Bond Instrument and/or the Additional Securities Documents. There is no ranking in terms of enforcement of the Additional Securities Documents and the Guarantees and it is the sole discretion of the Subscribers to determine which securities of the Convertible Bonds (i.e. the Additional Securities Documents and the Guarantees) would be enforced (including the order of enforcement) upon the default of the Company. As the assets pledged by the Group pursuant to the Additional Securities Documents are not related to the remaining assets of the Group ("**Remaining Assets**"), which mainly consist of investment properties, deposits, prepayment and other receivables and financial assets at fair value through profit or loss that amount to approximately HK$4,564,488,000 in aggregate and account for approximately 90.63% of the value of the Remaining Assets of approximately HK$5,036,316,000 as recorded in the Company's audited consolidated statement of financial pos (e)0.6 (d)0.6ion ta0.7 (s )0.5 (a)0.6 (t)0.7 (e

**Consideration**

Pursuant to the Amendment Deeds, in consideration of the Subscribers agreeing to the Proposed Amendments, the Company shall:

1. on the Relevant Payment Date, pay to each of the Subscribers the outstanding interest owed under the Bond Instrument as at the Relevant Payment Date (i.e. all outstanding interest accrued for the entire principal amount of the Convertible Bonds at the rate of 7% per annum during the period from 3 January 2022 to 4 July 2022) ("**Outstanding Interest**");

2. on or before 11 July 2022, pay to each of the Subscribers a fee, which shall be equal to 16.5% of the entire principal amount of the Convertible Bonds outstanding held by each Subscriber on the Relevant Payment Date ("**Relevant Fee**"), which is determined with reference to the amount of 16.5% of the principal amount of the Convertible Bonds outstanding as at the Maturity Date payable by the Company upon redemption of the Convertible Bonds on the Maturity Date in accordance with the Bond Instrument (before the Proposed Amendments);

3. on or before 15 July 2022 (or such later date as permitted by the Subscribers (or their security agent, as appropriate)), enter into a supplemental deed to the First Amendment Deed (in such form and content as requested by and satisfactory to the Subscribers (or their security agent, as appropriate) in their sole and absolute discretion) which sets out, among others, (i) the arrangement(s) on the provision by the Company of such additional Securities to secure the Convertible Bonds as determined and requested by the Subscribers (or their security agent, as appropriate) in their sole and absolute discretion; and (ii) the registration and related arrangement thereof, and provide all such additional Securities to secure the Convertible Bonds as determined and requested by the Subscribers (or their security agent, as appropriate) in their sole and absolute discretion by delivering to the Subscribers (or their security agent, as appropriate) the Additional Securities Documents (other than the PRC Securities Documents) (in such form and format as requested by and satisfactory to the Subscribers (or their security agent, as appropriate) in their sole and absolute discretion), and the duly executed but undated PRC Securities Documents (in such form and format as requested by and satisfactory to the Subscribers (or their security agent, as appropriate) in their sole and absolute discretion) signed by the relevant PRC Security Provider;

4. on or before 15 July 2022 (or such later date as permitted by the Subscribers (or their security agent, as appropriate)), procure the relevant security provider(s) to which it is a party to the Additional Securities Documents to enter into or to execute (as the case may be) the Additional Securities Documents with the Subscribers (or their security agent, as appropriate);

5. on or before 15 July 2022 (or such later date as permitted by the Subscribers (or their security agent, as appropriate)), publish an announcement setting out the arrangement on the provisions of the additional Securities to secure the Convertible Bonds as contemplated under the Additional Securities Documents in such form and content as requested by and satisfactory to the Subscribers (or their security agent, as appropriate) in their sole and absolute discretion ("**Announcement**");

6. irrevocably authorize the PRC Security Agent to decide the date of and to put such date in the Issuer Pledge of Receivables in its sole and absolute discretion on and after the Issuer Pledge of Receivables becomes effective, provided that such date shall be the Effective Date or other date no earlier than the Effective Date; and

7. procure each PRC Security Provider, on a date no later than 15 July 2022 (or such later date as permitted by the Subscribers (or the PRC Secuity Agent, as appropriate)), to irrevocably authorize the PRC Security Agent to decide the date of and to put such date in each PRC Security Documents (excluding the Issuer Pledge of Receivables) to which such PRC Security Provider is a party, in the PRC Security Agent's sole and absolute discretion, provided that such date shall be the Effective Date or other date no earlier than the Effective Date.

For the avoidance of doubt, notwithstanding that the Additional Securities Documents (other than the PRC Securities Documents) shall be entered into between the parties thereto on or before 15 July 2022 (or such later date as permitted by the Subscribers (or their security agent, as appropriate)) as set out in the Amendment Deeds, the Additional Securities Documents (other than the PRC Securities Documents) shall immediately become effective simultaneously when the Proposed Amendments become effective on the Effective Date, while the PRC Securities Documents shall become effective after the PRC Security Agent put the date (such date shall be the Effective Date or other date no earlier than the Effective Date) in it. Without prejudice to the relevant provision in the Amendment Deeds, the Subscribers shall not be entitled to take any action(s) to enforce the securities constituted under any one of the Additional Securities Documents before the Additional Securities Documents become effective as mentioned above.

If:

(i) the Company fails to pay in full the Outstanding Interest and/or the Relevant Fee to all Subscribers within the respective prescribed time limits as set out in the Amendment Deeds; and/or

(ii) the Company fails to pay the Relevant Costs to any one of the Subscribers within 5 Business Days after the written demand given by any one of the Subscribers in accordance with the Amendment Deeds; and/or

(iii) the Company fails to provide a list of the bank accounts ("**Designated Bank Accounts**") to be opened by the pledger under each PRC Pledge of Receivables with the bank designated by the Subscribers ("**Bank**") under the procurement of the Company (in such form and format and with such content as requested by and satisfactory to the Subscribers (or the PRC Security Agent, as appropriate) in their sole and absolute discretion) on or before 8 August 2022 (or such later date as permitted by the Subscribers (or their security agent, as appropriate)) under the Amendment Deeds and/or fails to comply with any of its obligations under sub-paragraphs 3 and 4 of the paragraph headed "Undertaking by the Company" below pursuant to the Amendment Deeds; and/or

(iv) the Company fails to comply with any of its its obligations under sub-paragraphs 3, 4, 5, 6 and 7 of the paragraph headed "Consideration" above and sub-paragraph 1 of the paragraph headed "Undertaking by the Company" below pursuant to the Amendment Deeds; and/or

(v) all or any one of the parties to any one of the Additional Securities Documents (other than the Subscribers (or their security agent, as appropriate)) breach/breaches any terms of such Additional Securities Documents; and/or

(vi) any of the Additional Securities Documents is terminated or becomes illegal, invalid, non-binding and/or unenforceable for whatever reason; and/or

(vii) the Additional Securities Documents do not become effective on or before the Long Stop Date; or the Additional Securities Documents do not become effective on the Effective Date:

(a) the provisions in relation to the Proposed Amendments and the undertaking of the Subscribers as set out in sub-paragraph 1 of the paragraph headed "Undertaking by the Subscribers" below pursuant to the Amendment Deeds shall be automatically ceased to have any effect with immediate effect;

(b) all terms and conditions of each of the Existing Documents (in particular, the Maturity Date as referred to in the Existing Documents shall still be 4 July 2022) shall continue to be in full force and effect and binding and enforceable on the parties thereto in all respects (as if the Proposed Amendments do not take effect and where applicable as if the Amendment Deeds has not been / was not entered into by the parties thereto);

(c) the Company shall on the date when the provisions in relation to the Proposed Amendments and the undertaking of the Subscribers as set out in sub-paragraph 1 of the paragraph headed "Undertaking by the Subscribers" below pursuant to the Amendment Deeds is ceased to have any effect in accordance with paragraph (a) above ("**Termination Date**") redeem the Outstanding Bonds in accordance with the Bond Instrument; and

(d) each of the Subscribers shall then be entitled to exercise any of its rights (exercisable at its sole and absolute discretion) under the terms and conditions of any one of the Existing Documents (including but without limitation the right to demand for redemption of the Outstanding Bonds in accordance with the Bond Instrument) and/or the Amendment Deeds at any time after the Termination Date (inclusive of the Termination Date).

**Undertaking by the Subscribers**

Under the Amendment Deeds, each of the Subscribers irrevocably undertakes with the Company that:

1. subject to the relevant provisions of the Amendment Deeds and the full payment of the Outstanding Interest and the Relevant Fee by the Company within the respective prescribed time limits as set out in the Amendment Deeds, and the full compliance of any other obligations under the Amendment Deeds by the Company, and without prejudice to the rights of each of the Subscribers to demand the Company for redemption of the Convertible Bonds if the Proposed Amendments do not become effective under the Amendment Deeds, each of the Subscribers agrees to withhold the exercise of its rights to demand for redemption of the Outstanding Bonds in accordance with the Bond Instrument during the period from the date of the First Amendment Deed and until the earlier of the Termination Date, the Long Stop Date, the Effective Date or the date when a written demand is served by the Relevant Subscriber under the Amendment Deeds (exclusive of the Termination Date, the Long Stop Date, the Effective Date or the date when a written demand is served by the Relevant Subscriber); and

2. subject to the full payment of the Relevant Fee by the Company on or before the prescribed time limit as set out in the Amendment Deeds, with effect from the date of the full payment of the Relevant Fee by the Company, it shall not exercise the Conversion Rights, provided however that, if it decides to exercise the Conversion Rights after the full payment of the Relevant Fee has been made by the Company, it shall refund the Relevant Fee in full to the Company on the date when it exercises the Conversion Rights.

Pursuant to the Amendment Deeds, if the Subscribers (or any one of them) is/are demanded by the Company to refund or return all or any part of the Outstanding Interest and/or the Relevant Fee, such part of the Outstanding Interest and/or the Relevant Fee shall be applied to set off against the outstanding interest payable and/or any other outstanding amount or sum payable by the Company to the Subscribers under the Existing Documents (in particular, the Bond Instrument).

**Undertaking by the Company**

Pursuant to the Amendment Deeds,

1. after each of the Additional Securities Documents becomes effective, the Company shall procure the Security provided under such relevant Additional Securities Documents be perfected in accordance with applicable laws and the terms of such Additional Securities Documents for securing the rights and interests of the relevant Subscribers relating to the Bond Instrument (as amended and supplemented by the Amendment Deeds);

2. the Company shall use commercially reasonably endeavours to procure each PRC Security Provider (excluding SGI Petrochemical) to submit the Addition Security

4. on and after 15 July 2022 (or such later date as permitted by the Subscribers (or their security agent, as appropriate)) and until all of the Outstanding Bonds are redeemed or converted (as the case may be), the Company undertakes that save and except (i) with the prior written consent from the Subscribers (or their security agent, as appropriate); or (ii) for transaction(s) exclusively and solely for repayment and refinancing of the existing liabilities of the Company and its subsidiaries under the Convertible Bonds, it shall not (and shall procure any of its subsidiaries not to):

   (a) create or permit to create or subsist any Security over any of the assets of the Company or any of its subsidiaries;

   (b) grant or provide any guarantee, indemnity or Security to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person; and/or

   (c) incur or obtain any Financial Indebtedness.

**Conditions Precedent**

The Proposed Amendments are subject to the following Conditions Precedent being fulfilled:

1. if required under the Listing Rules, the Stock Exchange having granted the approval in relation to the Proposed Amendments;

2. sEMC 1.724 0 Td[sEMC 1.724 0 T4 (lrpan /Lang (63)l 0 1)0.5 (v)0.5 (4 00 T4 ncaroposed Amend

If any of the Conditions Precedent shall not have been fulfilled at or before 11:59 p.m. on the Long Stop Date:

(a) all terms and conditions of each of the Existing Documents (in particular, the Maturity Date as referred to in the Existing Documents shall still be 4 July 2022) shall continue to be in full force and effect and binding and enforceable on the parties thereto in all respects (as if the Proposed Amendments do not take effect and where applicable as if the Amendment Deeds have not been/was not entered into by the parties thereto);

(b) the Company shall on the Long Stop Date redeem the Outstanding Bonds in accordance with the Bond Instrument; and

(c) each of the Subscribers shall then be entitled to exercise any of its rights (exercisable at its sole and absolute discretion) under the terms and conditions of any one of the Existing Documents (including but without limitation the right to demand for the redemption of the Outstanding Bonds in accordance with the Bond Instrument) and/or the Amendment Deeds at any time after the Long Stop Date (inclusive of the Long Stop Date).

The Company will re-comply with all the applicable Listing Rule requirements (including obtaining shareholder approval as required under Rule 13.36(1)) of the Listing Rules in the event that the Long Stop Date has to be extended beyond 31 August 2022.

## SUMMARY OF THE TERMS OF THE CONVERTIBLE BONDS AFTER THE PROPOSED AMENDMENTS

Set out below are the key terms of the Convertible Bonds as at the time of issue together with all subsequent amendments including the Proposed Amendments:

Principal amount : An aggregate of HK$1,150,000,000 of Convertible Bonds issued, comprising:

(a) HK$450,000,000 principal amount of the Convertible Bond issued to Regent Star;

(b) HK$200,000,000 principal amount of the Convertible Bond issued to Mr.Gao;

(c) HK$100,000,000 principal amount of the Convertible Bond issued to Wonderfulsky;

(d) HK$100,000,000 principal amount of the Convertible Bond issued to Ms. Luk;

(e) HK$100,000,000 principal amount of the Convertible Bond issued to Excel Bright; and

(f) HK$200,000,000 principal amount of the Convertible Bond issued to JIC.

| | | |
|---|---|---|
| Issue price | : | 100% of the principal amount of the Convertible Bonds |
| Interest | : | (i) seven per cent. (7%) per annum for the period from and including the Issue Date to the Relevant Payment Date; and (ii) twelve per cent. (12%) per annum for the period from the date immediately after the Relevant Payment Date to the Maturity Date |
| Default interest | : | Upon the occurrence of an event of default, an additional default interest of 24% per annum will |

Assume there is full conversion of the Convertible Bonds in the aggregate principal amount of HK$1,150,000,000 at the Conversion Price of HK$2.33 per Share, an aggregate of 493,562,227 Conversion Shares (representing approximately

The early redemption amount shall be the principal amount of the Convertible Bonds (including the outstanding and unpaid interest and other amounts (if any) calculated up to the early redemption date) ("**Applicable Redemption Amount**") plus an amount that would make up an aggregate internal rate of return on the relevant amount of the Convertible Bonds at 12% per annum thereon (having included the interest paid) calculated from the Issue Date to (and including) the early redemption date.

A bondholder may require the Company to redeem all or part of the Convertible Bonds in integral multiple of HK$10,000,000 at the early redemption amount any time after the occurrence of an event of default.

The early redemption amount shall be the principal amount of the Applicable Redemption Amount plus an amount that would make up an aggregate internal rate of return on the relevant portion of the principal amount of the Conversion Bonds at fifteen per cent (15%) per annum (having included the interest paid, but excluding all default interest (whether accrued, paid or unpaid)) calculated during the period from the Issue Date to (and including) the actual date of payment.

Transferability : Subject to compliance with applicable laws, rules and regulations (including but not limited to the Listing Rules and the Takeovers Code), the Convertible Bonds are transferrable in integral multiple of HK$10,000,000 except to direct competitors of the Company.

Status and listing : The Convertible Bonds constitute direct, guaranteed, secured, unsubordinated and unconditional obligations of the Company and shall at all times rank and without any preference or priority among themselves and with all other present and future direct, secured, unsubordinated and unconditional obligations of the Company.

No application has been made for the listing of the Convertible Bonds on any stock exchange.

**Effects on shareholding structure of the Company**

The following table sets out the shareholding structure of the Company (i) as at the Latest

As such, the Directors (including the independent non-executive Directors but excluding Mr. Tang Lunfei and Mr. Chen Zhiwei who are considered to have material interests in the transactions contemplated under the Amendment Deeds (including the Proposed Amendments)) consider that the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATION

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company will make an application to the Stock Exchange for approval of the Proposed Amendments.

Taking into consideration that as at the Latest Practicable Date, Mr. Tang Lunfei, an executive Director, is a senior management of the associates of Regent Star while Mr. Chen Zhiwei, a non-executive Director, is a director of Regent Star and a senior management of the associates of Regent Star, both Mr. Tang Lunfei and Mr.Chen Zhiwei are considered to have material interests in the transactions contemplated under the Amendment Deeds (including the Proposed Amendments). Accordingly, Mr. Tang Lunfei and Mr. Chen Zhiwei have abstained from voting on the relevant Board resolutions for approving the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments). Save as disclosed above, none of the other Directors has a material interest in the transactions contemplated under the Amendment Deeds (including the Proposed Amendments).

**EGM**

A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular. The EGM will be held at Room 1, 26/F, Guangzhou Jiayu Center, 769 Huacheng Avenue, Tianhe District, Guangzhou, Guangdong Province, the People's Republic of China on Wednesday, 24 August 2022 at 11:00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, approving, the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments).

As at the Latest Practicable Date, so far as the Directors were aware and based on publicly available information, Regent Star and its associate(s) were interested in 438,056,000 Shares, representing approximately 19.01% of the total number of Shares in issue. As Regent Star is considered to have material interests in the transactions contemplated under the Amendment Deeds, Regent Star and its associate(s) will therefore abstain from voting on the resolution approving the Amendment Deeds and the transactions contemplated thereunder (including the Prposed Amendments) at the EGM.

Save for the aforesaid and to the best knowledge, information and belief of the Company, as at the Latest Practicable Date, no other Shareholder had a material interest in the Amendment Deeds and is required to abstain from voting on the proposed resolution at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM or any adjournment thereof, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar and transfer office, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if lodged on or before 14 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if lodged on or after 15 August 2022) or via the designated URL (**https://spot-emeeting.tricor.hk**) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not later than 48 hours before the time appointed for holding the EGM (i.e. not later than 11:00 a.m. on Monday, 22 August 2022) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

## CLOSURE OF REGISTER OF MEMBERS

To ascertain the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 19 August 2022 to Wednesday, 24 August 2022, both days inclusive, during which period no transfer of the shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if lodged on or before 12 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if lodged on or after 15 August 2022) not later than 4:30 p.m. on Thursday, 18 August 2022.

## VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Independent Shareholders at the EGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

## RECOMMENDATION

An Independent Board Committee has been established to advise the Independent Shareholders in relation to the Amendment Deeds. Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Having considered the reasons and benefits to the Group to be brought by the Amendment Deeds, and the advice of the Independent Financial Adviser on the Proposed Amendments, the Directors (including the independent non-executive Directors but excluding Mr. Tang Lunfei and Mr. Chen Zhiwei who are considered to have material interests in the transactions contemplated under the Amendment Deeds (including the Proposed Amendments)) consider that the terms of the Amendment Deeds are on normal commercial terms and the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments) are in the interests of the Company and the Shareholders as a whole and they are fair and reasonable to the Company. Accordingly, the Directors (including the independent non-executive Directors but excluding Mr. Tang Lunfei and Mr. Chen Zhiwei who are considered to have material interests in the transactions contemplated under the Amendment Deeds (including the Proposed Amendments)) recommend the Shareholders and the Independent Shareholders (as the case may be) to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments).

## ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully
On behalf of the Board
**Silver Grant International Holdings Group Limited**
**Chu Hing Tsung**

Having taken into account the advice of the Independent Financial Adviser as set out in its letter of advice, we concur with the view of the Independent Financial Adviser and consider that although the entering into of the Amendment Deeds was not conducted in the ordinary and usual course of business of the Group, the terms of the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments) are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the resolution to be proposed at the EGM to approve the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments).

Yours faithfully
**Independent Board Committee**

**Liang Qing** **Zhang Lu** **Hung Muk Ming**

On 15 July 2022 (after trading hours), the parties in the First Amendment Deed entered into the Second Amendment Deed, pursuant to which the parties agreed to amend certain terms of the First Amendment Deed.

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company will make an application to the Stock Exchange for approval of the Proposed Amendments.

Mr. Chu joined the Amendment Deeds as a guarantor to confirm that the Guarantees shall continue to be in full force and effect and his obligations under the Guarantees shall not be prejudiced, affected or discharged by the execution of the Amendment Deeds and any transactions contemplated thereunder (including the Proposed Amendments).

As at the Latest Practicable Date, Mr. Chu is the chairman of the Board, a co-chief executive officer of the Company and an executive Director, who owns 34.06% of the issued share capital of Rong De Investments Limited, a substantial Shareholder (within the meaning of the Listing Rules) of Zhuguang Holdings Group Company Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1176), which is a substantial Shareholder (within the meaning of the Listing Rules) holding 681,240,022 Shares (representing approximately 29.56% of the issued share capital of the Company) through its wholly-owned subsidiary, Splendid Reach Limited. As such, Mr. Chu is a connected person of the Company pursuant to Chapter 14A of the Listing Rules and the Guarantees provided by him constitute connected transactions of the Company. Nevertheless, as the Guarantees provided by Mr. Chu are on normal commercial terms or better to the Group, and are not secured by the assets of the Group, such financial assistance provided by Mr. Chu is fully exempt from the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.90 of the Listing Rules.

As at the Latest Practicable Date, as Regent Star is a substantial Shareholder (within the meaning of the Listing Rules) which holds 438,056,000 Shares (representing approximately 19.01% of the issued share capital of the Company), Regent Star is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As a result, the transactions contemplated under the Amendment Deeds (including the Proposed Amendments) constitute connected transactions of the Company which are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, as the Convertible Bonds will be secured by the assets of the Group with effect from the Effective Date, the transactions contemplated under the Convertible Bonds held by Regent Star will constitute financial assistance received by the Company from a connected person of the Company which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, since Mr. Tang Lunfei, an executive Director, is a senior management of the associates of Regent Star while Mr. Chen Zhiwei, a non-executive Director, is a director of Regent Star and a senior management of the associates of Regent Star, both Mr. Tang Lunfei and Mr. Chen Zhiwei are considered to have material interests in the transactions contemplated under the Amendment Deeds (including the Proposed Amendments). Accordingly, Mr. Tang Lunfei and Mr. Chen Zhiwei have abstained from voting on the relevant Board resolutions for approving the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments). Save as disclosed above, none of the other Directors has a material interest in the transactions contemplated under the Amendment Deeds (including the Proposed Amendments).

As at the Latest Practicable Date, so far as the Directors were aware and based on publicly available information, Regent Star and its associate(s) were interested in 438,056,000 Shares, representing approximately 19.01% of the total number of Shares in issue. Regent Star is considered to have a material interest in the transactions contemplated under the Amendment Deeds, therefore Regent Star and its associate(s) will therefore abstain from voting on the resolution approving the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments) at the EGM. Save for the aforesaid and to the best knowledge, information and belief of the Company, as at the Latest Practicable Date, no other Shareholders or Directors had a material interest in the Amendment Deeds and is required to abstain from voting on the proposed resolution at the EGM.

## THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising of Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming, being all the independent non-executive Directors, has been formed to advise and make recommendation to the Independent Shareholders as to: (i) whether the terms and conditions of the Proposed Amendments are fair and reasonable so far as the Independent Shareholders are concerned, on normal commercial terms and in the interests of the Company and the Shareholders as a whole; (ii) whether the entering into of the Amendment Deeds is in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote on the resolution in relation to the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments). Our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders has been approved by the Independent Board Committee in this regard.

## OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, Regent Star, China Cinda Asset Management Co., Ltd. or any of their respective connected persons and close associates or other parties that could reasonably be regarded as relevant to our independence. During the two years immediately prior to this letter, we have not: (i) acted in the capacity as a financial adviser or as an independent financial adviser to the Company; (ii) provide any services to the Company; or (iii) had any relationship with the Company. Apart from normal independent financial advisory fees payable to us in connection with the current appointment, no arrangements exist whereby we had received or will receive any fees or benefits from the Group, Regent Star, China Cinda Asset Management Co., Ltd. or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

## BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

(i) the Company's annual report for the year ended 31 December ("**FY**") 2021 (the "**2021 Annual Report**");

(ii) the subscription agreements dated 20 May 2019 and 22 May 2019 in respect of the Convertible Bonds;

(iii) the Amendment Deeds; and

(iv) other information as set out in the Circular.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Company (collectively, the "**Management**"). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice. We considered that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the terms of the Amendment Deeds and the transactions contemplated thereunder, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes without our prior written consent.

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Amendment Deeds and the transactions contemplated thereunder (including the Proposed Amendments), we have taken into consideration the following principal factors and reasons:

### 1. Background information of the Group

The Company is an investment holding company, which is engaged in property investment and securities trading. The Group is principally engaged in property leasing and investments. The following table summarises the financial information of the Group for FY2020 and FY2021 as extracted from the 2021 Annual Report:

**Table 1: Highlight of the financial results of the Group**

| | Audited | |
|---|---|---|
| | **FY2021** | **FY2020** |
| Revenue | 87,478 | 89,244 |
| Finance costs | (410,008) | (216,675) |
| (Loss) for the year | (1,812,494) | (441,108) |
| (Loss) attributable to owners of the Company | (1,452,609) | (317,641) |

During FY2020 and FY2021, the revenue of the Group was mainly generated from rental income derived from East Gate Plaza, which is an investment property of the Group comprising a mixture of residential and commercial units located in Beijing, China. The rental income from the Group's property leasing business decreased by approximately 2.0% from approximately HK$89.1 million for FY2020 to approximately HK$87.4 million for FY2021. The revenue decrease was mainly due to a decline in the average rental rate per square metre of East Gate Plaza in FY2021 which was attributable to the effect of ongoing COVID-19 pandemic (the "**Pandemic**") that resulted in uncertain business environment, and indirectly affected the rental market condition. It was difficult for the Company to negotiate for a higher rental with existing tenants when tenancies expire and it also had to offer rental discounts to attract new tenants under such weak market sentiment. This is des (en-GB)/MCID 1(u BT0 Tc% o5 (t c)5 (t c)u0.5 (pa)05 (t c

Set out below is the summary of the financial positions of the Group as at 31 December 2020 and 2021, as extracted from the 2021 Annual Report:

**Table 2: Highlight of the financial position of the Group**

| | Audited<br>As at 31 December<br>2021 | <br><br>2020 |
|---|---|---|
| Non-current assets | 7,436,538 | 7,252,983 |
| Current assets | 4,135,421 | 3,985,879 |
| Current liabilities | 2,359,152 | 764,741 |
| Non-current liabilities | 3,494,574 | 3,090,128 |
| Net asset value (the "**NAV** | | |

The current assets mainly consisted of deposits, prepayments and other receivables, amount due from a joint venture, loan receivables, financial assets at fair value through profit or loss and cash and bank balances. The total current assets increased from approximately HK$4.0 billion as at 31 December 2020 to approximately HK$4.1 billion as at 31 December 2021, representing a slight increase by approximately 3.8%. The rise was mainly due to combined factors consisting of: (i) a surge in deposits, prepayments and other receivables by approximately HK$293.6 million; (ii) additional loan receivables by approximately HK$1.0 billion; and (iii) a decrease in cash and bank balances by approximately HK$653.0 million.

**2. Information of the Subscribers and the Guarantor**

Regent Star is a company incorporated in the British Virgin Islands which is indirectly wholly-owned by China Cinda Asset Management Co., Ltd., a company incorporated in the PRC whose ordinary shares are listed on the Main Board of the Stock Exchange (stock code: 1359). Regent Star is principally engaged in domestic and foreign non-performing assets investment, equity investment, mezzanine investments, debt investments and securities investments, medium and long-term bonds issuance, high quality assets and structured fixed income products and cross-border financial services. As at the Latest Practicable Date, as Regent Star holds 438,056,000 Shares, representing approximately 19.01% of the issued share capital of the Company, it is a connected person of the Company.

The other Subscribers, who are Independent Third Parties as at the Latest Practicable Date, are as follows:

(i) Mr. Gao and Ms Luk, being residents of Hong Kong;

(ii) Wonderfulsky, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1260) which is principally engaged in the provision of financial public relations services and arrangement and coordination of international roadshows;

(iii) Excel Bright, a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in general investment in Hong Kong. As at the Latest Practicable Date, Excel Bright is wholly owned by Ms. Hui Xiaohui, who is a resident of Hong Kong. As at the Latest Practicable Date, each of Excel Bright and its ultimate beneficial owner is an Independent Third Party; and

(iv) JIC, a company incorporated in Hong Kong, which is principally engaged in debt issuance, asset management and enterprise management. As at the Latest Practicable Date, JIC is ultimately owned by China Investment Corporation, a company established in the PRC which is wholly owned by the State Council of the PRC. As at the Latest Practicable Date, each of JIC and its ultimate beneficial owner is an Independent Third Party.

Pursuant to the Proposed Amendments, the maturity date of the Convertible Bonds ("**Maturity Date**") shall be extended to 30 December 2022, from the initial maturity date of 4 July 2022, representing approximately an additional six months from the initial maturity date. As discussed with the Management, we understand that the Company is expected to receive a cash inflow of approximately HK$1.3 billion within the next 6 months. Such cash inflow is mainly attributable to repayment of shareholder's loan of approximately HK$1.3 billion due in December 2022 from a joint venture. Accordingly, the Company will have sufficient internal

It is noted that the extension of the original Maturity Date is only for six (6) months. We

(iv) the Maturity Redemption Price payable by the Company to redeem all of the Convertible Bonds outstanding on the Maturity Date ("**Outstanding Bonds**") shall be adjusted from "116.5% of the entire principal amount of the Outstanding Bonds as at the Maturity Date (inclusive of interests received up to the Maturity Date)", to "a sum equal to the aggregate of (i) 100% of the principal amount of the Outstanding Bonds; and (ii) the interests on 100% of the principal amount of the Outstanding

(b) on or before 11 July 2022, pay to each of the Subscribers a fee, which shall be equal to 16.5% of the entire principal amount of the Convertible Bonds outstanding held by each Subscriber on the Relevant Payment Date (the "**Relevant Fee**"), which is determined with reference to the amount of 16.5% of the principal amount of the Convertible Bonds outstanding as at the Maturity Date payable by the Company upon redemption of the Convertible Bonds on the Maturity Date in accordance with the Bond Instrument (before the Proposed Amendments);

(c) on or before 15 July 2022 (or such later date as permitted by the Subscribers (or their security agent, as appropriate)), enter into a supplemental deed to the First Amendment Deed (in such form and content as requested by and satisfactory to the Subscribers (or their security agent, as appropriate) in their sole and absolute discretion) which sets out, among others, (i) the arrangement(s) on the provision by the Company of such additional Securities to secure the Convertible Bonds as determined and requested by the Subscribers (or their security agent, as appropriate) in their sole and

and provide all such additional Securities to secure the Convertible Bonds as determined and requested by the Subscribers (or their security agent, as appropriate) in their sole and absolute discretion by delivering to the Subscribers (or their security agent, as appropriate) the Additional Securities Documents (other than the PRC Securities Documents) (in such form and format as requested by and satisfactory to the Subscribers (or their security agent, as appropriate) in their sole and absolute discretion), and the duly executed but undated PRC Securities Documents (in such form and form at as requested by and satisfactory to the Subscribers (or their security agent, as appropriate) in their sole and absolute discretion) signed by the relevant PRC Security Provider;

(d) on or before 15 July 2022 (or such later date as permitted by the Subscribers (or their security agent, as appropriate)), procure the relevant security provider(s) to which it is a party to the Additional Securities Documents to enter into or to execute (as the case may be) the Additional Securities Documents with the Subscribers (or their security agent, as appropriate);

(e) on or before 15 July 2022 (or such later date as permitted by the Subscribers (or their security agent, as appropriate)), publish an announcement setting out the arrangement on the provisions of the additional Securities to secure the Convertible Bonds as contemplated under the Additional Securities Documents in such form and content as requested by and satisfactory to the Subscribers (or their security agent, as appropriate) in their sole and absolute discretion (the "**Announcement**");

(f) irrevocably authorise the PRC Security Agent to decide the date of and to put such date in the Issuer Pledge of Receivables in its sole and absolute discretion on and after the Issuer Pledge of Receivables becomes effective, provided that such date shall be the Effective Date or other date no earlier than the Effective Date; and

(g) procure each PRC Security Provider, on a date no later than 15 July 2022 (or such later date as permitted by the Subscribers (or the PRC Security Agent, as appropriate)), to irrevocably authorise the PRC Security Agent to decide the date of and to put such date in each PRC Security Documents (excluding the Issuer Pledge of Receivables) to which such PRC Security Provider is a party, in the PRC Security Agent's sole and absolute discretion, provided that such date shall be the Effective Date or other date no earlier than the Effective Date.

For the avoidance of doubt, notwithstanding that the Additional Securities Documents (other than the PRC Securities Documents) shall be entered into between the parties thereto on or before 15 July 2022 (or such later date as permitted by the Subscribers (or their security agent, as appropriate)) as set out in the Amendment Deeds, the Additional Securities Documents (other than the PRC Securities Documents) shall immediately become effective simultaneously when the Proposed Amendments become effective on the Effective Date, while the PRC Securities Documents shall become effective after the PRC Security Agent put the date (such date shall be the Effective Date or other date no earlier than the Effective Date) in it. Without prejudice to the relevant provision in the Amendment Deeds, the Subscribers shall not be entitled to take any action(s) to enforce the securities constituted under any one of the Additional Securities Documents before the Additional Securities Documents become effective as mentioned above.

If:

(i) the Company fails to pay in full the Outstanding Interest and/or the Relevant Fee to all Subscribers within the respective prescribed time limits as set out in the Amendment Deeds; and/or

(ii) the Company fails to pay the Relevant Costs to any one of the Subscribers within 5 Business Days after the written demand given by any one of the Subscribers in accordance with the Amendment Deeds; and/or

(iii) the Company fails to provide a list of the Designated Bank Accounts (in such form and format and with such content as requested by and satisfactory to the Subscribers (or the PRC Security Agent, as appropriate) in their sole and absolute discretion) on or before 8 August 2022 (or such later date as permitted by the Subscribers (or their security agent, as appropriate)) under the Amendment Deeds and/or fails to comply with any of its obligations under sub-paragraphs 3 and 4 of the paragraph headed "Undertaking by the Company" in the Letter from the Board pursuant to the Amendment Deeds; and/or

(iv) the Company fails to comply with any of its obligations under sub-paragraphs 3, 4, 5, 6 and 7 of the paragraph headed "Consideration" above and sub-paragraph 1 of the paragraph headed "Undertakin.6 (r)0.EMC /Span ⁄Laikegrardkkif

(d) each of the Subscribers shall then be entitled to exercise any of its rights (exercisable at its sole and absolute discretion) under the terms and conditions of any one of the Existing Documents (including but without limitation the right to demand for redemption of the Outstanding Bonds in accordance with the Bond Instrument) and/or the Amendment Deeds at any time after the Termination Date (inclusive of the Termination Date).

Save as disclosed above, there are no other amendments to the terms and conditions of the Convertible Bonds (in particular, no amendment is made to the Conversion Price). For further details of the principal terms of the Amendment Deed, please refer to section headed "Amendment Deeds" in the Letter from the Board.

In relation to the proposed amendment of the interest rate set out in (iii) under section headed "4. The Amendment Deeds" above, the revised interest rate of 12% per annum is determined with reference to the internal rate of return ("

**Table 3: List of securities of the Convertible Bonds**

| No. | Nature | Item | | Value as at 30 June 2022 |
|---|---|---|---|---|
| 1 | Receivables | East Gate Pledge of Receivables | | 927.8 |
| 2 | | Issuer Pledge of Receivables | 161.4 | |
| 3 | | SG Guangzhou Pledge of Receivables | | 120.0 |
| 4 | | Taizhou Dong Tai Pledge of Receivables | | 926.4 |
| 5 | | Taizhou Yinjian Pledge of Receivables | | 441.4 |
| 6 | | Yinjian Energy Pledge of Receivables | | 100.0 |
| 7 | | Assignment of Receivables (in favour of Excel Bright), Assignment of Receivables (in favour of JIC), Assignment of Receivables (in favour of Mr. Gao), Assignment of Receivables (in favour of Ms. Luk), Assignment of Receivables (in favour of Regent Star) and Assignment of Receivables (in favour of Wonderfulsky) | 252.2 | |
| | | Subtotal: | | 2,929.2 |
| 8 | Share charge | Beijing Yuanda Share Pledge | | (306.3) |
| 9 | | East Gate Share Pledge | | 86.4 |
| 10 | | SGI Petrochemical Share Pledge | | 485.6 |
| 11 | | HK Share Charge (in favour of Excel Bright), HK Share Charge (in favour of JIC), HK Share Charge (in favour of Mr. Gao), HK Share Charge (in favour of Ms. Luk), HK Share Charge (in favour of Regent Star) and HK Share Charge (in favour of Wonderfulsky) | | 73.1 |
| | | Subtotal: | | 338.8 |
| | | Total: | | 3,268.0 |

1. For illustration purpose, these amounts were denominated in HK$ and have been translated into RMB at the rate of RMB1.00 to HK$1.16.

2. These pledges of receivables are pledges over the receivables of the Company of the aggregate amount of approximately HK$292,600,000 (equivalent to approximately RMB252.2 million) and are covered by Assignment of Receivables (in favour of Excel Bright), Assignment of Receivables (in favour of JIC), Assignment of Receivables (in favour of Mr. Gao), Assignment of Receivables (in favour of Ms. Luk), Assignment of Receivables (in favour of Regent Star) and Assignment of Receivables (in favour of Wonderfulsky). The amount of the receivables covered by Assignment of Receivables (in favour of Regent Star) is HK$114,495,652 (equivalent to approximately RMB98,703,148), which is

**5. Comparable analysis**

In assessing the fairness and reasonableness of the key terms of the Proposed Amendments, including the Maturity Date and the amount payable to redeem the Convertible Bonds, we have conducted a research, on a best effort basis, on recent transactions involving amendments of convertible bonds/notes to both connected persons and independent third parties by companies listed on the Stock Exchange (the "**Comparable Amendments**"). We have considered the proposed amendments of convertible bonds/notes to both connected persons and independent third parties in our research, since the terms of such amendments were arrived at based on prevailing market conditions regardless of whether the subscribers are connected persons or not and represent an unbiased reference on market terms, therefore providing a decent reference in our evaluation of the terms of the Proposed Amendments. Based on our best endeavour and as far as we are aware, we have identified a total 13 Comparable Amendments, which was announced during a period of six months prior to and including 6 July 2022, being the date of the First Amendment Deed (the "**Comparison Period**") to provide a general reference for and to compare with the recent market practice in relation to the amendments on the terms of the convertible bonds/notes under similar market condition. We consider that the Comparison Period is appropriate since it provided, in our opinion, a reasonable and meaningful number of samples for our analysis purpose and the Comparable Amendments are a fair and representative sample.

Shareholders should note that the principal businesses, market capitalisations, profitability and financial positions of the companies undertaking the Comparable Amendments may not be the same as those of the Company, and we have not conducted any in-depth investigation into their businesses and operations. As the Comparable Amendments can provide a general reference of the key terms for similar amendments in Hong Kong under the current market conditions, we consider, to the best of our knowledge and ability, that the Comparable Amendments are exhaustive, fair and indicative in assessing the fairness and reasonableness of the key terms of the Proposed Amendments.

1. The announcement issued by China First Capital Group Limited (1269.HK) on 19 April 2022 was excluded from the Comparable Amendments as it was related to a termination of the proposed amendment and restatement agreement to the convertible bonds, which does not involve amending the key terms for our comparison purpose.

We noted that the extension period of the Comparable Amendments ranged from 6 months to 36 months, with an average being 15 months. The proposed extension period of six months as contemplated under the Amendment Deeds falls within the range of the Comparable Amendments and is also below the average and equivalent to the minimum extension period as recorded by the Comparable Amendments. Assuming the Proposed Amendments will take effect, we consider that from the perspective of the Company's interest payment obligations, the proposed extension period of six months can be regarded as favourable to the Company since the Company would incur less interest payment as compared to a relatively longer extension period which will result in higher interest payment due to the longer duration.

We have attempted to assess the whether the Comparable Amendments would also involve the alteration in redemption rate but none was noted during the Comparison

bonds/notes, the redemption rate was already 100% of the then outstanding amount on the relevant maturity date and remained unchanged. For our analysis on decreasing the redemption rate while increasing the interest rate simultaneously under the Proposed Amendment, please refer to the sub-section headed "Interest rate" below.

As shown in the table above, we note that the interest rate of the Comparable Amendments ranged from nil to 15.0%, with the average being 6.8%. The proposed upward amendment of interest rate to 12.0% is within the range but above the average of

With reference to the 2019 Circular in relation to the Convertible Bonds, as discussed in the subsection headed "8.2 Comparable Issues" under Appendix II — Letter from the independent financial adviser, the IRR of the Convertible Bonds, calculated based on the issue prices, interest rate, term to maturity and redemption amounts at maturity was approximately 12.0%. We understand from the Management that pursuant to the arm's length negotiations between the Company and the Subscribers, the intention was to structure the Proposed Amendments to be in line with the initial IRR of the Convertible Bonds when it was initially issued on 3 July 2019. Accordingly, with the combined changes in: (a) the increase in interest rate from 7% to 12% per annum; (b) the decrease in the redemption rate at maturity from 116.5% to 100.0%; and (c) to extend the Maturity Date by a further six months, the IRR of the Convertible Bonds remained unchanged at 12.0% pursuant to the Proposed Amendments.

Pursuant to the Amendment Deeds, the Convertible Bonds shall be secured by the Securities to be executed by the Company in favour of the Subscribers (or their security agents). As advised by the Management, as security for the due and punctual payment of the Convertible Bonds and performance by the Company of its repayment obligations under the Amendment Deeds, the Company execute the Securities as a collateral for payment and discharge of the outstanding principal amount of the Convertible Bonds and performance by the Company pursuant to the Amendment Deeds.

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Given the fact that the LTV ratio of the Convertible Bonds is in line with our assessment of DLOM in relation to the securities-backed financing, we are of the view that it is in the interests of the Company and the Shareholders as a whole.

We also noted that there are six Comparable Amendments that consist of provision of personal or corporate guarantees as collateral under the respective convertible bonds/notes. Accordingly, we consider that the provision of corporate guarantee is a normal market practice. In addition, we noted that: (i) four of the Comparable Amendments were secured by share charge/pledge of securities and two of which also included the provision of personal or corporate guarantees simultaneously. In this regard, the provision of personal or corporate guarantee together with share charge or pledge of securities might appear to be relatively less common in convertible bonds within the Comparison Period; and (ii) the total value of the Securities (i.e. HK$3,790.9 million) as at 30 June 2022 which represented approximately 32.7% of the total assets (i.e. HK$11.6 billion) of the Group as at 31 December 2021 may constitute a major portion of the total asset of the Group. Nevertheless, we consider that:

(a) the underlying reasons for amending the terms of the convertible bonds/notes varied and the issuer's business scale, financial position, market capitalisation, industry sectors, credit profiles and growth prospect might also be taken into account during the negotiation process. It is therefore reasonable that the terms of the convertible bonds/notes are amended with different purposes and whether the Comparable Amendments include any share charge/pledge of securities will not render the Comparable Amendments becoming

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the 2021 Annual Report, the Group had cash and bank balances of approximately HK$116.8 million as at 31 December 2021. Furthermore, the Group recorded current liabilities of approximately HK$2.36 billion and total liabilities of approximately HK$5.85 billion as at 31 December 2021. The extension of the Maturity Date of the Convertible Bonds pursuant to the Amendment Deeds will enable the Group to postpone a substantial cash outflow. Alternatively, if the relevant resolution for approving the Amendment Deeds was voted down at the EGM, the Company may not have sufficient internal resource immediately available to redeem the Convertible Bonds of

The aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be after the Proposed Amendments.

## RECOMMENDATION

In view of the above and having considered in particular that:

(i) it is not the intention of the Group to secure other borrowings to redeem the Convertible Bonds on the Maturity Date;

(ii) the proposed upward revision in interest rate is within the range among the Comparable Amendments and the interest rates of the existing debts of the Group;

(iii) the Proposed Amendments enable the Group to postpone a substantial cash outflow, allowing the Company to retain working capital to support its operations and development; and

(iv) the terms of the Amendment Deeds are in line with the Comparable Amendments and are applicable to all the Subscribers, whether they are connected person or Independent Third Parties,

we are of the opinion that although the entering into of the Amendment Deeds was not conducted in the ordinary and usual course of business of the Group, the terms of the Amendment Deeds are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executives' interests and short positions in the securities of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules ("**Code**"), to be notified to the Company and the Stock Exchange, were as follows:

| Name of Director | Capacity | Number of Shares interested | Approximate percentage of the issued Shares |
|---|---|---|---|
| Mr. Chu | Interest of controlled corporations | 681,240,022 | 29.56% |

1. The total number of issued Shares as at the Latest Practicable Date (i.e. 2,304,849,611 Shares) had been used for the calculation of the approximate percentage of shareholdings in the Company.

2. Mr. Chu directly holds 34.06% of the issued shares of Rong De Investments Limited ("**Rong De**"), which in turn holds approximately 66.85% of the issued shares of Zhuguang Holdings Group Limited ("**Zhuguang Holdings**"), which in turn holds 100% of the issued shares of Splendid Reach Limited ("**Splendid Reach**"), the beneficial owner of such 681,240,022 Shares. Accordingly, Mr. Chu, Rong De and Zhuguang Holdings are deemed to be interested in such 681,240,022 Shares pursuant to Part XV of the SFO.

**(b) Substantial Shareholders' interests and short positions in Shares and underlying Shares**

As at the Latest Practicable Date, so far as it was known to the Directors or the chief executives of the Company, the following persons, other than the Directors or the chief executives of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Part XV of the SFO, and were recorded in the register required to be kept under section 336 of the SFO:

| Name of substantial Shareholder | Capacity | Number of Shares interested | Approximate percentage of issued Shares |
|---|---|---|---|
| China Cinda Asset Management Co., Ltd. ("**China Cinda**") | Interest of controlled corporations | 438,056,000 | 19.01% |
| Cinda HK | Interest of a controlled corporation | 438,056,000 | 19.01% |
| Regent Star | Beneficial owner | 438,056,000 | 19.01% |
| Liao Tengjia | Interest of controlled corporations | 681,240,022 | 29.56% |
| Rong De | Interest of controlled corporations | 681,240,022 | 29.56% |
| Zhuguang Holdings | Interest of a controlled corporation | 681,240,022 | 29.56% |
| Splendid Reach | Beneficial owner | 681,240,022 | 29.56% |

1. The total number of issued Shares as at the Latest Practicable Date (i.e. 2,304,849,611 Shares) has been used for the calculation of the approximate percentage of shareholdings in the Company.

2. China Cinda directly holds 100% of the issued shares of Cinda HK, which in turn holds 100% of the issued shares of Regent Star. Therefore, China Cinda and Cinda HK are taken to be interested in the number of Shares held by Regent Star pursuant to Part XV of the SFO.

3. Mr. Liao Tengjia directly holds 36% of the issued shares of Rong De, which in turn holds approximately 67.08% of the issued shares of Zhuguang Holdings, which in turn holds 100% issued shares of Splendid Reach. Therefore, Mr. Liao Tengjia, Rong De and Zhuguang Holdings are taken to be interested in the number of Shares held by Splendid Reach pursuant to Part XV of the SFO.

| Name of substantial Shareholder | Capacity | Number of underlying Shares interested | Approximate percentage of issued Shares |
|---|---|---|---|
| China Cinda | Interest of controlled corporations | 193,133,047 | 8.38% |
| Cinda HK | Interest of a controlled corporation | 193,133,047 | 8.38% |
| Regent Star | Beneficial owner | 193,133,047 | 8.38% |

1. The total number of issued Shares as at the Latest Practicable Date (i.e. 2,304,849,611 Shares) has been used for the calculation of the approximate percentage of shareholdings in the Company.

2. China Cinda directly holds 100% of the issued shares of Cinda HK, which in 4el holds 100% of the issued shares of Regent Star, the beneficial owner of such 193,133,047 underlying Shares. Therefore, China Cinda and Cinda HK are taken to be interested in the number of underlying Shares held by Regent Star pursuant to Part XV of the SFO.

3. These represent unlisted physically settled derivatives of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive officers of the Company were not aware of any other persons (other than a Director or the chief executives of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Part XV of the SFO or was recorded in the register required to be kept by the Company under section 366 of the SFO.

## 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which was not expiring or determinable by the employer within one year without payment of compensation other than statutory compensation.

As at the Latest Practicable Date, the expert named above:

# SILVER GRANT INTERNATIONAL HOLDINGS GROUP LIMITED
# 銀建國際控股集團有限公司

**(Stock Code: 171)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting ("**EGM**") of Silver Grant International Holdings Group Limited ("

(b) subject to The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") granting the listing of, and permission to deal in, the Conversion Shares (as defined in the Circular), the grant to the directors of the Company ("**Directors**") of the specific mandate to allot and issue the Conversion Shares pursuant to the exercise of the conversion rights attached to the Convertible Bonds in accordance with the terms and conditions of the Convertible Bonds (as amended and supplemented by the Amendment Deeds) be and is hereby approved; and

(c) any one or more Directors be and is hereby authorised to sign and execute all such documents, agreements, deeds, acts, matters and things, on behalf of the Company

3. To ascertain the entitlement of the shareholders of the Company to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 19 August 2022 to Wednesday, 24 August 2022, both days inclusive, during which period no transfer of the shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if lodged on or before 12 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if lodged on or after 15 August 2022) not later than 4:30 p.m. on Thursday, 18 August 2022.

4. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), all votes of the shareholders of the Company at the EGM except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to

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