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SILVER GRANT INTERNATIONAL INDUSTRIES LIMITED
銀建國際實業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 171)

ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
ADVANCE OF SHAREHOLDER'S LOAN TO
A NON-WHOLLY OWNED SUBSIDIARY

ADVANCE OF SHAREHOLDER'S LOAN TO TZ DONG TAI

The Board wishes to announce that on 24 April 2015, the Board resolved to advance a shareholder's loan to TZ Dong Tai to meet the funding need of TZ Dong Tai. The Group will provide the fund, on a pro rata basis, of an aggregate amount of approximately RMB279.1 million (equivalent to approximately HK\$348.9 million) by means of shareholder's loan to TZ Dong Tai.

LISTING RULES IMPLICATION

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the shareholder's loan to be made by the Company exceeds 5% but each of them is less than 25%, such provision of the shareholder's loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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THE SHAREHOLDER'S LOAN

The total amount of shareholder's loans to be advanced to TZ Dong Tai is RMB400.0 million and the pro rata share attributable to the Group is approximately RMB279.1 million. The shareholder's loans to be advanced will have no specific repayment term and will bear interest at 5.35% per annum. TZ

Dong Tai will apply half of the shareholder's loans amounting to approximately RMB200.0 million for the purpose of onward injection to Zhong Hai You Qi as further capital contribution and the remaining half as working capital and/or for the purpose of funding potential acquisitions in the course of business development.

The shareholder's loan to be advanced to TZ Dong Tai will be funded by the Group out of its internal resources. It is expected the advance will be made by the end of 30 April 2015.

INFORMATION OF TZ DONG TAI AND ZHONG HAI YOU QI

TZ Dong Tai is an investment holding vehicle and its principal asset is its 33% equity interest in Zhong Hai You Qi. As at 31 December 2014, the total asset and the net asset value of TZ Dong Tai is approximately HK\$732.2 million and approximately HK\$662.2 million respectively. As at the date of this announcement, TZ Dong Tai is a 69.78% owned indirect subsidiary of the Company.

Zhong Hai You Qi is principally engaged in the business of production and trading of petroleum and petrochemical products including fuel oil, basic lubricant and heavy duty bitumen. As at 31 December 2014, the total asset and the net asset value of Zhong Hai You Qi is approximately HK\$4,777.6 million and approximately HK\$1,453.0 million respectively. At the date of this announcement, Zhong Hai You Qi is a 33% owned associate of TZ Dong Tai and is a 23.03% owned indirect associate of the Company.

REASONS FOR THE PROPOSED SHAREHOLDER'S LOAN

Zhong Hai You Qi concluded a renovation project known as the Integration Project to expand its production capacity and to extend its products line in mid-year 2012. The Integration Project is a renovation project composing a portfolio of nine principal production devices, a storage and transportation system and the related supporting public engineering system, amongst which the major production devices include an oil refinery device with a 3,000,000 tons per year capacity, a fuel oil device with a 1,700,000 tons per year capacity, a hydrocracking device with a 1,500,000 tons per year capacity and a lubricant oil device with a 600,000 tons per year capacity. The construction works of the Integration Project was commenced in mid-year 2013 and is expected to be completed in mid-year 2016. The Integration Project will enable Zhong Hai You Qi to produce a full range of petrochemical products including liquid gas, lubricant oil, fuel oil (diesel) and solvent oil, covering over 90% of the products output with an output volume of approximately 4,000,000 tons per year. Zhong Hai You Qi has been utilising its internal resources and bank financing for the construction of the Integration Project in the early stages of construction. To satisfy the funding need for the next stages of construction of the Integration Project in 2015, Zhong Hai You Qi has requested its shareholders to contribute further capital pursuant to which TZ Dong Tai is requested to make a pro rata capital contribution of approximately RMB200.0 million to Zhong Hai You Qi.

In view of the above, the Board considers it is necessary to advance the shareholder's loan to meet the needs in working capital of TZ Dong Tai and for TZ Dong Tai's onward injection of further capital to Zhong Hai You Qi in connection with the construction of the Integration Project.

GENERAL INFORMATION ABOUT THE GROUP

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

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the shareholder loan to be made by the Company exceeds 5% but each of them is less than 25%, such provision of the shareholder's loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

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| “Board” | board of Directors |
| “Company” | Silver Grant International Industries Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange |
| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People's Republic of China |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | the holder(s) of the shares of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “TZ Dong Tai” | 泰州東泰石化有限公司 (Tai Zhou Dong Tai Petrochemical Company Limited*), a 69.78% owned indirect subsidiary of the Company established in the PRC with limited liability |

“Zhong Hai You Qi” 中海油氣(泰州)石化有限公司(Zhong Hai You Qi (Taizhou) Petrochemical Company Limited*), a 23.03% owned indirect associate of the Company established in the PRC with limited liability

“%” per cent

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

Hong Kong, 24 April 2015

As at the date of this announcement, the Board comprises Mr. Gao Jian Min (Managing Director), Mr. Liu Tianni (Deputy Managing Director) and Mr. Gu Jianguo as executive directors; Mr. Chen Xiaozhou (Chairman), Mr. Hui Xiao Bing (Vice Chairman) and Mr. Chen Qiming (Vice Chairman) as non-executive directors and Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming as independent non-executive directors.

In this announcement, for reference only, the translations of Renminbi into Hong Kong dollars is based on the exchange rate of RMB1.00 to HK\$1.25.

** The name in English are for identification purpose only.*