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中國白銀集團  
CHINA SILVER GROUP

**CHINA SILVER GROUP LIMITED**

中國白銀集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 815)**

## **POSITIVE PROFIT ALERT**

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the Group’s unaudited consolidated management accounts for the six months ended 30 June 2024 (“**1H 2024**”) (which have not been confirmed, reviewed or audited by the Company’s auditors or audit committee, and may be subject to adjustment) and other information currently available to the Group, the Group expects to record a net profit attributable to owners of the Company of RMB18 million to RMB23 million for 1H 2024, as compared to a net profit attributable to owners of the Company of approximately RMB16.2 million for the six months ended 30 June 2023 (“**1H 2023**”).

Such expected year-on-year increase in net profit is mainly attributable to the following factors:

- (i) in respect of the Group’s manufacturing segment, although the sales volume for 1H 2024 had reduced, the net profit margin had increased due to (a) increase in silver price in 1H 2024 compared to 1H 2023, and (b) reduction in administrative expenses and other costs and expenses as a result of improved cost control, resulting in an increase in net profit for the segment for 1H 2024; and

(ii) in respect of the Group’s new jewellery retail segment operated under the Company’s non-wholly-owned subsidiary CSMall Group Limited (stock code: 1815) (“CSMall”), although the segment’s overall sales volume for 1H 2024 had reduced due to a significant decrease in sales of gold products, the segment had recorded a growth in sales of silver products, which had a higher gross profit margin compared to gold products, resulting in an increase in gross profit and thus a turnaround from net loss to net profit for the segment for 1H 2024,

which are partially offset by the following unfavorable factors:

(iii) in respect of the Group’s discontinued operation (classified as the Group’s silver exchange segment prior to 1 November 2023), a net profit was recorded for such operation in 1H 2023, while no such profit was recorded in 1H 2024 due to the discontinuation and disposal of such operation;

(iv) in respect of the Group’s fresh food retail segment operated under CSMall, given that the “Nongmuren” S2B2C platform had been continuously undergoing business reorganization and adjusting its business strategies, the sales volume for 1H 2024 had reduced compared to that for 1H 2023; in addition, the segment is expected to recognize a goodwill impairment of approximately RMB8.5 million due to a re-estimation of the segment’s expected future cash flows, resulting in an increase in net loss for the segment for 1H 2024; and

(v) a net provision for impairment loss under expected credit loss model of approximately RMB6 million is expected to be recognized for 1H 2024 in respect of the Group’s trade and other receivables, as compared to approximately RMB1.4 million for 1H 2023.

The Company is still in the process of finalizing its interim results for 1H 2024. Detailed financial information and performance of the Group for 1H 2024 will be disclosed in the Company’s interim results announcement for 1H 2024 which is expected to be published by the end of August 2024.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**China Silver Group Limited**  
**Chen Wantian**  
*Chairman*

Hong Kong, 20 August 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Wantian, Mr. Song Guosheng and Mr. Liu Jiandong; and the independent non-executive directors of the Company are Mr. Song Hongbing, Dr. Li Haitao and Dr. Zeng Yilong.*