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Silk Road Logistics Holdings Limited

絲路物流控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 988)

**SUPPLEMENTAL ANNOUNCEMENT
MAJOR TRANSACTION:
DRAG-ALONG RIGHT FOR DISPOSAL OF
29.95% EQUITY INTEREST IN ROCKEAST**

Reference is made to the announcement of the Company dated 4 March 2021 in relation to major transaction involving Drag-along Right for disposal of 29.95% equity interest in RockEast.

The Board would like to supplement that at the material time of the Previous Acquisition, given that the 2015 RockEast Shareholders Agreement has been entered into before the Previous Acquisition, the Company was not aware of that the Drag-along Right was subject to the Listing Rules compliance and failed to comply with Rules 14.34, 14.38A, 14.40, 14.41 and 14.76(1) in a timely manner. In October 2020, during the communication between the Company and the management of RockEast (the “**RockEast Management**”) about the possible disposal of the equity interests of RockEast, Rock East Management pointed out that the Company was bound by the Drag-along Right under the 2016 RockEast Shareholders Agreement. The Company therefore consulted the legal adviser about the impact of the exercise of the Drag-along Right on the Company under the Listing Rules and was given to know that the Drag-along Right should be regarded as a grant of option and was subject to Chapter 14 of the Listing Rules.

When the Company realised the implication of the Drag-along Right under the Listing Rules, the Company has tried to rectify the non-compliance by seeking the shareholders' approval as soon as possible before the RockEast Majority Shareholders exercising the Drag-along Right. By the various communications with RockEast Management from October 2020 to December 2020, the Company and RockEast Management explored the possibility of disposing of the equity interest in RockEast, which the Company considered that might affect the timing and mode of rectification in respect of the Drag-along Right under the Listing Rules. In January 2021, there was no progress in the communication with RockEast Management, the Company decided to proceed with the remedial action in order to rectify the non-compliance arising from the Drag-along Right.

Pursuant to Rule 14.76(1) of the Listing Rules, the Company is unable to demonstrate the highest possible monetary value of the premium and the exercise price of the Drag-along Right, which value will then be used for the purpose of classification of notifiable transaction, failing which will result in the transaction being classified as at least a major transaction. Hence, the Drag-along Right and the transaction contemplated thereunder should be classified as a major transaction at the material time of the Previous Acquisition.

To prevent similar non-compliance from occurring in the future, the Company shall take the following measures and actions:

- (i) the Company will provide trainings to reinforce the Directors' and staff members' knowledge on Listing Rules requirements in relation to notifiable transaction compliance;
- (ii) the Company will instruct the personnel involved in the notifiable transaction to review and report all the ancillary documents in relation to the transaction to the Board; and
- (iii) the Company will consult legal advisers in respect of any Listing Rules implication arising from all the ancillary documents of notifiable transaction.

By order of the Board
Silk Road Logistics Holdings Limited
Meng Fanpeng
Executive Director

Hong Kong, 23 March 2021

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Wong Kai Ling, Ms. Yang Yi and Mr. Meng Fanpeng; one non-executive Director, namely Mr. Qin Bo; and four independent non-executive Directors, namely Ms. Choy So Yuk, Mr. Wu Zhao, Mr. Zou Mingwu and Mr. Wong Chun Hung.