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Silk Road Energy Services Group Limited  
絲路能源服務集團有限公司  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8250)

## **(1) DISCLOSEABLE TRANSACTION ACQUISITION OF EQUIPMENT; AND (2) BUSINESS UPDATE**

On 22 March 2024 (after trading hours), the Vendor and the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equipment Purchase Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Equipment in accordance with the terms of the Equipment Purchase Agreement.

### **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

### **INTRODUCTION**

On 22 March 2024 (after trading hours), the Vendor and the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equipment Purchase Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Equipment in accordance with the terms of the Equipment Purchase Agreement.

# THE EQUIPMENT PURCHASE AGREEMENT

The principal terms of the Equipment Purchase Agreement are set out below:

Date: 22 March 2024 (after trading hours), the Equipment Purchase Agreement shall become effective upon execution by the Purchaser and the Vendor.

Parties: (i) the Vendor; and  
(ii) the Purchaser.

Subject matter of the Acquisition: The Equipment, which includes meat cutting machine(s), freezing and storage equipment, delivery car(s) and other relevant equipment

Consideration and Payment Terms: The Consideration for the Acquisition is RMB5,633,700 (equivalent to approximately HK\$6,140,000), inclusive of the on-site installation cost, tax, testing and tuning cost.

The Consideration shall be settled by the Purchaser in cash in the following manner:

- (i) the Purchaser shall pay RMB4,507,000 (equivalent to approximately HK\$4,910,000, “**Tranche 1 Consideration**”) to the Vendor within 3 working days upon the Equipment Purchase Agreement becoming effective; and
- (ii) the Purchaser shall pay the remaining RMB1,126,700 (equivalent to approximately HK\$1,230,000) to the Vendor within 3 working days of the delivery and completion of inspection of all Equipment by the Purchaser.

In the event the Purchaser failed to make payment of the Consideration in accordance with the Equipment Purchase Agreement, the Vendor shall be entitled to withhold delivery of the Equipment. The Purchaser shall pay the Vendor damages calculated at the rate of 1‰ of the outstanding Consideration per day of delay. For delay of more than 15 days, the Vendor shall have the right to terminate the Equipment Purchase Agreement.

Delivery of Equipment: The Vendor shall deliver the Equipment to the Purchaser within 3 working days of the Purchaser's payment of Tranche 1 Consideration.

In the event of late delivery of any of the Equipment by the Vendor, the Vendor shall pay the Purchaser damages at the rate of 1‰ of the value of the Equipment not yet delivered per day of delay.

## **BASIS OF THE CONSIDERATION**

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the market price of similar equipment and the condition of the Equipment.

The Purchaser intends to fund the Consideration by internal resources of the Group.

## **REASONS FOR AND BENEFITS OF ENTERING THE EQUIPMENT PURCHASE AGREEMENT**

The Group is principally engaged in the (i) provision of money lending services; and (ii) trading of fresh produce an agricultural products and general trading.

The Group has been actively looking for business opportunities with high growth potential. After carrying on the business of trading of fresh produce product for the past two years, the Group has established good business network in the industry and gained a thorough understanding of the ecosystem of the food processing industry. In particular, the Company has identified the growth potential in the meat production, cutting, processing, packing and delivery business. The Company considers that the entering into of the Equipment Purchase Agreement represents a good opportunity for the Group to tap into the business potential of the said industry and the growing demand for quality processed food products as a result of the growing purchasing power in the PRC.

Having considered the aforesaid reasons, the Directors are of the view that the terms of the Equipment Purchase Agreement and the Acquisition are negotiated on an arm's length basis and on normal commercial terms, are fair and reasonable and in the interest of the Company and its shareholders as a whole.

## **INFORMATION OF THE PARTIES**

The Purchaser, an indirect wholly-owned subsidiary of the Company, is a company established under the laws of PRC with limited liability and is principally engaged in the meat production, cutting, processing, packing and delivery business.

The Vendor is a company established under the laws of PRC with limited liability and is principally engaged in agricultural food processing. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Vendor is ultimately beneficially owned as 96.55% by Mr. Yang Haitao\* (楊海濤).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner Mr. Yang Haitao, are Independent Third Parties under the GEM Listing Rules.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **BUSINESS UPDATE – MEAT PRODUCTION, CUTTING, PROCESSING, PACKING AND DELIVERY BUSINESS**

Reference is made to the announcement dated 12 March 2024. After the Company has disposed of Ordos City Taipu Mining Construction Limited\* (鄂爾多斯市泰普礦業工程有限責任公司) through which the Group carried out its coal mining and construction business, the Company has been actively looking for new business opportunities to diversify its business.

As disclosed in the section headed “Reasons for and Benefit of Entering the Equipment Purchase Agreement”, by entering into the Equipment Purchase Agreement, the Group has laid the foundation for its meat production, cutting, processing, packing and delivery business. At the same time, the Group has obtained the necessary venues and licenses for carrying out the business and is actively recruiting an experienced team to manage this new business. The meat production, cutting, processing, packing and delivery business is expected to commence as soon as the Acquisition was completed and the Group having recruited the necessary talents. The establishment of the food processing business will further diversify the Group's business and is expected drive the long-term growth of the Group. The Group will develop this segment with its internal resources.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Silk Road Energy Services Group Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on GEM (stock code: 08250)
“Consideration”	the consideration of the Acquisition of RMB5,633,700 (equivalent to approximately HK\$6,140,000) payable by the Purchaser to the Vendor pursuant to the Equipment Purchase Agreement
“Director(s)”	director(s) of the Company
“Acquisition”	the acquisition of the Equipment from the Vendor pursuant to the Equipment Purchase Agreement
“Equipment”	equipment which includes meat cutting machine(s), freezing and storage equipment, delivery car(s) and other relevant equipment
“Equipment Purchase Agreement”	the equipment purchase agreement dated 22 March 2024 entered into between the Vendor and the Purchaser
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	Any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“PRC”	People’s Republic of China (excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement)
“Purchaser”	Du Du Fresh Meat (Shenzhen) Co., Ltd* (都都鮮美肉業(深圳)有限公司), a company established under the laws of PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Shenzhen Lejia Fresh Meat Limited* (深圳市樂家鮮肉業有限公司), a company established under the laws of PRC with limited liability
“‰”	per mille

By order of the Board  
**Silk Road Energy Services Group Limited**  
**Cai Da**  
*Chairman*

Hong Kong, 22 March 2024

*As at the date of this announcement, the Board of the Company, comprises (i) four executive directors, namely Mr. Cai Da, Mr. Li Wai Hung, Mr. Wang Tong Tong and Ms. Lei Ming; and (ii) three independent non-executive directors, namely Ms. Wong Na Na, Mr. Chen Xier and Mr. Huang Tianhua.*

*This announcement, for which all the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement 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 in this announcement misleading.*

*The English translation of Chinese names or words in this announcement, where indicated by “\*”, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

*For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.09 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in RMB or HK\$ has been, could have been or may be converted at such a rate.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least seven (7) days from the date of its publication and is available for reference on the website of the Company at <http://www.silkroadenergy.com.hk>.*