



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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

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INTERIM RESULTS (UNAUDITED)

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months and six months ended 31 December 2016, together with the comparative unaudited figures for the corresponding periods in 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 31 December 2016

		Three months ended 31 December		Six months ended 31 December	
		2016	2015	2016	2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(restated)		(restated)
Continuing operations					
Revenue	3	113,501	102,437	253,899	170,405
Cost of sales and services provided		(94,842)	(76,428)	(220,838)	(114,063)
Gross profit		18,659	26,009	33,061	56,342
Investment and other income	5	47	372	13,541	517
Selling and distribution expenses		(119)	–	(912)	–
Administrative expenses		(11,124)	(12,138)	(19,423)	(23,031)
Other operating expenses		(1,714)	(1,499)	(7,250)	(5,479)
Amortisation of intangible assets		(5,449)	(6,491)	(11,067)	(12,970)
(Loss) gain arising on change in fair value of held-for-trading investments		(14,924)	5,152	(27,403)	860
Impairment loss recognised in respect of available-for-sale investment		(14,290)	–	(14,290)	–
Net gain on disposal of subsidiaries	9	13,259	–	13,259	–
Share of results of associates		–	(4,305)	(415)	(66,770)
(Loss) profit from operating activities	6	(15,655)	7,100	(20,899)	(50,531)
Finance costs	7	(2,201)	(2,901)	(4,050)	(8,310)
(Loss) profit before tax		(17,856)	4,199	(24,949)	(58,841)
Income tax (expense) credit	8	(519)	(2,744)	111	(7,309)
(Loss) profit for the period from continuing operations		(18,375)	1,455	(24,838)	(66,150)
Discontinued operation					
Profit for the period from discontinued operation	10	1,820	4,083	6,000	7,383
(Loss) profit for the period		(16,555)	5,538	(18,838)	(58,767)

		Three months ended		Six months ended	
		31 December		31 December	
		2016	2015	2016	2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(restated)		(restated)
Other comprehensive expense					
for the period, net of tax					
<i>Item that may be reclassified subsequently</i>					
<i>to profit or loss:</i>					
Exchange differences on					
translating foreign operations		<u>(19,626)</u>	<u>(9,402)</u>	<u>(24,074)</u>	<u>(24,437)</u>
Total comprehensive expense for					
the period, net of tax attributable to:		<u>(36,181)</u>	<u>(3,864)</u>	<u>(42,912)</u>	<u>(83,204)</u>
(Loss) profit attributable to:					
Owners of the parent		<u>(17,208)</u>	<u>4,539</u>	<u>(20,904)</u>	<u>(59,766)</u>
Non-controlling interests		<u>653</u>	<u>999</u>	<u>2,066</u>	<u>999</u>
		<u>(16,555)</u>	<u>5,538</u>	<u>(18,838)</u>	<u>(58,767)</u>
Total comprehensive expenses attributable to:					
Owners of the parent		<u>(36,834)</u>	<u>(4,863)</u>	<u>(44,978)</u>	<u>(84,203)</u>
Non-controlling interests		<u>653</u>	<u>999</u>	<u>2,066</u>	<u>999</u>
		<u>(36,181)</u>	<u>(3,864)</u>	<u>(42,912)</u>	<u>(83,204)</u>
(Loss) earnings per share					
From continuing and discontinued operations					
– Basic and diluted (HK cents per share)		<u>(0.25)</u>	<u>0.08</u>	<u>(0.30)</u>	<u>(1.03)</u>
From continuing operations					
– Basic and diluted (HK cents per share)		<u>(0.28)</u>	<u>0.01</u>	<u>(0.39)</u>	<u>(1.16)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016 and 30 June 2016

		As at 31 December 2016 (Unaudited) HK\$'000	As at 30 June 2016 (Audited) HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment		64,557	46,311
Goodwill		8,348	18,776
Customer contracts	13	173,797	197,221
Available-for-sale investment		43,621	–
Deferred tax assets		10,800	11,293
Investments in associates		–	415
		<u>301,123</u>	<u>274,016</u>
Current assets			
Inventories		3,659	4,242
Trade, bills and other receivables	14	242,532	215,725
Loan receivables		182,094	117,279
Amounts due from associates		121,500	121,868
Held-for-trading investments		46,257	69,621
Cash and cash equivalents		60,937	216,093
		<u>656,979</u>	<u>744,828</u>
Current liabilities			
Trade and other payables	15	90,176	90,882
Amount due to a director		–	1,128
Income tax payables		7,640	13,276
		<u>97,816</u>	<u>105,286</u>
Net current assets		<u>559,163</u>	<u>639,542</u>
Total assets less current liabilities		<u>860,286</u>	<u>913,558</u>
Non-current liabilities			
Promissory notes		148,771	145,278
Deferred tax liabilities		45,840	50,951
		<u>194,611</u>	<u>196,229</u>
Net assets		<u><u>665,675</u></u>	<u><u>717,329</u></u>
Capital and reserves			
Share capital		342,938	342,938
Reserves		322,275	363,870
Equity attributable to owners of the Company		<u>665,213</u>	<u>706,808</u>
Non-controlling interests		<u>462</u>	<u>10,521</u>
Total equity		<u><u>665,675</u></u>	<u><u>717,329</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2016

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Foreign currency translation reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total equity attributable to owners of the Company <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 July 2016 (Audited)	342,938	652,901	(27,815)	(3,383)	(257,833)	706,808	10,521	717,329
(Loss) profit for the period	-	-	-	-	(20,904)	(20,904)	2,066	(18,838)
Exchange differences on translation of foreign operations	-	-	(24,074)	-	-	(24,074)	-	(24,074)
Total comprehensive (expense) income for the period	-	-	(24,074)	-	(20,904)	(44,978)	2,066	(42,912)
Additional non-controlling interests arising on acquisition of subsidiaries	-	-	-	-	-	-	1,101	1,101
Decrease in non-controlling interests arising on disposal of subsidiaries	-	-	-	3,383	-	3,383	(13,226)	(9,843)
Balance at 31 December 2016 (Unaudited)	<u>342,938</u>	<u>652,901</u>	<u>(51,889)</u>	<u>-</u>	<u>(278,737)</u>	<u>665,213</u>	<u>462</u>	<u>665,675</u>

For the six months ended 31 December 2015

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Foreign currency translation reserve <i>HK\$'000</i>	Unlisted warrants reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total equity attributable to owners of the Company <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 July 2016 (Audited)	290,625	503,759	(1,461)	3,686	–	(131,476)	665,133	–	665,133
(Loss) profit for the period	–	–	–	–	–	(59,766)	(59,766)	999	(58,767)
Exchange differences on translation of foreign operations	–	–	(24,437)	–	–	–	(24,437)	–	(24,437)
Loss and total comprehensive (expense) income for the period	–	–	(24,437)	–	–	(59,766)	(84,203)	999	(83,204)
Lapse of unlisted warrants	–	–	–	(3,686)	–	3,686	–	–	–
Additional non-controlling interests arising on partial disposal of a subsidiary	–	–	–	–	(3,383)	–	(3,383)	16,383	13,000
Balance at 31 December 2015 (Unaudited)	<u>290,625</u>	<u>503,759</u>	<u>(25,898)</u>	<u>–</u>	<u>(3,383)</u>	<u>(187,556)</u>	<u>577,547</u>	<u>17,382</u>	<u>594,929</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2016

	Six months ended	
	31 December	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash used in operating activities	(145,135)	(9,507)
Net cash used in investing activities	(32,170)	(19,373)
Net cash from (used in) financing activities	<u>32,996</u>	<u>(9,449)</u>
Net decrease in cash and cash equivalents	(144,309)	(38,329)
Cash and cash equivalents at beginning of period	216,093	100,878
Effect of foreign exchange rate changes	<u>(10,847)</u>	<u>(3,761)</u>
Cash and cash equivalents at end of period, represented by bank balances and cash	<u><u>60,937</u></u>	<u><u>58,788</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands, and its shares are listed on GEM.

The Company is an investment holding company. Its subsidiaries are principally engaged in the (i) provision of coal mining services; (ii) provision for heating supply services; (iii) trading of other mineral products; (iv) processing and trading of fluorite products and (v) provision of money lending services.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the six months ended 31 December 2016 have been prepared in accordance with the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2016 except as described below.

The HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and one new interpretation that are first effective for the current accounting period of the Group. These developments relate primarily to clarification of certain disclosure requirements applicable to the Group’s financial statements. These developments have had no material impact on the contents of this interim financial report.

Save as the above, the accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its consolidated financial statements for the year ended 30 June 2016.

Certain new standards, amendments and interpretations have been issued but are not effective for the current accounting period. The Group has not early adopted those new standards, amendments or interpretations and is in the process of making an assessment of the impact of these new standards, amendments and interpretation on its results of operations and financial position.

3. REVENUE

The Group's revenue represents revenue arising on (i) provision of coal mining services, (ii) provision of heating supply services, (iii) trading of other mineral products, (iv) processing and trading of fluorite products and (v) provision of money lending services. An analysis of the Group's revenue for the period is as follows:

	Three months ended		Six months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
Continuing operations				
Provision of coal mining services	83,964	99,765	148,418	164,983
Provision of heating supply services	849	–	849	–
Trading of other mineral products	24,010	–	96,326	–
Processing and trading of fluorite products	426	–	426	–
Provision of money lending services	4,252	2,672	7,880	5,422
	<u>113,501</u>	<u>102,437</u>	<u>253,899</u>	<u>170,405</u>

4. SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision makers for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Directors have chosen to organise the Group around differences in products or services. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segment of the Group.

Specifically, the Group's reportable segments are as follows:

- Coal mining services – Provision of coal mining services
- Heating supply – Provision of heating supply services
- Other mineral products – Trading of other mineral products
- Fluorite products – Processing and trading of fluorite products
- Money lending – Provision of money lending services

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment:

Continuing operations

For the six months ended 31 December 2016

	Coal mining services (Unaudited) HK\$'000	Heating supply (Unaudited) HK\$'000	Other mineral products (Unaudited) HK\$'000	Fluorite products (Unaudited) HK\$'000	Money leading (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue	<u>148,418</u>	<u>849</u>	<u>96,326</u>	<u>426</u>	<u>7,880</u>	<u>253,899</u>
Segment results	<u>7,215</u>	<u>(1,997)</u>	<u>(1,889)</u>	<u>(7,901)</u>	<u>7,870</u>	<u>3,298</u>
Investment and other income						13,541
Loss arising on change in fair value of held-for-trading investments						(27,403)
Impairment loss recognised in respect of available-for-sale investment						(14,290)
Net gain on disposal of subsidiaries						13,259
Share of results of associates						(415)
Finance costs						(4,693)
Central administration costs						<u>(8,246)</u>
Loss before taxation						<u><u>(24,949)</u></u>

For the six months ended 31 December 2015

	Coal mining services (Unaudited) HK\$'000	Fluorite products (Unaudited) HK\$'000	Other mineral products (Unaudited) HK\$'000	Money leading (Unaudited) HK\$'000	Total (Unaudited) HK\$'000 (restated)
Segment revenue	<u>164,983</u>	<u>–</u>	<u>–</u>	<u>5,422</u>	<u>170,405</u>
Segment results	<u>26,450</u>	<u>(5,532)</u>	<u>(2,271)</u>	<u>5,421</u>	<u>24,068</u>
Investment and other income					461
Gain arising on change in fair value of held-for-trading investments					860
Share of results of associates					(66,770)
Finance costs					(7,290)
Central administration costs					<u>(10,170)</u>
Loss before taxation					<u><u>(58,841)</u></u>

5. INVESTMENT AND OTHER INCOME

	Three months ended		Six months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
Continuing operations				
Interest income on bank deposits	32	252	46	330
Gain on disposal of held-for-trading investments	–	–	13,396	–
Sundry income	15	120	99	187
	<u>47</u>	<u>372</u>	<u>13,541</u>	<u>517</u>

6. (LOSS) PROFIT FROM OPERATING ACTIVITIES

The Group's (loss) profit from operating activities is arrived at after charging:

	Three months ended		Six months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
Continuing operations				
Depreciation of property, plant and equipment	1,684	2,373	4,328	4,414
Cost of inventories sold	92,670	76,428	218,599	114,063
Amortisation of intangible assets	5,449	6,491	11,067	12,970
	<u>99,803</u>	<u>85,292</u>	<u>233,994</u>	<u>131,447</u>

7. FINANCE COSTS

	Three months ended		Six months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
Continuing operations				
Interest expenses on bank borrowing	–	7	–	13
Interest expenses on discounted bills	309	156	412	159
Imputed interest on promissory notes	1,892	2,097	3,638	5,999
Imputed interest on contingent consideration payable	–	641	–	2,139
	<u>2,201</u>	<u>2,901</u>	<u>4,050</u>	<u>8,310</u>

8. INCOME TAX EXPENSE (CREDIT)

	Three months ended		Six months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
Continuing operations				
Current profits tax:				
– Hong Kong	582	283	1,010	523
– People's Republic of China ("PRC")	1,391	4,262	1,847	10,320
Deferred tax credit	(1,454)	(1,801)	(2,968)	(3,534)
	<u>519</u>	<u>2,744</u>	<u>(111)</u>	<u>7,309</u>

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for both periods.

Subsidiaries operating in the PRC are subject to PRC Enterprise Income Tax at 25% for both periods.

Profits of the subsidiary established in Mongolia are subject to Mongolian Economic Entity Income Tax ("EEIT"). Under the Law of Mongolia on EEIT, the tax rate of the Mongolian subsidiary was 10% for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9. DISPOSAL OF SUBSIDIARIES

Disposal of PR Asia Investment Holdings Limited (“PR ASIA”)

On 17 October 2016, the Company announced that a sale and purchase agreement (the “**S&P Agreement**”) was entered into between Intelligent Way Limited (the “**Purchaser**”), and Chemosino International Limited (“**Chemosino**”) (a wholly-owned subsidiary of the Company), as vendor. Pursuant to the S&P Agreement, Chemosino has conditionally agreed to sell and the Purchaser have conditionally agreed to acquire the 60% of the issued share capital of PR ASIA, a company incorporate in the British Virgin Islands (“**BVI**”) with limited liability, a company directly owned by Chemosino and its subsidiaries (“**PR ASIA Group**”), at a cash consideration of HK\$36,300,000. PR ASIA Group is principally engaged in provision of advertising and public relations services. The disposal of PR ASIA Group constituted a discloseable transaction of the Company under the GEM Listing Rules, and was completed on 2 November 2016.

PR ASIA Group HK\$'000

Total cash consideration	36,300
Analysis of asset and liabilities which control was lost:	
Property, plant and equipment	193
Trade receivables	6,957
Deposits, other receivables and prepayments	2,981
Deferred tax assets	156
Cash and cash equivalents	7,997
Trade payable	(545)
Other payables	(1,376)
Income tax payables	(541)
	15,822
Goodwill	17,062
Non-controlling interests	(13,226)
Other reserve	3,383
	23,041
Net gain on disposal of the subsidiaries	13,259
Net cash inflow arising on disposal:	
Cash consideration	36,300
Less: cash and cash equivalents disposed of	7,997
	28,303

10. DISCONTINUED OPERATION

The results of the discontinued operation included in the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows are set out below.

	Three months ended		Six months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit for the period from discontinued operation				
Revenue	5,407	12,252	19,490	22,989
Cost of sales and services provided	(1,775)	(2,818)	(7,599)	(4,483)
Investment and other income	2	17	2	18
Administrative expenses	(1,394)	(4,083)	(4,670)	(8,710)
Other operating expenses	(111)	(478)	(229)	(964)
Profit before tax	2,129	4,890	6,994	8,850
Income tax expense	(309)	(807)	(994)	(1,467)
Profit for the period from discontinued operation	<u>1,820</u>	<u>4,083</u>	<u>6,000</u>	<u>7,383</u>

	Three months ended		Six months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit for the period from discontinued operation				
has been arrived at after charging:				
Depreciation of property, plant and equipment	<u>7</u>	<u>118</u>	<u>43</u>	<u>234</u>

	Six months ended 31 December	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		(restated)
Cash flows from discontinued operation		
Net cash from operating activities	2,959	8,523
Net cash used in investing activities	(558)	(426)
Net cash (used in) from financing activities	<u>(1,992)</u>	<u>211</u>
Net cash inflow for the period from discontinued operation	<u>409</u>	<u>8,308</u>

11. DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 31 December 2016 (2015: Nil).

12. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 31 December 2016		Six months ended 31 December 2016	
	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i> (restated)	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i> (restated)
(Loss) earnings				
(Loss) profit for the purpose of basic and diluted (loss) earnings per share				
((loss) profit for the period attributable to owners of the Company)	<u>(17,208)</u>	<u>4,539</u>	<u>(20,904)</u>	<u>(59,766)</u>
	Number of Shares '000	Number of Shares '000	Number of Shares '000	Number of Shares '000
Number of shares				
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	<u>6,858,762</u>	<u>5,812,502</u>	<u>6,858,762</u>	<u>5,812,502</u>

Diluted (loss) earnings per share was the same as the basic (loss) earnings per share as there were no potential dilutive ordinary shares outstanding for the three months and six months ended 31 December 2015 and 31 December 2016.

From continuing operations

The calculation of the basic and diluted (loss) earnings per share from continuing operations attributable to owners of the Company is based on the following data:

	Three months ended		Six months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
(Loss) earnings				
(Loss) profit for the period attributable to owners of the Company	(17,208)	4,539	(20,904)	(59,766)
Less: profit for the period from discontinued operation	<u>1,820</u>	<u>4,083</u>	<u>6,000</u>	<u>7,383</u>
(Loss) profit for the purpose of basic and diluted (loss) earnings per share from continuing operations	<u>(19,028)</u>	<u>456</u>	<u>(26,904)</u>	<u>(67,149)</u>

The denominators used are same as those detailed above for both basic and diluted (loss) earnings per share.

Diluted (loss) earnings per share was the same as the basic (loss) earnings per share as there were no potential dilutive ordinary shares outstanding for the three months and six months ended 31 December 2015 and 31 December 2016.

From discontinued operation

The calculation of the basic and diluted earnings per share from discontinued operation of the Company is based on the following data:

	Three months ended		Six months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)
Earnings				
Profit for the purpose of basic and diluted earnings per share from discontinued operation	<u>1,820</u>	<u>4,083</u>	<u>6,000</u>	<u>7,383</u>

The denominator used are the same as those above for both basic and diluted earnings per share.

Diluted earnings per share was the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding for the three months and six months ended 31 December 2015 and 31 December 2016.

13. CUSTOMER CONTRACTS

	Customer contracts HK\$'000
Cost	
At 30 June 2016	317,506
Exchange realignment	<u>(13,845)</u>
At 31 December 2016	<u>303,661</u>
Accumulated amortisation	
At 30 June 2016	120,285
Amortisation during the period	11,067
Exchange realignment	<u>(1,488)</u>
At 31 December 2016	<u>129,864</u>
Carrying amounts	
At 31 December 2016	<u><u>173,797</u></u>
At 30 June 2016	<u><u>197,221</u></u>

14. TRADE, BILLS AND OTHER RECEIVABLES

	As at 31 December 2016 (Unaudited) HK\$'000	As at 30 June 2016 (Audited) HK\$'000
Trade receivables	113,943	149,131
Less: Impairment loss recognised	<u>–</u>	<u>(8,079)</u>
	113,943	141,052
Bills receivables	48,814	31,167
Receivables arising from dealing in listed securities	116	11,122
Deposits for acquisition of fixed assets	35,100	–
Other deposits paid	18,483	28,214
Less: Impairment	<u>–</u>	<u>(2,335)</u>
	18,483	25,879
Prepayments	20,190	2,415
Other receivables	<u>5,886</u>	<u>4,090</u>
	<u><u>242,532</u></u>	<u><u>215,725</u></u>

Included in trade and other receivables are debtors and bills receivables (net of allowance for bad and doubtful debts) with the following ageing analysis presented based on invoice date, which approximates the respective revenue recognition dates:

	As at 31 December 2016 (Unaudited) HK\$'000	As at 30 June 2016 (Audited) HK\$'000
0–30 days	41,531	42,627
31–60 days	24,672	21,848
61–90 days	17,430	37,443
Over 90 days	<u>30,310</u>	<u>39,134</u>
	<u>113,943</u>	<u>141,052</u>

The Group allows an average credit period of 30 to 60 days to its trade customers.

15. TRADE AND OTHER PAYABLES

	As at 31 December 2016 (Unaudited) HK\$'000	As at 30 June 2016 (Audited) HK\$'000
Trade payables	12,309	10,246
Accrued staff cost	20,216	21,324
Accrued mining service costs	26,074	40,488
Other tax payables	6,957	7,545
Other payables	<u>24,620</u>	<u>11,279</u>
	<u>90,176</u>	<u>90,882</u>

The average credit period on purchases of certain goods is 30 days. The following is an ageing analysis of trade payables based on the invoice date at the end of the reporting period:

	As at 31 December 2016 (Unaudited) HK\$'000	As at 30 June 2016 (Audited) HK\$'000
0–30 days	3,475	2,809
31–60 days	1,984	1,673
61–90 days	1,514	1,845
Over 90 days	5,336	3,919
	<u>12,309</u>	<u>10,246</u>

16. CAPITAL COMMITMENTS

The Group's capital commitments as at 31 December 2016 are as follow:

	As at 31 December 2016 (Unaudited) HK\$'000	As at 30 June 2016 (Audited) HK\$'000
Contracted but not yet paid	8,798	–

17. RELATED PARTY TRANSACTIONS

Apart from those disclosed elsewhere in these condensed consolidated financial statements, the Group entered into the following significant related party transactions based on the terms mutually agreed between the parties involved:

		For the six months ended 31 December 2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
	<i>Notes</i>		
Interest paid to a promissory note holder	<i>(i)</i>	1,235	–
Dividends to ex-shareholder	<i>(ii)</i>	–	16,467
Consideration on partial disposal of interests in subsidiaries	<i>(iii)</i>	–	13,000
Rental paid to a related party	<i>(iv)</i>	–	2,012

Notes:

- (i) On 31 July 2015, the Company issued unsecured promissory notes (the “**Promissory Notes**”) with principal value of HK\$304,000,000 in respect of the acquisition of Everbest Return Limited, a company incorporated in the BVI, and its subsidiaries (“**Everbest Return Group**”). On 12 October 2016, the Promissory Notes in principal amount of HK\$127,614,000 have been cancelled pursuant to the terms of the sales and purchase agreement. The remaining Promissory Notes will mature on 30 July 2020 and bear interest at 1% per annum. Interests are accrued and paid annually. The amount represented the interest paid to Mr. Hu Zhixiong (“**Mr. Hu**”), a director of the Company.
- (ii) The amount represented dividend paid to Mr. Hu, prior to the completion of the acquisition of Everbest Return Group. Details of the dividend declaration have been set out in the Company’s announcement made on 30 October 2015.
- (iii) On 3 June 2015, Chemosino, a wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with Mr. Ling Yee Fai (“**Mr. Ling**”), pursuant to which Chemosino conditionally agreed to sell, and Mr. Ling conditionally agreed to acquire, the 40% of the issued share capital of PR ASIA at a total consideration of HK\$13,000,000 and was completed on 23 October 2015. Mr. Ling is the family member of the directors of PR ASIA, an indirectly subsidiary of the Company as at the date of the agreement. PR ASIA was no longer to be a subsidiary of the Company upon the completion of disposal of the remaining 60% interest of PR ASIA on 2 November 2016 (Note 9).
- (iv) Rental fee for the use and lease of office premises of the Group was paid/payable to a related party who is a family member of the ultimate beneficial owner of the substantial shareholder of the Company. The tenancy agreement was terminated on 22 February 2016.

18. COMPARATIVE FIGURES

As a result of the establishment of discontinued operation as set out in note 10, certain comparative figures have been adjusted to conform to current period’s presentation and to provide comparative amounts in respect of items disclosed for the first time in the current period.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and financial review

For the six months ended 31 December 2016 (the “**Period**”), the Group recorded a revenue of approximately HK\$253.90 million (2015: HK\$170.41 million), representing an increase of 49.00% as compared with that of the corresponding period in 2015. The increase in revenue was primarily due to the resumption of the operations in trading of other mineral products which contributed of approximately HK\$96.33 million in revenue (2015: Nil). The gross profit for the Period was approximately HK\$33.06 million (2015: HK\$56.34 million), representing a decrease of 41.32% as compared with that of the corresponding period last year. The decrease in gross profit for the Period was mainly due to the trading business with a relatively low gross profit ratio as compared to the other business segments. Furthermore, the major customer and the Group reached a consensus to decrease the service rate for the year 2016 so that the provision of mining services also recorded a lower margin. The investment and other income increased from HK\$0.52 million to HK\$13.54 million, primarily due to a gain of HK\$13.40 million on disposal of securities during the Period. The administrative expense was approximately HK\$19.42 million (2015: HK\$23.03 million). The Group recorded a loss on change in fair value of the listed securities amounted to HK\$27.40 million (2015: gain of HK\$0.86 million) from the investment in held-for-trading securities and recognized an impairment loss amounted to HK\$14.29 million from the available-for-sale investment. The losses were mainly as a result of the volatility of the securities market. The group also recorded a share of loss of approximately HK\$0.42 million (2015: HK\$66.77 million) from the investment in the associated companies. The significant decrease was primarily due to the absence of loss on investment in securities. The finance costs were decreased from HK\$8.31 million to HK\$4.05 million mainly due to the absence of imputed interests on the contingent consideration payable. During the Period, the Group disposed subsidiaries that carrying advertising and public relations services, resulting in gains of approximately HK\$13.26 million. The Group considered that the disposal represents a good opportunity for the Group to realise its investments in the provision of advertising and public relations services in order to focus more resources for the development of its other principal business segments and to strengthen the capital base of the Group.

During the Period, the Group purchased listed securities in Hong Kong for long term investment purpose and classified the investment as an available for sale of investment. At 31 December 2016, the fair value of the available-for-sale of investment was HK\$43.62 million (30 June 2016: Nil).

In conclusion, loss attributable to owners of the Company for the Period amounted to approximately HK\$20.90 million (2015: HK\$59.77 million). The decrease in loss was mainly due to the decrease in share of the loss of investment in associates.

Provision of coal mining services

The Group provided coal mining services to six coal mines during the Period under the terms of the respective management contracts signed between the Group and the mine owners. The major revenue of this segment composes of service incomes from coal production and excavation works. During the six months ended 31 December 2016, approximately 7.51 million tonnes of coal had been produced and approximately 13.49 kilometres of tunnels had been excavated by the Group.

During the Period, the Group's provision of coal mining services recorded a revenue of approximately HK\$148.42 million (2015: HK\$164.98 million) which accounted for 58.46% of the Group's total revenue from continuing operations.

Fluorite processing and trading business

The Group owns a fluorite powder processing factory and two mines with exploitation licenses expiring in 2037 in Mongolia. The fluorite product segment has reported continuing losses and its future profitability is uncertain due to the unfavourable market conditions in recent years. The operation of this business segment has been suspended and accordingly an insignificant revenue was generated from the sales of inventory and an insignificant loss incurred during the Period.

Trading of other mineral products

The Group resumed the operation of its trading of other mineral products (other than fluorites products) in the PRC. This segment recorded a revenue of approximately HK\$96.33 million (2015: Nil) which accounted for 37.94% of the Group's total revenue. Even though the gross profit margin is low because the market conditions for mineral products have not been improved much, the Group resumed this segment for maintaining its business networks.

Money lending business

The Group operates its money lending business mainly through an indirectly wholly-owned subsidiary of the Company, which obtained a money lenders licence under the Money Lenders Ordinance (Cap. 163, Laws of Hong Kong). During the Period, the revenue from loan interest income was approximately HK\$7.88 million (2015: HK\$5.42 million) which accounted for 3.10% of the Group's total revenue. The interest rate charged by the Group ranged from 9.6 % to 25 % per annum. The loans were unsecured, with credit terms not exceeding one year.

Provision for heating supply

On 10 August 2016, the Group has acquired 51% of a company engaged in the operation of energy saving and environmentally friendly heating system and provision of related services which through a company (the “**Project Company**”) owns a heating system project in Heze City (the “**Project**”) of Shandong Province of the PRC. The country government has granted the Project Company a 30-year exclusivity right to supply heat in Longgu Town until the end of 2045. The operation of the Project Company is expected to provide heating supplies covering an area of 1.85 million square meters. Upon completion of the acquisition of the Project Company, in order to commence operation of the Project, the Group has acquired electric thermal storage heating machineries (the “**Machineries**”). However, during trial operation, it was discovered that the electricity consumption of the Machineries were significantly higher than the specifications provided by the suppliers of the Machineries (“**Suppliers**”). As a result of such discrepancy, the cost of supplying heat was substantially greater than the expected production cost which was calculated based on the level of electricity consumption claimed by the Suppliers. In view of the greater-than-expected production cost which adversely affects the expected profitability of the Project, the Group would like to opt out of operations with low profitability in order to better utilise and divert the Group’s resources to more profitable business thereby creating greater value for the shareholders of the Company. Accordingly, on 18 January 2017, the Group entered into an equity transfer agreement as vendor with an independent third party as purchaser to dispose of 100% equity interest in the Project Company at a consideration of RMB19.46 million. Completion of the disposal took place on 22 January 2017.

In view of the inaccurate specifications of the Machineries provided by the Suppliers, as at the date of this announcement, the Group is still negotiating with the Suppliers for a settlement plan in respect of the down payment of approximately RMB31.44 million paid by the Group.

On 11 August 2016, the Group entered into a cooperation agreement (the “**Cooperation Agreement**”) with the People’s Government of Wang Wen Zhuang, Xiqing District, Tianjin City* (“**Wang Wen Zhuang Government**”) to set out the framework for the parties’ cooperation in transforming the existing coal-fired heating systems in Wang Wen Zhuang, Tianjin City, the PRC to those powered by natural gas. Pursuant to the Cooperation Agreement, the cooperation includes transformation of coal-fired heating systems in three villages in Wang Wen Zhuang Town with heat supply area of approximately 323,000 square meter. Furthermore, the Group shall be given priority to operate the heating project with a preliminary estimated heat supply area of four million square meter proposed to be launched in the second phase demonstration town in Wang Wen Zhuang, on the same terms as offered by other heat suppliers. Definitive agreement in relation to the transformation project in three villages in Wang Wen Zhuang Town has been entered into among the village representatives, the Group and Wang Wen Zhuang Government. The Group has started to provide the heat supply service from November 2016. During the Period, the provision of heating segment recorded a revenue of approximately HK\$0.85 million (2015: Nil), which accounted for 0.33% of the Group’s total revenue, and a loss of approximately HK\$1.96 million (2015: Nil).

Investment in available-for-sale investment and held-for-trading securities

As at 31 December 2016, the Company had available-for-sale investment and held-for-trading investments in certain securities listed in Hong Kong, the fair value amounted to approximately HK\$43.62 million (30 June 2016: Nil) and HK\$46.26 million (30 June 2016:HK\$69.62 million) respectively. During the Period, a loss arising on change in fair value of the listed securities of approximately HK\$27.40 million was recorded and an impairment loss on available-for-sale investment of approximately HK\$14.29 million was recognized.

Investment in associates

The Group holds 30% equity interest in Asset Management International Limited (together with its subsidiaries, the “**Asset Management Group**”). Asset Management Group engages principally in security investments. During the Period, the Group recorded a share of loss of approximately HK\$0.42 million (2015: HK\$66.77 million) from the investment in Asset Management Group.

Outlook

The coal industry was suffered by various factors such as the slowdown in domestic macro-economic growth, control of total energy consumption and optimization of energy structure. There was a sustained oversupply in the coal industry, resulting in descending coal price. In 2016, the Chinese government implemented policy of limiting coal production to prop up prices, the coal price gradually recovered and had shown a sign of recovery. The Group take the view that the recovery of the coal industries market was cautiously optimistic.

There has been an increase in demand for heating system and such growing trend is expected to continue in coming years due to rapid urbanisation in the PRC. Furthermore, as various government policies have been implemented to encourage development of environmentally friendly heating systems to replace those powered by coal energy thereby reducing emissions, the Group can also take advantage of the favourable policies to develop its clean energy heating business in the PRC. The Group views its new heat supply operation as a promising prospect. In line with the Group’s strategy to develop its environmentally friendly heating business, the Group established certain subsidiaries in Shandong, Tianjin and Jiangsu for the operation of heat supply business. The Group intends to enter into cooperation agreements and establishing joint ventures with business partners in relevant areas. The Group believes that the cooperation with various business partners will enable it to jointly develop and expand heat supply business by utilising the resources and strengths of each party with an aim to expand the business scope and market share rapidly on heat supply business.

Looking ahead, the Company will continue to look for potential investment opportunities. Subject to the financial resources, and should suitable investment or business opportunities arise, the Company may consider acquisition of assets and/or business in the heating supply industries in order to enhance its financial performance as well as value to the shareholders of the Company in the long run.

Exchange Exposure

Most of the trading transactions, assets and liabilities of the Group were denominated either in Hong Kong dollars, Renminbi or U.S. dollars. It is the Group's policy for its operating entities to operate in their corresponding local currencies to minimize currency risks.

Use of proceeds from placing

The Company completed the placing of an aggregate of 1,046,260,000 new shares of HK\$0.05 each in the Company on 21 April 2016. The net proceeds from the placing was of approximately HK\$201.28 million. The Group intend to use 80% (approximately HK\$160 million) of the proceeds for the development in the business of provision of services related to clean energy and the remaining 20% (approximately HK\$40 million) of the proceeds for working capital purpose. As at the date of this announcement, the Group had utilized approximately HK\$78.42 million for the investment in the joint ventures for the provision of heat services and purchasing heat supply equipment, and approximately HK\$36.20 million for general working capital. The Group also advanced loans of approximately HK\$17.69 million to independent third parties for earning interests. The provision of short term loan to the third parties would enable the Company to invest its cash resources and generate a better return before the proceeds used in the intended purposes. The remaining balance was deposited into the banks.

Material acquisitions and disposals

On 17 October 2016, the Group, as vendor, entered into a sales and purchase agreement with an independent third party, as purchaser, pursuant to which the Group conditionally agreed to sell, and the purchaser conditionally agreed to acquire, 60% of the issued share capital of the PR ASIA, an indirectly wholly-owned subsidiary of the Company, and which directly holds 100% equity interest of PR ASIA Consultants Limited (“**PR ASIA Consultants**”), at a total consideration of HK\$36.3 million with a gain of approximately HK\$13.26 million. Upon the completion of the disposal on 2 November 2016, PR ASIA Consultants was no longer a subsidiary of the Company and the Group ceased to hold any equity interest in each member of the PR ASIA Group.

The acquisition and disposal of investments relating to the provision of heating supply has been disclosed in the above of this announcement.

Liquidity and financial resources

As at 31 December 2016, the Group held cash and cash equivalents of approximately HK\$60.94 million (30 June 2016: HK\$216.09 million). Net current assets amounted to approximately HK\$559.16 million (30 June 2016: HK\$639.54 million).

As at 31 December 2016, the current ratio (defined as total current assets divided by total current liabilities) was approximately 6.72 times (30 June 2016: 7.07 times). The gearing ratio, being the ratio of total liabilities to total assets, was approximately 3.28 (30 June 2016: 3.38).

The Group had no any bank borrowing as at 31 December 2016 (30 June 2016: Nil).

Pledge of assets

As at 31 December 2016, none of the assets of the Group were pledged as security for any banking facilities.

Employee information

As at 31 December 2016, there were 1,479 staff members employed by the Group.

The Group remunerates its employees mainly based on industry practices and their respective educational background, experience and performance. On top of the regular remuneration and discretionary bonus, share options may be granted to selected employees by reference to the Group's performance as well as individual's performance. In addition, each employee enjoys mandatory provident fund, medical allowance and other fringe benefits.

Contingent liabilities

As at 31 December 2016, the Group had no significant contingent liabilities.

Litigations

Save as disclosed in the annual report, no member of the Group was engaged in any litigation of material importance.

Event after reporting period

On 4 January 2017, the Company entered into the deed of settlement (“**Settlement Deed**”) with a promissory note holder (“**Holder**”) pursuant to which, upon payment of sum of HK\$44 million by the Company on or before 31 January 2017:

- (i) each party shall be deemed to have waived all obligations and claims, present or contingent, it has or may have arising from and/or in connection with the promissory note against the other party, and/or the performance or non-performance thereof;
- (ii) the promissory note held by the Holder shall be deemed to have been fully satisfied and be deemed to have been cancelled, and the Company shall be entitled to mark it as such.

The outstanding principal under the promissory note held by the Holder in the amount of approximately HK\$52.92 million as at the date of the Settlement Deed and with a fair value of approximately HK\$44.6 million as at 31 December 2016. The transaction was completed on 10 January 2017.

OTHER INFORMATION

Directors’ and chief executive’s interests and short positions in shares, underlying shares and debentures

As at 31 December 2016, the interests and short positions of the Directors and chief executives of the Company (the “**Chief Executives**”) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (“**SFO**”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the ordinary shares of HK\$0.05 each of the Company

Name of Directors	Capacity	Percentage of	
		Number of Shares Held	Shares in issue (Approximate)
Mr. Hu Zhixiong	Beneficial owner	38,400,000	0.56%
	Held by controlled entity (<i>Note</i>)	1,300,000,000	18.95%

Note: The shares are held by Tai Pu Mining International Co., Ltd, whereas Tai Pu Mining International Co., Ltd is a company incorporated in British Virgin Islands, which is wholly and beneficially owned by Mr. Hu Zhixiong.

Save as disclosed above, none of the Directors and the Chief Executives had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

Directors' rights to acquire shares or debentures

Save as disclosed under the section heading "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" in this announcement, at no time during the Period was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Substantial shareholders' interests and short positions in shares and underlying shares

As at 31 December 2016, so far as is known to the Directors and the Chief Executives, no persons or corporations (other than the interests of the Directors and the chief executives as disclosed above) have interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO; or were, directly or indirectly interested, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

Share options scheme

A share options scheme was passed by the shareholders of the Company at the annual general meeting of the Company held on 12 December 2014 (the “**2014 AGM**”), thereby allowing the Company to grant options for subscription of up to a total of 533,250,233 shares of the Company, representing 10% of the 5,332,502,338 shares of the Company in issue as at the date of the 2014 AGM. The share options scheme will enable the Company to reward and provide incentives to, and strengthen the Group’s business relationship with, the eligible participants who may contribute to the growth and development of the Group. No options have been granted under the new share options scheme as at the date of this announcement.

Directors’ interests in contracts of significance

No contract of significance to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

Competing interests

During the Period, none of the Directors or controlling shareholders of the Company (as defined in the GEM Listing Rules) or any of their respective associates had any interest in a business which competes or may compete with the business of the Group or had or might have any conflicts of interest with the Group.

Purchase, sale or redemption of the Company’s listed securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Period.

Compliance with code of conduct for securities transactions by Directors

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as a code of conduct of the Company regarding securities transactions by the Directors. The Company has made specific enquiry of all the Directors, and the Directors have complied with the required standard of dealings and the Company’s code of conduct regarding securities transactions by the Directors throughout the Period.

Code on corporate governance practices

The Company endeavours in maintaining high standard of corporate governance for the enhancement of shareholders' value. The Company has applied the principles of and complied with all the applicable code provisions and, where appropriate, the applicable recommended best practices of the Code on Corporate Governance Practices (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules during the Period.

Audit committee

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to (i) review the Company's annual report and accounts, interim reports and quarterly reports; (ii) provide advice and comments thereon to the Board; and (iii) review and supervise the Group's financial reporting, internal control procedures and risk management systems. The Audit Committee comprises three independent non-executive Directors, namely Ms. Wong Na Na (committee chairman), Mr. Wang Zhixiang and Ms. Feng Jibei.

The Group's unaudited condensed consolidated financial statements for the Period has been reviewed by the Audit Committee, which is of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 13 February 2017

As at the date of this announcement, the Board of the Company, comprises (i) six executive Directors namely, Mr. Cai Da, Mr. Zhou, Francis Bingrong, Mr. Chen Youhua, Mr. Hu Zhixiong, Mr. Li Wai Hung and Mr. Liu Baoyu; and (ii) three independent non-executive Directors namely, Ms. Wong Na Na, Mr. Wang Zhixiang, and Ms. Feng Jibei.

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>.