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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)

VOLUNTARY ANNOUNCEMENT STRATEGIC COOPERATION AGREEMENT WITH CHINA RESERVE (GUANGDONG) GRAIN TRADING LIMITED

This announcement is made by Silk Road Energy Services Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) on a voluntary basis to keep the Shareholders and potential investors of the Company informed of the latest business development of the Group.

STRATEGIC COOPERATION AGREEMENT

The board (the “**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that Du Du International Trading Limited (a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, “**Du Du Trading**”) and Du Du Xian Mi Industries (Shenzhen) Limited* (都都鮮美實業(深圳)有限公司) (a company established under the laws of the People’s Republic of China (“**PRC**”) with limited liability and an indirect wholly-owned subsidiary of the Company, “**Du Du Industries**”) entered into a strategic cooperation agreement (“**Cooperation Agreement**”) with China Reserve (Guangdong) Grain Trading Limited* (中儲(廣東)糧食貿易有限公司) (a company established under the laws of PRC with limited liability, “**China Reserve**”) on 23 June 2022 (after trading hours) in relation to the potential business cooperation between the parties.

Pursuant to the Cooperation Agreement, the parties agree to, among other things, form a strategic partner relation to leverage on their respective strengths and resources, enhance the quality of products of their businesses, maintain client relationship and secure long-term growth for the parties. In particular, the parties’ cooperation will focus on the trading, logistics, storage, and supply of sugar, live pigs, rice and other staple agricultural products.

The Cooperation Agreement sets out the framework for the cooperation between the parties and the parties shall further negotiate and enter into further agreements to set out the details for implementing the transactions contemplated under the cooperation.

The Cooperation Agreement has an initial term of three years and shall thereafter be automatically renewed for a subsequent period of one year subject to termination by either party serving a 3-month notice.

INFORMATION OF THE PARTIES

Du Du Trading, an indirect wholly-owned subsidiary of the Company, is a company incorporated in Hong Kong with limited liability and is principally engaged in fresh produce products trading.

Du Du Industries, 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 business of live pig trading in the PRC.

China Reserve is a company established under the laws of PRC with limited liability and is principally engaged in the trading and storage of grain and fresh produce products. It is a wholly-owned subsidiary of China Grain Reserves Corporation Group Limited* (中國儲備糧管理集團有限公司) which is one of the largest state-owned agriculture companies in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, China Reserve and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited).

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT

As disclosed in the Company's third quarterly report for the nine months ended 31 March 2022 ("**Third Quarterly Report**"), the Group has identified a growing demand for high-quality fresh produce and agricultural products in the PRC due to the growing purchaser power and rising living standard in the PRC. The Board is therefore optimistic about the business prospect of the business of trading of fresh produce products and is keen to establish a stronger presence in the fresh produce market to diversify the Group's business and to drive the long-term growth of the revenue of the Group. The Group is expected to deploy more resources to develop this segment.

By entering into the Cooperation Agreement, the Group will be able to seize the opportunity to establish a long-term cooperative relationship with one of the largest state-owned enterprise in the agriculture product industry, which is expected to contribute a stable sales income to the Group's fresh produce and agriculture products trading and lay the foundations for the development of its new principal business segment of fresh produce trading, thereby increasing the total revenue of the Group in the long run.

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

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

Hong Kong, 24 June 2022

As at the date of this announcement, the Board of the Company, comprises (i) four executive directors, namely Mr. Cai Da, Mr. Li Xianghong, Mr. Li Wai Hung and Mr. Wang Tong Tong; and (ii) four independent non-executive directors, namely Ms. Wong Na Na, Mr. Wang Zhixiang, Ms. Feng Jibei and Ms. Chen Xier.

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.*

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