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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)**

### **UPDATE ON DISCLOSEABLE TRANSACTION**

Reference is made to the announcement of Silk Road Logistics Holdings Limited (the “**Company**”) dated 19 April 2022 (the “**Announcement**”) in relation to, among others, the entering into of the Agreement by Boshu (Shanghai), an indirectly wholly-owned subsidiary of the Company, as transferee, and the Transferor to acquire the Sale Equity Interest at a consideration of RMB1,000,000. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

In relation to the Agreement, the Board wishes to update the Shareholders and potential investors of the Company as follows:

#### **BREACH OF THE AGREEMENT BY THE TRANSFEROR**

Pursuant to the Agreement, Boshu (Shanghai) agreed to acquire, while the Transferor agreed to sell, the Sale Equity Interest in the Target Company at a consideration of RMB1,000,000. Further, the Transferor also undertook that it would provide Boshu (Shanghai) with the Profit Guarantee for a period of 5 years from the completion date of the Loan Capitalisation. Despite the fulfilment of all conditions set out in the Agreement by Boshu (Shanghai), the Transferor failed to transfer the Sale Equity Interest to Boshu (Shanghai) due to the fact that the Transferor had already transferred all its equity interest in the Target Company to third party(ies). Hence, the Transferor is not able and will not be able to honour the Profit Guarantee in accordance with the Agreement.

## **POSSIBLE ARBITRATION**

The Company has sought legal advice from the PRC legal adviser on the feasibility as well as the merits and drawbacks to claim against the Transferor. As advised by the PRC legal adviser, it is possible that Boshu (Shanghai) may not seek specific performance against the Transferor because the Transferor is no longer the holder of the Sale Equity Interest. Based on the PRC legal advice and pursuant to the Agreement, Boshu (Shanghai) will bring the case in front of Beijing Arbitration Commission and commence arbitration proceeding to seek remedies in view of the Transferor's breach of the Agreement.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 24 May 2022. Pending fulfilment of the Resumption Guidance, trading in the shares of the Company on the Stock Exchange will remain suspended until further notice.

**Shareholders and potential investors should exercise caution when dealing in the Shares of the Company.**

By order of the Board  
**Silk Road Logistics Holdings Limited**  
**Cheung Ngai Lam**  
*Executive Director*

Hong Kong, 11 October 2022

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cheung Ngai Lam and Mr. Chung Wai Man; a non-executive Director, namely Mr. Ouyang Nong; and four independent non-executive Directors, namely Ms. Choy So Yuk, Mr. Wu Zhao, Mr. Chen Wai Chung Edmund and Ms. Ang Mei Lee Mary.*