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**新絲路文旅有限公司**  
**NEW SILKROAD CULTURAL ENTERTAINMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 472)**

## **POTENTIAL MAJOR AND CONNECTED TRANSACTION INVOLVING ACQUISITION OF 100% EQUITY INTEREST OF THE HOLDING COMPANY OF YUEHAO PROPERTY MANAGEMENT**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company is pleased to announce that on 21 December 2022 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the non-legally binding Letter of Intent in relation to the Potential Acquisition.

### **THE LETTER OF INTENT**

The principal terms of the Letter of Intent are as follows:

#### **Date**

21 December 2022

#### **Parties**

- (1) the Purchaser, as prospective purchaser; and
- (2) the Vendor, as prospective vendor.

#### **The Potential Acquisition**

According to the Letter of Intent, the Purchaser intends to acquire and the Vendor intends to sell or procure the sale of 100% equity interest in the Target Company. To the best knowledge and information of the Directors, the consolidated revenue of the Target Company for the year ended 31 December 2021 was approximately RMB443.8 million.

## **Consideration and Earnest Money**

The Parties acknowledged that the consideration for the Potential Acquisition will be determined subject to the negotiation between the Parties, on the basis that the Purchaser has completed the due diligence review of the Target Company and its subsidiaries and taking into account other factors including other commercial terms of the Potential Acquisition. The Company will issue a remittance certificate for the earnest money of RMB12,000,000 or in an equivalent amount in other currencies within 3 business days after signing the Letter of Intent. If the negotiation on the Definitive Agreement will not be continued or the acquisition of the equity interest of the Target Company will not be continued within 6 months after signing the Letter of Intent, the Vendor shall immediately return the earnest money (without interest) to the Group in full within 5 business days.

## **Definitive Agreement**

Upon completion of the due diligence review by the Purchaser and the determination of the structure of the Target Company to be acquired by the Group, the Parties will conduct negotiation on the Definitive Agreement to agree on the terms of the Potential Acquisition.

## **Exclusivity Period**

The Vendor agreed that, during the Exclusivity Period, the Vendor will not (i) negotiate or reach any consensus with any third party in respect of the Potential Acquisition; (ii) enter into any memorandum, contract or agreement with any third party in respect of the Potential Acquisition; and (iii) cause the non-completion of the Potential Acquisition.

In the event that the Definitive Agreement is not entered into between the Vendor and the Purchaser (or the designated entity of the Purchaser) within the Exclusivity Period and the Parties have not agreed on an extension of the Exclusivity Period, the Letter of Intent shall be automatically terminated.

## **No legal binding effect**

The Letter of Intent does not have any legal binding effect, save for the provisions on, among others, payment and refund of earnest money, confidentiality, the Exclusivity Period and termination. The terms of the Potential Acquisition are subject to the terms of the Definitive Agreement.

## **REASONS FOR AND BENEFITS OF THE POTENTIAL ACQUISITION**

The Group is principally engaged in investment holding, and the principal activities of its subsidiaries are mainly (i) development and operation of integrated resort and cultural tourism in South Korea; (ii) development and operation of real estate in Australia; (iii) production and distribution of wine in the PRC; and (iv) operation of entertainment business in South Korea.

The Board believes that the Group should take advantage of the Group's current sufficient funds and sustainable sources of funds, as well as the proactive easing of the COVID-19 epidemic policy in the PRC beginning in mid-December 2022, and the State Council of China's Strategic Planning – "Outline of Strategic Planning for Expanding Domestic Demand (2022-2035)" issued on 15 December 2022 in which it is mentioned that the PRC government

will “improve the quality level of community public services; build a community service system that combines public services, convenience and benefit services, and voluntary mutual assistance services; enhance community service functions; guide social forces to participate in community services; induce the social power and social supply chain to continue to improve the quality of community services; improve the level of intelligence in community services; support the integration and innovation of housekeeping, elderly care, childcare, property and other business services and; improve the ability and level of community epidemic prevention and control.” We believe that the Group, in expanding its real estate business through the acquisition of a nation-wide property management company serving in the PRC, can make full use of our current experience in developing and operating real estate development in Australia. It caters to the needs of the PRC’s expanding domestic demand through developing high-quality property management business. Eventually, it can provide the Shareholders with substantial and sustainable returns on investment.

The Board considers that the terms of the Letter of Intent were arrived at after arm’s length negotiations, are fair and reasonable, and that the Potential Acquisition, when materialised, will be in the interests of the Company and Shareholders as a whole.

## **GENERAL**

The Potential Acquisition, if materialised, will constitute a major transaction for the Company under Chapter 14 of the Listing Rules, as well as a connected transaction for the Company under Chapter 14A of the Listing Rules. Further announcement(s) in respect of the Potential Acquisition will be made by the Company as and when appropriate.

**As the Potential Acquisition is subject to the Definitive Agreement being entered into and may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless otherwise defined, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	New Silkroad Culturaltainment Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 00472)
“Definitive Agreement”	the formal sale and purchase agreement in relation to the Potential Acquisition as may be entered into between the Purchaser and the Vendor for the Potential Acquisition
“Director(s)”	director(s) of the Company

“Exclusivity Period”	six months from the date of the Letter of Intent, or such longer period as the Parties may agree
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Letter of Intent”	the non-legally binding letter of intent entered into between the Purchaser and the Vendor on 21 December 2022
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	collectively, the Purchaser and the Vendor
“Potential Acquisition”	the potential acquisition of the Target Company by the Purchaser
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan Region
“Purchaser”	Sichuan Silkroad Data Technology Limited (四川絲路數據科技有限公司), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	an indirect holding company of a group of companies owning the Yuehao Property Management
“Vendor”	Beijing Yunhe Changji Investment Co., Ltd., a limited liability company established under the laws of the PRC, which is a connected person of the Company within the meaning of the Listing Rules
“Yuehao Property Management”	a brand name operating property management business in the PRC

By order of the Board  
**New Silkroad Culturaltainment Limited**  
**Ma Chenshan**  
*Chairman and Executive Director*

Hong Kong, 21 December 2022

*As at the date of this notice, the board of Directors comprises four executive Directors, namely Mr. Ma Chenshan, Mr. Zhang Jian, Mr. Hang Guanyu and Mr. Liu Huaming; and three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Mr. Tse Kwong Hon and Mr. Cao Kuangyu.*