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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)

QUARTERLY UPDATE ON PROGRESS OF RESUMPTION AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Silk Road Logistics Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.24A of the Listing Rules.

References are made to the announcements of the Company dated (1) 24 May 2022 in relation to, among other things, (i) the Listing Review Committee’s decision to uphold the decision of the Listing Committee to suspend the trading in the Shares; and (ii) the suspension of trading in the Shares with effect from 24 May 2022; (2) 7 June 2022 in relation to, among other things, the Resumption Guidance; (3) 1 June 2023 in relation to the appointment of restructuring adviser; (4) 23 August 2022, 23 November 2022, 23 February 2023, 23 May 2023 and 23 August 2023 in relation to the quarterly updates on the progress of resumption; (5) 21 August 2023 and 1 November 2023 in respect of the winding-up petition against the Company; and (6) 7 November 2023 in respect of, among other things, the Capital Reorganisation, the Subscription and the Scheme (collectively, the “**Announcements**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

QUARTERLY UPDATE ON PROGRESS OF RESUMPTION AND BUSINESS OPERATIONS

The Board wishes to inform the Company's shareholders and potential investors of the progress of actions recently taken by the Company to fulfil the Resumption Guidance, including the latest development of the Group's business operations in the Commodities Trading Business, the Logistics Business and the Oil Business. In line with its restructuring plan, the Group has already resumed operations of its Commodities Trading and Logistics Businesses and is now focusing on enhancing their performance.

Since the publication of the Announcements, the Company has been communicating with professional advisers and various potential business partners of the Group to explore and consider different options and future opportunities in order to prepare a viable resumption proposal to resolve the issues leading to the trading suspension and address the Resumption Guidance, and to work on the resumption of the trading in the Shares as soon as possible.

The Board is pleased to announce that:

- (i) on 19 October 2023, the Company has, through its legal advisors, made an ex parte application to the High Court of Hong Kong to apply for leave to convene a scheme meeting for the purpose of considering and, if thought fit, approving the proposed Scheme and related directions. The application was heard on 28 November 2023 and by an order made on 28 November 2023 (the "**Order**"), the High Court has directed, among other things, that: (a) the Company may convene the scheme meeting for the purpose of considering and, if thought fit, approving (with or without modification or condition approved and imposed by the High Court) the Scheme; and (b) the hearing at which the High Court will determine the Company's application to sanction the Scheme shall be heard on 7 March 2024. Accordingly, the Company will proceed to finalise and despatch the documents in relation to the Scheme and convene the scheme meeting in accordance with the terms of the Order;
- (ii) on 7 November 2023, the Company has submitted the resumption proposal to the Stock Exchange which set out the details in relation to the business plans of the Company, forecast and projection in relation thereto, details on the Capital Reorganisation, the Subscription and the Scheme, for the Stock Exchange's consideration; and

(iii) on 23 November 2023, the Company has entered into a mineral sales agreement with a company incorporated in Australia with limited liability which is the owner of mining, exploration, prospecting and other related rights to tenements on Cockatoo Island, Irvine Island and Bathurst Island in West Australia. Pursuant to the terms of the mineral sales agreement, the Company would be supplied with iron ore fines produced from the iron ore mining project of the supplier located on Cockatoo Island in the Kimberley Region off the north-west coast of Western Australia in 430,000 tonnes in aggregate, to be delivered in ten monthly shipments at 3% discount below the prevailing spot price. The collaboration under the mineral sales agreement is expected to secure the Group's iron ore pipeline, which would not only empower the Group with higher bargaining power in the market and attract other major market players to establish business relationship with the Group and to provide favourable commercial terms to the Group, but also enable the Group to diversify into the upstream market to become the principal distributor to (i) sell the high-grade iron ore products to steelmaking companies and/or sub-distributors; (ii) sell the low-grade iron ore tailings (which would require beneficiation prior to sale to end customers) to sub-distributors and/or processing plants; and (iii) process the low-grade iron ore tailings and sell to end customers.

In light of the mineral sales agreement, the availability of funding following completion of the Subscription as well as the facility provided by the Subscriber, and the debt restructuring of the Company through the Capital Reorganisation, the Subscription and the Scheme, the Directors are of the view that the financial performance of the Group will be significantly improved, which will substantiate the development of the Group. The Board will continue to maintain its tireless effort to strive for the resumption of trading in the Shares. Further announcement(s) will be made by the Company regarding any significant development on the above matters as and when appropriate.

WINDING-UP PETITION

As disclosed in the Announcement dated 21 August 2023, the Company received the Petition. The Petition was heard on 1 November 2023 as scheduled and it was adjourned to 13 December 2023. Further announcement(s) will be made by the Company regarding any significant development on the Petition as and when appropriate.

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, 28 November 2023

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cheung Ngai Lam and Mr. Chung Wai Man; one non-executive Director, namely Mr. Ouyang Nong; and four independent non-executive Directors, namely Mr. Wu Zhao, Ms. Ang Mei Lee Mary, Mr. Chu Kin Wang Peleus and Mr. Lam Tin Faat.