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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)**

### **DECISION OF THE LISTING COMMITTEE ON CANCELLATION OF LISTING**

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 Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

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) 23 August 2022, 23 November 2022, 23 February 2023, 23 May 2023, 23 August 2023 and 28 November 2023 in relation to the quarterly updates on the progress of resumption; and (4) 7 November 2023 in relation to, among others, 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.

## DECISION OF THE LISTING COMMITTEE ON CANCELLATION OF LISTING

On 15 December 2023, the Company received a letter from the Stock Exchange stating that the Listing Committee has decided to cancel the Company's listing under Rule 6.01A of the Listing Rules (the "**Delisting Decision**"). In arriving at the Delisting Decision, the Listing Committee had considered the following:

1. Trading in the Company's shares had been suspended since 24 May 2022. Under Rule 6.01A of the Listing Rules, the Company had to resume trading by 23 November 2023 to avoid delisting. For the following reasons, the Listing Committee was not satisfied that the Company had a sufficient level of operations and assets of sufficient value to support its operations to meet Rule 13.24.
2. On operations, the principal businesses of the Company, namely (i) the trading of commodities ("**Commodities Trading Business**"); (ii) provision of transportation and logistics services ("**Logistics Business**"); and (iii) exploration and production of oil and provision of well drilling services ("**Oil Business**"), were considered not viable and sustainable. The scale of the Company's operations had not improved after the 18-month remedial period.
3. As regards the Commodities Trading Business which had been changed to (i) beneficiating and upgrade low-grade iron ore products into high-grade iron ore fines for sale ("**Beneficiation Model**"); and (ii) sourcing high-grade iron ore fines for direct trading ("**Trading Model**") and its segment name changed to "Commodities Beneficiation and Trading Business", the Listing Committee did not consider it was demonstrated to be of substance, viable and sustainable for the following reasons:
  - (i) It had a short operating history of less than 6 months and recorded a revenue with a very thin gross profit margin and a net loss;
  - (ii) It did not have a solid customer base and the Company had not demonstrated that it could develop a solid customer base or continuously secure sufficient customers and generate sufficient revenue and profit to sustain the business;
  - (iii) It was uncertain whether and when the Group would be able to procure supply of low-grade iron ore products to support the operation of the Beneficiation Model given no legally binding agreement had been entered into. The supply of high-grade iron ore fines from Cockatoo Island was uncertain as it was conditional upon the Subscription which was subject to many uncertainties; and

- (iv) The Company had not secured sufficient funding to finance the operation of the Beneficiation Model, and it had to rely on the proposed debt restructuring, which was subject to many uncertainties, and the facility provided by the Subscriber, to pay the deposit required for such operation.
4. It was questionable whether the profit forecast of the Company submitted in the resumption proposal was achievable and the forecast was not supported with basis.
  5. On assets, the Company was in net liabilities position and the proposed debt restructuring and the facility provided by the Subscriber, which are required to resolve its financial difficulty and support the business operation, were preliminary and uncertain. In any event, even if the transactions were to be completed, the Listing Committee did not consider the Commodities Beneficiation and Trading Business was of substance, viable and sustainable.
  6. As regards extension of the remedial period, the Listing Committee did not consider that the Company was entitled to a time extension for the following reasons:
    - (i) The Company had not demonstrated to have operation and asset to meet Rule 13.24, hence had not addressed the substantive issues underlying the Resumption Guidance. Its situation did not fall within the “exceptional circumstances” that warranted an extension of the remedial period.
    - (ii) Given various conditions of the proposed debt restructuring remained unfulfilled and the Company’s expected timetable had been delayed, there was no sufficient certainty that the proposed debt restructuring would be completed within the requested time extension. Even if it were to be completed, the Listing Committee did not consider the Commodities Beneficiation and Trading Business was of substance, viable and sustainable to meet Rule 13.24.

## **REVIEW REQUEST OF THE DELISTING DECISION**

Under Chapter 2B of the Listing Rules, the Company has the right to have the Delisting Decision referred to the Listing Review Committee for review within seven business days from the date of issue of the Delisting Decision (i.e., on or before 28 December 2023) (the “**LRC Review**”). If the Company decides not to request to have the LRC Review, the last day of listing of the Shares will be on 3 January 2024 and the listing of the Shares will be cancelled with effect from 9:00 a.m. on 4 January 2024.

After seeking professional advice and with due consideration, the Company will submit an application requesting the Delisting Decision be referred to the Listing Review Committee for review on or before 28 December 2023.

The Company would like to remind the Shareholders and potential investors of the Company that the outcome of the LRC Review is uncertain and there is no guarantee that the resumption of the trading of Shares will be achieved. Shareholders who have any queries about the implications of the delisting of the Shares are advised to seek appropriate professional advice.

Further announcement(s) will be made by the Company in respect of the review 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 of the Company should exercise caution when dealing in the securities of the Company. 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, 18 December 2023

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