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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)

**DISCLOSEABLE TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE**

PROVISION OF FINANCIAL ASSISTANCE

On 4 July 2019, Great Wall Credit as lender and Borrower as borrower entered into Loan Agreement pursuant to which Great Wall Credit agreed to grant Loan in principal amount of HK\$20,000,000 to Borrower.

Prior to entering into Loan Agreement, on 22 March 2019 Great Wall Credit and Borrower had entered into the Previous Loan Agreement (as amended and supplemented by the Previous Loan Supplemental Agreement) pursuant to which Great Wall Credit granted to Borrower the Previous Loan in principal amount of HK\$6,000,000.

GEM LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios (as defined under the GEM Listing Rules) calculated with reference to the Previous Loan (as extended by the Previous Loan Supplemental Agreement) exceeded 5%, the grant of the Previous Loan nor its extension did not constitute a discloseable transaction of the Company and was not subject to notification and disclosure requirements under Chapter 19 of the GEM Listing Rules.

As the Previous Loan and Loan are granted to the same borrower within a 12-month period, the grant of Loan requires aggregation with the Previous Loan (which itself did not constitute a discloseable transaction) under Rule 19.22 of the GEM Listing Rules. As one or more of the applicable percentage ratios in respect of Loan and the Previous Loan in aggregate exceed 5% but all of them are less than 25%, the grant of the Loan and the Previous Loan in aggregate constitutes a discloseable transaction for the Company and is therefore subject to notification and disclosure requirements under Chapter 19 of the GEM Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 4 July 2019, Great Wall Credit as lender and Borrower as borrower entered into the Loan Agreement pursuant to which Great Wall Credit agreed to grant Loan to Borrower.

Principal terms of Loan Agreement are as follows:

Loan Agreement

Date: 4 July 2019

Parties: (1) Great Wall Credit as lender

(2) Borrower as borrower

Principal amount: HK\$20,000,000

Interest rate: 14.4% per annum

Security: Loan is unsecured

Term: A period of 6 months from 4 July 2019

Repayment Date: The last day of the term of Loan, i.e. 3 January 2020

Repayment: Borrower shall repay the principal amount of Loan in full together with accrued interest thereon on the repayment date.

Early Repayment: Borrower may repay all or part of Loan and all accrued interests in respect of the sum repaid before the repayment date.

Loan is financed with internal resources of the Group.

Previous Loan

On 22 March 2019, Great Wall Credit and Borrower had entered into the Previous Loan Agreement pursuant to which Great Wall Credit granted to Borrower the Previous Loan in principal amount of HK\$6,000,000 at an interest rate of 18% per annum for a period of 2 months. On 20 May 2019, Great Wall Credit and Borrower entered into the Previous Loan Supplemental Agreement dated 20 May 2019 to, among other things, extend the repayment date of the Previous Loan to 21 June 2019.

The Previous Loan was funded by internal resources of the Group.

As at the date of this announcement, the principal amount of the Previous Loan together with all interest accrued thereon has been fully repaid by Borrower.

Information on Borrower

Borrower is a Hong Kong resident. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Borrower is independent of and not connected with the connected persons (as defined under the GEM Listing Rules) of the Company.

Reasons for and benefits of the grant of Loan

Money Lending is one of the principal business activities of the Group, hence the grant of the Previous Loan and Loan to Borrower is in the ordinary and usual course of business of the Group.

The terms of each of the Previous Loan Agreement and Loan Agreement were negotiated on an arm's length basis between Great Wall Credit and Borrower based on the Group's credit control measures. The advance of the Previous Loan and Loan was made on the basis of the Company's credit assessments made on the financial strength and repayment ability of Borrower, and the relatively short term nature of the advance. In view of the satisfactory financial background of Borrower, the Directors consider that the risks involved in the advance to Borrower are relatively low, and with the stable source of revenue and cashflow that each of the Previous Loan and Loan could generate for the Group, the Directors consider that the terms of each of the Previous Loan Agreement and Loan Agreement are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE COMPANY AND THE LENDER

The Company is a company incorporated in the Cayman Islands with limited liability and is an investment holding company. Its subsidiaries are principally engaging in the (i) provision of coal mining services; (ii) provision for heating supply services; (iii) trading of mineral products; and (iv) provision of money lending services.

Great Wall Credit is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. Great Wall Credit is a licensed money lender in Hong Kong under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) and is principally engaging in money lending.

GEM LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios (as defined under the GEM Listing Rules) calculated with reference to the Previous Loan (as extended by the Previous Loan Supplemental Agreement) exceeded 5%, the grant of the Previous Loan nor its extension did not constitute a discloseable transaction of the Company and was not subject to notification and disclosure requirements under Chapter 19 of the GEM Listing Rules.

As the Previous Loan and Loan are granted to the same borrower within a 12-month period, the grant of Loan requires aggregation with the Previous Loan (which itself did not constitute a discloseable transaction) under Rule 19.22 of the GEM Listing Rules. As one or more of the applicable percentage ratios in respect of Loan and the Previous Loan in aggregate exceed 5% but all of them are less than 25%, the grant of the Loan and the Previous Loan in aggregate constitutes a discloseable transaction for the Company and is therefore subject to notification and disclosure requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

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| “Board” | the board of Directors |
| “Borrower” | the borrower under the Previous Loan Agreement and Loan Agreement who is an individual |
| “Company” | Silk Road Energy Services Group Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on GEM (stock code: 8250) |
| “Director(s)” | director(s) of the Company |

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| “GEM” | the GEM of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Great Wall Credit” | Great Wall Credit Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Loan” | the loan in principal amount of HK\$20,000,000 with interest rate of 14.4% per annum granted by Great Wall Credit to Borrower under Loan Agreement |
| “Loan Agreement” | the loan agreement dated 4 July 2019 entered into between Great Wall Credit and Borrower in respect of the grant of Loan |
| “PRC” | the People’s Republic of China, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Previous Loan” | the unsecured loan in principal amount of HK\$6,000,000 with interest rate of 18% per annum granted by Great Wall Credit to Borrower under the Previous Loan Agreement |
| “Previous Loan Agreement” | the loan agreement dated 22 March 2019 entered into between Great Wall Credit and Borrower in respect of the grant of the Previous Loan |
| “Previous Loan Supplemental Agreement” | the supplemental loan agreement dated 20 May 2019 entered into between Great Wall Credit and Borrower in respect of the extension of the Previous Loan |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

“subsidiary” any entity within the meaning of the term “subsidiary” as defined in the GEM Listing Rules and the term “subsidiaries” shall be construed accordingly

“%” per cent

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

Hong Kong, 4 July 2019

As at the date of this announcement, the Board of the Company, comprises (i) six executive directors namely, Mr. Cai Da, Mr. Li Xianghong, Mr. Chen Youhua, Mr. Hu Guoan, 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 Mr. 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.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least seven (7) days from the date of its publication and is available for reference on the website of the Company at <http://www.silkroadenergy.com.hk>.