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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 ON-MARKET ACQUISITION OF LISTED SECURITIES**

### **THE ACQUISITIONS**

During the period from 28 November 2019 to 3 August 2020, the Company, through its wholly-owned subsidiary, Golden Brand conducted a series of on-market transactions to acquire an aggregate of 10,110,000 JLogo Shares (representing approximately 2.02% of the total issued JLogo Shares as at the date of this announcement) at an average price between HK\$0.390 to HK\$0.870 per JLogo Share for an aggregate consideration of approximately HK\$5,496,300 (exclusive of transaction costs).

On 23 September 2020, Golden Brand acquired 960,000 JLogo Shares on the market through the Stock Exchange at a total consideration of approximately HK\$192,000 (exclusive of transaction costs and representing an average price of approximately HK\$0.200 per Sale Share).

### **GEM LISTING RULES IMPLICATIONS**

As the Previous Acquisitions and the Acquisition took place within a 12-month period, the Previous Acquisitions and the Acquisition shall be aggregated as a single series of transactions pursuant to Rule 19.22 of the GEM Listing Rules. As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition when aggregated with the Previous Acquisitions exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

However, due to inadvertent oversight by management of the Company in calculating the consideration ratio which resulted in all percentage ratios being less than 5%, the Acquisition has not been notified and announced by the Company in a timely manner in accordance with Rule 19.34 of the GEM Listing Rules.

## ACQUISITION OF LISTED SECURITIES

During the period from 28 November 2019 to 3 August 2020, the Company, through its wholly-owned subsidiary, Golden Brand, conducted a series of on-market transactions to acquire an aggregate of 10,110,000 JLogo Shares (representing approximately 2.02% of the total issued JLogo Shares as at the date of this announcement) at an average price between HK\$0.390 to HK\$0.870 per JLogo Share for an aggregate consideration of approximately HK\$5,496,300 (exclusive of transaction costs).

On 23 September 2020, Golden Brand acquired 960,000 JLogo Shares on the market through the Stock Exchange at a total consideration of approximately HK\$192,000 (exclusive of transaction costs and representing an average price of approximately HK\$0.200 per Sale Share).

As the Acquisitions were conducted through the open market, the Company is not aware of the identities of the vendors. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the vendors and their ultimate beneficial owners are Independent Third Parties.

## INFORMATION OF JLOGO HOLDINGS

According to publicly available information, JLogo Holdings is a company incorporated in the Cayman Islands and the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8527). JLogo Holdings is an investment holding company and its subsidiaries are principally engaged in the business of: (i) Asian full services restaurant operations in Singapore; and (ii) artisanal bakery chain in Malaysia.

Set out below are the key figures of JLogo for the six months ended 30 June 2020 and the two financial years ended 31 December 2018 and 2019 extracted from the public documents of JLogo Holdings:

	<b>Six months ended 30 June 2020 (unaudited) SGD'000</b>	<b>Year ended 31 December</b>	
		<b>2019 (audited) SGD'000</b>	<b>2018 (audited) SGD'000</b>
(Loss) before taxation	(2,199)	(2,708)	(2,592)
(Loss) after taxation	(2,227)	(2,872)	(2,516)

The audited consolidated total assets and net assets of JLogo Holdings as at 31 December 2019 amounted to approximately SGD21,656,000 and SGD8,086,000 respectively.

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

Having considered the business operation of JLogo Holdings, the Company is optimistic about the prospect of JLogo Holdings and considers that the Acquisitions of JLogo Shares is an attractive investment and can enhance the returns on investment for the Company.

In view of the aforesaid and having considered that the Acquisitions were conducted through open market, the Directors are of view that the Acquisitions were fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders as a whole.

## **INFORMATION OF THE GROUP**

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 (i) provision of coal mining and construction services; (ii) provision for heating supply services; and (iii) provision of money lending services.

Golden Brand, a wholly-owned subsidiary of the Company, is a company incorporated in Hong Kong limited liability and is principally engaging in investment holdings.

## **GEM LISTING RULES IMPLICATIONS**

As the Previous Acquisitions and the Acquisition took place within a 12-month period, the Previous Acquisitions and the Acquisition shall be aggregated as a single series of transactions pursuant to Rule 19.22 of the GEM Listing Rules. As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition when aggregated with the Previous Acquisitions exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

However, due to inadvertent oversight by management of the Company in mistakenly calculating the consideration ratio which resulted in all percentage ratios being less than 5%, the Acquisition has not been notified and announced by the Company in a timely manner in accordance with the GEM Listing Rules. The consideration ratio was mistakenly calculated based on the then total market capitalisation of the Company as at 3 August 2020 instead of the date of Acquisition, which if applied correctly, would have exceeded 5%. The Board was only aware of the Acquisition and the possible non-compliance after the Group received the monthly statement of Golden Brand's securities transactions for September 2020 and has taken steps to rectify the breach as soon as practicable, including by way of publication of this announcement.

## REMEDIAL ACTIONS

While the possible non-compliance with the GEM Listing Rules was inadvertent and unintentional, to prevent similar incident from occurring in the future, the Company has implemented the following remedial measures:

- (1) the Company will provide further guidance material and training, in particular, regarding the proper calculation of percentage ratios relating to notifiable transactions under the GEM Listing Rules for the Directors and relevant staff members of the Group in order to strengthen and reinforce their existing knowledge with respect to notifiable transactions;
- (2) the Company will enhance its ongoing trainings to the Directors and relevant staff members of the Group to familiarise them with the legal and regulatory requirements applicable to the business operations of the Group as well as the internal reporting mechanism of the Group;
- (3) the Company will modify its internal reporting guideline which requires each member of the Group and the relevant staff members to report all on-market securities transaction to the head office in Hong Kong immediately after execution to enhance record keeping and monitoring; and
- (4) the Company shall, as and when appropriate and necessary, consult professional adviser(s) before entering into possible notifiable transaction.

## DEFINITIONS

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

“Acquisition”	the acquisition by Golden Brand of 960,000 JLogo Shares in the open market for an aggregate consideration of approximately HK\$192,000 (exclusive of transaction costs)
“Acquisitions”	the Acquisition and Previous Acquisitions
“Board”	the board of Directors
“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
“GEM”	the GEM of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Golden Brand”	Golden Brand Investments Limited, a company incorporate in Hong Kong with limited liability and a 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 People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“JLogo Holdings”	JLogo Holdings Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8527)
“JLogo Share(s)”	the ordinary share(s) of JLogo Holdings
“Previous Acquisitions”	the acquisitions by Golden Brand of an aggregate of 10,110,000 JLogo Shares in the open market for an aggregate consideration of approximately HK\$5,496,000 (exclusive of transaction costs) in a series of transactions during the period from 28 November 2019 to 3 August 2020
“SGD”	Singapore dollars, the lawful currency of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 6 October 2020

*The English translation of Chinese names or words in this announcement, where indicated by “\*”, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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