

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Silk Road Energy Services Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

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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)**

**(I) MAJOR AND CONNECTED TRANSACTION —  
PROPOSED DISPOSAL OF 40% INTEREST  
IN THE TARGET;  
(II) RE-ELECTION OF DIRECTORS;  
AND  
(III) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of the Company to be held at Units 7208-10, 72nd Floor, The Center, 99 Queen's Road C., Central, Hong Kong on Thursday, 15 October 2015 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend and vote at the meeting, you are requested to read the notice of the extraordinary general meeting and to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting thereof should you so wish and in such event, such form(s) of proxy shall be deemed to be revoked.

This circular 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>.

## **CHARACTERISTICS OF GEM**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

## CONTENTS

|                                                                                         | <i>Page</i> |
|-----------------------------------------------------------------------------------------|-------------|
| <b>Characteristics of GEM</b> .....                                                     | i           |
| <b>Definitions</b> .....                                                                | 1           |
| <b>Letter from the Board</b> .....                                                      | 4           |
| <b>Appendix I — Financial information of the Group<br/>and the Enlarged Group</b> ..... | I-1         |
| <b>Appendix II — General information</b> .....                                          | II-1        |
| <b>Notice of EGM</b> .....                                                              | EGM-1       |

## DEFINITIONS

*In this circular, the following expressions have the meanings set out below unless the context otherwise requires:*

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “associate”              | has the meaning ascribed to it under the GEM Listing Rules                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “Board”                  | the board of Directors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| “Business Day”           | a day (excluding a Saturday or public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours |
| “BVI”                    | the British Virgin Islands                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “Company”                | Silk Road Energy Services Group Limited (formerly known as China Natural Investment Company Limited), a company incorporated in the Cayman Islands and the issued shares of which are listed on GEM                                                                                                                                                                                                                                                                                                        |
| “Completion”             | completion of the Disposal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “Condition(s) Precedent” | condition(s) precedent to the completion of the Disposal as set out in the sub-section headed “Letter from the Board — The SP Agreement — Conditions Precedent” in this circular                                                                                                                                                                                                                                                                                                                           |
| “connected person”       | has the meaning ascribed to it under the GEM Listing Rules                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “Consideration”          | the total consideration of HK\$13 million payable by the Purchaser to the Vendor for the Disposal                                                                                                                                                                                                                                                                                                                                                                                                          |
| “Director(s)”            | the director(s) of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| “Disposal”               | the disposal of the Sale Shares by the Vendor pursuant to the terms of the SP Agreement                                                                                                                                                                                                                                                                                                                                                                                                                    |
| “EGM”                    | the extraordinary general meeting of the Company convened to be held at 11:00 a.m. on Thursday, 15 October 2015 (or any adjournment thereof) for the Shareholders to consider and, if thought fit, to approve, among other matters, the SP Agreement and the transactions as contemplated thereunder and the re-election of Directors, the notice of which is set out on pages EGM-1 to EGM-2 of this circular                                                                                             |

## DEFINITIONS

|                           |                                                                                                                                                                                                                    |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Enlarged Group”          | the Group as enlarged by the Everbest Return Group                                                                                                                                                                 |
| “Everbest Return Group”   | Everbest Return Limited, being the target under the Tai Pu Acquisition, together with its subsidiaries                                                                                                             |
| “GEM”                     | the Growth Enterprise Market of the Stock Exchange                                                                                                                                                                 |
| “GEM Listing Rules”       | the Rules Governing the Listing of Securities on GEM                                                                                                                                                               |
| “Group”                   | the Company and its subsidiaries (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong))                                                                                                    |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                             |
| “Latest Practicable Date” | 22 September 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular                                                    |
| “Long Stop Date”          | 2 December 2015 (or such other date as the Vendor and the Purchaser may agree in writing)                                                                                                                          |
| “Mr. Guo”                 | Mr. Guo Xiang, an executive Director                                                                                                                                                                               |
| “Mr. Hu”                  | Mr. Hu Zhixiong, being one of the vendors under the Tai Pu Acquisition, an executive Director and a substantial shareholder (as defined in the GEM Listing Rules) of the Company as at the Latest Practicable Date |
| “Mr. Ling”                | Mr. Ling Koon Wah, who is a director of PR ASIA Consultants and the father of the Purchaser and Ms. Ling                                                                                                           |
| “Ms. Ling”                | Ms. Ling Yee Wai, Yvonne, who is a director of PR Asia Consultants and the daughter of Mr. Ling and the elder sister of the Purchaser                                                                              |
| “Ms. Wong”                | Ms. Wong Na Na, an independent non-executive Director                                                                                                                                                              |
| “PR ASIA Consultants”     | PR ASIA Consultants Limited, a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of the Target                                                                               |
| “PRC”                     | the People’s Republic of China                                                                                                                                                                                     |
| “Purchaser”               | Mr. Ling Yee Fai, the purchaser under the SP Agreement, being the son of Mr. Ling and the younger brother of Ms. Ling                                                                                              |

## DEFINITIONS

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Sale Shares”        | 40 issued shares of US\$1.00 each in the Target, representing 40% of the issued share capital of the Target                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| “SFO”                | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| “Share(s)”           | ordinary share(s) of HK\$0.05 each in the share capital of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| “Shareholder(s)”     | shareholder(s) of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| “SP Agreement”       | the sale and purchase agreement dated 3 June 2015 entered into between the Vendor and the Purchaser in relation to the Disposal                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “Stock Exchange”     | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| “Tai Pu Acquisition” | the acquisition of the entire issued share capital of Everbest Return Limited, a limited liability company incorporated in BVI, pursuant to a sale and purchase agreement dated 2 April 2015 and entered into between Million Nature Holdings Limited, an indirect wholly-owned subsidiary of the Company (as purchaser) and Mr. Hu and Ms. Fan Aixian (as vendors) (as amended by the supplemental agreements dated 22 April 2015, 5 June 2015 and 24 June 2015 entered into between the parties thereto), completion of which was taken place on 31 July 2015 |
| “Target”             | PR ASIA Investment Holdings Limited, a company incorporated in BVI with limited liability, an indirectly wholly-owned subsidiary of the Company as at the Latest Practicable Date                                                                                                                                                                                                                                                                                                                                                                               |
| “Target Group”       | the Target and PR ASIA Consultants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| “Vendor”             | Chemosino International Limited, a company incorporated in BVI with limited liability, the vendor under the SP Agreement and a directly wholly-owned subsidiary of the Company                                                                                                                                                                                                                                                                                                                                                                                  |
| “HK\$”               | Hong Kong dollar(s), the lawful currency of Hong Kong                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| “RMB”                | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| “US\$”               | United States dollar(s), the lawful currency of the United States of America                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| “%”                  | per cent.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

## LETTER FROM THE BOARD



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)

*Executive Directors:*

Mr. CAI Da (*Chairman*)  
Mr. HU Zhixiong (*Chief Executive Officer*)  
Mr. LI Wai Hung  
Mr. CHEN Youhua  
Mr. CHEN Liang  
Mr. GUO Xiang

*Independent non-executive Directors:*

Mr. CHI Chi Hung, Kenneth  
Mr. YAN Shengxian  
Ms. WONG Na Na  
Mr. WANG Zhixiang

*Registered office:*

PO Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

*Head Office and principal place  
of business in Hong Kong:*

Unit 1903, 19th Floor  
West Tower, Shun Tak Centre  
168–200 Connaught Road  
Central  
Hong Kong

25 September 2015

*To the Shareholders*

Dear Sir or Madam

**(I) MAJOR AND CONNECTED TRANSACTION —  
PROPOSED DISPOSAL OF 40% INTEREST  
IN THE TARGET;  
(II) RE-ELECTION OF DIRECTORS;  
AND  
(III) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 3 June 2015 in relation to the Disposal. The purpose of this circular is to provide you with (i) further details of the SP Agreement; (ii) other information as required to be disclosed under the GEM Listing Rules; (iii) relevant information regarding the re-election of Directors; and (iv) the notice of the EGM.

## LETTER FROM THE BOARD

### THE SP AGREEMENT

After trading hours on 3 June 2015, the Vendor, a wholly-owned subsidiary of the Company, entered into the SP Agreement with the Purchaser pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Shares, representing 40% of the issued share capital of the Target, at a total consideration of HK\$13 million. Principal terms of the SP Agreement are set out below.

#### Date

3 June 2015 (after trading hours)

#### Parties

- (1) Vendor: Chemosino International Limited, a directly wholly-owned subsidiary of the Company; and
- (2) Purchaser: Mr. Ling Yee Fai

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is the son of Mr. Ling and the younger brother of Ms. Ling, who are the directors of PR ASIA Consultants, an indirectly wholly-owned subsidiary of the Company as at the Latest Practicable Date and immediately before Completion and a member of the Target Group. Accordingly, the Purchaser is a connected person of the Company pursuant to Chapter 20 of the GEM Listing Rules.

#### Assets to be disposed of

Pursuant to the SP Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Shares, being 40% of the issued share capital of the Target, free from all encumbrances.

#### Conditions Precedent

Completion is conditional upon and subject to the following conditions being satisfied and/or (where applicable) waived:

- (a) the Purchaser being satisfied with the results of the due diligence review to be conducted under the SP Agreement;
- (b) the passing by the Shareholders (other than those who are required to abstain from voting under the GEM Listing Rules) at the EGM of the necessary resolution(s) to approve the SP Agreement and the transactions contemplated thereunder;
- (c) all necessary waivers, consents and approvals required to be obtained on the part of the Vendor and/or the Company in respect of the SP Agreement and the transactions contemplated thereby having been obtained and not being revoked on or before Completion; and

## LETTER FROM THE BOARD

- (d) the Purchaser being satisfied, from the date of the SP Agreement and at any time before Completion, that the warranties given by the Vendor under the SP Agreement remaining true and accurate in material respects.

The Conditions Precedent set out in paragraphs (a) and (d) above can be waived by the Purchaser at any time before the Long Stop Date in whole or in part by notice in writing to the Vendor. If the Conditions Precedent have not been satisfied and/or (where applicable) waived on or before 5:00 p.m. on the Long Stop Date, save for the matters relating to making of public announcement, governing law and other miscellaneous matters, all rights and obligations of the parties under the SP Agreement shall cease and terminate and neither party shall have any claim against the other save for the claim (if any) in respect of the continuing clauses or any antecedent breach of the terms of the SP Agreement.

As at the Latest Practicable Date, none of the Conditions Precedent had been satisfied and the Company had no intention to waive any of the Conditions Precedent.

### **Consideration**

The total Consideration payable by the Purchaser for the Disposal is HK\$13 million and shall be paid to the Vendor in cash (or in such other manner as the Purchaser and the Vendor may agree) upon Completion.

The Consideration was determined after arm's length negotiations between the Group and the Purchaser with reference to the net assets value of the Target Group as at 31 March 2015 and the historical financial performance of PR ASIA Consultants.

For the year ended 30 June 2013, the Target Group recorded net loss after taxation of approximately HK\$3.7 million. For the year ended 30 June 2014, the Target Group recorded net profit after taxation of approximately HK\$3.6 million. Therefore, in view of the fluctuation in the financial performance of the Target Group, the Directors also considered that the net assets value of the Target Group is also one of the basis which can fairly reflect the value of the Target Group when arriving at the Consideration.

Having considered the above factors, the Directors (including the independent non-executive Directors) are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Completion**

Completion will take place on the fifth Business Day (or such other date as the Purchaser and the Vendor may agree in writing) after the fulfillment and/or (where applicable) waiver of all Conditions Precedent.

Immediately after Completion, each member of the Target Group will become a non-wholly owned subsidiary of the Company.

## LETTER FROM THE BOARD

### INFORMATION ON THE TARGET GROUP

The Target is a company incorporated in BVI with limited liability and is indirectly wholly owned by the Company. The Target is principally engaged in investment holding.

PR ASIA Consultants is a company incorporated in Hong Kong with limited liability and is wholly owned by the Target. PR ASIA Consultants is principally engaged in the provision of advertising and public relations services.

The unaudited combined total assets value and the net assets value of the Target Group as at 31 March 2015 were approximately HK\$32,619,000 and approximately HK\$29,701,000 respectively and of which 40% (as represented by the Sale Shares) amounted to approximately HK\$13,048,000 and approximately HK\$11,880,000 respectively.

Set out below is the summary of certain unaudited combined financial information of the Target Group for the two years ended 30 June 2014:

|                                   | <b>Year ended<br/>30 June 2014</b> | <b>Year ended<br/>30 June 2013</b> |
|-----------------------------------|------------------------------------|------------------------------------|
|                                   | <i>HK\$'000</i>                    | <i>HK\$'000</i>                    |
| Revenue                           | 30,366                             | 22,182                             |
| Net profit/(loss) before taxation | 4,411                              | (3,393)                            |
| Net profit/(loss) after taxation  | 3,619                              | (3,704)                            |

The Group acquired 100% interests in PR ASIA Consultants at the aggregate consideration of HK\$33.6 million in January 2011, details of which are set out in the circular of the Company dated 31 December 2010. Since completion of the acquisition, the Target Group has been principally engaged in provision of advertising and public relations services to its customers and has contributed stable source of income to the Group in the past years.

After the completion of the acquisition of PR ASIA Consultants, the Group has not made further investment in the Target Group and therefore, the Group's total investment in the Target Group amounted to approximately HK\$33.6 million, being the original acquisition cost of PR ASIA Consultants. For the year ended 30 June 2013, the Group recognised an impairment loss of HK\$5,200,000 in respect of the goodwill allocated to PR ASIA Consultants.

### REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company and its subsidiaries are principally engaged in the processing and trading of fluorite products, trading of other mineral products, provision of advertising and public relations services, provision of coal mining services, money lending business and investment holding.

## LETTER FROM THE BOARD

In late May 2015, the Company was approached by the Purchaser to discuss the proposed Disposal. The Purchaser is the son of Mr. Ling who is a director of PR ASIA Consultants and is in charge of the advertising and public relations business of the Group. Mr. Ling has worked in the financial media industry for over 30 years and has in-depth experience and extensive network in the financial media industry.

The Company considers that disposing 40% interests in the Target to the Purchaser, who is an associate of Mr. Ling, instead of an independent purchaser, would be beneficial to the Group because on one hand the Group can remain as the majority shareholder of the Target, and on the other hand the interest of the management of PR ASIA Consultants will be aligned with that of the Group by becoming one of the shareholders. Having the management to be one of the shareholders of the Target can secure the continuing commitments and contributions from the senior management to the Target Group in the future who will be more committed to the furtherance of the development of the business of the Target Group.

Though the Target Group has continued to contribute stable source of income to the Group in the past years, the Directors considered that its growth potential is limited. In addition, as the Group's revenue from the natural resources related business has increased, the revenue contributed by the Target Group to the Group has become less significant to the Group. The Directors considered that it would be beneficial to the Group to focus more resources for the development of the natural resources related business which is considered to be with more growth potential as compared to the advertising and public relations business.

In view of the above, the Directors considered that it is in the best interest of the Company and its Shareholders as a whole to dispose of 40% interest in the Target Group at this moment.

The Directors are of the view that the Disposal represents a good opportunity for the Group to realise part of its investments in the provision of advertising and public relations services in order to focus more resources for the development of the natural resources related business which is considered to be with growth potential. The Group is actively exploring for business opportunities to, where opportunities arise, undertake different investment projects so as to diversify its investment portfolio for the purpose of lowering its investment risk and broaden the sources of income of the Group. It is the current intention of the Group to use the net proceeds from the Disposal for financing the day-to-day operation of 鄂爾多斯市泰普礦業工程有限責任公司 (Ordos City Tai Pu Mining Engineering Company Limited) (“**Tai Pu**”), which was acquired by the Company on 31 July 2015 (details of which are set out in the circular of the Company dated 30 June 2015 and the announcement of the Company dated 31 July 2015).

Having regard to the proposed appointment of the Purchaser as a director of PR ASIA Consultants, the operating subsidiary of the Target Group, upon Completion and his relationship with Mr. Ling and Ms. Ling, it is expected the collaboration between the Purchaser and the existing board of directors of PR ASIA Consultants will be fostered, which will in turn facilitate the operation and the development of the Target Group.

## LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

### **FUTURE DEVELOPMENT OF THE GROUP AFTER COMPLETION OF DISPOSAL**

The Directors will continue to seek potential investments in the natural resources related business when suitable opportunities arise, so as to consolidate the Group's existing business and to increase the income base of the Group.

The Company will also consider equity or debt fund raising in the future for the repayment of the promissory notes issued by the Company as consideration paid for the Tai Pu Acquisition (details of which are set out in the circular of the Company dated 30 June 2015) and for funding the working capital of the Group and other future investments.

In addition, the Company will from time to time review the composition of the Board with a view to ensuring that the Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of the Group's business strategy and in order for the Board to be effective.

Save as the above, as at the Latest Practicable Date:

- (i) the Company had no intention, negotiation, agreement, arrangement and understanding (concluded or otherwise) about:
  - (a) disposal of the remaining 60% interest in the Target Group;
  - (b) any disposal, scaling-down and/or termination of the Group's existing businesses and/or major operating assets; and
  - (c) any acquisition/investment of new business or injection of any new business to the Group;
- (ii) the Company had no specific plan for equity or debt fund raising; and
- (iii) the Company did not anticipate any change in the Company's board composition and shareholding structure after completion of the Disposal.

### **FINANCIAL EFFECTS OF THE DISPOSAL**

It is expected that the Group will not record any gain or loss as a result of the Disposal as the Group will retain control in the Target upon Completion. The difference between the Consideration and the net assets value of the Target Group attributable to the Sale Shares as at 31 March 2015 in the amount of HK\$0.6 million will be credited to other reserves of the Group. The actual financial impact in connection with the Disposal will be assessed after Completion and is subject to audit.

## LETTER FROM THE BOARD

There will be no impact to the earnings of the Group as a result of the Disposal because the Target remains as a subsidiary of the Company. Based on the combined management accounts of the Target for the nine months ended 31 March 2015, the net assets value of the Target was approximately HK\$29.7 million. As a result of the Disposal, it is expected that (i) the total assets of the Group would increase by approximately HK\$12.5 million, being the estimated net proceeds which will be received by the Company from the Disposal, (ii) the total liabilities of the Group will remain unchanged; (iii) the equity attributable to the non-controlling interest will increase by approximately HK\$11.9 million; and (iv) the net assets of the Group will increase by approximately HK\$0.6 million.

### RE-ELECTION OF DIRECTORS

Mr. Guo and Mr. Hu were appointed as executive Directors with effect from 7 August 2015 and 28 August 2015 respectively. Ms. Wong was appointed as an independent non-executive Director with effect from 9 September 2015.

Pursuant to Article 95 of the articles of association of the Company, each of Mr. Guo, Mr. Hu and Ms. Wong shall hold office only until the EGM and shall be eligible for re-election at the EGM.

The biographical details of Mr. Guo, Mr. Hu and Ms. Wong are set out below:

#### **Mr. Guo**

Mr. Guo, aged 34, holds a Bachelor Degree in Mining Engineering issued by Inner Mongolia University of Science & Technology. Mr. Guo has been accredited as a certified safety engineer and a Class 1 registered constructor. Since September 2007, Mr. Guo has worked in Tai Pu, an indirectly wholly-owned subsidiary of the Company upon the completion of the Tai Pu Acquisition. He is currently the general manager of Tai Pu. Mr. Guo has accumulated over 10 years of working experience in the field of coal mining.

There is no service contract signed between the Company and Mr. Guo. Mr. Guo is subject to retirement by rotation and re-election in accordance with the articles of association of the Company and the GEM Listing Rules.

Mr. Guo is entitled to an annual Director's fee of HK\$240,000 and an annual fixed salary of RMB\$151,200 as a general manager in Tai Pu. He is also entitled to a discretionary bonus annually based on the performance of Tai Pu. The remuneration package of Mr. Guo was determined by the Board with reference to his duties and responsibilities with the Company and the prevailing market conditions.

As at the Latest Practicable Date, save as disclosed above, Mr. Guo had confirmed to the Company that (i) he did not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company (which have the meanings ascribed to them respectively under the GEM Listing Rules); (ii) he did not have any interest in the Shares within the meaning of Part XV of the SFO; (iii) he did not hold other positions in the Company or in other members of the Group; and (iv)

## LETTER FROM THE BOARD

he did not have any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

### **Mr. Hu**

Mr. Hu, aged 47, holds a Bachelor Degree from Inner Mongolia Normal University. He is the founder and director of Tai Pu. Mr. Hu has accumulated over 10 years of working experience in the trading of coal and coal mining.

As at the Latest Practicable Date, Mr. Hu was interested in an aggregate of 1,338,400,000 Shares, representing approximately 23.03% of the total issued share capital of the Company.

Mr. Hu had entered into a service contract with the Company without a fixed term. Mr. Hu is subject to retirement by rotation and re-election in accordance with the articles of association of the Company and the GEM Listing Rules. Mr. Hu is entitled to an annual remuneration package of HK\$960,000, which was determined by the Board with reference to his duties and responsibilities with the Company and the prevailing market conditions.

As at the Latest Practicable Date, save as disclosed above, Mr. Hu has confirmed to the Company that (i) he did not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company (which have the meanings ascribed to them respectively under the GEM Listing Rules); (ii) he did not have any other interest in the Shares within the meaning of Part XV of the SFO; (iii) he did not hold other positions in the Company or in other members of the Group; and (iv) he did not have any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

### **Ms. Wong**

Ms. Wong, aged 42, holds a Bachelor Degree of Commerce in Accountancy and Management Studies from University of Wollongong in Australia. She is also an associate member of Certified Practising Accountant Australia and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Wong has accumulated over 10 years of working experience in auditing, accounting and financial management.

Ms. Wong was appointed for a term of one year. She is subject to retirement by rotation and re-election in accordance with the articles of association of the Company and the GEM Listing Rules. Ms. Wong is entitled to receive an annual Director's fee of HK\$60,000, which was determined by the Board with reference to her duties and responsibilities with the Company and the prevailing market conditions.

As at the Latest Practicable Date, save as disclosed above, Ms. Wong has confirmed to the Company that (i) she did not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company (which

## LETTER FROM THE BOARD

have the meanings ascribed to them respectively under the GEM Listing Rules); (ii) she did not have any interest in the Shares within the meaning of Part XV of the SFO; (iii) she did not hold other positions in the Company or in other members of the Group; and (iv) she did not have any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, there was no further information in relation to the re-election of each of Mr. Guo, Mr. Hu and Ms. Wong that need to be brought to the attention of the Shareholders and there was no further information which was required to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules.

### GEM LISTING RULES IMPLICATIONS

By virtue of being an associate of both of Mr. Ling and Ms. Ling, who are the directors of PR ASIA Consultants (an indirectly wholly-owned subsidiary of the Company as at the Latest Practicable Date and immediately before Completion and a member of the Target Group), the Purchaser is a connected person of the Company. Accordingly, the Disposal constitutes a connected transaction for the Company pursuant to Chapter 20 of the GEM Listing Rules.

As the Disposal is a connected transaction between the Group and a connected person at the subsidiary level of the Company on normal commercial terms, the Disposal is only subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 20.99 of the GEM Listing Rules.

As one of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Disposal is 25% or more, but all are less than 75%, the Disposal as contemplated under the SP Agreement constitutes a major transaction for the Company and is subject to notification, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As at the Latest Practicable Date, (i) none of the Directors has a material interest in the Disposal which required any of them to abstain from voting on the Board resolution(s) in relation to the SP Agreement and the transactions contemplated thereunder; and (ii) to the best knowledge and belief of the Directors, no Shareholder has a material interest in the transactions contemplated under the SP Agreement. Therefore, the Directors confirm that none of the Shareholders will be required to abstain from voting at the EGM.

### EGM

The EGM will be convened for the purpose of, among other matters, considering, and if thought fit, approving the SP Agreement and the re-election of Directors, and a notice convening the EGM at 11:00 a.m. on Thursday, 15 October 2015 at Units 7208-10, 72nd Floor, The Center, 99 Queen's Road C., Central, Hong Kong is set out on pages EGM-1 to EGM-2 of this circular.

|                              |
|------------------------------|
| <b>LETTER FROM THE BOARD</b> |
|------------------------------|

The voting of the Shareholders at the EGM will be taken by way of poll.

Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for the holding of the EGM or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting thereof (as the case may be) should you so desire. In such event, the instrument appointing a proxy will be deemed to be revoked.

**RECOMMENDATION**

The Directors believe that the Disposal and the re-election of each of Mr. Guo, Mr. Hu and Ms. Wong are fair and reasonable and in the interests of the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of EGM.

**ADDITIONAL INFORMATION**

Your attention is drawn to the information set out in the appendices to this circular.

By order of the Board  
**Silk Road Energy Services Group Limited**  
**Li Wai Hung**  
*Executive Director*

**I. FINANCIAL INFORMATION OF THE GROUP**

Financial information on the Group for (i) each of the three years ended 30 June 2012, 2013 and 2014; and (ii) the six months ended 31 December 2014 are set out in the following documents respectively and have been published on both the GEM website ([www.hkgem.com](http://www.hkgem.com)) and the website of the Company ([www.silkroadenergy.com.hk](http://www.silkroadenergy.com.hk)).

- the annual reports of the Group for the year ended 30 June 2012 (pages 30 to 110) (<http://www.hkexnews.hk/listedco/listconews/GEM/2012/0926/GLN20120926020.pdf>)  
<http://www.silkroadenergy.com.hk/index.php/icons/2015-01-07-12-52-33?task=document.viewdoc&id=108>
- the annual reports of the Group for the year ended 30 June 2013 (pages 36 to 131) (<http://www.hkexnews.hk/listedco/listconews/GEM/2013/0927/GLN20130927013.pdf>)  
<http://www.silkroadenergy.com.hk/index.php/icons/2015-01-07-12-52-33?task=document.viewdoc&id=112>
- the annual reports of the Group for the year ended 30 June 2014 (pages 34 to 126) (<http://www.hkexnews.hk/listedco/listconews/GEM/2014/0929/GLN20140929021.pdf>)  
<http://www.silkroadenergy.com.hk/index.php/icons/2015-01-07-12-52-33?task=document.viewdoc&id=116>
- the interim report of the Group for the six months ended 31 December 2014 (pages 4 to 29) (<http://www.hkexnews.hk/listedco/listconews/GEM/2015/0212/GLN20150212039.pdf>)  
<http://www.silkroadenergy.com.hk/index.php/icons/2015-01-07-12-52-33?task=document.viewdoc&id=118>

**II. INDEBTEDNESS**

As at the close of business on 31 July 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had outstanding unsecured bank loan of approximately HK\$694,000 which is repayable within one year and amount payable to Mr. Hu of approximately HK\$6,935,000 which is repayable on demand.

Save as disclosed above, as at the close of business on 31 July 2015, the Enlarged Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, or any outstanding term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, material hire purchase commitments, mortgages and charges, material contingent liabilities and guarantees.

**III. WORKING CAPITAL STATEMENT**

The Directors are of the opinion that taking into account the existing banking and other borrowing facilities available, the existing cash and bank balances, the Enlarged Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

**IV. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 30 June 2014 (being the date to which the latest published audited financial statements of the Group were made up).

**V. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP****Provision of Coal Mining Services**

On 31 July 2015, the Group completed the Tai Pu Acquisition.

The Tai Pu Acquisition can steer the Group towards becoming an integrated natural resources related services provider by further developing its natural resources value chain through vertical integration by virtue of (i) expanding the Group's current down-stream business of mineral products trading by offering to customers the mid-stream services, being mining construction engineering and related services; (ii) enhancing the service offering to customers through the provision of down-stream mineral products trading services; and (iii) bringing in-house a competent team for the provision of mining construction engineering and related services. The Tai Pu Acquisition would also enable the Group to combine its down-stream and mid-stream customer resources and expand the scale of its down-stream and mid-stream business.

As at the Latest Practicable Date, the Group did not have material capital commitment in this business segment. It is expected that the Group will finance this business segment through its internally generated cash flows.

**Processing and Trading of Fluorite Products**

As at the Latest Practicable Date, the Group held two mining licences in respect of two fluorite mines located in Mongolia and no extraction work had been carried out by the Group at these two mines since completion of such acquisition of Sino-Mongolia Fluorspar Mining Co., Ltd. In the event that the Group decides to commence production at the mines, the Group will be able to leverage on the experience and resources of the Everbest Return Group in mining construction and have immediate access to the management's expertise. Furthermore, the skilled labour of the Everbest Return Group will become immediately available to the Group, which would save the Group's time to recruit and train up the skilled labour by itself.

The Group will consider commencing production at these two fluorite mines when the market condition is favourable which at that time, the Group may need to deploy more financial resources to this business segment. As at the Latest Practicable Date, the Group did not have material capital commitment in this business segment. It is expected that the Group will finance this business segment through a combination of internally generated cash flows, bank borrowings and/or additional equity financing.

**Trading of Other Mineral Products**

During the first quarter of 2014, the Group had set-up a business in the trading of mineral products other than fluorites in PRC, mainly zinc and aluminum ingots. The establishment of the trading of other mineral products would assist the Group to expand the sales network in the trading of fluorite products.

The Group may consider to engage in trading of mineral products with a focus on coal products in the future. However, in view of the recent fluctuation in the prices of mineral products, the Group will pay close attention to the changes in the macroeconomic situation and carry out the trading businesses in a cautious manner.

As at the Latest Practicable Date, the Group did not have material capital commitment in this business segment. It is expected that the Group will finance this business segment through its internally generated cash flows.

**Advertising and Public Relations Business**

The Group provides advertising and public relations business through the Target Group. PR ASIA Consultants devises and implements effective business and marketing strategies from a communication perspective for its clients, with a view to enabling them to successfully achieve brand-building and establish an appropriate image to the targeted customer base. It also provides training, through simulating different scenarios of TV and print media interviews, to its clients for different kinds of interviews, media conferences and promotion events to ensure that the key messages are communicated from its clients to the public.

Upon Completion, it is expected that collaboration between the Purchaser and the existing board of directors of PR ASIA Consultants will be fostered, which will in turn facilitate the operation and the development of the advertising and public relation business. It is expected that the Group can finance the operation of the Target Group through its internally generated cash flows without the need of additional equity financing or bank borrowings.

**Money Lending Business**

The Group operates its money lending business through Profit Finance Limited, which obtained a money lenders licence under the Money Lenders Ordinance (Cap.163, Laws of Hong Kong) in 2014. The interest rate charged by the Group ranged from 5% to 12% per annum. The credit terms of such loans granted by the Group to the customers ranged from six months to one year. The money lending business is one of the treasury policies of the Group to make use of certain surplus funds retained by the Group. It is also the Group's intention to allocate most of its resources to the natural resources related business when opportunities arise from time to time.

**Outlook**

The diversification of the Group's business into new areas of natural resources related business assists the Group broadening its revenue base and increasing Shareholders' value. The current prospects for the natural resources related business remains positive in the long run, although the expected economic growth in the PRC may slow down in the near future.

The Group is optimistic on the advertising and public relations business driven by the long-term economic growth potentials between China and Hong Kong as well as the opportunities brought by the Mainland-Hong Kong Stock Connect. The expanding client base from PR ASIA Consultants enables the Group to sustain its business growth momentum and maintain a stable income source of the Group in the future.

Looking ahead, the Company will continue to look for good opportunities in the natural resources related business, which is expected to become a major revenue growth driver of the Group in the future.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information regarding the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 herein or this circular misleading.

## 2. DISCLOSURE OF INTEREST

### (i) Interests and short position of the Directors and chief executive of the Company in the securities of the Company and its associated corporations

| Name of Director | Nature of Interest                          | Number of Shares held | Approximate percentage of issued share capital of the Company<br>(Note 1) |
|------------------|---------------------------------------------|-----------------------|---------------------------------------------------------------------------|
| Mr. Hu           | Interest of controlled corporation (Note 2) | 1,300,000,000         | 22.37%                                                                    |
|                  | Beneficial owner                            | 38,400,000            | 0.66%                                                                     |

*Notes:*

1. The total number of issued shares of the Company as at the Latest Practicable Date is 5,812,502,338.
2. These 1,300,000,000 Shares were held by Tai Pu Mining (as defined below), which is wholly and beneficially owned by Mr. Hu.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the other Directors or chief executive of the Company had any interests and short positions in the shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they were deemed or taken to have under such provisions of the SFO, (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

**(ii) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders**

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO and section 336 of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

| Name of Shareholder                                                      | Nature of Interest | Number of<br>Shares held | Approximate<br>percentage of<br>issued share<br>capital of the<br>Company<br>(Note 1) |
|--------------------------------------------------------------------------|--------------------|--------------------------|---------------------------------------------------------------------------------------|
| Tai Pu Mining International Co., Ltd (“ <b>Tai Pu Mining</b> ”) (Note 2) | Beneficial owner   | 1,300,000,000            | 22.37%                                                                                |

*Notes:*

1. The total number of issued shares of the Company as at the Latest Practicable Date is 5,812,502,338.
2. Tai Pu Mining is a company incorporated in BVI, which is wholly and beneficially owned by Mr. Hu.

Save as disclosed in this circular, as at the Latest Practicable Date, so far as is known to the Directors, there was no other person who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO and section 336 of the SFO, or, had a direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

### **3. COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors nor their respective close associates (as defined under the GEM Listing Rules) had any business which competes or may compete with the business of the Group or had or might have any conflicts of interest with the Group.

As at the Latest Practicable Date, the Company did not have any controlling shareholders.

#### 4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

#### 5. INTERESTS IN CONTRACT OR ARRANGEMENTS

Save for the Tai Pu Acquisition which Mr. Hu is one of the vendor and the management contracts of the Everbest Return Group for two of the mines which are owned as to 27% by Mr. Hu and his family, as at the Latest Practicable Date, none of the Directors was materially interested in contract or arrangement subsisting which is significant in relation to the business of the Group, nor has any Director had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2014, the date to which the latest published audited consolidated financial statements of the Group were made up.

#### 6. LITIGATION

During 2013 and 2014, 內蒙古泰升實業集團有限責任公司鄂托克旗泰源煤礦 (unofficial English translation being Inner Mongolia Tai Sheng Industries Group Company Limited) (“**Tai Sheng**”), a customer of Tai Pu, failed to pay its service fees to Tai Pu on time pursuant to the contracts executed on 1 January 2012 and 1 May 2012 with respect to the provision of coal mining services and mine construction engineering services (collectively, the “**Tai Sheng Contracts**”). Despite repeated demanded by Tai Pu, the outstanding service fee remained unsettled. On 17 August 2014, Tai Pu issued a notice to Tai Sheng to release the Tai Sheng Contracts and demanded for all outstanding payments. Since then, the outstanding service fees remained unsettled.

On 23 September 2014, Tai Pu has filed a claim against Tai Sheng in 內蒙古自治區鄂爾多斯市中級人民法院 (unofficial English translation being Inner Mongolia Ordos City Intermediate People's Court) (“**Ordos City Intermediate People's Court**”) for the breach of the Tai Sheng Contracts. Tai Pu alleged that pursuant to the Tai Sheng Contracts, Tai Sheng failed to pay its outstanding service fees and claimed for, inter alia, the sum of RMB51 million being (i) the outstanding service fees; (ii) damages for breach of contract; and (iii) interest. The Everbest Return Group recognised impairment loss on trade receivables due from Tai Sheng of approximately RMB35.9 million during the year ended 31 December 2014.

The claim was heard on 13 January 2015 and on 20 January 2015. The Ordos City Intermediate People's Court rendered its decision pursuant to which, inter alia, Tai Sheng should pay Tai Pu (i) approximately RMB41.6 million as damages for the failure to pay the Tai Sheng Contracts service fees; and (ii) RMB1 million as damages for breach of the Tai Sheng Contracts. Tai Pu sought advice from its PRC legal adviser relating to enforcement action and attended a creditors' meeting relating to debts recovery assessment. As at the Latest Practicable Date, Tai Pu had not received the said judgement sum.

Save for the disclosed above, as at the Latest Practicable Date, there was no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## 7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Company) have been entered into by members of the Group within two years immediately preceding up to and including the Latest Practicable Date which are or may be material:

- (a) the conditional placing agreement dated 27 September 2013 entered into between the Company and Get Nice Securities Limited in respect of placing of a maximum of 530,000,000 new Shares under general mandate to not less than 6 independent placees at the placing price of HK\$0.178 per Share;
- (b) the memorandum of understanding dated 18 October 2013 (as subsequently supplemented by the supplemental and further supplemental memorandums of understanding dated 17 April 2014, 30 May 2014, 29 September 2014, 28 November 2014 and 30 March 2015 respectively) between the Company and Mr. Hu, a substantial shareholder of the Company relating to the possible acquisition of not less than 51% of the issued share capital of Tai Pu;
- (c) a sale and purchase agreement dated 1 November 2013 were entered into between a company incorporated in BVI with limited liability, as purchaser, which is and whose ultimate beneficial owners are independent third parties of the Company and its connected person, and Island Kingdom Company Limited (“**Island Kingdom**”), an indirectly wholly-owned subsidiary of the Company, as vendor in relation to the sale and purchase of the entire issued share capital of Kingston Group Holdings Limited, a company directly wholly-owned by Island Kingdom, at a cash consideration of HK\$3,000,000;
- (d) the conditional placing agreement dated 5 November 2013 entered into between the Company and Get Nice Securities Limited in respect of placing of a maximum of 230,000,000 new Shares under general mandate to not less than 6 independent placees at the placing price of HK\$0.198 per Share;
- (e) a sale and purchase agreement dated 21 November 2013 entered into between Top Icon Enterprises Limited, an indirect wholly-owned subsidiary of the Company, as purchaser, and an independent third party, as vendor in relation to acquire 8% issued share capital of World Sheen International Group Limited at a consideration of HK\$23,600,000;
- (f) the placing agreement dated 18 August 2014 between the Company and Kingston Securities Limited in respect of placing of unlisted warrants for up to 1,000,000,000 Shares in aggregate under general mandate at an issue price of HK\$0.01 per warrant, each entitling the holder thereof to subscribe in cash for one Share at an initial subscription price of HK\$0.25, subject to adjustment, at any time for a period of 1 year commencing from the date of issue of such warrants;
- (g) a supplemental deed dated 23 September 2014 between Huge Discovery Limited (“**Huge Discovery**”), an indirect wholly-owned subsidiary of the Company, the Vendors of Fluorite Business (as defined below) and Sino-Mongolia Fluorspar

Mining Co., Ltd. (“**SMFM**”), a company incorporated in BVI which is wholly owned by the Company, that, amongst others, (i) Huge Discovery and SMFM should be released from certain obligation and liabilities as specified in the sales and purchase agreement dated 7 May 2012 (“**Acquisition Agreement**”) entered into between the Company and Ms. Chen Yejun and Mr. Huang Tianhua (collectively, “**Vendors of Fluorite Business**”); and (ii) the Vendors of Fluorite Business jointly and severally undertook, from the date of such supplemental deed, to release Huge Discovery from repaying the Vendors of Fluorite Business HK\$5,000,000, which was retained by Huge Discovery at the completion of the acquisition pursuant to the Acquisition Agreement which took place on 31 July 2013;

- (h) the sale and purchase agreement dated 6 October 2014 entered into between Ms. Hong Sin Lam and Mr. Cheong Kuok Hung, as purchasers, each of whom is an individual who is a third party independent of the Company and its connected person(s), and Island Kingdom, as vendor in relation to the sale and purchase of the entire issued share capital of Vida Laboratories Limited (“**Vida**”), a company directly-owned by Island Kingdom, and entire sum of shareholder’s loan owned by Vida to Island Kingdom at a consideration of HK\$16,000,000;
- (i) the conditional sale and purchase agreement (“**SPA**”) dated 2 April 2015 entered into between Million Nature Holdings Limited (“**Million Nature**”), an indirectly wholly-owned subsidiary of the Company, as purchaser and Mr. Hu (who is a connected person of the Company) and Ms. Fan Aixian (collectively, “**Tai Pu Vendors**”) as vendors, in relation to the conditional acquisition of the entire issued share capital of Everbest Return Limited at the total consideration of HK\$760.0 million subject to adjustments, details of which are disclosed in the announcement of the Company dated 23 April 2015 and the circular of the Company dated 30 June 2015;
- (j) the supplemental agreements dated 22 April 2015, 5 June 2015 and 24 June 2015 entered into between Million Nature and the Tai Pu Vendors to supplement or amend the terms of the SPA; and
- (k) the SP Agreement.

## 8. CORPORATE INFORMATION OF THE COMPANY

### Registered office

PO Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

### Head office and principal place of business in Hong Kong

Unit 1903, 19th Floor  
West Tower, Shun Tak Centre  
168–200 Connaught Road  
Central  
Hong Kong

**Principal share registrar  
and transfer office**

Maples Corporate Services Limited  
PO Box 309  
Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

**Hong Kong branch share registrar  
and transfer office**

Computershare Hong Kong Investor  
Services Limited  
Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

**Company secretary**

Mr. Luk Chi Shing  
*Associate member of Hong Kong  
Institute of Certified Public  
Accountants and a fellow member of  
the Association of Chartered  
Certified Accountants*

**Compliance officer**

Mr. Cai Da

**9. AUDIT COMMITTEE**

An audit committee of the Board (“**Audit Committee**”) was established with written terms of reference in compliance with the Rules 5.28 and 5.29 of the GEM Listing Rules and paragraph C.3.3 of the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules. The Audit Committee must consist of a minimum of three members, all of whom must be non-executive Directors, at least one of whom must have appropriate professional qualification or accounting or related financial management expertise. As at the Latest Practicable Date, there were three members in the Audit Committee comprising three independent non-executive Directors, namely Mr. Chi Chi Hung, Kenneth, Mr. Yan Shengxian, and Ms. Wong Na Na. Mr. Chi Chi Hung, Kenneth is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the financial reporting process, audit plan and relationship with external auditors, the internal control systems of the Group and to provide advices and recommendations to the Board for review and follow-up.

Biographical information of each member of the Audit Committee is set out below:

**Mr. Chi Chi Hung, Kenneth** (“**Mr. Chi**”), aged 47, joined the Company as an independent non-executive Director on 28 December 2011. He is a member of the Audit Committee, remuneration committee of the Company (“**Remuneration Committee**”) and nomination committee of the Company (“**Nomination Committee**”). Mr. Chi holds Bachelor

of Accountancy Degree from the Hong Kong Polytechnic University and is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Hong Kong Institute of Certified Public Accountants, and associate member of the Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. Chi is an executive director of (i) Guocang Group Limited (stock code: 559) and (ii) Ceneric (Holdings) Limited (stock code: 542), being companies listed on the Main Board of the Stock Exchange. He was an executive director of China Sandi Holding Limited (Stock Code: 910), from 19 May 2010 to 31 January 2015 and he has been re-designated as a non-executive director since 31 January 2015. He is also an independent non-executive director of (i) Aurum Pacific (China) Group Limited (stock code: 8148), a company listed on GEM; (ii) Noble Century Investment Holdings Limited (stock code: 2322), (iii) Perfect Shape (PRC) Holdings Limited (stock code: 1830), and (iv) L'sea Resources International Holdings Limited (stock code: 195), being companies listed on the Main Board of the Stock Exchange. He had been an executive director of M Dream Inworld Limited (stock code: 8100) from 8 July 2010 to 4 June 2014 and e-Kong Group Limited (Stock Code: 524) from 26 September 2014 to 31 July 2015, an independent non-executive director of EverChina Int'l Holdings Company Limited (formerly known as Interchina Holdings Company Limited, stock code: 202) from 4 October 2011 to 15 August 2012 and Hong Kong Life Sciences and Technologies Group Limited (stock code: 8085) from 1 January 2010 to 7 August 2015. Mr. Chi has accumulated over 20 years of working experience in accounting and financial management.

**Mr. Yan Shengxian** (“**Mr. Yan**”), aged 60, joined the Company as an independent non-executive Director on 26 November 2012. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee. Mr. Yan graduated from Hangzhou University, PRC. Mr. Yan is a certified senior engineer in PRC who is qualified for carrying out geological survey and exploration. Mr. Yan has accumulated over 35 years of experience in geological exploration. Mr. Yan and the projects under his supervision have obtained several awards in relation to geological mine searching. Mr. Yan is currently the judging panel expert of geological mine searching for Zhejiang Province, PRC. Mr. Yan has also published a number of articles regarding geology in national journals in PRC.

**Ms. Wong Na Na** (“**Ms. Wong**”), aged 42, has been appointed as an independent non-executive Director, member of Audit Committee, chairman of Remuneration Committee and Nomination Committee, with effect from 9 September 2015. Ms. Wong holds the Bachelor Degree of Commerce in Accountancy and Management Studies from University of Wollongong in Australia. She is also an associate member of Certified Practising Accountant Australia and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Wong has accumulated over 10 years of working experience in auditing, accounting and financial management.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any Business Day at the principal place of business of the Company in Hong Kong at Unit 1903, 19th Floor, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong from the date of this circular up to and including 15 October 2015.

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the years ended 30 June 2013 and 30 June 2014 and the interim report of the Company for the six months ended 31 December 2014;
- (c) the material contracts referred to in the paragraph headed “7. Material contracts” of this appendix;
- (d) the circular of the Company dated 30 June 2015; and
- (e) this circular.

## NOTICE OF EGM



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)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“**Meeting**”) of Silk Road Energy Services Group Limited (“**Company**”) will be held at 11:00 a.m. on Thursday, 15 October 2015 at Units 7208-10, 72nd Floor, The Center, 99 Queen’s Road C., Central, Hong Kong, for the purpose of considering and, if thought fit, passing each of the following resolutions as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. “**THAT**

- (A) the sale and purchase agreement dated 3 June 2015 and entered into between Chemosino International Limited, a directly wholly-owned subsidiary of the Company, as the vendor and Mr. Ling Yee Fai as the purchaser in relation to the sale and purchase of 40% of the issued share capital of PR ASIA Investment Holdings Limited (“**SP Agreement**”, a copy of the SP Agreement is marked “A” and signed by the chairman of the meeting for identification purpose has been tabled at the Meeting) and all other transactions contemplated under the SP Agreement be and are hereby ratified, confirmed and approved; and
- (B) the directors of the Company (“**Directors**”) or a duly authorised committee of the board of Directors be and are/is authorised to do all such acts and things, to sign and execute such documents or agreements or deed on behalf of the Company and to do such other things and to take all such actions as they consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the SP Agreement and to agree to such variation, amendments or waiver or matters relating thereto (excluding any variation, amendments or waiver of such documents or any terms thereof, which are fundamentally and materially different from those as provided for in the Agreement and which shall be subject to approval of the shareholders of the Company) as are, in the opinion of the Directors or a duly authorised committee, in the interest of the Company and its shareholders as a whole.”

2. “**THAT** Mr. Guo Xiang be and is hereby re-elected as an executive director of the Company.”

## NOTICE OF EGM

3. “**THAT** Mr. Hu Zhixiong be and is hereby re-elected as an executive director of the Company.”
4. “**THAT** Ms. Wong Na Na be and is hereby re-elected as an independent non-executive director of the Company.”

On behalf of the Board  
**Silk Road Energy Services Group Limited**  
**Luk Chi Shing**  
*Company Secretary*

Hong Kong, 25 September 2015

*Registered office:*

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

*Head Office and Principal place  
of business in Hong Kong:*

Unit 1903, 19th Floor

West Tower, Shun Tak Centre

168–200 Connaught Road

Central

Hong Kong

*Notes:*

- (1) A shareholder of the Company (“**Shareholder**”) entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his/her/its behalf. A proxy needs not be a shareholder of the Company but must be present in person at the Meeting to represent the Shareholder. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (2) To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the office of the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the Meeting or any adjournment thereof should he/she/it so wish.
- (3) As required under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the above resolutions will be voted by way of poll.
- (4) Completion and delivery of the form of proxy will not preclude a Shareholder from attending and voting in person at the Meeting or any adjournment thereof if they so wish and in such event, such form of proxy shall be deemed to be revoked.