



Update Summary

Entity name

SILK LOGISTICS HOLDINGS LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

21/3/2023

Reason for update to a previous announcement

Renegotiation of the acquisition contingency payment structure.

Refer to next page for full details of the announcement

**Part 1 - Entity and announcement details**

1.1 Name of +Entity

SILK LOGISTICS HOLDINGS LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ACN

Registration Number

165867372

1.3 ASX issuer code

SLH

1.4 The announcement is☒ Update/amendment to previous announcement**1.4a Reason for update to a previous announcement**

Renegotiation of the acquisition contingency payment structure.

1.4b Date of previous announcement to this update

22/7/2022

1.5 Date of this announcement

21/3/2023

1.6 The Proposed issue is:☒ A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?

☒ Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
Other (please specify in comment section)	31/8/2023	☒ Estimated	

Comments

Subject to achievement of agreed KPIs and financial milestones for the period ending 31 March 2024, or such earlier date that KPIs and financial milestones are achieved.

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

SLH : ORDINARY FULLY PAID

Number of +securities proposed to be issued

1,256,410

Reason for the update of 'Number of +securities proposed to be issued'

The Company has renegotiated the contingency payment structure associated with the acquisition of Fremantle Freight & Storage Pty Ltd as announced on 22 July 2022. The Company has now agreed to a fixed earnout payment of \$5.58 million (conditional upon meeting KPIs and financial milestones).

Offer price details



Are the +securities proposed to be issued being issued for a cash consideration?

☒ No

Please describe the consideration being provided for the +securities

The issue of the proposed shares would form part consideration for the Company's acquisition of Fremantle Freight & Storage Pty Ltd and would be issued if KPIs and financial milestones are achieved by Fremantle Freight & Storage. The estimated conditional consideration (to be paid in Company scrip) is up to \$2.94 million (50% of maximum potential earnout). Share price will be determined by 30 day VWAP prior to payment.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

2,940,000.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Part 7C - Timetable

7C.1 Proposed +issue date

31/8/2023

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

☒ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

☒ Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

1,256,410

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

☒ No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

☒ No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☒ No



7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

☒ Yes

7D.4a Please enter the number and +class of the +securities subject to +voluntary escrow and the date from which they will cease to be subject to +voluntary escrow

1,256,410 fully paid ordinary shares escrowed until 31 August 2024.

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

☒ No

7E.2 Is the proposed issue to be underwritten?

☒ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Part consideration for the acquisition of a company

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☒ No

7F.2 Any other information the entity wishes to provide about the proposed issue

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

☒ The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)