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## **DTXS Silk Road Investment Holdings Company Limited**

**大唐西市絲路投資控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 620)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE AND CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

**Financial Adviser to the Company**



**Placing Agent**



#### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 4 June 2021 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, up to an aggregate of 95,000,000 Placing Shares at a Placing Price of HK\$6.30 per Placing Share on a best effort basis to not less than six Places. The maximum gross proceeds from the Placing will be approximately HK\$598.5 million. The Placing Shares will be allotted and issued under the General Mandate.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of the Placing Shares under the Placing represent: (a) approximately 14.23% of the existing issued share capital of the Company of 667,525,230 Shares as at the date of this announcement; (b) approximately 12.46% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares; and (c) approximately 12.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Subscription Shares.

#### **CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

On 4 June 2021 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which, (i) the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for the 7,936,508 Subscription Shares at the Subscription Price of HK\$6.30 per Subscription Share for a total consideration of HK\$50,000,000.40. The Subscription Shares shall be allotted and issued under the Specific Mandate.

The Subscription Shares represent: (a) approximately 1.19% of the existing issued share capital of the Company of 667,525,230 Shares as at the date of this announcement; (b) approximately 1.17% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares); and (c) approximately 1.03% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Placing Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares and Placing Shares).

#### **APPLICATION FOR LISTING**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares and the Subscription Shares.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Ion Tech Limited (a wholly-owned subsidiary of NWD) holds approximately 16.66% of the issued share capital of the Company, and hence a substantial shareholder of the Company. Chow Tai Fook (Holding) Limited indirectly holds approximately 44.71% of the total issued share capital of NWD and 100% of total issued share capital of the Subscriber respectively. Therefore, the Subscriber is considered to be a connected person of the Company. Hence, the Subscription constitutes a connected transaction of the Company and will be subject to reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **GENERAL**

The SGM will be convened to obtain the Independent Shareholders' approval for the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to the Subscriber.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, save for Ion Tech Limited, no Shareholder has a material interest in the Subscription. As such, no Shareholder other than Ion Tech Limited and its associates shall abstain from voting on the resolution(s) for approving the Subscription to be proposed at the SGM.

A circular containing, among other things, (i) further details of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to the Subscriber); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; and (iv) a notice convening the SGM, is expected to be despatched by the Company to the Shareholders on or before 25 June 2021.

**Since the completion of each of the Placing and the Subscription is subject to the fulfilment of the conditions as set out in the respective Placing Agreement and the Subscription Agreement, the Placing and/or the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **PLACING OF SHARES UNDER GENERAL MANDATE**

On 4 June 2021 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, up to an aggregate of 95,000,000 Placing Shares at the Placing Price of HK\$6.30 per Placing Share on a best effort basis to not less than six Places. The principal terms of the Placing Agreement are set out below.

### **THE PLACING AGREEMENT**

**Date:** 4 June 2021 (after trading hours of the Stock Exchange)

**Parties** (i) Issuer: The Company

(ii) Placing Agent: Kingsway Financial Services Group Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owner are Independent Third Parties.

The terms of the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions.

### **Placing Shares**

The Placing Agent has conditionally agreed to place a maximum of 95,000,000 Placing Shares at the Placing Price on a best effort basis. The maximum number of the Placing Shares under the Placing represent:

- (a) approximately 14.23% of the existing issued share capital of the Company of 667,525,230 Shares as at the date of this announcement;
- (b) approximately 12.46% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Placing Shares); and

- (c) approximately 12.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Placing Shares and Subscription Shares).

The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$47.5 million.

### **Ranking of the Placing Shares**

The Placing Shares under the Placing will rank, upon allotment and issue, *pari passu* in all respects amongst themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

### **Placing Price**

The Placing Price of HK\$6.30 per Placing Share represents:

- (a) a discount of approximately 8.43% to the closing price of HK\$6.88 as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 4.40% to the average closing price of HK\$6.59 in the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market prices of the Shares and the trading performance of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing is in the interests of the Company and the Shareholders as a whole.

### **Placing commission**

The Placing Agent will charge the Company a placing commission equivalent to 4.0% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent, which the Placing Agent is authorised to deduct from the payment to be made by it to the Company at completion of the Placing. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

## **General Mandate to allot and issue of the Placing Shares**

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 133,505,046 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. As such, the issue of the Placing Shares is not subject to any further Shareholders' approval.

## **Condition of the Placing**

The Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

In the event that the above condition is not fulfilled by the Long Stop Date (or such later date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and determine and none of the parties thereto shall have any claim against any other party in respect of the Placing save for any antecedent breaches.

The Placing is not inter-conditional with the Subscription.

## **Completion of the Placing**

Completion of the Placing shall take place on the third Business Day after the fulfilment of the above condition precedent or on such other date agreed by the Company and the Placing Agent.

## **Termination**

The Placing Agent reserves its right to terminate the arrangements set out in the Placing Agreement by notice in writing at or prior to 10:00 a.m. on the completion date of the Placing Agreement (or such other date as may be agreed between the Placing Agent and the Company), if in its reasonable opinion, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a "force majeure event" refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the

Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of such Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing (excluding Brexit, the Sino-U.S. trade war and COVID-19); or

- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the completion date of the Placing;

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement which is likely to have a material prejudicial effect on the Placing; or
- (b) any suspension in the trading of the Shares on the Stock Exchange for more than four consecutive trading days save for the purposes of clearing of any announcement relating to the Placing Agreement or circulars relating to the Placing and/or the sale and purchase agreement and the ancillary agreements thereto; or
- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any material respect be untrue or inaccurate and the Placing Agent, in its reasonable opinion, determines that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing;

the Placing Agent shall be entitled by notice in writing to the Company to elect to treat such matter or event as releasing and discharging it from its obligations under the Placing Agreement.

Upon giving of the notice pursuant to the paragraphs above, all obligations of the Placing Agent shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches thereof.

## **CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

On 4 June 2021 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 7,936,508 Subscription Shares at the Subscription Price of HK\$6.30 per Subscription Share. The principal terms of the Subscription Agreement are set out below.

**Date:** 4 June 2021 (after trading hours of the Stock Exchange)

**Parties** Issuer: The Company

Subscriber: Celestial Compass Limited

### **Information of the Subscriber**

The Subscriber is a company incorporated in British Virgin Islands with limited liability. As at the date of this announcement, Ion Tech Limited (a wholly-owned subsidiary of NWD) holds approximately 16.66% of the issued share capital of the Company, and hence a substantial shareholder of the Company. Chow Tai Fook (Holding) Limited indirectly holds approximately 44.71% of the total issued share capital of NWD and 100% of total issued share capital of the Subscriber respectively. Therefore, the Subscriber is considered to be a connected person of the Company.

### **The Subscription Shares**

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 7,936,508 Subscription Shares at the Subscription Price of HK\$6.30 per Subscription Share for a total consideration of HK\$50,000,000.40.

The Subscription Shares represent:

- (a) approximately 1.19% of the existing issued share capital of the Company of 667,525,230 Shares as at the date of this announcement;
- (b) approximately 1.17% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares); and
- (c) approximately 1.03% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Placing Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares and Placing Shares).



The aggregate nominal value of the Subscription Shares is approximately HK\$4.0 million.

### **Specific Mandate for the issue of the Subscription Shares**

The Subscription Shares shall be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the SGM.

### **Ranking of the Subscription Shares**

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue.

### **The Subscription Price**

The Subscription Price of HK\$6.30 per Subscription Share represents:

- (a) a discount of approximately 8.43% to the closing price of HK\$6.88 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (b) a discount of approximately 4.40% to the average closing price of HK\$6.59 per Share for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price is the same as the Placing Price. The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market prices of the Shares and the trading performance of the Shares.

### **Conditions precedent**

Completion of the Subscription Agreement shall be conditional upon:

- (a) before the completion of the Subscription Agreement, there shall not have occurred any material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company or the Group;
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares;
- (c) the Shares remaining listed and traded on the Main Board of the Stock Exchange, save for any temporary trading halt or suspension in trading for no longer than three (3) consecutive trading days (or such longer period as the Subscriber may agree in writing), and there being no indication from the Stock Exchange that the listing of the Shares on the Stock Exchange will be suspended, revoked or withdrawn at any

time before or after the completion of the Subscription Agreement, whether in connection with any of the transactions contemplated by the Subscription Agreement or otherwise;

- (d) the passing by the Independent Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules at the SGM of the necessary resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder;
- (e) each of the representations and warranties given by the Company as contained in the Subscription Agreement remaining true, complete and accurate and not misleading at the completion of the Subscription Agreement;
- (f) all necessary consents and approvals required to be obtained by the Company and the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained; and
- (g) all necessary third party consents (if any) in respect of the Subscription, the execution of the Subscription Agreement and the performance of the obligations thereunder having been obtained.

None of the conditions specified above are waivable, except that the conditions (a), (c) and (e) may be waived at the sole discretion of the Subscriber. In the event the above conditions are not fulfilled or waived by 5:00 p.m. on 31 August 2021 (or such later time and date as may be agreed by the Company and the Subscriber), all rights, obligations and liabilities of the Company and the Subscriber shall cease and determine and neither the Company and the Subscriber shall have any claim against the other, save for any antecedent breaches of the terms of the Subscription Agreement.

The Subscription is not inter-conditional with the Placing.

### **Completion of the Subscription**

Completion of the Subscription shall take place within three Business Days after the satisfaction (or waiver, if applicable) of the above conditions precedent in Hong Kong (or such other time, date and place as may be agreed by the Company and the Subscriber).

At completion of the Subscription, the Subscriber shall deliver an application letter in respect of the Subscription Shares and shall arrange for the payment of the Subscription Price to a bank account designated by the Company.

## NON-EXERCISE OF RIGHT OF FIRST REFUSAL

Reference is made to the announcement of the Company dated 16 July 2019, 23 August 2019 and 28 August 2019 and the circular of the Company dated 7 August 2019 (the “**Circular**”) in relation to, among other things, the subscription of Shares by Ion Tech Limited.

As disclosed in the Circular, the Company has granted a right of first refusal to Ion Tech Limited under the subscription agreement dated 16 July 2019 (the “**Right of First Refusal**”), pursuant to which the Company shall not allot, issue or grant any Shares, securities convertible into Shares, or options, warrants or similar rights to subscribe for Shares or securities convertible into Shares (“**New Securities**”) to any person unless the Company has in the first instance offered such New Securities to Ion Tech Limited on the same terms and at the same price as those New Securities are being offered to other persons on a *pari passu* and pro rata basis to the number of the Shares held by Ion Tech Limited at that time.

On 4 June 2021, the Company has received a written notification from Ion Tech Limited that it will not exercise the Right of First Refusal in respect of the Placing and the Subscription, following a conditional offer made by the Company. Accordingly, no Shares will be issued and allotted to Ion Tech Limited under the Right of First Refusal.

## REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the (i) auction business and sale of antiques, art financing business and operation of the Art Central Business District business; (ii) operation of vineyard, production and sale of wines, trading of merchandises and related business; and (iii) properties investment and development business.

As mentioned in the annual report of the Group for the financial year ended 31 December 2020, the Group introduced a new property development business segment during the first quarter of 2020. As a breakthrough to the Group’s strategic goals in building the international cultural artworks trading center and cultural tourism complex, in March 2020, the Company acquired the Silk Road International Culture Center from the parent group in order to develop a comprehensive cultural center for the operation of cultural artworks and a financial and cultural entertainment center for cultural artworks (details of which are set out in the circular of the Company dated 21 February 2020). The project made full use of the brand resources and platform advantages of “Da Tang Xi Shi”. The pre-sale permits for the two blocks of office buildings were obtained in December 2019 and the pre-sale has begun. As mentioned in the announcement of the Group dated 9 April 2021, the Group has entered into a memorandum of understanding with a non-wholly-owned subsidiary of the parent group to acquire a retail and commercial complex (the “**Property**”) with a total gross floor area of approximately 30,000 square meters which is located adjacent to the Silk Road International Cultural Center. The possible acquisition is expected to bring in synergistic effect to the Silk Road

International Cultural Center with regard to the property management and the property leasing businesses. Despite all businesses are under more pressure with the economic slowdown during the year due to the outbreak of the COVID-19, the Arts and Cultural division of the Group, which provides integrated functions of storage, exhibition, auction, promotion, financing and trading of arts and collections, still recorded steady growth in 2020. The Arts and Cultural division contributed a segment revenue of approximately HK\$75.5 million (2019: HK\$55.2 million, and a segment profit before tax of approximately HK\$49.3 million (2019: HK\$20.7 million) for the year ended 31 December 2020.

China's central government released a master plan in 2020, setting out policies to support the construction of the Hainan Free Trade Port. The aim of this plan is to build Hainan island into a globally-significant free trade port by 2050. Da Tang Xi Shi Cultural Investments Group Limited\* (大唐西市文化產業投資集團有限公司) is the founding member and the controlling shareholder of Hainan International Arts and Cultural Trading Centre Company Limited\* (海南國際文化藝術品交易中心股份有限公司) which was established under the Framework Plan for China (Hainan) Pilot Free Trade Zone\* (《中國(海南)自由貿易試驗區總體方案》) issued by the State Council of the PRC in order to promote storage, exhibition, auction, promotion and trading of arts and collections globally. As mentioned in the annual report of the Group for the financial year ended 31 December 2020, the Group will continue to explore business opportunities by leveraging on the parent group's business network and cooperating with its strategic shareholder, Ion Tech Limited, a wholly-owned subsidiary of NWD.

Assuming all Placing Shares are successfully placed, the gross proceeds from the Placing and the Subscription are estimated to be approximately HK\$598.5 million and HK\$50 million respectively. The net proceeds from the Placing and the Subscription (after deducting placing commission and other relevant costs and expenses to be borne by the Company under the Placing and Subscription) are estimated to be approximately HK\$568 million and HK\$46.5 million respectively. On such basis, the net issue price will be approximately HK\$5.98 per Placing Share (assuming the maximum number of the Placing Shares have been placed by the Placing Agent) and HK\$5.86 per Subscription Share.

The Company intends to apply the net proceeds from the Placing and the Subscription as follows:

- (i) as to approximately HK\$250 million for development of the property development division of the Group which includes the proposed acquisition of the Property and further investment in the construction and development of the Silk Road International Cultural Center and related property management and leasing business;

- (ii) as to approximately HK\$300 million to further develop and expand the Art and Cultural division of the Group in the PRC, particularly in the Hainan free trade zone. The Arts and Cultural division of the Group provides integrated functions of storage, exhibition, auction, promotion, financing and trading of arts and collections which is a part of cultural industry and a key segment of the Group; and
- (iii) the remaining balance of approximately HK\$65 million will be used for general working capital of the Group and any other investment opportunities which may arise in the foreseeable future.

The Directors consider that the Placing and the Subscription will provide additional funding for the Group's operation and business development during such difficult operation environment due to the outbreak of the COVID-19 pandemic, strengthen the Group's Shareholders base and financial position and reduce its indebtedness in order to improve its gearing position.

The Directors do not rule out the possibility that the Company may conduct any further equity and/or debt fund raising exercises after taking into consideration any other potential business opportunities, any change of the Group's current circumstances and its business plan for the existing business of the Group, or the market sentiments during and subsequent to the Placing. The Company would closely monitor the development of the business of the Group and should any business opportunities arise, the Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

The Directors (including all the independent non-executive Directors) consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Directors believe that the Subscription reflects the confidence and commitment from the Subscriber towards the long-term and sustainable development of the Company, and that the continuing support from the Subscriber is crucial to strengthen the business stability and long-term development of the Group. The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser to be appointed) is also of the view that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

## **EQUITY FUND-RAISING DURING THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activity during the past twelve (12) months immediately preceding the date of this announcement.

## EFFECT ON SHAREHOLDING OF THE PLACING AND THE SUBSCRIPTION

The shareholding structure of the Company (a) as at the date of this announcement; (b) immediately after completion of the Placing but before completion of the Subscription; and (c) immediately after completion of the Placing and the Subscription are set out below:

	As at the date of this announcement		Immediately after completion of the Placing but before completion of the Subscription		Immediately after completion of the Placing and the Subscription	
	Number of Shares	Approximate (%)	Number of Shares	Approximate (%)	Number of Shares	Approximate (%)
DTXS International Holdings (Note 2)	383,473,032	57.45	383,473,032	50.29	383,473,032	49.77
Mr. Lu Jianzhong (Note 2)	4,996,000	0.75	4,996,000	0.66	4,996,000	0.65
Ion Tech Limited Subscriber	111,187,538	16.66	111,187,538	14.58	111,187,538	14.43
	—	—	—	—	7,936,508	1.03
<b>Public Shareholders:</b>						
Places (Note 1)	—	—	95,000,000	12.46	95,000,000	12.33
Other public Shareholders	167,868,660	25.14	167,868,660	22.01	167,868,660	21.79
<b>Total</b>	<b>667,525,230</b>	<b>100.00</b>	<b>762,525,230</b>	<b>100.00</b>	<b>770,461,738</b>	<b>100.00</b>

Notes:

1. Assuming no other issue of new Shares and no repurchase of existing Shares before completion of the Placing and the Subscription, and the Placing Agent has placed a total of 95,000,000 Placing Shares to not less than six independent Places.
2. These 383,473,032 Shares are held by Da Tang Xi Shi International Holdings Limited, a company indirectly controlled by Mr. Lu Jianzhong. Therefore, Mr. Lu Jianzhong is deemed to be interested in such 383,473,032 Shares.

## APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Placing Shares and the Subscription Shares.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Ion Tech Limited (a wholly-owned subsidiary of NWD) holds approximately 16.66% of the issued share capital of the Company, and hence a substantial shareholder of the Company. Chow Tai Fook (Holding) Limited indirectly holds approximately 44.71% of the total issued share capital of NWD and 100% of total issued share capital of the Subscriber respectively. Therefore, the Subscriber is considered to be a connected person of the Company. Hence, the

Subscription constitutes a connected transaction of the Company and will be subject to reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **INFORMATION OF THE PARTIES**

The Company is a company incorporated under the laws of Bermuda with limited liability. The Group is principally engaged in the (i) auction business and sale of antiques, art financing business and operation of the Art Central Business District business; (ii) operation of vineyard, production and sale of wines, trading of merchandises and related business; and (iii) properties investment and development business.

The Subscriber is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in investment holding. As at the date of this announcement, Ion Tech Limited (a wholly-owned subsidiary of NWD) holds approximately 16.66% of the issued share capital of the Company, and hence a substantial shareholder of the Company. Chow Tai Fook (Holding) Limited indirectly holds approximately 44.71% of the total issued share capital of NWD and 100% of total issued share capital of the Subscriber respectively. Therefore, the Subscriber is considered to be a connected person of the Company.

### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder.

### **INDEPENDENT FINANCIAL ADVISER**

An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder.

### **GENERAL**

The SGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to the Subscriber.

By virtue of the relationship between the Subscriber and Ion Tech Limited (a Shareholder holding 111,187,538 Shares, representing approximately 16.66% of the issued share capital of the Company as at the date of this announcement), Ion Tech Limited is deemed to have a material interest in the Subscription. Accordingly, Ion Tech Limited is required to abstain from voting on the resolution(s) in connection with the Subscription (including

the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to the Subscriber) to be proposed at the SGM under the Listing Rules.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save as disclosed above, no other Shareholder has or is deemed to have a material interest in the Subscription and thus is required to abstain from voting on the resolution(s) in connection with the Subscription (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to the Subscriber) to be proposed at the SGM.

A circular containing, among other things, (i) further details of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to the Subscriber); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder; and (iv) a notice convening the SGM, is expected to be despatched by the Company to the Shareholders on or before 25 June 2021.

**Since the completion of each of the Placing and the Subscription is subject to the fulfilment of the conditions as set out in the Placing Agreement and the Subscription Agreement respectively, the Placing and/or the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for general banking business in Hong Kong
“Company”	DTXS Silk Road Investment Holdings Company Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 620)



“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with up to 133,505,046 Shares, representing approximately 20% of the total number of issued Shares as at the date of the annual general meeting of the Company held on 28 May 2021
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the Subscription Agreement and the transactions contemplated under the Subscription Agreement (including the grant of the Specific Mandate to allot and issue the Subscription Shares pursuant to the Subscription Agreement)
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the SGM to approve the terms of the Subscription Agreement and the transactions contemplated under the Subscription Agreement (including the grant of the Specific Mandate to allot and issue the Subscription Shares pursuant to the Subscription Agreement)
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Listing Committee”	the Listing sub-committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	25 June 2021

“NWD”	New World Development Company Limited (stock code: 0017), the shares of which are listed on the Main Board of the Stock Exchange, and a substantial shareholder of the Company as at the date of this announcement
“Placee(s)”	any professional, institutional or other investors independent of the Group and its connected persons (as defined in the Listing Rules) procured by or on behalf of the Placing Agent and/or any of its agent(s) to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement
“Placing Agent”	Kingsway Financial Services Group Limited, a company incorporated in Hong Kong which is a licensed corporation in Hong Kong permitted to carry on business in Type 1 (Dealing in Securities), Type 2 (Dealing in Futures Contracts), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 4 June 2021 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$6.30 per Placing Share
“Placing Share(s)”	a maximum of 95,000,000 new Shares, to be allotted and issued pursuant to the terms and conditions of the Placing Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) as amended, modified and/or otherwise supplemented from time to time;
“SGM”	a special general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated under the Subscription Agreement (including the grant of the Specific Mandate to allot and issue the Subscription Shares to the Subscriber pursuant to the Subscription Agreement)
“Share(s)”	share(s) of HK\$0.50 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares(s)

“Specific Mandate”	the specific mandate to be granted to the Directors by the Independent Shareholders at the SGM to allot, issue and deal with the Subscription Shares to the Subscriber as contemplated under the Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Celestial Compass Limited, a company incorporated in British Virgin Islands with limited liability, and which is considered to be a connected person of the Company
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 4 June 2021 entered into between the Company and the Subscriber in relation to the Subscription.
“Subscription Price”	HK\$6.30 per Subscription Share
“Subscription Shares”	7,936,508 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“substantial shareholders”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By Order of the Board  
**DTXS Silk Road Investment Holdings Company Limited**  
**Lu Jianzhong**  
*Executive Director and Chairman*

Hong Kong, 4 June 2021

*As at the date of this announcement, the Board comprises five Executive Directors, namely Mr. Lu Jianzhong (Chairman), Mr. Yang Xingwen, Dr. Ma Chao (Executive Vice Chairman), Dr. Xu Zhihong (Co-Chief Executive Officer) and Mr. Wong Kwok Tung Gordon Allan (Deputy Chief Executive Officer); and three Independent Non-executive Directors, namely Mr. Tsang Yok Sing, Jasper, Mr. Tse Yung Hoi and Mr. Kwok Chi Shing.*