

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



**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)

**DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO
THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE
CAPITAL OF A PROPERTY INVESTMENT HOLDING COMPANY AND
ARTS AND CULTURAL COLLECTIBLES INVOLVING THE ISSUE OF
CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

THE PROPOSED ACQUISITION

The Board would like to announce that on 16 January 2017 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to acquire, (i) the Target Equity Interest, as to indirectly acquire the Property wholly-owned by the Target Group; and (ii) the Arts and Cultural Collectibles owned by the Vendor at total Consideration of HK\$163,265,000 which will be settled by the allotment and issuance of the Consideration Shares at HK\$3.20 each. Upon Completion, the Target Group will become the indirect wholly-owned subsidiaries of the Company and their financial results will be consolidated into the financial results of the Group.

LISTING RULES IMPLICATION

As at the Last Trading Day, the Target Company is a wholly-owned subsidiary of the Vendor, which held 325,680,424 Shares, representing approximately 64.60% of the entire issued share capital of the Company. Accordingly, the Vendor is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As the highest applicable ratio in respect of the Proposed Acquisition under Rule 14.07 of the Listing Rules is more than 5% but less than 25% and the total Consideration is more than HK\$10,000,000, the Proposed Acquisition constitutes (i) a non-exempt connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

A SGM will be convened for the purposes of, among other matters, considering, and if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate).

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders on the Sale and Purchase Agreement and the transactions respectively contemplated thereunder (including the grant of the Specific Mandate). INCU Corporate Finance Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same respect.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser; (iv) a valuation report for the Property; (v) a notice of the SGM; and (vi) further information required to be disclosed under the Listing Rules, is expected to be despatched to the Shareholders on or before 8 February 2017.

The Proposed Acquisition is, respectively, subject to the fulfilment of a number of Conditions. As the Proposed Acquisition may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PROPOSED ACQUISITION

Further to the announcements of the Company dated 27 January 2016 and 12 May 2016 in relation to the MOU and the Framework Agreement, the Board would like to announce that on 16 January 2017 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to acquire (i) the Target Equity Interest, as to indirectly acquire the Property wholly-owned by the Target Group; and (ii) the Arts and Cultural Collectibles owned by the Vendor, at the total Consideration of HK\$163,265,000 which will be settled by the allotment and issuance of the Consideration Shares at HK\$3.20 each.

SALES AND PURCHASE AGREEMENT

Date: 16 January 2017

Parties: (i) The Purchaser, an indirect wholly-owned subsidiary of the Company;
(ii) the Vendor

The Vendor is a company incorporated in the BVI with limited liability. As at the Last Trading Day, the Vendor held 325,680,424 Shares, representing approximately 64.60% of the entire issued share capital of the Company.

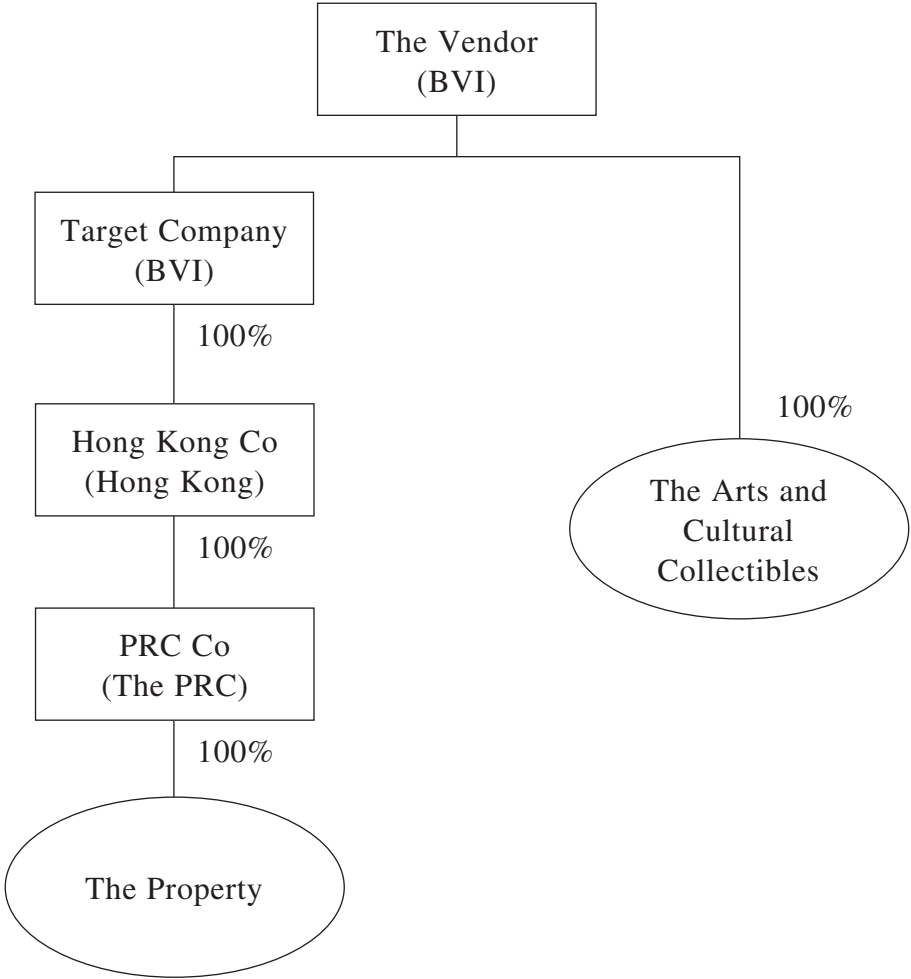
The Vendor is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to acquire (i) the Target Equity Interest, as to indirectly acquire the Property wholly-owned by the Target Group; and (ii) the Arts and Cultural Collectibles owned by the Vendor.

Corporate structure of the Target Group

The corporate structure of the Target Group is shown as in the simplified chart below:



Information of the Target Group, the Property and the Arts and Cultural Collectibles

The Target Company is a property investment holding company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Vendor. As at the Last Trading Day, the Target Company, through the Hong Kong Co, indirectly owns the entire issued share capital of the PRC Co and therefore owns the Property.

Pursuant to the Sale and Purchase Agreement, the Property is located inside the Tang Dynasty West Market Hotel at No. 118, South Labor Road, Xian City, the PRC which comprises of the 1st floor shop section with the gross floor area of 1,701.31 square meters, the 5th floor function room section with the gross floor area of 779.03 square meters and the 6th floor exhibition section with the gross floor area of 928.19 square meters. The Property has been granted the property ownership certificate and is furnished for its current usage as hotel catering venue, shopping area, exhibition center and function room by affiliates of the Vendor. Having been used as the venue for hotel catering, shopping area, exhibition center and function room by Tang Dynasty West Market Hotel, the Property has been the core supporting infrastructure facility of the business operation of Tang Dynasty West Market Hotel. Pursuant to the Sale and Purchase Agreement, the Vendor has undertaken to properly and timely terminate all its business activities engaged in the Property on or before the Completion Date. As at the Last Trading Day, the Property is the only major assets of the Target Group.

The Target Group has been principally engaged in property investment holding business since their respective date of incorporation in 2016. The Target Group did not record any revenue and incurred a loss of approximately RMB126,000 (equivalent to approximately HK\$142,000) as recorded in the unaudited consolidated profit and loss account for the financial year ended 31 December 2016. As at 31 December 2016, the unaudited consolidated net assets of the Target Group was approximately RMB39,874,000 (equivalent to approximately HK\$44,897,000).

The Arts and Cultural Collectibles include paintings and calligraphies from He Hai Xia (何海霞), Huang Zhou (黃胄), Qi Bai Shi (齊白石), Shi Nu (石魯), Zhang Da Qian (張大千) and Zhao Wang Yun (趙望雲), which are treated as high-end alternative investment assets and for appreciation purpose by the Vendor. The above artists are considered to be well-known art celebrities across the globe, the artworks of which have been common auction items in the auction houses in the PRC and overseas.

The original acquisition cost of the Property by the PRC Co was approximately RMB37,875,100 (equivalent to approximately HK\$42,646,000). The original acquisition cost of the Arts and Cultural Collectibles by the Vendor was approximately HK\$23,565,000.

Upon Completion, the Target Group will become the indirect wholly-owned subsidiaries of the Company and their financial results will be consolidated into the financial results of the Group. The Arts and Cultural Collectibles will be treated as artworks inventories in the financial statements of the Group.

The Option for the Arts and Cultural Collectibles

The Vendor undertook to grant the Option at a consideration price of HK\$1 to the Purchaser at the Completion Date that if the Purchaser is not being able to distribute all or any goods of the Arts and Cultural Collectibles within two years after the Completion Date, it is at the discretion of the Purchaser to require the Vendor to repurchase the Arts and Cultural Collectibles in cash at the same consideration for transfer of the Arts and Cultural Collectibles under the Sale and Purchase Agreement. The Option shall be exercisable by the Purchaser between 24 months and 27 months from the Completion Date.

Consideration

Pursuant to the Sale and Purchase Agreement, the Purchaser and the Vendor hereby agree and confirm that the total consideration of the Proposed Acquisition would be HK\$163,265,000, of which HK\$140,745,000 represents the consideration for transfer of the Property, and HK\$22,520,000 represents the consideration for transfer of the Arts and Cultural Collectibles.

The total Consideration of HK\$163,265,000 shall be paid by the Purchaser to the Vendor, by means of allotment and issuance of 51,020,312 Consideration Shares at the Issue Price of HK\$3.20 on the Completion Date.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor after taking into account, among others, (i) the fair value of the Property is approximately RMB125.0 million (equivalent to approximately HK\$140.7 million) as at 31 December 2016 according to the draft valuation report, to be issued by Asset Appraisal Limited, an independent professional valuer; (ii) the Arts and Cultural Collectibles, being craftworks of well-known art celebrities the artworks of which are common auction items in the auction houses in the PRC and overseas; (iii) the Option to be granted by the Vendor at Completion; and (iv) the strategic implications of the Property and the Arts and Cultural Collectibles to the Company's arts and collections related business as mentioned in the section headed "Reasons for and benefits of the Proposed Acquisition". The Directors (other than the independent non-executive Directors who will express their views after considering the advice from the Independent Financial Adviser) consider the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Issue Price

The aggregate of 51,020,312 Consideration Shares, will be allotted and issued upon Completion. The Issue Price of HK\$3.20 per Consideration Share represents:

- (a) a premium of approximately 6.67% over the closing price of HK\$3.00 per Share as quoted on the Stock Exchange on the date of the MOU;
- (b) a discount of approximately 0.62% over the closing price of HK\$3.22 per Share as quoted on the Stock Exchange on the date of the Framework Agreement;
- (c) a discount of approximately 10.61% over the closing price of HK\$3.58 per Share as quoted on the Stock Exchange as at the Last Trading Day;
- (d) a discount of approximately 13.23% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Sale and Purchase Agreement of approximately HK\$3.688 per Share; and
- (e) a premium of approximately 171.19% over the audited consolidated net asset value per Share of approximately HK\$1.18 (based on the latest published net asset value of the Group of HK\$596,693,000 as at 30 June 2016 and 504,117,380 Shares in issue as at the Last Trading Day).

The Issue Price was determined after arm's length negotiation between the Company and the Vendors with reference to (i) the Issue Price per Consideration Share as mentioned in the MOU; (ii) the prevailing market price of the Shares; and (iii) the strategic implications of the Property and the Arts and Cultural Collectibles to the Company's arts and collections related business as mentioned in the section headed "Reasons for and benefits of the Proposed Acquisition". The Directors (other than the independent non-executive Directors who will express their views after considering the advice from the Independent Financial Adviser) consider the Issue Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Conditions Precedent to the Proposed Acquisition

The conditions precedent to Completion are:

1. the Independent Shareholders of the Company having passed the ordinary resolutions to approve (a) the allotment and issuance of the Consideration Shares; and (b) the Sale and Purchase Agreement and the transactions contemplated thereunder;
2. approval having been obtained from the Listing Committee for the listing of, and permission to deal in, the Consideration Shares and such approval not having been withdrawn prior to the completions of the Proposed Acquisition and the Subscription contemplated under the Sale and Purchase Agreement;

3. undertakings made by the Vendor pursuant to the Sale and Purchase Agreement remaining true and accurate and without statement that is misleading at Completion Date and for the period starting from the date of the Sale and Purchase Agreement to Completion Date;
4. the Vendor having in material aspects fully complied with the obligations and otherwise having performed in material aspects all of the covenants and agreements under the Sale and Purchase Agreement;
5. no third parties having sought at any courts or government authorities in any jurisdiction, litigation or proceeding, pending or threatened, which would limit or prohibit the transactions contemplated under the Sale and Purchase Agreement or which would seek to declare the contemplated transactions under the Sale and Purchase Agreement as illegal or which seek substantial compensation or damages for losses arising from such transactions; and
6. all necessary consents and approvals in relation to transactions contemplated under the Sale and Purchase Agreement having been obtained by the Vendor, and the Vendor having complied with the relevant laws, and there having been no rules or regulations imposed by the relevant authorities, or any consents by third parties, to forbid or seriously delay the performance and completion of the Sale and Purchase Agreement.

The above conditions 3 to 6 above may be waived by the Purchaser only in writing pursuant to the Sale and Purchase Agreement. The conditions 1 and 2 above are not capable of being waived by any parties to the Sale and Purchase Agreement. The Vendor shall use its reasonable endeavors to procure the fulfilment of the Conditions 3 to 6 above.

In the event that the above Conditions are not fulfilled (or waived) before the Long Stop Date (or such other date(s) as may be agreed by the Purchaser and the Vendor), the Sale and Purchase Agreement will lapse and become null and void and each of the Purchaser and the Vendor shall not make any claim against the other party, save for those arising out of any antecedent breaches thereof.

Completion

Completion of the Proposed Acquisition and the Subscription will proceed within seven (7) business days (or such other date as the Purchaser and the Vendor may agree) after fulfilment or waiver of the above Conditions.

Consequences of failure to observe obligations at Completion

Unless the other party observes and performs in full requirements pursuant to the Sale and Purchase Agreement, neither the party is obligated to proceed with transactions under the Sale and Purchase Agreement. If a party fails to perform its obligations pursuant to the Sale and Purchase Agreement on the Long Stop Date, the Purchaser may serve a notice to the Vendor (in case that the Vendor fails to or is not willing to observe its obligations pursuant to the Sale and Purchase Agreement) and vice versa to transact the following matters:

- (a) postpone the Completion Date to a day not later than 30 days (which shall be a Business Day), and in such case the Completion Date will be the postponed date as deferred in the aforesaid manner;
- (b) effect Completion so far as practicable (without prejudice to its rights due under the Sale and Purchase Agreement); or
- (c) terminate the Sale and Purchase Agreement.

Undertakings by the Vendor

If the Vendor receives a sum in relation to such the Target Group or the Property or the Arts and Cultural Collectibles after the Completion Date, it shall forthwith notify the Purchaser and pay the sum to the Purchaser or the Group, and shall keep such sum in the capacity of trustee for the Purchaser or the Group until the payment is made.

If the Group is to shoulder any payment liability after the Completion Date and such payment liability is incurred before the Completion Date that it has yet been disclosed in writing by the Vendor to the Purchaser, the Purchaser shall have the right to demand the Vendor to take such payment liability, or in case that the Group has taken such payment liability, the Purchase shall have the right to demand indemnity in full from the Vendor.

The Vendor shall properly and timely transact and complete all tax filing and registration in relation to transactions as contemplated under the Sale and Purchase Agreement before and after the Completion. If the Vendor violates provisions in this regard such that the Purchaser or the Group incur losses in performing withholding tax and other obligations, the Vendor shall make compensation in full to the party(ies) suffered.

The Vendor shall properly and timely terminate all its business activities engaged in the Property on or before the Completion Date.

Indemnity

The Vendor is liable for all compensations indemnified from and against all relevant claim matters, which shall not exceed the Consideration amount.

The Vendor is only liable for any one of the following claims:

- (a) As to stand-alone claim, the sum as determined by a final judgment or payable as stipulated exceeding RMB1,000,000 or its equivalent in HK\$; and
- (b) If the sum in total determined by a final judgment or payable as stipulated exceeding RMB1,000,000 or its equivalent in HK\$, the Vendor is liable for all of the sum but not only the part in excess.

Unless the Vendor is served with a claim notice regarding relevant claim matters within two (2) years after the Completion Date, and that the claim notice should provide reasonably detailed description of matters or defaults, nature of defaults and claim amounts associated with such relevant claim matters, the Vendor is not liable for relevant claim matters.

Claims issued with a claim notice as mentioned above may be deemed as revoked and become null and void if in respect of which no legal proceeding is instituted against the Vendor with relevant legal documents served to the Vendor within six (6) month after the date of the aforesaid claim notice.

Ranking of the Consideration Shares

The Consideration Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the Completion Date.

Application for listing

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

Specific Mandate

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the SGM.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group is principally engaged in (i) arts and collections related business; (ii) auction business; (iii) financial e-commerce business; (iv) sale of vessels; (v) marine engineering; and (vi) construction and structural steel engineering and related services.

As mentioned in the open offer prospectus of the Company dated 23 November 2015 and the annual report of the Company for the five months ended 31 December 2015, it is the intention of the Group to invest in the art and collections related business to enrich its sources of income. Leveraging from the strong cultural business background of the controlling Shareholder, the DTXS group, the Group endeavors to invest, develop and operate an online marketplace for art and collections including but not limited to wine, tea, coins and jewellery. The aim of the Group is to provide consumers an

enjoyable shopping experience for high-end art and collections. On 26 August 2016, the Group completed the acquisition of 85% indirect interest in m-Finance Limited (“m-Finance”), a financial e-commerce business in Hong Kong. The management of m-Finance possesses a proven technological capability, which is capable of supporting the development of the Group’s online marketplace as well as extensive exposure to high net worth clients.

With a view of setting up the offline counterpart for the Group’s online market place for art and collections, the Group envisages building the offline arts and collections centre for providing integrated functions of storage, exhibition, auction, promotion and trading of arts and collections, namely the Art Central Business District (the “ACBD”). On 11 July 2016, the Group completed the acquisition of 100% effective interest in 北京景星麟鳳國際拍賣有限公司 (Beijing Phoenixstar International Auction Co., Ltd.*) (“Phoenixstar”), a boutique auction house in Beijing specialising in arts and collections business. This transaction creates a new offline sale channel for the planned online marketplace.

The major business concept of the ACBD lies on the “Five Commodities of the Silk Road” (一路五品). The five commodities refer to jewellery, teas, wines, silks and artworks, the five most representative symbols of goods once being traded in the Silk Road. The functions of the ACBD will comprise of (i) artwork exhibition and exchange, (ii) auction and appraisal, and (iii) online marketplace.

Artwork exhibition and exchange

The ACBD provides venues for artwork exhibitions, artwork trade and consignment sale in addition to a series of peripheral services such as business negotiations, expositions at tea-tasting parties, conference services, tea art performance, art exchange, members’ salons and so forth.

Auction and appraisal

The ACBD will hold various high-end artwork auction, antique examination and appreciation activities irregularly, as well as professional artwork valuation services.

Phoenixstar under the Group is an integrated auction company comprised of a number of experts in the cultural relics circle, state registered auctioneers, artwork appraisers, valuers and experienced practitioners to provide appraisal, examination and appreciation services for clients.

Online marketplace

Leveraging from the seasoned information technology personnel and proven technology and capacity in e-commerce platform of the m-Finance, the ACBD will offer comprehensive offline experience and convenient online transaction through integration of quality artwork resources to construct a service platform characterized with an O2O ecosystem.

With reference to the interim report of the Company for the six months period ended 30 June 2016, it is the intention of the Group to continue diversify its businesses, taking advantage and leveraging from the strong cultural business background of its controlling Shareholder, DTXS group for its arts and collections related business. With the strategic location of the Property which possesses high cultural value, the Group will be in the best position to develop and capitalise on the West Market's strong cultural business background.

Xian City (formerly Changan City) is the capital of the Shaanxi Province of the PRC, was the capital of China for over 13 dynasties and the starting point of the ancient Silk Road. During the golden age of China, the Tang Dynasty, the industry and commerce of Tang Changan City were centered in the East Market and the West Market. The West Market was primarily functioned for international trade and was the largest international trading centre and cultural exchange centre at the time. The Property is located at the Tang Dynasty West Market Hotel which was built at the original site of the West Market.

The Directors (other than the independent non-executive Directors who will express their views after considering the advice from the Independent Financial Adviser) consider the Property, being a part of the Tang Dynasty West Market Hotel, (i) is basically furnished for immediate use and (ii) will offer larger flow of visitors as well as higher standard of security. The 1st floor shop section of the Property will function as an offline retailing and shopper experience center for art and collections, including but not limited to artworks, wine, tea, coins, jewellery and silk. The exhibition and function room sections of the Property will function as the offline event venue for hosting regular events of exhibition, conference and auction in relation to the high-end arts and collections. The Directors consider the Arts and Cultural Collectibles, being the craftworks of well-known art celebrities the artworks of which are common auction items in the auction houses in the PRC and overseas, will enrich the inventory reserves for the Group's arts and collections related business which will also enhance the creditability and cultural appearance of the Property as the ACBD of the Group. In addition, the Subscription signifies the controlling Shareholder's confidence in the prospects and development of the Group, particularly in development of arts and cultural businesses, which will in turn enhance the Shareholders' confidence in the business of the Group.

The Directors (other than the independent non-executive Directors who will express their views after considering the advice from the Independent Financial Adviser) consider the Proposed Acquisition is beneficial for the Group as it is a valuable opportunity to strengthen the existing business segment in the arts and collections related business of the Group and provide an opportunity to enrich its source of income.

In view of the above, the Directors (other than the independent non-executive Directors who will express their views after considering the advice from the Independent Financial Adviser) consider that the entering into of the Sale and Purchase Agreement is on normal commercial terms in the ordinary and usual course of business of the Company after arm's length negotiation, and the terms of which are fair and reasonable and the Proposed Acquisition is in the interest of the Company and the Shareholders of the Company as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon Completion is set out as below:

Shareholders	As at the date of this announcement		Immediately after Completion	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
The Vendor	325,680,424	64.60	376,700,736	67.86
Public Shareholders	<u>178,436,956</u>	<u>35.40</u>	<u>178,436,956</u>	<u>32.14</u>
Total	<u><u>504,117,380</u></u>	<u><u>100.00</u></u>	<u><u>555,137,692</u></u>	<u><u>100.00</u></u>

Note: Assuming that there is no change in the issued share capital of the Company from the Last Trading Day to the Completion Date.

LISTING RULES IMPLICATION

As at the Last Trading Day, the Target Company is a wholly-owned subsidiary of the Vendor, which holds 325,680,424 Shares, representing approximately 64.60% of the entire issued share capital of the Company. Accordingly, the Vendor is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As the highest applicable ratio in respect of the Proposed Acquisition under Rule 14.07 of the Listing Rules is more than 5% but less than 25% and the total Consideration is more than HK\$10,000,000, the Proposed Acquisition constitutes (i) a non-exempt connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

A SGM will be convened for the purposes of, among other matters, considering, and if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate).

In view of the Vendor's material interest in the Proposed Acquisition, the Vendor and their associate(s) will abstain from voting on the relevant resolutions at the SGM.

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders on the Sale and Purchase Agreement and the transactions respectively contemplated thereunder (including the grant of the Specific Mandate). INCU Corporate Finance Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same respect.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser; (iv) a valuation report of the Property; (v) a notice of the SGM; and (vi) further information required to be disclosed under the Listing Rules, is expected to be despatched to the Shareholders on or before 8 February 2017.

The Proposed Acquisition is, respectively, subject to the fulfilment of a number of Conditions. As the Proposed Acquisition may or may not proceed, Shareholders and potential investors are advised 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:

If there is any inconsistency of this announcement and the Chinese translation of this announcement, this announcement shall prevail.

“Arts and Cultural Collectibles”	the property interests of the target arts and cultural collectibles owned by the Vendor, details of which are set out in the section headed “Information of the Target Group, the Property and the Arts and Cultural Collectibles” of this announcement
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which licensed banks in Hong Kong and the PRC are generally open for normal banking business
“BVI”	British Virgin Islands
“Company”	DTXS Silk Road Investment Holdings Company Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 620)

“Completion”	the completion of the Proposed Acquisition and the Subscription pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	within seven (7) Business Days immediately following the date that all of the Conditions having been satisfied or waived (or such other date as the Purchaser and the Vendor may agree)
“Condition(s)”	the condition(s) precedent of the Completion, details of which are set out in the paragraph headed “Conditions Precedent” of this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by the Purchaser to the Vendor for the Proposed Acquisition, being HK\$163,265,000
“Consideration Shares”	51,020,312 new Shares to be allotted and issued to the Vendor at HK\$3.20 per Share for the settlement of the Consideration; and “Consideration Shares” means any one of them
“Director(s)”	director(s) of the Company
“Framework Agreement”	the framework agreement dated 12 May 2016 entered into between the Purchaser and 大唐西市文化產業投資集團有限公司 (Da Tang Xi Shi Investments Group Limited*), being the controlling shareholder of the Vendor, in relation to the proposed acquisition of the Property and the Arts and Cultural Collectibles
“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 PRC
“Hong Kong Co”	Jumbo Bright Investments Limited, an investment holding company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target Company

“Independent Board Committee”	an independent committee of the Board, formed by the Company, comprising of all its independent non-executive Directors, established for the purpose of advising the Independent Shareholders as to whether the terms of the Sale and Purchase Agreement and the transactions contemplated therein (including the grant of the Specific Mandate) are fair and reasonable and in the interests of the Company and the Shareholders as a whole
“Independent Financial Adviser”	INCU Corporate Finance Limited, a licensed corporation to carry on business in type 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser to the Independent Board Committee in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate)
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the SGM to approve the Sale and Purchase Agreement and the transactions respectively contemplated thereunder (including the grant of the Specific Mandate)
“Issue Price”	HK\$3.20, being the issue price per Consideration Share
“Last Trading Day”	16 January 2017, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of this announcement
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	12 April 2017

“MOU”	the memorandum of understanding dated 27 January 2016 entered into between DTXS Art & Cultural CBD (HK) Company Limited and 大唐西市文化產業投資集團有限公司 (Da Tang Xi Shi Investments Group Limited*) in relation to the proposed acquisition of the property interests of Building No. 3 of the Da Tang Xi Shi Block 10 Development at South Laodong Road, Lianhu District, Xi An, China and the land use right thereof, with a total gross floor area of approximately 3,862.95 square meters. The Da Tang Xi Shi Block 10 Development is a Silk Road-themed commercial development located at South Laodong Road, Lianhu District, Xi An, China with a total gross floor area of approximately 29,672.71 square meters
“Option”	the buyback option to be granted by the Vendor pursuant to the Sale and Purchase Agreement, the details of which is set out in the section headed “The Option for Arts and Cultural Collectibles” of this announcement.
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC Co”	西安絲綢之路商務信息諮詢有限公司 (Xian Silk Road Commercial Consultancy Company Limited*), an investment holding company established in the PRC with limited liability and a direct wholly-owned subsidiary of Hong Kong Co, which is the sole legal and beneficial owner of the Property
“Property”	the property interests of the target properties wholly-owned by the PRC Co, details of which are set out in the section headed “Information of the Target Group, the Property and the Arts and Cultural Collectibles” of this announcement
“Proposed Acquisition”	the proposed acquisition in relation to the Target Equity Interest and the Arts and Cultural Collectibles pursuant to the terms and conditions of the Sale and Purchase Agreement
“Purchaser”	DTXS Art & Cultural CBD Co Ltd (大唐西市文化藝術品中央商務中心有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company

“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 16 January 2017 entered into between the Vendor and the Purchaser in relation to the Proposed Acquisition, which is a formal agreement entered into amongst the Purchaser and the Vendor in respect of the Proposed Acquisition and incorporating the terms of the Framework Agreement
“SGM”	a special general meeting of the Company to be convened to consider and approve the Proposed Acquisition and the issue of the Consideration Shares under the Specific Mandate
“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 sought at the SGM to approve the issue and allotment of the Consideration Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the Subscription of the Consideration Shares by the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“Target Company”	Best Merit Global Limited, a property investment holding company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Vendor
“Target Equity Interest”	100% of the equity interest of the Target Company
“Target Group”	Target Company and its subsidiaries

“Vendor”

Da Tang Xi Shi International Holdings Limited (大唐西市國際控股有限公司), an investment holding company incorporated in the BVI with limited liability. As at the Last Trading Day, the Vendor held 325,680,424 Shares, representing approximately 64.60% of the entire issued share capital of the Company. It is indirectly wholly-owned by 大唐西市文化產業投資集團有限公司 (Da Tang Xi Shi Investments Group Limited*) as at the Last Trading Day

“%”

Per cent.

By Order of the Board
**DTXS SILK ROAD INVESTMENT HOLDINGS
COMPANY LIMITED**
Wong Kwok Tung Gordon
Executive Director and Chief Executive Officer

Hong Kong, 16 January 2017

For the purposes of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of HK\$1 = RMB0.88812 (being the RMB central parity rate publicised by the People’s Bank of China as at 16 January 2017). Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Lu Jianzhong (Chairman), Mr. Wong Kwok Tung Gordon (Chief Executive Officer) and Mr. Yang Xingwen; three non-executive Directors, namely Mr. Wang Shi, Mr. Jean-Guy Carrier and Mr. Tse Yung Hoi; and three independent non-executive Directors, namely Mr. Cheng Yuk Wo, Ms. Fan Chiu Fun, Fanny and Mr. Tsui Yiu Wa, Alec.

* *For identification purpose only*