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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)**

**DISCLOSEABLE TRANSACTION**  
**IN RELATION TO**  
**THE DISPOSAL OF THE ENTIRE INTEREST AND**  
**SHAREHOLDER'S LOAN IN THE TARGET COMPANY**

**THE DISPOSAL**

The Board announces that the Vendor, entered into the Sale and Purchase Agreement on 10 November 2017 (after trading hours) with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Share, which represented the entire issued share capital of the Target Company, together with the Disposal Shareholder Loan, at the Consideration.

Pursuant to the Sale and Purchase Agreement, the Vendor has undertaken to the Purchaser that the Reorganisation will be completed as soon as possible after signing of the Sale and Purchase Agreement such that all of the Group's interest in the Disposal Subsidiaries and the Disposal Companies will be transferred to the Target Company. Upon Completion, the Target Company and each member of the Disposal Subsidiaries will cease to be a subsidiary of the Company and the Disposal Shareholder Loan will be assigned by the Vendor to the Purchaser. The Company will also cease to have any interest in the Disposal Companies.

**IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Disposal are more than 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Purchaser is a trustee of a unit trust, whereby all units in the unit trust are held by Infiniti Trust (Asia) Limited, the trustee of a discretionary trust which was set up by Mr. Leung in 1991, the beneficiaries of which are Mrs. Leung Yu Oi Ling Irene, the spouse of Mr. Leung, and their children, namely Ms. Leung Chi Yin Gillian, Mr. Leung Chi Hong Jerry and Mr. Leung Kai Hong Kaiser. Although (i) each of Mr. Leung, Mrs. Leung Yu Oi Ling Irene and Ms. Leung Chi Yin Gillian is a director of UDL Marine Shares; and (ii) each of Mrs. Leung Yu Oi Ling Irene and Ms. Leung Chi Yin Gillian is a director of Zhongshan Taiyuan, being subsidiaries of the Company, neither the total asset, profit nor revenue of the two subsidiaries in aggregate exceeds 5% of such as compared to those of the Company. Therefore, UDL Marine Shares and Zhongshan Taiyuan are insignificant subsidiaries of the Group (as defined under Rule 14A.09 of the Listing Rules). Accordingly, each of Mr. Leung, Mrs. Leung Yu Oi Ling Irene and Ms. Leung Chi Yin Gillian is not regarded as a connected person, and the Purchaser (in its capacity as a trustee) is not regarded as an associate of a connected person of the Company pursuant to Rule 14A.12(b) of the Listing Rules. Therefore, the Disposal does not constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

## **THE DISPOSAL**

The Board announces that the Vendor entered into the Sale and Purchase Agreement on 10 November 2017 (after trading hours) with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Share, which represented the entire issued share capital of the Target Company, together with the Disposal Shareholder Loan, at the Consideration.

## **THE SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are as follows:

### *Date*

10 November 2017 (after trading hours)

### *Parties*

- (i) UDL Ventures Limited, as vendor; and
- (ii) Harbour Front Limited, as purchaser.

The Vendor is an investment holding company and is a direct wholly-owned subsidiary of the Company.

The Purchaser, a company incorporated in the BVI with limited liability, is a trustee of a unit trust, whereby all units in the unit trust are held by Infiniti Trust (Asia) Limited, the trustee of a discretionary trust which was set up by Mr. Leung in 1991, the beneficiaries of which are Mrs. Leung Yu Oi Ling Irene, the spouse of Mr. Leung, and their children, namely Ms. Leung Chi Yin Gillian, Mr. Leung Chi Hong Jerry and Mr. Leung Kai Hong Kaiser. Each of Mr. Leung, Mrs. Leung Yu Oi Ling Irene and Ms. Leung Chi Yin Gillian is a director of UDL Marine Shares, a subsidiary of the Company, and each of Mrs. Leung Yu Oi Ling Irene and Ms. Leung Chi Yin Gillian is a director of Zhongshan Taiyuan, a subsidiary of the Company. As neither the total asset, profit nor revenue of UDL Marine Shares and Zhongshan Taiyuan in aggregate exceeds 5% of such as compared to those of the Company, UDL Marine Shares and Zhongshan Taiyuan are insignificant subsidiaries of the Company (as defined under Rule 14A.09 of the Listing Rules). Accordingly, each of Mr. Leung, Mrs. Leung Yu Oi Ling Irene and Ms. Leung Chi Yin Gillian is not regarded as a connected person, and the Purchaser (in its capacity as a trustee) is not regarded as an associate of a connected person of the Company pursuant to Rule 14A.12(b) of the Listing Rules. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, save as disclosed above, as at the date of this announcement, the Purchaser and its respective ultimate beneficial owners are Independent Third Parties.

#### *Subject matter*

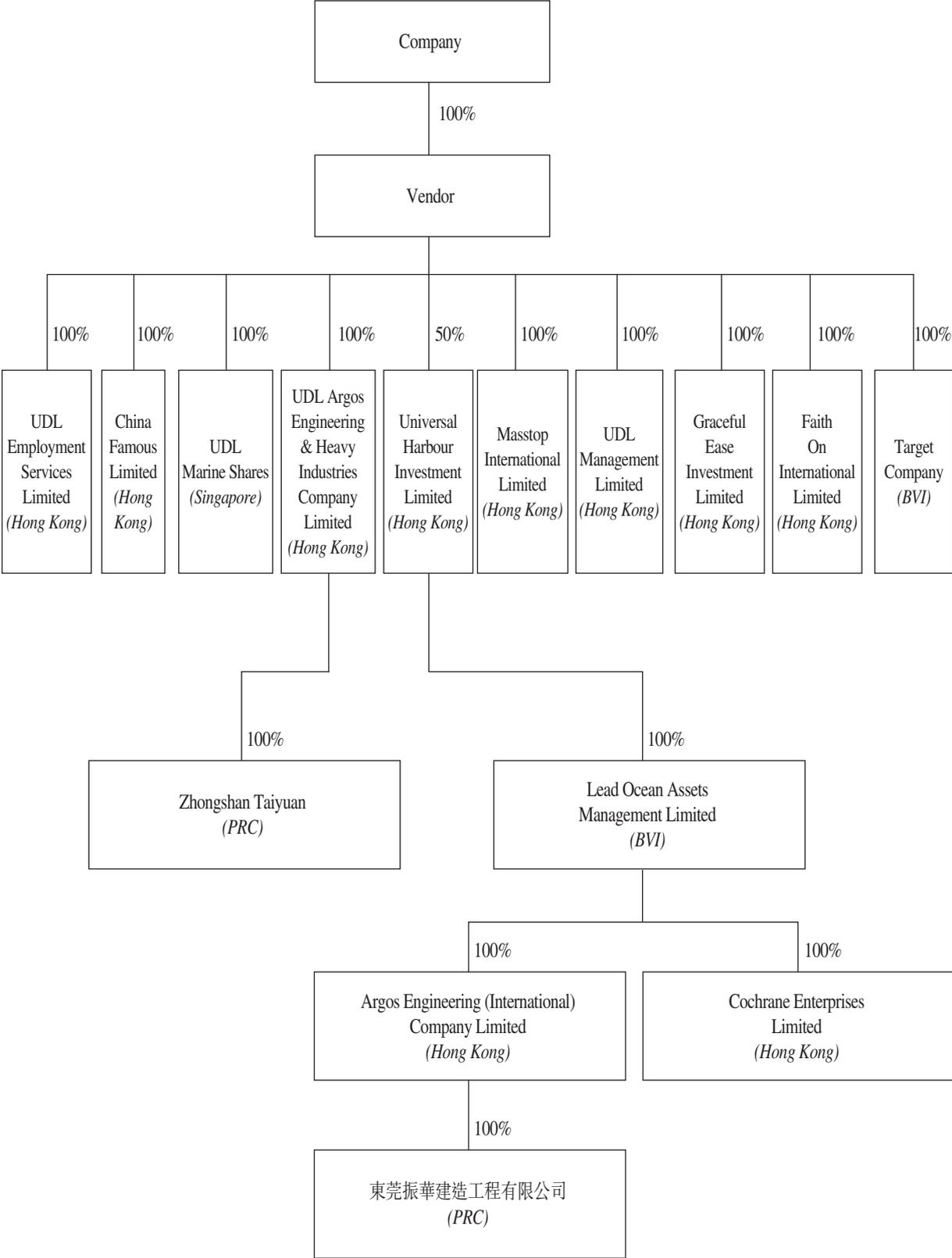
Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Share together with the Disposal Shareholder Loan, subject to the terms contained therein.

The Target Company is a limited liability company incorporated under the laws of the BVI, which is direct wholly-owned by the Vendor. As at the date of this announcement, the Target Company is an investment holding company which has no subsidiary or business operation. The Target Company will undergo the Reorganisation prior to Completion. Under the Reorganisation, all the Group's interest in the Disposal Subsidiaries and the Disposal Companies will be transferred to the Target Company.

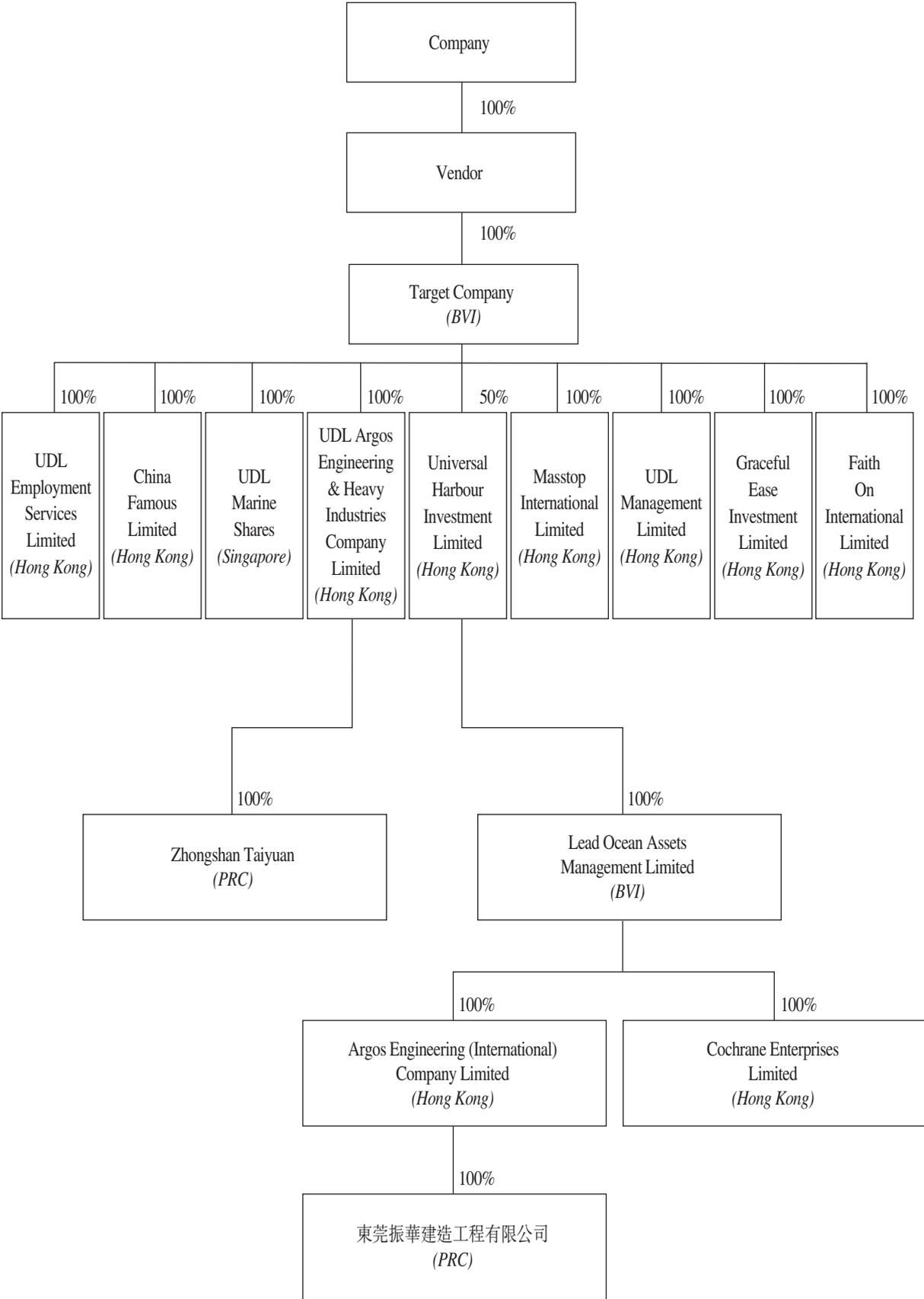
#### Reorganisation

Pursuant to the Sale and Purchase Agreement, the Vendor has undertaken to the Purchaser that the Reorganisation will be completed as soon as possible after signing of the Sale and Purchase Agreement such that all of the Group's interest in the Disposal Subsidiaries and the Disposal Companies will be transferred to the Target Company. Set out below are the structures of the Target Group (i) before the Reorganisation; and (ii) after the Reorganisation.

(i) Before Reorganisation



(ii) After Reorganisation



### *Consideration*

The consideration for the sale and purchase of the Sale Share and the Disposal Shareholder Loan shall be an amount equals to the net asset value of the Target Group after adjustment of the Disposal Shareholder Loan as at the Completion Date as set out in the Completion Accounts plus a fixed lump sum of HK\$1,600,000.00.

The Consideration shall be payable by the Purchaser to the Vendor at Completion by cashier order or shall be paid by the Purchaser by transferring the amount payable in accordance with the Sale and Purchase Agreement to a bank account designated by the Vendor or in other manners as agreed by the Vendor and the Purchaser.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among others, the unaudited pro forma consolidated net assets of the Target Group of approximately HK\$44.55 million as at 30 June 2017 after adjustment of the Disposal Shareholder Loan of approximately HK\$118.84 million as at 30 June 2017, together with a premium of HK\$1,600,000.00 as agreed by both parties. The unaudited pro forma consolidated net liabilities of the Target Group before such an adjustment were approximately HK\$74.29 million as at 30 June 2017.

### *Conditions precedent*

The Sale and Purchase Agreement is conditional upon:

1. all requirements imposed by the Stock Exchange under the Listing Rules or otherwise in connection with the transactions contemplated by the Sale and Purchase Agreement having been fully complied with;
2. the obtaining by the Company or the Vendor of all necessary consents, authorisations or other approvals (or, as the case may be, the relevant waiver) of any kind in connection with the entering into and performance of the terms of the Sale and Purchase Agreement including without limitation the obtaining of the waiver of pre-emptive rights (if any) to purchase the Sale Share and those which may be required under the Listing Rules, from the Stock Exchange or any regulatory authority;
3. the consolidated management accounts of the Target Group for the period commencing on 1 January 2017 and ending on 31 October 2017 has been duly prepared and ready; and
4. completion of the Reorganisation.

Neither party to the Sale and Purchase Agreement may waive the above conditions precedent. The Purchaser and the Vendor shall respectively use their reasonable endeavours (but in each case without any obligation to give any undertakings, or assurances, or do any other things, which the party in question may reasonably consider unduly onerous in the circumstances) and shall co-operate with each other to ensure that all the above conditions precedent shall be fulfilled by the Longstop Date and save as expressly provided, no party may withdraw from the Sale and Purchase Agreement before the Longstop Date unless any of the above conditions precedent becomes incapable of fulfillment.

### *Completion*

Upon fulfillment of all the conditions precedent, Completion shall take place at or before 5:00 p.m. on the Completion Date. Upon Completion, the Target Company and each member of the Disposal Subsidiaries will cease to be a subsidiary of the Company and the Disposal Shareholder Loan will be assigned by the Vendor to the Purchaser. Accordingly, the financial results of the Target Group will no longer be consolidated into the financial statements of the Company from the Completion Date. The Company will also cease to have any interest in the Disposal Companies.

### *Purchaser's undertakings*

Subject to Completion, the Purchaser covenants and undertakes with the Vendor to pay the Vendor any taxation amount payable for the transactions contemplated thereby in the Agreement as required by the relevant authorities at the place of incorporation of the Target Company (the "Taxation"), if applicable, and provide relevant documents or information (including notices of payments and receipts of payments) in relation to the Taxation to the Vendor.

## **INFORMATION OF THE GROUP**

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

## **INFORMATION OF THE TARGET GROUP**

The Target Company is a limited liability company incorporated under the laws of the BVI. The Target Company is direct wholly-owned by the Vendor. The Target Company is an investment holding company as at the date of this announcement, which will hold, directly or indirectly, the Group's interests in the Disposal Subsidiaries and the Disposal Companies after the Reorganisation.

As at the date of this announcement, the Vendor holds directly or indirectly the entire interest in the Disposal Subsidiaries, which comprises companies incorporated in Hong Kong, PRC and Singapore respectively. The Disposal Subsidiaries together hold leasehold land in the PRC and certain vessels and carry corresponding supporting functions.

As at the date of this announcement, the Vendor holds 50% interest in Universal Harbour Investment Limited which in turn holds 100% direct or indirect interest in other Disposal Companies. As stated in the circular of the Company dated 25 October 2011, the Disposal Companies together hold land use rights of certain collectively owned land in Dongguan, the PRC for manufacturing structural steel frames and fabrication of ships and other ancillary businesses.

The Target Group's unaudited pro forma consolidated net loss before and after tax for the year ended 31 July 2015 and the five months ended 31 December 2015 was approximately HK\$11.39 million and HK\$4.02 million respectively. The Target Group's unaudited pro forma consolidated net loss before and after tax for the year ended 31 December 2016 was approximately HK\$27.16 million. As at 30 June 2017, the unaudited pro forma consolidated net asset value of the Target Group (after adjustment of the Disposal Shareholder Loan) was approximately HK\$44.55 million.

### **REASONS FOR THE DISPOSAL**

The Target Group is not crucial to the operation of the Group's engineering service division and does not bring satisfactory financial contribution to the Group. The Board considers that the Disposal will provide financial resources to the Group and minimise the financial burden and risks for the Group so that the Group will be able to deploy more resources and commitment in its other existing principal businesses, as well as other potential business opportunities.

As the Consideration represents a premium of HK\$1,600,000.00 over the net asset value of the Target Group after adjustment of the Disposal Shareholder Loan as at the Completion Date as set out in the Completion Accounts, the Group expects that it will incur a gain of HK\$1,600,000.00 at Completion. The actual amount of gain or loss to be recognised will be subject to the actual amount of consolidated net asset value of the Target Group after adjustment of the Disposal Shareholder Loan at Completion, and will be reviewed by the Company's auditors. It is expected that the proceeds from the Disposal, if any, will be used as general working capital of the Group.

The Directors (including independent non-executive Directors) consider that the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and are on normal commercial terms and that it is in the interest of the Group and the Shareholders as a whole.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Disposal are more than 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Purchaser is a trustee of a unit trust, whereby all units in the unit trust are held by Infiniti Trust (Asia) Limited, the trustee of a discretionary trust which was set up by Mr. Leung in 1991, the beneficiaries of which are Mrs. Leung Yu Oi Ling Irene, the spouse of Mr. Leung, and their children, namely Ms. Leung Chi Yin Gillian, Mr. Leung Chi Hong Jerry and Mr. Leung Kai Hong Kaiser. Although (i) each of Mr. Leung, Mrs. Leung Yu Oi Ling Irene and Ms. Leung Chi Yin Gillian is a director of UDL Marine Shares; and (ii) each of Mrs. Leung Yu Oi Ling Irene and Ms. Leung Chi Yin Gillian is a director of Zhongshan Taiyuan, being subsidiaries of the Company, neither the total asset, profit nor revenue of the two subsidiaries in aggregate exceeds 5% of such as compared to those of the Company. Therefore, UDL Marine Shares and Zhongshan Taiyuan are insignificant subsidiaries of the Group (as defined under Rule 14A.09 of the Listing Rules). Accordingly, each of Mr. Leung, Mrs. Leung Yu Oi Ling Irene and Ms. Leung Chi Yin Gillian is not regarded as a connected person, and the Purchaser (in its capacity as a trustee) is not regarded as an associate of a connected person of the Company pursuant to Rule 14A.12(b) of the Listing Rules. Therefore, the Disposal does not constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday, public holidays and any day on which a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general banking business
“BVI”	the 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”	completion of the sale and purchase of the Sale Share and the Disposal Shareholder Loan pursuant to the Sale and Purchase Agreement

“Completion Accounts”	the consolidated management accounts of the Target Group as at the Completion Date prepared based on updated valuation of non-current assets and the advice of the auditors of the Company, and after adjustment of the Disposal Shareholder Loan
“Completion Date”	the third Business Day immediately following the satisfaction of the last outstanding conditions precedent, in accordance with the terms of the Sale and Purchase Agreement or such other date as the Purchaser and the Vendor shall agree in writing as the date on which Completion shall take place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Sale Share together with the Disposal Shareholder Loan, being an amount equals to the net asset value of the Target Group after adjustment of the Disposal Shareholder Loan as at the Completion Date as set out in the Completion Accounts plus a fixed lump sum of HK\$1,600,000.00
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the entire interest in the Target Company, together with the assignment of the Disposal Shareholder Loan, by the Vendor to the Purchaser
“Disposal Companies”	<ul style="list-style-type: none"> <li>(i) Universal Harbour Investment Limited;</li> <li>(ii) Lead Ocean Assets Management Limited;</li> <li>(iii) Argos Engineering (International) Company Limited;</li> <li>(iv) Cochrane Enterprises Limited; and</li> <li>(v) 東莞振華建造工程有限公司 (Dongguan Chunwah Engineering and Heavy Industry Co., Ltd.*),</li> </ul> <p>all of which are associated companies of the Company</p>
“Disposal Shareholder Loan”	the net amount of loans and indebtedness (if any) owing from the Target Group to the Vendor as at the Completion Date

“Disposal Subsidiaries”	<p>(i) UDL Argos Engineering &amp; Heavy Industries Company Limited;</p> <p>(ii) UDL Employment Services Limited;</p> <p>(iii) China Famous Limited;</p> <p>(iv) Faith On International Limited;</p> <p>(v) Graceful Ease Investment Limited;</p> <p>(vi) UDL Management Limited;</p> <p>(vii) Masstop International Limited;</p> <p>(viii) UDL Marine Shares; and</p> <p>(ix) Zhongshan Taiyuan,</p> <p>all of which are wholly-owned subsidiaries of the Company</p>
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person who is independent of and not connected with the Company and not connected with the Directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“insignificant subsidiary(ies)”	has the meaning attributed to it under Rule 14A.09(1) of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 December 2017 (or such later date as the Vendor and the Purchaser may agree in writing)

“Mr. Leung”	Mr. Leung Yat Tung, the spouse of Mrs. Leung Yu Oi Ling Irene, the father of each of Ms. Leung Chi Yin Gillian, Mr. Leung Chi Hong Jerry and Mr. Leung Kai Hong Kaiser and is an Independent Third Party of the Company as at the date of this announcement
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Harbour Front Limited, a company incorporated in the BVI with limited liability and a trustee of a unit trust, whereby all units in the unit trust are held by Infiniti Trust (Asia) Limited, the trustee of a discretionary trust, which was set up by Mr. Leung in 1991, the beneficiaries of which are Mrs. Leung Yu Oi Ling Irene, the spouse of Mr. Leung, and their children, namely Ms. Leung Chi Yin Gillian, Mr. Leung Chi Hong Jerry and Mr. Leung Kai Hong Kaiser
“Reorganisation”	reorganisation to be conducted prior to Completion, details of which is set out in the section headed “Reorganisation” of this announcement
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 10 November 2017 and entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Share and the Disposal Shareholder Loan
“Sale Share”	one issued share of the Target Company, being the entire issued share capital of the Target Company
“Shareholders”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	UDL Ship Holdings Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Vendor
“Target Group”	collectively, the Target Company and its interest in the Disposal Companies and the Disposal Subsidiaries after the Reorganisation

“UDL Marine Shares”	UDL Marine Shares Pte. Ltd., a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company, the directors of which are Mr. Leung, Mrs. Leung Yu Oi Ling Irene and Ms. Leung Chi Yin Gillian
“Vendor”	UDL Ventures Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“Zhongshan Taiyuan”	中山太元重工業有限公司 (Zhongshan Taiyuan Heavy Industry Co., Ltd.*), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company, the directors of which include Mrs. Leung Yu Oi Ling Irene and Ms. Leung Chi Yin Gillian
“%”	per cent.

By Order of the Board  
**DTXS Silk Road Investment Holdings Company Limited**  
**Wong Kwok Tung Gordon**  
*Executive Director and*  
*Deputy Chief Executive Officer*

Hong Kong, 10 November 2017

*As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Lu Jianzhong (Chairman), Mr. Yang Xingwen, Mr. Lai Kim Fung (Chief Executive Director) and Mr. Wong Kwok Tung Gordon (Deputy Chief Executive Officer); 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*