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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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION
TO THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2022**

Reference is made to the annual report of DTXS Silk Road Investment Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2022 published on 28 April 2023 (the “**2022 Annual Report**”). Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the 2022 Annual Report.

This announcement is made to provide supplemental information to the 2022 Annual Report under the sections headed “Management Discussion and Analysis, Arts and Cultural Division” and “Notes to the Consolidated Financial Statements, Notes 44 — Financial Risk Management Objectives and Policies, Impairment assessment of trade and other receivables, Advances to consignors and related interest receivables included in trade receivables” on page 6 and page 151 of 2022 Annual Report respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Arts and Cultural Division

The following is a summary of the key internal controls of the Group's art financing business operation:

1. *Due diligence*

Identity check and financial background check on the consignor will be performed. Information provided by the consignor including identity, financial statements and asset proof of the applicant will be checked and verified by the responsible art and cultural officer, where appropriate, company, legal, credit search on the consignor and physical inspection on the pledged items as collateral, will be conducted.

2. *Credit appraisal*

Detailed assessment on the credit history and financial background of the consignor, as well as the value and nature of the collateral to be pledged, will be conducted. There will be credit assessment including analysis on the repayment ability and credit history of the consignor, and analysis on the potential recovery from realisation of the collaterals. The credit assessment process will be conducted by the responsible art and cultural officer and reviewed by the responsible art and cultural manager.

3. *Proper execution of documentations*

For art financing application recommended by the responsible art and cultural manager and duly approved by the board of directors of the Group's art financing subsidiary, the responsible art and cultural officer will arrange preparation and proper execution of the art financing documentations under the supervision of the responsible art and cultural manager.

4. *Continuous monitoring*

There is continuous monitoring on the repayments from consignors and extension of advances. Art and cultural team will regularly check and communicate with the consignors regarding the consignors' financial position and the market values of the collaterals pledged. Additional collaterals may be requested from the consignors when performing credit assessment for the contracts extension. Legal demand letter will be issued to the consignors if there is an overdue payment. Where appropriate, legal action will be commenced against the consignors for recovery of the amount due and taking possession of the collateral pledged.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes — 44 — Financial Risk Management Objectives and Policies

Impairment assessment of trade and other receivables

Advances to consignors and related interest receivables included in trade receivables

The 23 consignors' ageing analysis of the advances to consignors for art financing business and related interest receivables, based on the due date and net of loss allowance, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Not yet due	486,060	525,346
0–30 days	—	—
31–90 days	—	—
91–180 days	—	—
181–360 days	9,116	—
Over 360 days	<u>16,129</u>	<u>7,671</u>
	<u><u>511,305</u></u>	<u><u>533,017</u></u>

As at 31 December 2022, based on the due dates of the respective receivables, approximately 4.9% (2021: 1.4%) of the advances were aged over 180 days and above, and all the remaining balances were not yet due.

The information provided in this supplemental announcement does not affect other information contained in the 2022 Annual Report. Save as disclosed above, the contents of the 2022 Annual Report remain unchanged.

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

Hong Kong, 15 June 2023

As at the date of this announcement, the Board comprises five Executive Directors, namely Mr. Lu Jianzhong (Chairman), Mr. Yang Xingwen, Mr. Huang Dahai, Mr. Wong Kwok Tung Gordon Allan (Co-Chief Executive Officer) and Mr. Sun Liming (Co-Chief Executive Officer); and three Independent Non-executive Directors, namely Mr. Tsang Yok Sing, Jasper, Mr. Tse Yung Hoi and Mr. Kwok Chi Shing.