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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)**

### **CHANGE OF USE OF PROCEEDS AND SUPPLEMENTAL ANNOUNCEMENT**

Reference is made to (1) the annual report for the year ended 31 December 2018 published on 24 April 2019 (the “**Annual Report**”) and (2) the interim report for the six months ended 30 June 2019 published on 27 September 2019 (the “**Interim Report**”) (together, the “**Reports**”) of DTXS Silk Road Investment Holdings Company Limited (the “**Company**”). Unless the context otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the Reports.

#### **FURTHER INFORMATION ON USE OF PROCEEDS FROM OPEN OFFER**

The board of directors (the “**Board**”) of the Company wishes to provide supplemental information regarding the unutilised proceeds in the amount of approximately HK\$8.0 million from the Open Offer conducted in 2015, in particular, the expected timeline of the use of such unutilised proceeds, pursuant to paragraph 11A of Appendix 16 to the Listing Rules.

As disclosed in the Reports, the net proceeds raised from the Open Offer was approximately HK\$420.3 million. The original allocation of proceeds from the Open Offer, the utilisation and remaining balance of the proceeds as at 31 December 2016, 2017 and 2018 and 30 June 2019, respectively, are summarised below:

Uses	As at 31 December 2016		For the year ended 31 December 2017		For the year ended 31 December 2018		For the six months ended 30 June 2019	
	Original allocation <i>HK\$</i> <i>million</i>	Remaining balance <i>HK\$</i> <i>million</i>	Utilised <i>HK\$</i> <i>million</i>	Remaining balance <i>HK\$</i> <i>million</i>	Utilised <i>HK\$</i> <i>million</i>	Remaining balance <i>HK\$</i> <i>million</i>	Utilised <i>HK\$</i> <i>million</i>	Remaining balance <i>HK\$</i> <i>million</i>
Repayment of loans	48.0	7.1	7.1	—	—	—	—	—
Development of online marketplace for arts and collections	80.0	38.0	26.0	12.0	4.0	8.0	—	8.0
Acquisition of inventories for the online marketplace platform	107.4	8.4	8.4	—	—	—	—	—
Expansion of the operation scale of the Group	36.0	5.4	5.4	—	—	—	—	—
Acquisitions for arts and cultural related business	148.9	—	—	—	—	—	—	—
<b>Total</b>	<u>420.3</u>	<u>58.9</u>	<u>46.9</u>	<u>12.0</u>	<u>4.0</u>	<u>8.0</u>	<u>—</u>	<u>8.0</u>

The remaining balance of approximately HK\$8.0 million from the Open Offer in 2015 was originally allocated for the development of online marketplace for arts and collections. On 26 August 2016, the Company completed the acquisition of 85% equity interests in M-FINANCE LIMITED (“**m-Finance**”) at a total maximum cash consideration of approximately HK\$40.8 million (subject to adjustments). The amount payable of a certain part of the total consideration is dependent upon the financial performance of m-Finance for the period of up to 30 June 2019. In respect of the Annual Report and Interim Report, as the consideration payable is only ascertainable and payable upon the release of the audited accounts of m-Finance for the period of up to 30 June 2019, the Company has set aside the fund of approximately HK\$8.0 million for the potential settlement of the consideration, as well as other funding needs relating to the development of online marketplace for arts and collections, which is estimated to be expended on or before 31 December 2019.

## RE-ALLOCATION OF PROCEEDS FROM OPEN OFFER

According to the relevant audited accounts of m-Finance for the six months ended 30 June 2019 recently obtained by the Company, it was confirmed that the Company is not required to make payment for the remaining balance of the consideration in relation to the acquisition of m-Finance. At the same time, taking into consideration the current business strategy of the Company, the business landscape of online marketplace for arts

and collections and the cash flow position of the Company, the Company will re-allocate the unutilised proceeds of approximately HK\$8.0 million from the Open Offer as general working capital of the Group, which is estimated to be expended on or before 30 June 2020.

The Board considers that the re-allocation of proceeds from the Open Offer is in line with the Group's business strategy. The unutilised proceeds of approximately HK\$8.0 million will satisfy the daily financial needs of the Group as well as enhance the flexibility of financial management of the Company. Therefore, the Company considers that the re-allocation of proceeds from the Open Offer is in the best interests of the Company and its shareholders as a whole.

By Order of the Board  
**DTXS Silk Road Investment Holdings Company Limited**  
**Lai Kim Fung**  
*Executive Director and Chief Executive Officer*

Hong Kong, 21 October 2019

*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 Officer) and Mr. Wong Kwok Tung Gordon Allan (Deputy Chief Executive Officer); three Non-executive Directors, namely Mr. Wang Shi, Mr. Jean-Guy Carrier and Dr. Cheng Kar-Shun, Henry; and three Independent Non-executive Directors, namely Mr. Cheng Yuk Wo, Mr. Tsui Yiu Wa, Alec and Mr. Tse Yung Hoi.*