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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 ACQUISITION OF
THE SALE SHARES OF THE TARGET COMPANY**

THE ACQUISITION

Reference is made to the announcement of the Company dated 23 May 2016 in relation to the MOU. The Board is pleased to announce that on 22 July 2016 (after trading hours), the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor have conditionally agreed to sell the Sale Shares of the Target Company, for a total cash Consideration of HK\$40,800,000 (subject to adjustments as detailed in the section of this announcement headed “Consideration and payment terms”).

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

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THE SALE AND PURCHASE AGREEMENT

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

Date: 22 July 2016

Parties: The Purchaser, the Vendor, Mr. Lam and Mr. Tam

Assets to be acquired

On and subject to the terms of the Sale and Purchase Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares.

The Sale Shares shall be sold free from Encumbrances and together with all rights and advantages attaching to them as at the date of the Sale and Purchase Agreement (including, without limitation, the right to receive all dividends or distributions declared, made or paid on or after the Sale and Purchase Agreement).

The Vendor shall procure that on or prior to Completion any and all rights of pre-emption over the Sale Shares are waived irrevocably by the persons entitled thereto.

Information on the Vendor, Mr. Lam and Mr. Tam

The Vendor

The Vendor is a company incorporated under the laws of the BVI with limited liability which is owned by Mr. Lam and Mr. Tam as to 71.74% and 28.26% respectively.

Mr. Lam

Mr. Lam is currently the managing director of the m-Finance Group who has over 20 years of experience in information technology and management in the fields of software development, internet technology and e-commerce. He used to hold senior positions in commercial firms, including Senior Consultant of World-wide Professional Services in Canada of Netscape Communications Corporation, Senior Consultant Manager of SINA.com, technical director of 36.com (previously a listed company on the Exchange), and senior information technology manager of the Hong Kong SAR Government.

Mr. Tam

Mr. Tam is currently the chief executive officer of the m-Finance Group who has around 20 years of experience in information technology and financial information sectors. He used to work as the marketing director and IT Director of UNiSOFT Limited, the business director of Finet Group Limited (a financial information technology company listed on the Exchange), the team leader on business development team in Hong Kong of Arkadin, and the major accounts director of VanceInfo Technologies Inc. (an information technology company listed on the New York Stock Exchange).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Information on the Target Company and the m-Finance Group

The Target Company is an investment holding company incorporated in the BVI with limited liability which is a wholly-owned subsidiary of the Vendor.

m-Finance is a company incorporated in Hong Kong with limited liability and is, together with its subsidiaries, principally engaged in the financial e-commerce business. Mr. Lam and Mr. Tam through the m-Finance Group operate the financial e-commerce business in Hong Kong which is a market leader in the greater China area providing real-time mission critical forex/bullion/commodities trading platform solutions and was awarded the title of “The Best Trading Platform Provider in Asia” in the 2016 China Forex Expo.

Headquartered in Hong Kong with operations across the PRC, m-Finance Group aims at capturing the opportunities in the fast-growing financial market of the greater China area. For years, m-Finance Group has been striving for excellence in providing trading platform solutions, mobile trading Apps, system integration and development services, financial value-added services and comprehensive financial information. Due to its proven technological capacities and well-established operation team in the field of information technology, the m-Finance Group has been chosen to provide services to well-known and sizable clients which include investment banks, listed companies, and the members of the Chinese Gold and Silver Exchange Society in Hong Kong and regional trading exchanges in the PRC.

Reorganisation

The existing business of the m-Finance Group shall be reorganised to be carried on by the Target Company through acquisition of the m-finance Group by the Target Company. The Vendor shall use their best effort to complete the Reorganisation not later than the Long Stop Date (or such later date as the Purchaser and Vendor may be agreed in writing).

The existing holding company of the m-Finance Group is a limited liability company incorporated in the BVI which is owned by Mr. Lam, Mr. Tam and other individuals. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Mr. Lam, Mr. Tam and other shareholders of the existing holding company of the m-Finance Group are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Consideration and payment terms

The total consideration for the Acquisition shall be HK\$40,800,000 in cash (subject to adjustments as detailed below).

The Consideration (subject to the adjustments) shall be paid by the Purchaser in the following manner:

- (a) HK\$4,000,000 as deposit upon signing of the MOU (the “**Deposit**”);
- (b) HK\$24,800,000 as the down payment upon completion of the Acquisition (the “**Down Payment**”);
- (c) HK\$4,000,000 upon satisfaction of the 1st profit guarantee subject to the adjustment as calculated in accordance with the formulae as stated below (the “**First Adjusted Consideration Payment**”);
- (d) HK\$4,000,000 upon satisfaction of the 2nd profit guarantee subject to the adjustment as calculated in accordance with the formulae as stated below (the “**Second Adjusted Consideration Payment**”); and
- (e) the remaining HK\$4,000,000 upon satisfaction of the 3rd profit guarantee subject to the adjustment on the total consideration as calculated in accordance with the formulae as stated below (the “**Final Adjusted Consideration Payment**”).

Mr. Lam and Mr. Tam undertake to refund, or procure the Vendor to refund, the Deposit to the Purchaser forthwith if the Completion does not materialise.

Profit guarantees

The 1st profit guarantee means the Vendor’s warranty that the audited consolidated net profit after tax generated from operating activities of the Target Company and its subsidiaries from time to time after the Reorganisation in its ordinary and usual course of business but excluding the results of the New Trading Platform, prepared in accordance with Hong Kong Financial Reporting Standards (the “**Audited Results**”) for the period from the date of Completion to 31 December 2017 (the “**2017 Profits**”) will not be less than HK\$10,000,000.

The 2nd profit guarantee means the Vendor’s warranty that the Audited Results for the year ending 31 December 2018 (the “**2018 Profits**”) will not be less than HK\$9,000,000.

The 3rd profit guarantee means the Vendor’s warranty that the Audited Results for the six-month ending 30 June 2019 (the “**2019 Profits**”) will not be less than HK\$5,000,000.

Consideration adjustments

The consideration adjustments shall be calculated in the following manner:

- (a) If the amount of the 2017 Profits is more than or equal to HK\$10,000,000, then the First Adjusted Consideration Payment will be HK\$4,000,000 (i.e. no adjustment). If the amount of the 2017 Profits is less than HK\$10,000,000, then the First Adjusted Consideration Payment will be as follows:

$$A = \text{HK\$4,000,000} - (\text{HK\$10,000,000} - B) \times 12/18 \times 6$$

Where:

A = the First Adjusted Consideration Payment. In case A is a negative, then A is set as zero

B = 2017 Profits (in HK\$). In case B is a negative (i.e. loss), then B is set as zero

- (b) If the amount of the 2018 Profits is more than or equal to HK\$9,000,000, then the Second Adjusted Consideration Payment will be HK\$4,000,000 (i.e. no adjustment). If the amount of the 2018 Profits is less than HK\$9,000,000, then the Second Adjusted Consideration Payment will be as follows:

$$A = \text{HK\$4,000,000} - (\text{HK\$9,000,000} - B) \times 6$$

Where:

A = the Second Adjusted Consideration Payment. In case A is a negative, then A is set as zero

B = 2018 Profits (in HK\$). In case B is a negative (i.e. loss), then B is set as zero

- (c) If the accumulated Audited Results of the 2017 Profits, 2018 Profits and 2019 Profits is less than HK\$24,000,000, then the adjusted total consideration (the “**Adjusted Total Consideration**”) will be as follows:

$$F = \frac{\text{HK\$40,800,000} \times (\text{2017 Profits} + \text{2018 Profits} + \text{2019 Profits})}{\text{HK\$24,000,000}}$$

Where:

F = the Adjusted Total Consideration (in HK\$), which in any event shall be set as zero if it is a negative, and shall be capped at HK\$40,800,000

If the Adjusted Total Consideration exceeds the aggregated amount of the Deposits paid, the Down Payment, the First Adjusted Consideration Payment and the Second Adjusted Consideration Payment, such excess will be paid by the Purchaser to the Vendor as the Final Adjusted Consideration Payment.

If the Adjusted Total Consideration is less than the aggregated amount of the Deposits paid, the Down Payment, the First Adjusted Consideration Payment and the Second Adjusted Consideration Payment, such shortfall will be paid by the Vendor to the Company. The Vendor, Mr. Lam and Mr. Tam will be jointly and severally responsible to pay the shortfall to the Purchaser;

The net Consideration (after having the above adjustments) shall be in no event less than HK\$28,800,000.

The Consideration has been determined after arm's length negotiations between the Purchaser and the Vendor after taking into account, among others, (i) the profit guarantee to be given by the Vendor; (ii) the valuation of the m-Finance Group as at 30 May 2016 and the fair value of 85% interest in the m-Finance Group is approximately HK\$45.8 million as at 31 March 2016 according to a valuation report applying market approach, issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professional valuer; (iii) the competitive strengths of the m-Finance Group in particular the proven technological capacities and operation team in the field of information technology which creates synergy to the Group's online e-commerce platform of arts and collections related business.

The Consideration will be funded by the net proceeds from open offer completed by the Company on 9 December 2015.

Conditions Precedent to the Acquisition

The conditions precedent to Completion are:

1. the Reorganisation having been completed;
2. the Purchaser is reasonably satisfied with due diligence in respect of the completion of the Reorganisation, the Target Group's corporate status, financials, business, IT infrastructure and operations;
3. the Shareholders (who are eligible to vote under the Listing Rules) having passed resolutions (if required) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder;

4. all authorisations and consents necessary for the implementation of the transactions contemplated by the Sale and Purchase Agreement having been obtained or complied with and remain valid or subsisting;
5. the Purchaser having received a PRC legal opinion which is reasonably satisfactory to the Purchaser in all material respects, to confirm that all PRC licences and authorisations reasonably required for the business of the m-Finance Group have been obtained by the subsidiary of m-Finance and are subsisting;
6. the Purchaser having received a BVI legal opinion which is reasonably satisfactory to the Purchaser in all respects, to cover the issues (to be agreed by the Vendor and the Purchaser in writing) in respect of the Reorganisation;
7. a board resolution of the Vendor and a debts and/or liabilities waiver letter issued by the Vendor to waive any debts or liabilities due from the Target Company together with its subsidiaries after the Reorganisation; and
8. no third parties having sought at any courts or government authority in any jurisdiction any litigation or proceedings, 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 as illegal or which seek substantial compensation or damages for losses arising from such transactions.

The conditions 1, 2, 5, 6 and 7 above may be waived by the Purchaser under the Sale and Purchase Agreement. The conditions 3, 4 and 8 above are not capable of being waived by any parties. The Purchaser shall use its reasonable endeavours to procure the fulfillment of the conditions 3, 4 and 8 above. The Vendor shall use its reasonable endeavours to procure the fulfillment of the conditions 1, 2, 4, 5, 6, 7 and 8 above.

If the conditions above are not fulfilled or waived by the Long Stop Date (or such other date as the purchaser and Vendor may agree in writing), the Sale and Purchase Agreement will lapse and each of the Vendor and the Purchaser will have no claims against the other except for any antecedent breach.

Completion

Completion of the Acquisition will proceed within 7 business days after fulfilment or waiver of the above conditions precedent.

Indemnity

Pursuant to the Sale and Purchase Agreement, the Vendor undertakes to indemnify and keep indemnified the Purchaser from and against all actions, claims, demands, proceedings, losses, damages, payments, costs or expenses (including legal and other professional expenses) or other liabilities incurred by the Purchaser in relation to, in connection with or arising out of any breach or non-compliance by the Vendor of its obligations under the Sale and Purchase Agreement or any representation or warranty made by it which is untrue, inaccurate or misleading in the Sale and Purchase Agreement. The Vendor shall not be liable under this clause to the extent that any losses, damages, payments, costs or expenses or other liabilities shall have been finally determined by a court of competent jurisdiction to have directly resulted from the Purchaser's fraud, wilful default or gross negligence.

FINANCIAL INFORMATION OF THE TARGET COMPANY AND THE M-FINANCE GROUP

Set out below are certain consolidated financial information of the Target Company and the m-Finance Group:

The Target Company

**For the period from
1 January 2016 to
30 June 2016**
Unaudited
HK\$

Revenue	–
Profits before taxation	–
Net Profits for the period	–

As at 30 June 2016
Unaudited
HK\$

Total assets	7,800
Net assets	7,800

The m-Finance Group

	For the financial year ended 31 December 2015	For the financial year ended 31 December 2014
	<i>Audited</i> <i>HK\$'000</i>	<i>Audited</i> <i>HK\$'000</i>
Revenue	28,585	32,243
Profit before taxation	4,231	8,986
Profit for the year	3,661	7,249
	As at 31 December 2015	As at 31 December 2014
	<i>Audited</i> <i>HK\$'000</i>	<i>Audited</i> <i>HK\$'000</i>
Total assets	23,047	19,525
Net assets	8,888	11,336

The Target Company after the Reorganisation will become an indirect subsidiary of the Company upon Completion, and its assets and liabilities and its profits and losses will be consolidated into the consolidated financial statements of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) arts and collections related business; (ii) sale of vessels; (iii) marine engineering; and (iv) 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 diversify its business with the objective of broadening 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 market place for arts and collections. The Group will focus on online and offline trade of cultural goods and cross-border e-commerce as the main business direction in future development of art and cultural related business.

The Group is optimistic about the development of e-commerce platforms and the financial e-commerce business of the m-Finance Group which consummate the development and implementation of the Group's online arts and collections e-commerce platform. Having considered, among other things:

- (i) the stable cash inflow of the m-Finance Group in the previous financial years generated from its existing client base including without limitation investment banks, listed companies, and the members of the Chinese Gold and Silver Exchange Society in Hong Kong and regional trading exchanges in the PRC;
- (ii) the Sale and Purchase Agreement has in place the profit guarantee covering 2017 Profits, 2018 Profits and 2019 Profits and a corresponding adjustment mechanism on the Consideration to safeguard the interest of the Company;
- (iii) upon Completion, the Vendor, being the core management personnel of m-Finance Group, will retain 15% shareholding of the Target Company which will enforce the consistency of the m-Finance Group's performance and operation and align the interests between the Shareholders of the Company and the Vendor;
- (iv) the synergy between the seasoned management team, well-established operation personnel and proven technological capacities of m-Finance Group, and the development of the Group's online e-commerce platform for arts and collections related business; and
- (v) the well-known brand of "m-Finance" in the fields of information technology and e-commerce platform will enhance the credibility and presence of the infrastructure and operation platform of the Group's online market place amongst its users or prospective customers and business partners.

the Directors (including the independent non-executive Directors) consider the Acquisition presents a valuable investment opportunity to enhance corporate development and broaden the income base of the Group which also facilitate the development of the Group's arts and collections related business.

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

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Acquisition”	the Acquisition by the Purchaser of the Sale Shares
“Board”	board of the Directors
“Business Day”	a day which is not a Saturday, a Sunday or a public holiday in Hong Kong
“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”	completion of the Acquisition will proceed within 7 Business Days after fulfilment or waiver of the conditions precedent
“Completion Date”	the date on which Completion takes place
“Consideration”	the consideration payable by the Purchaser to the Vendor for the Sale Shares, being HK\$40,800,000 (subject to adjustments as detailed in the section headed “Consideration and payment terms”)
“Directors”	directors of the Company
“Encumbrance”	any claim, charge, mortgage, lien, option, equity, power of sale, hypothecation, usufruct, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 August 2016
“m-Finance”	m-Finance limited, a limited liability company incorporated in Hong Kong which is principally engaged in the financial e-commerce business
“m-Finance Group”	m-Finance and its subsidiaries
“Mr. Lam”	Mr. Lam Tai Wai Stephen
“Mr. Tam”	Mr. Tam Chi Weng
“MOU”	the memorandum of understanding dated 23 May 2016 entered into between the Purchaser, Mr. Lam and Mr. Tam in relation to the Acquisition
“New Trading Platform”	a new generation of e-commerce trading platform/ business model to be developed by the Group after completion of the Acquisition, the development and implementation of which will leverage from the technical edges and operation personnel of the m-Finance Group.
“Purchaser”	DTXS Economic Services Limited, a company incorporated under the laws of the BVI with limited liability which is a wholly-owned subsidiary of the Company
“PRC”	means the People’s Republic of China, and for the purpose of this announcement shall not include Hong Kong, Taiwan and the Special Administrative Region of Macau
“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 22 July 2016 entered into between the Purchaser, the Vendor, Mr. Lam and Mr. Tam in relation to the sale and purchase of the Sale Shares
“Sale Shares”	85% of the equity interests of the Target Company

“Share(s)”	share(s) of HK\$0.50 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Digital Mind Holdings Limited, a limited liability company incorporated in the BVI which is a wholly-owned subsidiary of the Vendor
“Vendor”	Metallic Icon Limited, a company incorporated under the laws of the BVI with limited liability which is owned by Mr. Lam and Mr. Tam as to 71.74% and 28.26% respectively

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

Hong Kong, 22 July 2016

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Lu Jianzhong (Chairman), Mr. Wong Kwok Tung Gordon Allan (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, Mrs. Law Fan Chiu Fun, Fanny and Mr. Tsui Yiu Wa, Alec.