

*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.*



大唐西市  
DA TANG XI SHI

**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)**

**FRAMEWORK AGREEMENT IN RESPECT TO PROPOSED ACQUISITION  
AND CONNECTED TRANSACTION**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Further to the announcement of the Company dated 27 January 2016 in relation to the MOU, the Board would like to announce that on 12 May 2016 (after trading hours), the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Framework Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 100% of the equity interest of the Target Company at the Consideration of no more than RMB145 million (equivalent to approximately HK\$173 million) which will be settled by the allotment and issuance of the Subscription Shares at HK\$3.20 each.

The Framework Agreement is non-legally binding (save for clauses on exclusivity, confidentiality, severability, dispute resolution, complete understanding and amendments, counterparts and binding effect). If the Proposed Acquisition proceeds, the Formal Agreement will be entered into between the Purchaser and the Vendor in respect of the Proposed Acquisition.

This is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

Further to the announcement of the Company dated 27 January 2016 in relation to the MOU, the Board would like to announce that on 12 May 2016 (after trading hours), the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Framework Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to acquire, 100% of the equity interest of the Target Company at the Consideration of no more than RMB145 million (equivalent to approximately HK\$173 million) which will be settled by the allotment and issuance of the Subscription Shares at HK\$3.20 each.

The Framework Agreement replaces the MOU entered into on 27 January 2016 and referred to in the Company's announcement dated 27 January 2016.

## **MAJOR TERMS OF THE FRAMEWORK AGREEMENT**

Date: 12 January 2016

### **Parties:**

- (i) The Purchaser;
- (ii) the Vendor, DTXS Property, DTXS International and DTXSIG

The Vendor is an investment holding company principally engaged in investment, management and organisation of cultural projects and related services such as organizing cultural and artistic exchange activities and planning and hosting of meetings, incentives, conferences and exhibitions events, of which as to approximately 50.60% was owned by Mr. Lu Jianzhong, being the Chairman and an Executive Director of the Company, as to approximately 13.80% was owned by Mr. Liang Lei\* (梁雷), as to approximately 13.80% was owned by Mr. Yang Xingwen\* (楊興文), being an Executive Director, as to approximately 13.80% was owned by Mr. Yu Baoan\* (于寶安) and as to approximately 8.00% was owned by 寧波歐盈宏創投資合夥企業 (Ningbo Ouying Hongchuan Investment Partnership\*) respectively.

DTXS Property is a company incorporated under the laws of the PRC with limited liability, which is a subsidiary of the Vendor.

DTXS International is a company incorporated under the laws of the BVI with limited liability, which is indirectly wholly owned by the Vendor. As at the Last Trading Day, DTXS International, held 325,680,424 Shares, representing approximately 68.62% of the entire issue share capital of the Company.

DTXSIG is a company incorporated under the laws of Hong Kong with limited liability, which is wholly owned by the Vendor.

The Vendor, DTXS Property, DTXS International and DTXSIG are therefore connected persons of the Company under the Listing Rules.

**Assets to be acquired**

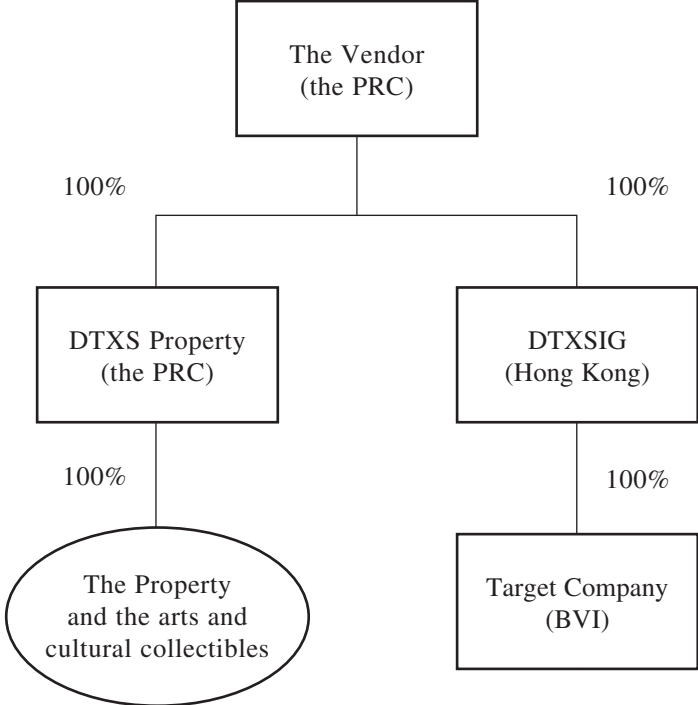
Pursuant to the Framework Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell 100% of the equity interest of the Target Company. Pursuant to the Framework Agreement, the Reorganisation will be effected and upon completion of the Reorganisation, the Target Group will own the Property and the arts and cultural collectibles.

Pursuant to the Framework Agreement and in replacing the proposed target property as mentioned in the announcement dated 27 January 2016 in relation to the MOU, 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 1,690.70 square meters, the 5th floor function room section with the gross floor area of 799.03 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 shop area, exhibition center and function room. The arts and cultural collectibles as the interior fixture and decoration of the Property comprises of paintings and ceramics.

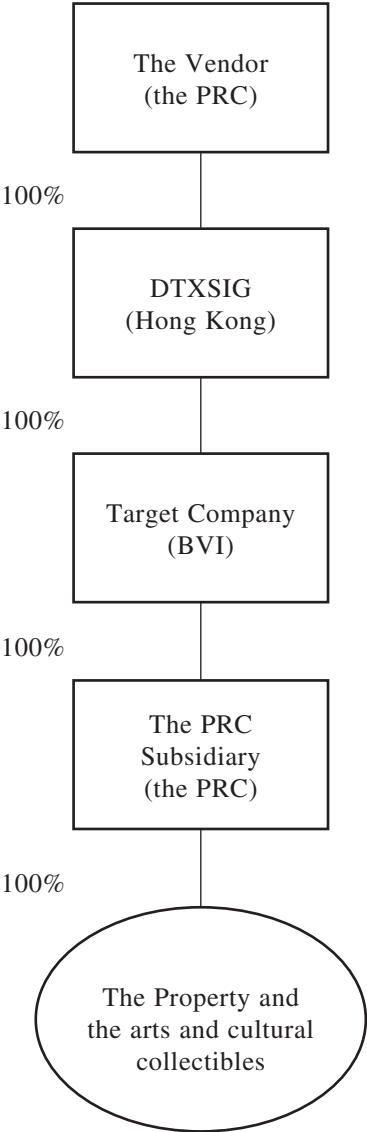
**Reorganisation**

Pursuant to the Framework Agreement, being one of the conditions precedent, the Property and the arts and cultural collectibles will be transferred from DTXS Property to the Target Group through reorganisation.

The corporate structure of the Target Group and its affiliates as of the date of the Framework Agreement is shown as in the simplified chart below:



The corporate structure of the Target Group and its affiliates immediately after the Reorganisation is expected to be as set out in the simplified chart below:



**Consideration**

The consideration, which will be no more than RMB145 million (equivalent to approximately HK\$173 million), subject to the valuation reports, will be paid by the Purchaser through consideration shares to be issued by the Company.

The Consideration was determined by arm’s length negotiations between the Purchaser and the Vendor based on normal commercial terms with reference to the preliminary valuation of the Property and the arts and cultural collectibles by the independent valuers. It shall be subject to further verification by the valuation reports of the Property and the arts and cultural collectibles prepared and issued by the independent valuers to be agreed between the Purchaser and the Vendor.

## **Subscription**

Along with the Proposed Acquisition, the Vendor will procure DTXS International to subscribe for new shares of the Company at the issue price of HK\$3.20 per share.

The total subscription price for the Subscription Shares shall be equal to the amount of the Consideration as set out above.

The subscription price of the Subscription Share was arrived at after arm's length negotiations between the Company and the Vendor with reference to the prevailing market price of the Shares. The Directors consider that the subscription price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **Conditions precedent**

The conditions precedent common to the consummation of the Proposed Acquisition and the Subscription are:

1. the independent Shareholders of the Company (who are eligible to vote under the Listing Rules) having passed the resolutions to approve (a) the allotment and issue of the Subscription Shares; (b) the Formal 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 Subscription Shares and such approval not having been withdrawn prior to the completions of the Proposed Acquisition and Subscription contemplated under the Formal Agreement;
3. the completion of the Reorganisation and, in particular, the establishment of the Target Company holding, through its wholly owned subsidiaries, the Properties and the arts and cultural collectibles entirely or substantially to the satisfaction of Purchaser;
4. the warranties to be given by the Vendor, DTXS International, DTXSIG and DTXS Property under the Formal Agreement remaining true and accurate and not misleading at completions of the Proposed Acquisition and the Subscription, and from the date of the Formal Agreement to the date of completions of the Proposed Acquisition and the Subscription;
5. the Vendor, DTXS International, DTXSIG and DTXS Property having in material aspects fully complied with the obligations and otherwise having performed in material aspects all of the covenants and agreements under the Formal Agreement;
6. the Purchaser having received a PRC legal opinion which is reasonably satisfactory to the Purchaser in all respects, to confirm that (a) DTXS Property is duly incorporated and validly existing under PRC laws and has the authority to enter into the transactions contemplated by the Reorganisation and any related agreements or arrangements, without giving rise to any significant tax or other liabilities of the Target Group, (b) the subject PRC subsidiary in the Target Group is duly incorporated and validly existing under the PRC laws;

7. the Vendor having received a PRC legal opinion, which is reasonably satisfactory to the Vendor in all aspects, to confirm that the Property and the arts and cultural collectibles are validly held by the Target Company;
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 Formal 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;
9. all necessary consents and approvals in relation to transactions contemplated under the Formal Agreement having been obtained by DTXS International, DTXS Property, DTXSIG and the Vendor, and DTXS International, DTXS Property, DTXSIG 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 Formal Agreement; and
10. other conditions precedent to be agreed by the Purchaser and the Vendor and included in the Formal Agreement (if any).

The completion of the Subscription shall take place upon the completion of the Proposed Acquisition.

The conditions 3 to 8 above may be waived by the Purchaser only under the Formal Agreement. The conditions 1, 2 and 9 above are not capable of being waived by any parties to the Formal Agreement. The Vendor shall use its reasonable endeavors to procure the fulfillment of the conditions 3 to 8 above.

If the conditions above are not fulfilled or waived by 12 September 2016 (or such other date as the Purchaser and the Vendor may agree), the Formal Agreement will lapse and each of the Purchaser and the Vendor will have no claims against the other except for any antecedent breach.

### **Completions**

Completion of the Proposed Acquisition will proceed within 7 business days (or such other date as the Purchaser and the Vendor may agree) after fulfillment or waiver of the above conditions precedent.

Completion of the Subscription will proceed within 7 business days (or such other date as the Purchaser and the Vendor may agree) after fulfillment or waiver of the above conditions precedent.

### **Exclusivity**

The Vendor will not, for a period of 120 days from the date hereof (or such later date to be agreed by the Purchaser and the Vendor), negotiate or procure its directors, officers, employees, representatives and agents to negotiate, directly or indirectly, with any party (other than the Purchaser) in respect of the sale of the Target Company or substantially its proposed assets as aforesaid or a similar transaction.

## **Binding effect**

Except for the clauses on exclusivity, confidentiality, severability, dispute resolution, complete understanding and amendments, counterparts and binding effect which shall be binding upon both the Purchaser and the Vendor, other clauses set out in the Framework Agreement are subject to the negotiation and execution of the Formal Agreement and shall not be binding upon both the Purchaser and the Vendor

## **REASONS FOR AND BENEFITS OF THE PROPOSED 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 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 market place 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. 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 art's and collections headquarter for providing an integrated functions of storage, exhibition, auction, promotion and trading of art's and collections. 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. Further to the due diligence review and in view of the extra time required to complete the renovation and furnishing works for the previously proposed target property as mentioned in the announcement dated 27 January 2016, the Directors 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. 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. The 1st floor shop section of the Property will function as an offline retailing and shopper experience 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 art and collections, together with the arts and cultural collectibles included as part of the interior fixtures and decorations of the Property, it will enhance the creditability and cultural appearance of the Property.

The Directors (excluding the Independent Non-executive Directors whose opinion will be subject to the advice of the independent financial advisor) 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 segment of the Group and provide an opportunity to enrich its source of income.

In view of the above, the Directors (excluding the Independent Non-executive Directors whose opinion will be subject to the advice of the independent financial advisor) consider that the entering into of the Framework 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.

## **GENERAL**

**The Board wishes to emphasise that the Proposed Acquisition may or may not proceed and that the Purchaser and the Vendor have not entered into any binding agreement in relation to the Proposed Acquisition as at the date of this announcement. If the Proposed Acquisition materialises, it will constitute a notifiable and connected transaction for the Company under the Listing Rules.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. The Company will make further announcement in respect of the Proposed Acquisition as and when appropriate in accordance with the Listing Rules.**

## **DEFINITIONS**

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“ACBD”	Art Central Business District
“Board”	the board of Directors
“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)
“connected person(s)”	has the meaning ascribed to it under the List Rules
“Consideration”	the consideration payable by the Purchaser to the Vendor for 100% of the equity interest of the Target Company, being no more than RMB145 million (equivalent to approximately HK\$173 million)



“DTXS International”	Da Tang Xi Shi International Holdings Limited, a company incorporated in the BVI with limited liability, which is indirectly wholly owned by the Vendor. As at the Last Trading Day, DTXS International, held 325,680,424 Shares, representing approximately 68.62% of the entire issue share capital of the Company
“DTXSIG”	Da Tang Xi Shi International Group Limited, a company incorporated under the laws of Hong Kong with limited liability, which is wholly owned by the Vendor
“DTXS Property”	西安大唐西市置业有限公司 (Xi An Da Tang Xi Shi Property Limited*), a company incorporated under the laws of the PRC with limited liability which is a subsidiary of the Vendor
“Director(s)”	director(s) of the Company
“Formal Agreement”	a formal agreement to be entered into amongst the Purchaser and the Vendor in respect of the Proposed Acquisition and incorporating the terms of the Framework Agreement
“Framework Agreement”	the Framework Agreement dated 12 May 2016 entered into between the Purchaser and the Vendor in relation to the Proposed Acquisition
“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 People’s Republic of China
“Last Trading Day”	12 May 2016, 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

“MOU”	the memorandum of understanding dated 27 January 2016 entered into between DTXS Art & Cultural CBD (HK) Company Limited and the Vendor 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
“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
“Property”	the property interests of the target properties to be acquired by the Target Group pursuant to the Reorganisation, details of which are set out in the paragraph headed “Assets to be acquired” of this announcement
“Proposed Acquisition”	the proposed acquisition in relation to 100% of the equity interest of the Target Company pursuant to the terms and conditions of the Framework 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
“Reorganisation”	reorganisation to be conducted prior to Completion, details of which is set out in the paragraph headed “Reorganisation” of this announcement
“RMB”	Reminbi, the lawful currency of the PRC
“Share(s)”	share(s) of HK\$0.50 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares(s)
“Subscription”	subscription of the Shares by DTXS International at the subscription price of HK\$3.20 pursuant to the Framework Agreement

“Subscription Shares”	new Shares to be subscribed for by DTXS International pursuant to the Framework Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Pathwick Limited, a company incorporated under the laws of the BVI with limited liability, which is indirectly wholly owned by the Vendor
“Target Group”	the Target Company and its subsidiaries
“Vendor”	大唐西市文化產業投資集團有限公司 (Da Tang Xi Shi Investments Group Limited*) is an investment holding company principally engaged in investment, management and organization of cultural projects and related services such as organizing cultural and artistic exchange activities and planning and hosting of meetings, incentives, conferences and exhibitions events, which as to approximately 50.60% was owned by Mr. Lu Jianzhong, as to approximately 13.80% was owned by Mr. Liang Lei* (梁雷), as to approximately 13.80% was owned by Mr. Yang Xingwen* (楊興文), as to approximately 13.80% was owned by Mr. Yu Baoan* (于寶安) and as to approximately 8.00% was owned by 寧波歐盈宏創投資合夥企業 (Ningbo Ouying Hongchuang Investment Partnership*) respectively
“%”	Per cent.

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

Hong Kong, 12 May 2016

*For the purposes of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of HK\$1 = RMB0.83708 (being the RMB central parity rate by the People's Bank of China as at 12 May 2016). 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 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.*

*\* For identification purpose only*