

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.



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)

**ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

The board of directors (the “**Board**”) of DTXS Silk Road Investment Holdings Company Limited (the “**Company**”) announces the annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024, together with the comparative figures as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

Year ended 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Audited)
REVENUE			
Revenue from contracts with customers		8,459	8,545
Interest income from advances to consignors		32,752	33,452
Gross rental income		1,221	2,496
		<hr/>	<hr/>
	5	42,432	44,493
Other income	6	14,008	19,165
Costs of inventories sold		(1,662)	(1,910)
Staff costs	7(a)	(19,921)	(23,300)
Depreciation and amortisation expenses	7(b)	(3,745)	(9,191)
Other operating expenses		(36,155)	(14,008)
Other losses	8	(4,186)	(186,638)
Provision of impairment of trade and other receivables, net		(13,892)	(7,509)
Provision of impairment of loan receivables		–	(6,500)
Impairment loss on inventories		(660)	–
Impairment loss on goodwill		–	(102,572)
Impairment loss on property, plant and equipment		(5,210)	(19,455)
Impairment loss on intangible assets		–	(56,844)
Write off of advances to consignors and related interest receivables from art financing business		(474)	(6,948)
Finance costs	9	(49)	(219)
		<hr/>	<hr/>
LOSS BEFORE TAX	7	(29,514)	(371,436)
Income tax (expenses) credit	10	(3,573)	12,983
		<hr/>	<hr/>
LOSS FOR THE YEAR		(33,087)	(358,453)
		<hr/>	<hr/>
OTHER COMPREHENSIVE EXPENSES			
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		(12,988)	(19,912)
		<hr/>	<hr/>
OTHER COMPREHENSIVE EXPENSES FOR THE YEAR, NET OF TAX		(12,988)	(19,912)
		<hr/>	<hr/>
TOTAL COMPREHENSIVE EXPENSES FOR THE YEAR		(46,075)	(378,365)
		<hr/> <hr/>	<hr/> <hr/>

	<i>Note</i>	2024 HK\$'000 (Unaudited)	2023 <i>HK\$'000</i> <i>(Audited)</i>
Loss for the year attributable to:			
Equity holders of the Company		(23,731)	(302,064)
Non-controlling interests		<u>(9,356)</u>	<u>(56,389)</u>
		<u>(33,087)</u>	<u>(358,453)</u>
Total comprehensive expenses for the year attributable to:			
Equity holders of the Company		(33,979)	(318,125)
Non-controlling interests		<u>(12,096)</u>	<u>(60,240)</u>
		<u>(46,075)</u>	<u>(378,365)</u>
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	<i>12</i>	<u>HK(3.56) cents</u>	<u>HK(45.25) cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Notes</i>	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		47,203	56,129
Investment properties		29,770	35,168
Intangible assets		–	–
Goodwill		–	–
Financial assets at fair value through profit or loss		6,698	6,924
Deferred tax assets		42,309	42,387
Properties under development		9,981	10,221
		135,961	150,829
CURRENT ASSETS			
Properties under development		1,535,789	1,329,790
Completed properties held for sale		1,084,783	1,117,641
Inventories		27,245	33,502
Trade and other receivables	<i>13</i>	709,072	809,701
Loans receivables		–	–
Restricted bank deposits		3,899	2,554
Cash and cash equivalents		16,175	23,079
		3,376,963	3,316,267
Non-current assets classified as held for sale		–	11,936
		3,376,963	3,328,203
CURRENT LIABILITIES			
Trade and other payables	<i>14</i>	690,751	853,596
Interest-bearing borrowings		223,591	1,328,559
Tax liabilities		305,947	311,205
		1,220,289	2,493,360
NET CURRENT ASSETS		2,156,674	834,843
TOTAL ASSETS LESS CURRENT LIABILITIES		2,292,635	985,672

	<i>Note</i>	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing borrowings		1,168,478	10,990
Other payables	<i>14</i>	195,936	–
		1,364,414	10,990
NET ASSETS			
		928,221	974,682
CAPITAL AND RESERVES			
Share capital		333,763	333,763
Reserves		519,675	553,654
Equity attributable to equity holders of the			
Company		853,438	887,417
Non-controlling interests		74,783	87,265
TOTAL EQUITY			
		928,221	974,682

NOTES

1. GENERAL

DTXS Silk Road Investment Holdings Company Limited (the “**Company**”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at Crawford House, 4th Floor, 50 Cedar Avenue, Hamilton HM11, Bermuda and its principal place of business is located at Room 2507, 25/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “**Group**”) were involved in the following principal activities:

- provision of auction and related services
- sale of wines
- trading of merchandises
- properties investment and development

In the opinion of the directors of the Company, the immediate holding company of the Company is Da Tang Xi Shi International Holdings Limited, which is established in the British Virgin Islands (the “**BVI**”), the ultimate holding company of the Company is 大唐西市文化產業投資集團有限公司 (Da Tang Xi Shi Investments Group Limited*, “**DTXS Investments**”), which is established in the People’s Republic of China (the “**PRC**”), and the ultimate controlling parties of the Company are Mr. Lu Jianzhong and Ms. Zhu Ronghua (the “**Ultimate Controlling Parties**”).

* For identification purpose only

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

These consolidated financial statements have been prepared under the historical cost convention, except for investment properties and unlisted equity investment, which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand, unless otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of new/revised HKFRS Accounting Standards that are relevant to the Group and effective from the current period as set out in Note 3.

Going concern

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that (1) the Group incurred a net loss of approximately HK\$33,087,000 for the year ended 31 December 2024 and (2) at 31 December 2024, the Group had total interest-bearing borrowings of approximately HK\$1,392,069,000 of which the current interest-bearing borrowings amounted to approximately HK\$223,591,000, and current portion of other payable of approximately HK\$247,726,000 of which included a refund deposit of approximately HK\$222,332,000 and related settlement charge of approximately HK\$25,394,000, while cash and cash equivalents of only approximately HK\$16,175,000.

At and subsequent to 31 December 2024, the Group is subject to a number of legal actions related to delay or failure of settlements of trade and other payables.

The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern in next twelve months from the approval of these consolidated financial statements and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken or will be taken by the directors of the Company to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

- i) the Group has been actively negotiating with the banks for renewal and further extension of interest-bearing borrowings and related interest, the Group has already successfully extended the interest-bearing borrowings of approximately HK\$595,370,000 for two years and six months from April 2024 to October 2026 in April 2024 and HK\$636,750,000 for three years from December 2024 to December 2027 in December 2024, respectively;
- ii) the Group has been actively negotiating with various financial institutions and potential lenders or investors to identify various options for financing the Group's working capital and commitments in the foreseeable future;
- iii) the Group has accelerated or will accelerate the pre-sale and sales of the properties under development and completed properties held for sale;
- iv) the Group has been actively negotiating with the consignors regarding the settlement of advance to consignors and related interest receivables; and
- v) the ultimate controlling party, Mr. Lu Jianzhong, has committed to provide continuous financial support to the Group as is necessary to enable the Group to meet its day-to-day operations and its financial obligations as they fall due.

The directors of the Company have also reviewed the Group's cash flow forecast prepared by the management which covers a period of 18 months from 31 December 2024. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors of the Company believe it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2024 on a going concern basis.

3. CHANGES IN ACCOUNTING POLICIES

Adoption of new/revised HKFRS Accounting Standards

The Group has applied, for the first time, the following new/revised HKFRS Accounting Standards that are relevant to the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

Amendments to HKAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 1: Non-current Liabilities with Covenants

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HK Interpretation 5: Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

This Interpretation is revised as a consequence of the above Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Future changes in HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRS Accounting Standards that are not yet effective for the current period, which the Group has not early adopted.

Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Annual Improvements to HKFRS Accounting Standards	Volume 11 ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ The effective date to be determined

The directors of the Company do not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future periods will have any material impact on the results and the financial position of the Group.

4. OPERATING SEGMENT INFORMATION

The Group manages its businesses by division. Segment information is disclosed in a manner consistent with the way in which information is reported internally to the Group's Chief Operating Decision Maker ("CODM"), being the executive directors of the Company, for the purposes of performance assessment and resources allocation.

Based on risks and returns and the Group's internal financial reporting, the CODM consider that the operating segments of the Group comprise:

- Arts and Cultural Division – mainly represents auction business and sale of antiques, art financing business and Art Central Business District business
- Winery and Trading Division – mainly represents sale of wines, trading of merchandises (including electronic devices, cosmetics and other consumer products) and related business
- Property Development Division – mainly represents properties investment and development business

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

(a) Segment results

During the years ended 31 December 2024 and 2023, for performance assessment and resource allocation, the CODM focused on segment revenue and results attributable to each segment, which is measured by reference to respective segment results before tax. No analysis of the Group's assets and liabilities is regularly provided to the CODM for review.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4 to the consolidated financial statements. Segment results represent the profit/loss of each segment without allocation of central administration costs, directors' remuneration, and certain finance costs.

	Arts and Cultural Division		Winery and Trading Division		Property Development Division		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000 (Unaudited)	HK\$'000 (Audited)	HK\$'000 (Unaudited)	HK\$'000 (Audited)	HK\$'000 (Unaudited)	HK\$'000 (Audited)	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Segment revenue								
Revenue from external customers								
– Revenue from contracts with customers under HKFRS 15	-	-	2,118	1,970	6,341	6,575	8,459	8,545
– Interest income from advances to consignors	32,752	33,452	-	-	-	-	32,752	33,452
– Gross rental income from investment properties:								
Operating leases – with fixed lease payments	1,221	2,496	-	-	-	-	1,221	2,496
Revenue	<u>33,973</u>	<u>35,948</u>	<u>2,118</u>	<u>1,970</u>	<u>6,341</u>	<u>6,575</u>	<u>42,432</u>	<u>44,493</u>
Segment results*	<u>6,226</u>	<u>(164,282)</u>	<u>4,106</u>	<u>(5,217)</u>	<u>(30,699)</u>	<u>(184,467)</u>	<u>(20,367)</u>	<u>(353,966)</u>
Reconciliation:								
Unallocated other gains and losses							2,716	(4,005)
Unallocated corporate and other expenses							(11,863)	(13,465)
Profit (Loss) before tax for the year							<u>(29,514)</u>	<u>(371,436)</u>
Other segment information:								
Depreciation and amortisation	2,396	7,041	-	447	6	18	2,402	7,506
Unallocated							1,343	1,685
							<u>3,745</u>	<u>9,191</u>
Capital expenditure#	-	-	-	-	36	5	36	5
Provision of impairment of trade and other receivables, net	9,616	103	-	2,578	4,276	4,828	13,892	7,509
Impairment loss on property, plant and equipment	5,210	14,290	-	5,165	-	-	5,210	19,455
Impairment loss on goodwill	-	102,572	-	-	-	-	-	102,572
Impairment loss on intangible assets	-	56,844	-	-	-	-	-	56,844
Impairment loss on inventories	660	-	-	-	-	-	660	-
Write off of advances to consignors and related interest receivables	474	6,948	-	-	-	-	474	6,948
Write down of properties under development and completed properties held for sale	-	-	-	-	-	178,564	-	178,564
Gain on disposal of subsidiaries	-	-	2,657	7,261	-	-	2,657	7,261
Gross rental income from completed properties held for sale	-	-	-	-	11,305	10,868	11,305	10,868
Settlement charge	-	-	-	-	25,855	-	25,855	-
Fair value loss on investment properties	4,330	6,639	-	-	-	-	4,330	6,639

* Segment results are before tax

Capital expenditure consists of additions to property, plant and equipment

(b) Geographical information

The Group's operations are located in Hong Kong, Mainland China and France. The following table sets out information about the geographical locations of (i) the Group's revenue from external customers for the years ended 31 December 2024 and 2023; and (ii) the Group's property, plant and equipment, investment properties, and properties under development ("Specified Non-Current Assets") at 31 December 2024 and 2023. The geographical location of customers is based on the location at which services were provided and goods were delivered and title has been passed. The geographical location of property, plant and equipment, investment properties and properties under development is based on the physical location of the assets.

	Revenue from external customers		Specified Non-Current Assets	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Hong Kong	27,997	29,010	1,001	1,185
Mainland China	14,435	15,338	85,953	100,333
France	—	145	—	—
	<u>42,432</u>	<u>44,493</u>	<u>86,954</u>	<u>101,518</u>

(c) Information about major customers

During the years ended 31 December 2024 and 2023, none of the customers of the Group individually contributed to more than 10% of the total revenue of the Group.

5. REVENUE

	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Audited)
<i>Revenue from contracts with customers under HKFRS 15</i>		
Sale of merchandises and wines	2,118	1,970
Sale of properties	<u>6,341</u>	<u>6,575</u>
	<u>8,459</u>	<u>8,545</u>
<i>Revenue from other sources</i>		
Interest income from advances to consignors	32,752	33,452
Gross rental income from investment properties: Operating leases – with fixed lease payments	<u>1,221</u>	<u>2,496</u>
	<u>33,973</u>	<u>35,948</u>
Total revenue	<u><u>42,432</u></u>	<u><u>44,493</u></u>

6. OTHER INCOME

	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Audited)
Bank interest income	26	61
Gross rental income from completed properties held for sale	11,305	10,868
Gain on disposal of subsidiaries	2,657	7,261
Sundry income	<u>20</u>	<u>975</u>
	<u><u>14,008</u></u>	<u><u>19,165</u></u>

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Audited)
(a) Staff costs (including the directors' remuneration)		
Salaries, bonus, allowances and other benefits in kind	17,474	21,946
Contributions to defined contribution retirement plans	2,447	2,903
Share-based payment expenses	–	(1,549)
	<u>19,921</u>	<u>23,300</u>
(b) Depreciation and amortisation expenses		
Depreciation of owned assets	653	1,652
Less: Amount included in inventory overheads	–	(413)
	<u>653</u>	<u>1,239</u>
Depreciation of right-of-use assets	3,092	3,373
Amortisation of intangible assets	–	4,579
	<u>3,745</u>	<u>9,191</u>
(c) Other items (included in other operating expenses)		
Auditor's remuneration	1,880	1,880
Legal and professional fees	1,549	1,466
Secretarial and registration fees	799	924
Settlement charge	25,855	–
Lease payments not included in the measurement of lease liabilities	272	462
	<u>272</u>	<u>462</u>

8. OTHER LOSSES

	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Audited)
Write down of properties under development and completed properties held for sale	–	(178,564)
Foreign exchange differences, net	144	(1,431)
Loss on trading of listed equity securities	–	(4)
Fair value loss on investment properties	(4,330)	(6,639)
	<u>(4,186)</u>	<u>(186,638)</u>

9. FINANCE COSTS

	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Audited)
Interest on lease liabilities	49	137
Interest on bond payables	–	80
Interest on financing component of contract liabilities	(14,088)	14,400
Interest on other payables	13,788	–
Interest on interest-bearing borrowings	83,232	100,487
	<u>82,981</u>	<u>115,104</u>
Total borrowing costs	82,981	115,104
Less: Borrowing costs capitalised into properties under development	(82,932)	(114,885)
	<u>49</u>	<u>219</u>

10. INCOME TAX

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year ended 31 December 2024 except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

The Group's entities established in the PRC are subject to Enterprise Income Tax ("EIT") of the PRC at a statutory rate of 25% (2023: 25%) for the year ended 31 December 2024.

The PRC LAT was provided in accordance with the requirements set forth in the relevant PRC laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Current tax		
Hong Kong Profits Tax		
Current year	2,727	2,789
PRC EIT		
Current year	1,196	–
PRC LAT	977	1,581
	<u>4,900</u>	4,370
Deferred tax	<u>(1,327)</u>	<u>(17,353)</u>
Income tax expenses (credit)	<u>3,573</u>	<u>(12,983)</u>

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2024 and 2023, nor has any dividend been proposed since 31 December 2024 (2023: Nil).

12. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share is based on the loss for the year attributable to equity holders of the Company, and the weighted average number of ordinary shares of 667,525,230 in issue during the years ended 31 December 2024 and 2023.

For the year ended 31 December 2024 and 2023, the calculation of the diluted loss per share was based on the loss for the year attributable to equity holders of the Company. Diluted loss per share is the same as the basic loss per share as the potential new ordinary shares have an anti-dilutive effect on the basic loss per share for the years ended 31 December 2024 and 2023. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the years, as used in the basic loss per share calculation, and the weighted average number of ordinary shares is assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculation of the basic and diluted loss per share attributable to equity holders of the Company is based on:

	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Loss:		
Loss for the year attributable to equity holders of the Company, used in the basic and diluted loss per share calculation	(23,731)	(302,064)
	<u><u>(23,731)</u></u>	<u><u>(302,064)</u></u>
	Number of shares	
	2024	2023
	(Unaudited)	(Audited)
Shares:		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	667,525,230	667,525,230
	<u><u>667,525,230</u></u>	<u><u>667,525,230</u></u>
13. TRADE AND OTHER RECEIVABLES		
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade receivables		
– Receivables from customers	10,820	28,292
– Interest receivables	166,208	135,736
Loss allowances	(14,904)	(10,991)
	<u><u>(14,904)</u></u>	<u><u>(10,991)</u></u>
	(a) 162,124	153,037
	<u><u>162,124</u></u>	<u><u>153,037</u></u>
Other receivables	574,252	676,262
Loss allowances	(27,304)	(19,598)
	<u><u>(27,304)</u></u>	<u><u>(19,598)</u></u>
	(b) 546,948	656,664
	<u><u>546,948</u></u>	<u><u>656,664</u></u>
	709,072	809,701
	<u><u>709,072</u></u>	<u><u>809,701</u></u>

(a) Trade receivables

An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date and net of loss allowances, is as follows:

	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Audited)
Unbilled (<i>Note</i>)	7,127	43,229
0-30 days	21,158	1,616
31-90 days	252	949
91-180 days	6,445	18,561
181-360 days	34,634	4,317
Over 360 days	92,508	84,365
	<u>162,124</u>	<u>153,037</u>

Note:

The unbilled trade receivables balance at 31 December 2024 and 2023 represented the interest income derived from art financing business.

(b) Other receivables

	<i>Notes</i>	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Audited)
Advances to consignors for art financing business	<i>(i)</i>	383,077	394,924
Interest receivables		6,777	7,006
Other receivables		13,626	18,027
Deposits		1,549	1,422
Prepayments	<i>(ii)</i>	169,223	254,883
Loss allowances	<i>(iii)</i>	(27,304)	(19,598)
		<u>546,948</u>	<u>656,664</u>

Notes:

- (i) The balance and related interest receivables included in trade receivables are secured by pledged auction items (Chinese art collectibles and antiques) from consignors and bears interest at fixed interest rates ranging from 8% to 15% per annum (2023: 8% to 15%). These advances to consignors for art financing business are generally repayable within a period of 1 year from the draw-down date or 60 days after the pledged auction items are listed in auction.

If pledged auction items are sold in auction, the proceeds received from the buyer, after deducting commission, advances to consignors, related interest and relevant taxes, will be paid to the consignors. If the pledged auction items remain unsold upon the expiration of advances to consignors, the consignors will be required to repay the advances and related interest before the pledged auction items are returned to the consignors. In the event of default as defined in the relevant contracts, the Group has the right to dispose of the pledged auction items. The risk of unrecoverable principal and interest is compensated by the realisable value of these pledged auction items.

During the year ended 31 December 2024, upon the settlement plans negotiated with certain consignors regarding their outstanding balances, in consideration of insolvency of these consignors after settlements of the advance to consignors balances, interest receivables of approximately HK\$474,000 (2023: advance to consignors and related interest receivables of approximately HK\$328,000 and HK\$6,620,000 respectively) was written off during the year ended 31 December 2024.

At 31 December 2024 and 2023, the net realisable value of the pledged auction items from the consignors, except for those related to the balances with allowance provided as mentioned in Note 43 to the consolidated financial statements, was higher than the carrying amount of the outstanding balances, including interest receivables.

Saved as mentioned above, at 31 December 2024, based on the due dates of the respective receivables, approximately nil, nil, 7% and 93% (2023: 7.0%, 52.6%, 39.0% and 1.4%) of the advances were not yet due, aged over-due 0-180 days, over-due 180 days and over-due one year, respectively.

- (ii) At 31 December 2024, the balance mainly represents prepayments of construction costs for property development of approximately HK\$90,923,000 (2023: approximately HK\$174,356,000) related to the major construction works commenced in the Mainland China, and prepaid PRC taxes related to construction cost for completed properties held for sale and properties under development in the Mainland China of approximately HK\$74,092,000 (2023: approximately HK\$77,080,000).

14. TRADE AND OTHER PAYABLES

	<i>Note</i>	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Audited)
Trade payables	<i>(a)</i>	119,650	122,713
Accruals		32,200	24,505
Lease liabilities		1,011	1,268
Interest payables		112,528	51,388
Other payables		608,448	191,023
Deposits received		5,063	6,934
Contract liabilities		6,406	455,005
Receipt in advance		1,381	760
		886,687	853,596
Analysed into:			
– Current portion		690,751	853,596
– Non-current portion		195,936	–
		886,687	853,596

Note:

- (a) The trade payables are unsecured, interest-free and repayable within normal operating cycles or on demand. The ageing analysis of trade payables at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Audited)
0-30 days	–	177
31-90 days	–	782
91-180 days	154	33,569
181-360 days	4,529	3,742
Over 360 days	114,967	84,443
	119,650	122,713

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL AND BUSINESS REVIEW, AND PROSPECT

The Group's revenue recorded approximately HK\$42.4 million for the year (2023: HK\$44.5 million), representing a decrease of approximately 5% as compared with 2023. The Group recorded loss for the year of approximately HK\$33.1 million for the year ended 31 December 2024 as compared with loss for the year of approximately HK\$358.5 million for the year ended 31 December 2023. The reduction in loss for the year ended 31 December 2024 were mainly attributable to the non-recurrence of the one-off impairment losses on goodwill and intangible assets of HK\$159.4 million and write down of properties under development and completed properties held for sales of HK\$178.6 million recorded for the year ended 31 December 2023.

Property Development Division

This division contributed a segment revenue of approximately HK\$6.3 million (2023: HK\$6.6 million) and a segment loss before tax of approximately HK\$30.7 million (2023: HK\$184.5 million) for the year ended 31 December 2024. The decrease in segment loss before tax was mainly attributable to the non-recurrence of the one-off write down of properties under development and completed properties held for sales of HK\$178.6 million recorded for the year ended 31 December 2023.

The properties are located in Tang West Market, Lianhu District in Xi'an City (the "**Tang West Market**"), the People's Republic of China (the "**PRC**"). Based on the current business plan, the properties have been planned to develop into the Silk Road International Culture Center with comprehensive cultural artworks operations, cultural artwork financing and Silk Road international cultural entertainment complex. The Silk Road International Culture Center is designed with three major features, namely (i) the headquarter of Silk Road Chamber of International Commerce; (ii) Artwork Central Business District; and (iii) the European section of Silk Road Culture Street. Silk Road International Culture Center comprises three office buildings, a shopping mall and a five-star hotel. The three office buildings are estimated to have an aggregate gross floor area of approximately 260,000 square metres.

Tower B and Tower C were completed and sold in 2022. The Group has been actively developing Tower A. The presale certificate for Tower A was obtained in 2023, and several potential buyers have already indicated their interests in the property. In 2023, the Group entered into presales agreements with an independent third party for sales of six floors of Tower A. During the year ended 31 December 2024, due to certain requests the buyer made, and we were not able to fulfil, after friendly negotiation, both parties agreed to cancel the presales agreements. The deposit shall be returned and settlement charge was incurred. The Group has been actively preselling Tower A, yet no definite contract has been entered into. It is expected Tower A will be completed during 2026.

During the year ended 31 December 2024, the properties under development has not yet completed. Therefore, revenue and related costs are not recognized during the period. As at 31 December 2024, the Group had completed the structural work up to the 19th floor (as at 31 December 2023: 5th floor) of Tower A.

Arts and Cultural Division

This division, comprising the auction business and Art Central Business District business (“**ACBD Business**”), contributed a segment revenue of approximately HK\$34.0 million (2023: HK\$35.9 million) and a segment profit before tax of approximately HK\$6.2 million (2023: segment loss before tax of HK\$164.3 million) for the year ended 31 December 2024. The turnaround into segment profit before tax for the year ended 2024 was mainly attributable to the non-recurrence of the one off impairment losses on goodwill and intangible assets of HK\$159.4 million recorded in the year ended 31 December 2023.

Auction Business

During the year ended 31 December 2024, due to the uncertainty of the PRC and Hong Kong economies, which affected badly on the arts and antique market. The Group did not host any large scale auction in 2024. The management will continue monitoring the market condition and sentiment on the arts and antique market. Once there is sign of recovery, we will resume hosting large scale auction.

ACBD Business

The Company has established an ACBD center in Xi’an. The main business functions of the center are to provide a venue with integrated functions such as storage, exhibition, auction, promotion and trading of arts and collections. The center aims to create a strong network with other art and culture partners for hosting events and building relationship. Also, the center is expected to create a synergy effect with the operations of Silk Road International Culture Center.

Winery and Trading Division

This division, comprising the winery business and trading business, contributed a segment revenue of approximately HK\$2.1 million (2023: HK\$2.0 million), and a segment profit before tax of approximately HK\$4.1 million (2023: segment loss before tax of HK\$5.2 million) for the year ended 31 December 2024.

During the year, we have made certain restructurings to the business operation of this division, in order to improve the efficiency and better costs control measures. In March 2024, the Group disposed its winery located in France and redeployed the financial resources and effort in other parts of the Group’s businesses. The disposal was completed in September 2024.

OUTLOOK

The economic recovery in the PRC is underway and is still facing certain uncertainties in the short term, in particular, the traditional Chinese economy remains under huge pressure. However, we believe the fundamentals of China economy remain strong. The Chinese government is making huge efforts to improve the situation. We believe there will be a rebound and recovery of the arts and cultural market soon. The management will continue to take a conservative approach, and focus our existing businesses, including the construction, sales and leasing of the Silk Road International Cultural Center.

HEDGING, ACQUISITION AND DISPOSAL AND SIGNIFICANT INVESTMENTS

The Group did not (i) employ any financial instruments for hedging purposes; (ii) undertake any material acquisitions or disposals of assets, business or subsidiaries; or (iii) make any significant investments during the year under review.

LIQUIDITY AND FINANCIAL RESOURCES

During the year under review, the Group's operations were mainly financed by internal resources. As at 31 December 2024, the Group's total cash and cash equivalents amounted to approximately HK\$17.7 million, representing an decrease of approximately HK\$5.4 million as compared with the cash and cash equivalents of approximately HK\$23.1 million as at 31 December 2023. The decrease was mainly attributable to the cash resources consumed in the daily operation during the year. As at 31 December 2024, the Group had outstanding secured borrowings of approximately HK\$1,392.1 million (2023: HK\$1,339.5 million) and is repayable within one year to three years (2023: within one year to three years).

GEARING

The Group monitors capital using a gearing ratio, which is net debt divided by the equity attributable to equity holders of the Company. Net debt includes total borrowings less cash and cash equivalents. The gearing ratio of the Group was approximately 161.0% as at 31 December 2024 (2023: 148.3%).

FOREIGN EXCHANGE EXPOSURE

The Group's assets and liabilities are mainly denominated in Hong Kong Dollars and Renminbi, representing the functional currency of respective group companies. Income and expenses derived from the operations in the PRC are mainly denominated in Renminbi.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong Dollars) using exchange rates prevailing at 31 December 2024. Income and expense items are translated at the average exchange rates for the year ended 31 December 2024. Exchange loss arising from the translation of foreign operations of approximately HK\$13.0 million (2023: HK\$19.9 million) for the year ended 31 December 2024 are recognised in other comprehensive income and accumulated in equity under the heading of "exchange differences on translation of foreign operations".

On the disposal of a foreign operation involving loss of control over a subsidiary that includes a foreign operation, the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

HUMAN RESOURCES

As at 31 December 2024, other than outsourcing vendors but including contract workers, the Group has approximately 93 employees (2023: 94) in Hong Kong and the PRC. The Group encourages high productivity and remunerates its employees based on their qualification, work experiences, prevailing market prices and contribution to the Group. Incentives in the form of bonuses and share options may also be offered to eligible employees based on individual performance.

CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

As at 31 December 2024, the Group had contingent liabilities in respect of (i) potential claims from property buyers in connection with certain non-compliance of approximately HK\$19,000 (2023: HK\$20,000); and (ii) guarantees to banks in respect of loans provided by the banks to the customers from property development division and to a related party in the aggregate amount of approximately HK\$343.2 million (2023: HK\$359.7 million).

CAPITAL COMMITMENT

As at 31 December 2024, the Group has capital commitments amounted to approximately HK\$627.6 million (2023: HK\$507.3 million).

DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2024 (2023: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2024, the Company and its subsidiaries had not purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE

Throughout the year under review, the Company has complied with the code provisions (the “**Code**”) of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the directors and senior management of the Company. Having made specific enquiries to all the directors of the Company, who confirmed their compliance with the required standards as set out in the Model Code for the year ended 31 December 2024.

AUDIT COMMITTEE

The Company established the audit committee (“**Audit Committee**”) to review and supervise the financial reporting process, risk management and internal control systems of the Group. As at the date of this announcement, the Audit Committee comprises three members who are all independent non-executive directors of the Company. The Group’s annual results for the year ended 31 December 2024 have been reviewed by the Audit Committee.

SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company’s auditor, Forvis Mazars CPA Limited (“**Forvis Mazars**”), to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by Forvis Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Forvis Mazars on the preliminary announcement.

EXTRACT FROM DRAFT INDEPENDENT AUDITOR’S REPORT

The following is an extract of the draft independent auditor’s report on the Company’s draft consolidated financial statements for the year ended 31 December 2024:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements. During the year ended 31 December 2024, the Group incurred a net loss of approximately HK\$33,087,000, while as at 31 December 2024, the Group had total interest-bearing borrowings of approximately HK\$1,392,069,000 of which the current interest-bearing borrowings amounted to approximately HK\$223,591,000, and current portion of other payable of approximately HK\$247,726,000 of which included a refund deposit of approximately HK\$222,332,000 and related settlement charge of approximately HK\$25,394,000, while cash and cash equivalents of only approximately HK\$16,175,000. At and subsequent to 31 December 2024, the Group is subject to a number of legal actions related to delay or failure of settlements of trade and other payables. As stated in Note 2 to the consolidated financial statements, these conditions, along with other matters as set forth in Note 2 to the consolidated financial statements indicate that material uncertainty exists that cast significant doubt on the Group’s ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon evaluated outcome and the results of various financial plans and measures implemented by the Group. Our opinion is not modified in respect of this matter.

CLOSURE OF REGISTER OF MEMBERS FOR 2025 AGM

The annual general meeting of the Company will be held on Friday, 6 June 2025 (the “**2025 AGM**”). For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025 (both dates inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2025 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by not later than 4:30 p.m. on Monday, 2 June 2025.

2024 ANNUAL REPORT

The 2024 annual report of the Company containing all the information required by the Listing Rules will be published on the websites of the Company (www.dtxs.com) and the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) on or before 30 April 2025.

By Order of the Board
DTXS Silk Road Investment Holdings Company Limited
Lu Jianzhong
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the board of Directors of the Company comprises four Executive Directors, namely Mr. Lu Jianzhong (Chairman), Mr. Yang Xingwen, Mr. Huang Dahai and Mr. Wong Kwok Tung Gordon Allan (Co-Chief Executive Officer); and three Independent Non-executive Directors, namely Mr. Kwok Chi Shing, Prof. Wang Guiguo and Ms. Hau Amy Wing Gee.