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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)

**PRELIMINARY ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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 2025, together with the comparative figures as follows:

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

Year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Audited)
REVENUE			
Revenue from contracts with customers		17,443	8,459
Interest income from advances to consignors		31,745	32,752
Gross rental income		–	1,221
		<hr/>	<hr/>
	5	49,188	42,432
Other income	6	16,313	14,008
Costs of inventories sold		(12,378)	(1,662)
Staff costs	7(a)	(17,686)	(19,921)
Depreciation expenses	7(b)	(2,963)	(3,745)
Other operating expenses		(42,104)	(36,155)
Other gains (losses), net	8	5,085	(4,186)
Provision of impairment of trade and other receivables		(11,785)	(13,892)
Impairment loss on inventories		–	(660)
Impairment loss on property, plant and equipment		(1,318)	(5,210)
Write off of advances to consignors and related interest receivables from art financing business		(4,156)	(474)
Write down of properties under development and completed properties held for sale		(56,349)	–
Finance costs	9	(42)	(49)
		<hr/>	<hr/>
LOSS BEFORE TAX	7	(78,195)	(29,514)
Income tax expenses	10	(3,627)	(3,573)
		<hr/>	<hr/>
LOSS FOR THE YEAR		(81,822)	(33,087)
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME (EXPENSES)			
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>			
Reclassification of exchange reserve upon disposal of a subsidiary		(343)	–
Exchange differences on translation of foreign operations		13,544	(12,988)
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME (EXPENSES) FOR THE YEAR, NET OF TAX		13,201	(12,988)
		<hr/>	<hr/>
TOTAL COMPREHENSIVE EXPENSES FOR THE YEAR		(68,621)	(46,075)
		<hr/> <hr/>	<hr/> <hr/>

	<i>Note</i>	2025 HK\$'000 (Unaudited)	2024 <i>HK\$'000</i> (Audited)
Loss for the year attributable to:			
Equity holders of the Company		(63,385)	(23,731)
Non-controlling interests		(18,437)	(9,356)
		<u>(81,822)</u>	<u>(33,087)</u>
Total comprehensive expenses for the year attributable to:			
Equity holders of the Company		(53,201)	(33,979)
Non-controlling interests		(15,420)	(12,096)
		<u>(68,621)</u>	<u>(46,075)</u>
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	<i>12</i>	<u>HK(8.86) cents</u>	<u>HK(3.56) cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		45,384	47,203
Investment properties		29,717	29,770
Intangible assets		–	–
Goodwill		–	–
Financial assets at fair value through profit or loss		7,012	6,698
Deferred tax assets		44,556	42,309
Properties under development		–	9,981
		126,669	135,961
CURRENT ASSETS			
Properties under development		1,837,007	1,535,789
Completed properties held for sale		1,124,489	1,084,783
Inventories		18,956	27,245
Trade and other receivables	<i>13</i>	688,064	709,072
Loans receivables		–	–
Restricted bank deposits		3,268	3,899
Cash and cash equivalents		11,607	16,175
		3,683,391	3,376,963
CURRENT LIABILITIES			
Trade and other payables	<i>14</i>	604,917	690,751
Interest-bearing borrowings		791,477	223,591
Tax liabilities		323,662	305,947
		1,720,056	1,220,289
NET CURRENT ASSETS		1,963,335	2,156,674
TOTAL ASSETS LESS CURRENT LIABILITIES		2,090,004	2,292,635

	<i>Note</i>	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing borrowings		665,463	1,168,478
Other payables	<i>14</i>	493,853	195,936
		<u>1,159,316</u>	<u>1,364,414</u>
NET ASSETS		<u>930,688</u>	<u>928,221</u>
CAPITAL AND RESERVES			
Share capital		400,513	333,763
Reserves		470,552	519,675
Equity attributable to equity holders of the Company		871,065	853,438
Non-controlling interests		59,623	74,783
TOTAL EQUITY		<u>930,688</u>	<u>928,221</u>

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 3207, 32/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 and 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 Chinese Mainland of 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

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations as 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.

The 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. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of 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\$81,822,000 for the year ended 31 December 2025 and (2) at 31 December 2025, the Group had total interest-bearing borrowings of approximately HK\$1,456,940,000 of which the current interest-bearing borrowings amounted to approximately HK\$791,477,000, while cash and cash equivalents of only approximately HK\$11,607,000.

At and subsequent to 31 December 2025, the Group is subject to a number of legal actions related to its business.

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 the 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, in which the Group had held several meetings with the banks during the year ended 31 December 2025, and obtained their consent regarding the Group's intention for delay in payment of the principal and interest of the interest-bearing borrowings for two to three years;
- 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, in particular, the Group had completed two rounds of share placings to raise gross proceeds of approximately HK\$73,430,000 during the year ended 31 December 2025, and in the process of placing of convertible bonds in the principal amount of up to HK\$323,000,000 subsequent to 31 December 2025;
- 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 negotiated 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 2025. 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 2025 on a going concern basis.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Group has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests ("NCI"), even if this results in the NCI having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any NCI, and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained, and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES

Adoption of revised HKFRS Accounting Standard

The Group has applied, for the first time, the following revised HKFRS Accounting Standard that is relevant to the Group:

Amendments to HKAS 21 Lack of Exchangeability

Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

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

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

² Effective for annual periods beginning on or after 1 January 2027

³ The effective date to be determined

HKFRS 18, *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1, *Presentation of Financial Statements*. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of HKFRS 18 may affect the presentation of the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

Except for above, 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 and merchandise (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 2025 and 2024, 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 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	
	2025	2024	2025	2024	2025	2024	2025	2024
	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	-	-	359	2,118	17,084	6,341	17,443	8,459
- Interest income from advances to consignors	31,745	32,752	-	-	-	-	31,745	32,752
- Gross rental income from investment properties: Operating leases - with fixed lease payments	-	1,221	-	-	-	-	-	1,221
Revenue	<u>31,745</u>	<u>33,973</u>	<u>359</u>	<u>2,118</u>	<u>17,084</u>	<u>6,341</u>	<u>49,188</u>	<u>42,432</u>
Segment results*	<u>23,697</u>	<u>6,226</u>	<u>4,960</u>	<u>4,106</u>	<u>(96,577)</u>	<u>(30,699)</u>	<u>(67,920)</u>	<u>(20,367)</u>
<i>Reconciliation:</i>								
Unallocated other gains and losses							(23)	2,716
Unallocated corporate and other expenses							(10,252)	(11,863)
Loss before tax for the year							<u>(78,195)</u>	<u>(29,514)</u>
Other segment information:								
Depreciation	2,401	2,396	-	-	1	6	2,402	2,402
Unallocated							561	1,343
							<u>2,963</u>	<u>3,745</u>
Capital expenditure#	-	-	-	-	-	36	-	36
Provision of impairment of trade and other receivables, net	3,265	9,616	-	-	8,520	4,276	11,785	13,892
Impairment loss on property, plant and equipment	1,318	5,210	-	-	-	-	1,318	5,210
Impairment loss on inventories	-	660	-	-	-	-	-	660
Write off of advances to consignors and related interest receivables	4,156	474	-	-	-	-	4,156	474
Write down of properties under development and completed properties held for sale	-	-	-	-	56,349	-	56,349	-
Gain on disposal of a subsidiary	-	-	4,881	2,657	-	-	4,881	2,657
Gross rental income from completed properties held for sale	-	-	-	-	12,500	11,305	12,500	11,305
Settlement charge	-	-	-	-	-	25,855	-	25,855
Fair value loss on investment properties	1,410	4,330	-	-	-	-	1,410	4,330

* 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 and Chinese Mainland of the PRC. 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 2025 and 2024; and (ii) the Group's property, plant and equipment, investment properties and properties under development ("Specified Non-Current Assets") at 31 December 2025 and 2024. 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		Specified	
	external customers		Non-Current Assets	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Hong Kong	21,485	27,997	1,384	1,001
Chinese Mainland of the PRC	27,703	14,435	73,717	85,953
	<u>49,188</u>	<u>42,432</u>	<u>75,101</u>	<u>86,954</u>

(c) Information about major customers

During the years ended 31 December 2025 and 2024, none of the customers of the Group individually contributed to more than 10% of the total revenue of the Group.

5. REVENUE

	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Audited)
<i>Revenue from contracts with customers under HKFRS 15</i>		
Sale of merchandises and wines	359	2,118
Sale of properties	<u>17,084</u>	<u>6,341</u>
	<u>17,443</u>	<u>8,459</u>
<i>Revenue from other sources</i>		
Interest income from advances to consignors	31,745	32,752
Gross rental income from investment properties: Operating leases – with fixed lease payments	<u>–</u>	<u>1,221</u>
	<u>31,745</u>	<u>33,973</u>
Total revenue	<u><u>49,188</u></u>	<u><u>42,432</u></u>

6. OTHER INCOME

	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Audited)
Bank interest income	8	26
Gross rental income from completed properties held for sale	12,500	11,305
Gain on disposal of subsidiaries	3,796	2,657
Sundry income	<u>9</u>	<u>20</u>
	<u><u>16,313</u></u>	<u><u>14,008</u></u>

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Audited)
(a) Staff costs (including the directors' remuneration)		
Salaries, bonus, allowances and other benefits in kind	16,376	17,474
Contributions to defined contribution retirement plans	1,310	2,447
	<u>17,686</u>	<u>19,921</u>
(b) Depreciation expenses		
Depreciation of owned assets	546	653
Depreciation of right-of-use assets	2,417	3,092
	<u>2,963</u>	<u>3,745</u>
(c) Other items (included in other operating expenses)		
Auditor's remuneration	1,880	1,880
Legal and professional fees	1,142	1,549
Secretarial and registration fees	816	799
Settlement charge	–	25,855
Lease payments not included in the measurement of lease liabilities	6	272
	<u>6</u>	<u>272</u>

8. OTHER GAINS (LOSSES), NET

	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Audited)
Foreign exchange differences, net	6,518	144
Loss on early termination of lease	(23)	–
Fair value loss on investment properties	(1,410)	(4,330)
	<u>5,085</u>	<u>(4,186)</u>

9. FINANCE COSTS

	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Audited)
Interest on lease liabilities	42	49
Interest on financing component of contract liabilities	–	(14,088)
Interest on other payables	27,648	13,788
Interest on interest-bearing borrowings	87,623	83,232
	<u>115,313</u>	<u>82,981</u>
Total borrowing costs	115,313	82,981
Less: Borrowing costs capitalised into properties under development	(115,271)	(82,932)
	<u>42</u>	<u>49</u>

10. INCOME TAX

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year ended 31 December 2025 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 (2024: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

The Group's entities established in Chinese Mainland of the PRC are subject to Enterprise Income Tax ("PRC EIT") at a statutory rate of 25% (2024: 25%) for the year ended 31 December 2025.

The land appreciation tax in the Chinese Mainland of the PRC ("PRC LAT") was provided in accordance with the requirements set forth in the relevant laws and regulations in the Chinese Mainland of the PRC. PRC 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.

	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Audited)
Current tax		
Hong Kong Profits Tax		
Current year	3,901	2,727
PRC EIT		
Current year	–	1,196
PRC LAT	63	977
	3,964	4,900
Deferred tax	(337)	(1,327)
Income tax expenses	3,627	3,573

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since 31 December 2025 (2024: 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 in issue during the years ended 31 December 2025 and 2024.

For the years ended 31 December 2025 and 2024, diluted loss per share is the same as the basic loss per share as the potential new ordinary shares have an anti-dilutive effect.

The weighted average number of ordinary shares in issue for the year ended 31 December 2025 has been incorporated the effect of the placements of new shares completed in August 2025 and September 2025.

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

	2025	2024
	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	(63,385)	(23,731)
	<u><u> </u></u>	<u><u> </u></u>
	Number of shares	
	2025	2024
	(Unaudited)	(Audited)
Shares:		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	715,301,120	667,525,230
	<u><u> </u></u>	<u><u> </u></u>
13. TRADE AND OTHER RECEIVABLES		
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade receivables		
– Receivables from customers	7,987	10,820
– Interest receivables	197,538	166,208
Loss allowances	(15,491)	(14,904)
	<u> </u>	<u> </u>
	(a) 190,034	162,124
	<u> </u>	<u> </u>
Other receivables	534,782	574,252
Loss allowances	(36,752)	(27,304)
	<u> </u>	<u> </u>
	(b) 498,030	546,948
	<u> </u>	<u> </u>
	688,064	709,072
	<u><u> </u></u>	<u><u> </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:

	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Audited)
Unbilled (<i>Note</i>)	12,960	7,127
0-30 days	15,931	21,158
31-90 days	252	252
91-180 days	3,974	6,445
181-360 days	9,728	34,634
Over 360 days	147,189	92,508
	190,034	162,124

Note:

The unbilled trade receivables balance at 31 December 2025 and 2024 represented the interest income derived from art financing business.

(b) Other receivables

	<i>Notes</i>	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Audited)
Advances to consignors for art financing business	<i>(i)</i>	385,290	386,658
Interest receivables		7,095	6,777
Other receivables		15,773	20,045
Deposits		1,672	1,549
Prepayments	<i>(ii)</i>	124,952	159,223
Loss allowances	<i>(iii)</i>	(36,752)	(27,304)
		498,030	546,948

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 (2024: 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 2025, 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\$4,156,000 (2024: approximately HK\$474,000) was written off.

At 31 December 2025 and 2024, the net realisable value of the pledged auction items from the consignors, except for those related to the balances with allowance provided, was higher than the carrying amount of the outstanding balances, including interest receivables.

Saved as mentioned above, at 31 December 2025, based on the due dates of the respective receivables, approximately nil, nil, nil and 100% (2024: nil, nil, 7% and 93%) 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 2025, the balance mainly represents prepayments of construction costs for property development of approximately HK\$3,458,000 (2024: approximately HK\$80,853,000) related to the major construction works commenced in Chinese Mainland of the PRC, prepaid other taxes related to construction cost for completed properties held for sale and properties under development in Chinese Mainland of the PRC of approximately HK\$90,235,000 (2024: approximately HK\$75,511,000), and prepaid marketing expenses of approximately HK\$30,800,000 (2024: nil) related to the feasibility study, market positioning study, potential tenant research and other promotional events organised in Chinese Mainland of the PRC for the shopping mall included in properties under development.

14. TRADE AND OTHER PAYABLES

	<i>Note</i>	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Audited)
Trade payables	(a)	217,658	119,650
Accruals		37,613	32,200
Lease liabilities		1,382	1,011
Interest payables		205,422	112,528
Other payables		623,981	608,448
Deposits received		5,364	5,063
Contract liabilities		6,632	6,406
Receipt in advance		718	1,381
		<u>1,098,770</u>	<u>886,687</u>
Analysed into:			
– Current portion		604,917	690,751
– Non-current portion		493,853	195,936
		<u>1,098,770</u>	<u>886,687</u>

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:

	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Audited)
0-30 days	–	–
31-90 days	820	–
91-180 days	16,202	154
181-360 days	77,622	4,529
Over 360 days	123,014	114,967
	<u>217,658</u>	<u>119,650</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL AND BUSINESS REVIEW, AND PROSPECT

The Group's revenue recorded approximately HK\$49.2 million for the year (2024: HK\$42.4 million), representing an increase of approximately 16.0% as compared with 2024. The Group recorded loss for the year of approximately HK\$81.8 million for the year ended 31 December 2025 as compared with loss for the year of approximately HK\$33.1 million for the year ended 31 December 2024. The increase in loss for the year ended 31 December 2025 were mainly attributable to the one-off write down of properties under development and completed properties held for sales of HK\$56.3 million recorded for the year ended 31 December 2025.

Property Development Division

This division contributed a segment revenue of approximately HK\$17.1 million (2024: HK\$6.3 million) and a segment loss before tax of approximately HK\$96.6 million (2024: HK\$30.7 million) for the year ended 31 December 2025. The increase in segment loss before tax was mainly attributable to the one-off write down of properties under development and completed properties held for sales of HK\$56.3 million recorded for the year ended 31 December 2025.

The properties are located in Tang West Market, Lianhu District in Xi'an City (the "**Tang West Market**"), in Chinese Mainland of 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. 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 fourth quarter of 2027.

During the year ended 31 December 2025, marketing expenses were incurred on feasibility study, market positioning study, potential tenant research and other promotional events organised in Chinese Mainland of the PRC for the shopping mall under the Silk Road International Culture Center. The properties under development has not yet completed. Therefore, revenue and related costs are not recognized during the period. As at 31 December 2025, the Group had completed the structural work up to the 27th floor (as at 31 December 2024: 19th floor) of Tower A.

Following the successful issuance of convertible bonds in 2026, the Group will upgrade the shopping mall portion of the property, enhancing its high-end commercial offerings. This will fully realize the potential valuation and attract new investors to participate in the collaboration, maximizing the scale of the business.

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\$31.7 million (2024: HK\$34.0 million) and a segment profit before tax of approximately HK\$23.7 million (2024: segment profit before tax of HK\$6.2 million) for the year ended 31 December 2025. The significant increase in segment profit before tax for the year ended 2025 was mainly attributable to the foreign exchange gain of HK\$6.0 million recorded in the year ended 31 December 2025, while foreign exchange loss of HK\$4.0 million was recorded in the year ended 31 December 2024.

Auction Business

During the year ended 31 December 2025, due to the uncertainty of Chinese Mainland 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 2025. 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\$0.4 million (2024: HK\$2.1 million), and a segment profit before tax of approximately HK\$5.0 million (2024: segment gain before tax of HK\$4.1 million) for the year ended 31 December 2025.

OUTLOOK

The economic recovery in Chinese Mainland of 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.

In the future, the Group with relevant professional organizations envisages that a team of external experts in the fields of blockchain, digital finance and compliance will be engaged to assist in the Group's exploration exercise, which may include feasibility studies covering (i) legal assessment of domestic and international legal and regulatory issues related to RWA to be conducted by legal counsels; (ii) evaluation of financial and tax matters to be conducted by professional consultants; and (iii) technical solutions to be provided by technology service providers.

This exploration will leverage the Group's existing capabilities in "discovering high-quality cultural assets and industry-leading assets" and "building existing multinational cooperation platforms and compliance frameworks." The exploration envisions RWA as the ultimate combination of "art + finance + technology." The aforementioned RWA-related work is currently in its initial stages. As of the date of this announcement, the Company has not made any decision or formulated any specific plans regarding whether or how to conduct any RWA tokenization initiative.

In the future, the Group will leverage its expertise in augmented reality technology, combined with its cultural heritage resources, to create cultural and augmented reality experiences, recreate historical scenes, and promote the upgrading of its "culture + technology + digital + industry + finance" business model to achieve sustainable profitability.

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 2025, the Group's total cash and cash equivalents amounted to approximately HK\$11.6 million, representing a decrease of approximately HK\$4.6 million as compared with the cash and cash equivalents of approximately HK\$16.2 million as at 31 December 2024. The decrease was mainly attributable to the cash resources consumed in the daily operation during the year. As at 31 December 2025, the Group had outstanding secured borrowings of approximately HK\$1,456.9 million (2024: HK\$1,392.1 million) and is repayable within two years to three years (2024: 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 165.9% as at 31 December 2025 (2024: 161.0%).

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 2025. Income and expense items are translated at the average exchange rates for the year ended 31 December 2025. Exchange gain arising from the translation of foreign operations of approximately HK\$13.2 million (2024: Exchange loss of approximately HK\$13.0 million) for the year ended 31 December 2025 are recognised in other comprehensive income and accumulated in equity under the heading of "exchange differences on translation of foreign operations".

HUMAN RESOURCES

As at 31 December 2025, other than outsourcing vendors but including contract workers, the Group has approximately 93 employees (2024: 93) 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 2025, the Group had contingent liabilities in respect of 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\$357.7 million (2024: HK\$343.2 million).

CAPITAL COMMITMENT

As at 31 December 2025, the Group has capital commitments amounted to approximately HK\$781.5 million (2024: HK\$627.6 million).

DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2025 (2024: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, 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 2025.

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 2025 have been reviewed by the Audit Committee.

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 2025:

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 2025, 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 2025, the Group incurred a net loss of approximately HK\$81,822,000, while as at 31 December 2025, the Group had total interest-bearing borrowings of approximately HK\$1,456,940,000 of which the current interest-bearing borrowings amounted to approximately HK\$791,477,000, while cash and cash equivalents of only approximately HK\$11,607,000. As at and subsequent to 31 December 2025, the Group is subject to a number of legal actions related to its business. As stated in Note 2 to the consolidated financial statements, these conditions 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 the outcome 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 2026 AGM

The annual general meeting of the Company will be held on Friday, 5 June 2026 (the “**2026 AGM**”). For determining the entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026 (both dates inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2026 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, 1 June 2026.

2025 ANNUAL REPORT

The 2025 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 2026.

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

Hong Kong, 31 March 2026

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, Mr. Wong Kwok Tung Gordon Allan (Co-Chief Executive Officer) and Mr. Lin Xiaoling and three Independent Non-executive Directors, namely Mr. Choi Victor Wang Tao, Ms. Hau Amy Wing Gee and Mr. Dai Zhijie.