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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of directors (the “Board”) of DTXS Silk Road Investment Holdings Company Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025, together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
REVENUE			
Revenue from contracts with customers	4	454	5,463
Interest income from advances to consignors	4	14,687	19,200
Gross rental income	4	–	1,222
		15,141	25,885
Other income	5	6,352	5,600
Cost of inventories sold		(359)	(1,170)
Staff costs	7(a)	(9,006)	(10,144)
Depreciation expenses	7(b)	(2,556)	(2,930)
Other operating expenses		(2,433)	(4,394)
Other gains		3,346	137
Reversal of impairment losses on trade and other receivables		54	190
Finance costs	6	(18,923)	(25,913)

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
LOSS BEFORE TAX	7	(8,384)	(12,739)
Income tax expenses	8	<u>(2,015)</u>	<u>(2,687)</u>
LOSS FOR THE PERIOD		(10,399)	(15,426)
OTHER COMPREHENSIVE INCOME (EXPENSES)			
<i>Items that may be reclassified subsequently to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		<u>10,269</u>	<u>(8,811)</u>
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD		<u><u>(130)</u></u>	<u><u>(24,237)</u></u>
(Loss) Profit for the period attributable to:			
Equity holders of the Company		(10,407)	(7,556)
Non-controlling interests		<u>8</u>	<u>(7,870)</u>
		<u><u>(10,399)</u></u>	<u><u>(15,426)</u></u>
Total comprehensive (expenses) income for the period attributable to:			
Equity holders of the Company		(2,419)	(14,429)
Non-controlling interests		<u>2,289</u>	<u>(9,808)</u>
		<u><u>(130)</u></u>	<u><u>(24,237)</u></u>
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	10		
Basic and diluted loss per share		<u><u>HK(1.56) cents</u></u>	<u><u>HK(1.13) cents</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		47,428	47,203
Investment properties		30,674	29,770
Intangible assets		–	–
Goodwill		–	–
Financial assets at fair value through profit or loss		6,902	6,698
Deferred tax assets		43,587	42,309
Properties under development		10,365	9,981
		<u>138,956</u>	<u>135,961</u>
CURRENT ASSETS			
Properties under development		1,620,673	1,535,789
Completed properties held for sale		1,121,140	1,084,783
Inventories		27,669	27,245
Trade and other receivables	11	762,242	709,072
Loans receivable		–	–
Restricted bank deposits		2,417	3,899
Cash and cash equivalents		8,704	16,175
		<u>3,542,845</u>	<u>3,376,963</u>
CURRENT LIABILITIES			
Trade and other payables	12	1,005,259	690,751
Interest-bearing borrowings		438,638	223,591
Tax liabilities		314,200	305,947
		<u>1,758,097</u>	<u>1,220,289</u>
NET CURRENT ASSETS		<u>1,784,748</u>	<u>2,156,674</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,923,704</u>	<u>2,292,635</u>

		30 June 2025	31 December 2024
	<i>Note</i>	HK\$'000 (Unaudited)	HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing borrowings		995,613	1,168,478
Other payables	12	<u>–</u>	<u>195,936</u>
		995,613	1,364,414
NET ASSETS			
		928,091	928,221
CAPITAL AND RESERVES			
Share capital		333,763	333,763
Reserves		517,256	519,675
Equity attributable to equity holders of the Company		851,019	853,438
Non-controlling interests		77,072	74,783
TOTAL EQUITY		928,091	928,221

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

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 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
- properties investment and development

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of the unaudited condensed interim financial information in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed interim financial information for the six months ended 30 June 2025 does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The unaudited condensed interim financial information has been prepared on the historical cost basis, except for investment properties and unlisted equity investment which are measured at fair value.

The accounting policies adopted in the preparation of the unaudited condensed interim financial information for the six months ended 30 June 2025 are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024 which have been prepared in accordance with HKFRS Accounting Standards (which include all applicable Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, except for the adoption of the following new/revised HKFRS Accounting Standards for the first time for the current period's financial information:

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

The adoption of the above amendments does not have any significant impact on the Group's unaudited condensed interim financial information.

Going concern

In preparing the condensed interim financial information, 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\$10,399,000 for the six months period ended 30 June 2025, (2) at 30 June 2025, the Group had total interest-bearing borrowings of approximately HK\$1,434,251,000 of which the current interest-bearing borrowings amounted to approximately HK\$438,638,000, and (3) current portion of other payable of approximately HK\$678,218,000 of which included a refund deposit of approximately HK\$454,777,000 and related settlement charge of approximately HK\$26,165,000, while cash and cash equivalents of only approximately HK\$8,704,000 at 30 June 2025.

At and subsequent to 30 June 2025, 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 multiple 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 condensed interim financial information 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 completion of new share placement in August 2025 and another new share placement in progress in August 2025;
- ii) the Group has been actively negotiating with the banks for further extension of interest-bearing borrowings and reducing related interest rates;
- iii) 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;
- iv) the Group has accelerated or will accelerate the pre-sale and sales of the properties under development and completed properties held for sale, and will seek to add value to such properties through consolidation of resources, strategic repositioning and repackaging, and enhanced marketing efforts in collaboration with third party(ies);
- v) the Group has been actively negotiating with the consignors regarding the settlement of advance to consignors and related interest receivables; and
- vi) 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 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 condensed interim financial information of the Group for the period ended 30 June 2025 on a going concern basis.

3. 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. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

- Arts and Cultural Division — mainly represents auction business and sale of antiques, art financing business and Art Central Business District business
- Winery Division — mainly represents sale of wines and related business
- Property Development Division — mainly represents the property investment and property development business

(a) Segment results

During the six months ended 30 June 2025, 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 segments' 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. Segment results represent the profit/loss of each segment without allocation of central administration costs, directors' remuneration, and certain finance costs.

For the six months ended 30 June 2025

	Arts and Cultural Division HK\$'000 (Unaudited)	Winery Division HK\$'000 (Unaudited)	Property Development Division HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
Segment revenue				
Revenue from external customers				
– Revenue from contracts with customers under HKFRS 15	54	400	–	454
– Interest income from advances to consignors	14,687	–	–	14,687
Revenue from external customers	<u>14,741</u>	<u>400</u>	<u>–</u>	<u>15,141</u>
Segment results*	<u>15,021</u>	<u>(212)</u>	<u>(18,857)</u>	<u>(4,049)</u>
<i>Reconciliation:</i>				
Unallocated other gains and losses, net				(392)
Unallocated corporate and other expenses				<u>(3,943)</u>
Loss before tax for the period				<u><u>(8,384)</u></u>

For the six months ended 30 June 2024

	Arts and Cultural Division <i>HK\$'000</i> (Unaudited)	Winery Division <i>HK\$'000</i> (Unaudited)	Property Development Division <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Segment revenue				
Revenue from external customers				
– Revenue from contracts with customers under HKFRS 15	–	1,930	3,533	5,463
– Interest income from advances to consignors	19,200	–	–	19,200
– Gross rental income from investment properties: Operating lease – with fixed lease payments	<u>1,222</u>	<u>–</u>	<u>–</u>	<u>1,222</u>
Revenue from external customers	<u>20,422</u>	<u>1,930</u>	<u>3,533</u>	<u>25,885</u>
Segment results*	<u>14,943</u>	<u>744</u>	<u>(25,944)</u>	<u>(10,257)</u>
Reconciliation:				
Unallocated other gains and losses, net				2,967
Unallocated corporate and other expenses				<u>(5,449)</u>
Loss before tax for the period				<u><u>(12,739)</u></u>

* Segment results are before tax.

(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 six months ended 30 June 2025 and 2024; and (ii) the Group's property, plant and equipment, investment properties, and properties under development ("Specified Non-Current Assets") at 30 June 2025 and 31 December 2024. The geographical location of customers is based on the location at which services were provided and goods are delivered and title has 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	
	Six months ended		At	
	30 June 2025	30 June 2024	30 June 2025	31 December 2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Hong Kong	12,425	13,979	1,002	415
Mainland China	2,716	11,896	87,465	96,403
France	–	10	–	–
	<u>15,141</u>	<u>25,885</u>	<u>88,467</u>	<u>96,818</u>

4. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers under HKFRS 15</i>		
Sale of wines	400	1,930
Sale of properties	–	3,533
Auction and related services	54	–
	<u>454</u>	<u>5,463</u>
Revenue from other sources		
Interest income from advances to consignors	14,687	19,200
Gross rental income from investment properties:		
Operating leases – with fixed lease payments	–	1,222
	<u>14,687</u>	<u>20,422</u>
Total revenue	<u>15,141</u>	<u>25,885</u>

5. OTHER INCOME

An analysis of other income is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	1	10
Gross rental income from completed properties held for sale	6,351	5,589
	6,352	5,600

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on interest-bearing borrowings	41,948	43,963
Interest on lease liabilities	17	29
Total borrowing costs	41,965	43,992
Less: Borrowing costs capitalised into properties under development	(23,042)	(18,079)
	18,923	25,913

7. LOSS BEFORE TAX

Loss before tax has been carried at after charging:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(a) Staff costs (including the directors' remuneration)		
Salaries, bonus, allowances and other benefits in kind	8,080	9,387
Contributions to defined contribution retirement plans	926	757
	9,006	10,144
(b) Depreciation expenses		
Depreciation of owned assets	715	395
Less: Amount included in inventory overheads	–	(36)
	715	359
Depreciation of right-of-use assets	1,841	2,571
	2,556	2,930
(c) Other items (included in other operating expenses and other gains and losses)		
Legal and professional fees	715	1,304
Secretarial and registration fees	52	332

8. INCOME TAX

For the six months ended 30 June 2025 and 2024, Hong Kong Profits Tax has not been provided as the subsidiaries of the Group in Hong Kong incurred losses for taxation purposes, have no assessable profits, or the estimated assessable profits for the period are wholly absorbed by unrelieved tax losses brought forward from previous years.

The Group's entities established in the People's Republic of China (the "PRC") are subject to Enterprise Income Tax ("EIT") of the PRC at a statutory rate of 25% (six months ended 30 June 2024: 25%) for the six months ended 30 June 2025.

The PRC Land Appreciation Tax ("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.

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
PRC EIT	2,011	2,271
PRC LAT	–	554
	2,011	2,825
Deferred tax	4	(138)
Income tax expenses for the period	2,015	2,687

9. DIVIDENDS

The board of directors (the "Board") does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

10. 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 period attributable to equity holders of the Company, and the weighted average number of ordinary shares of 667,525,230 (six months ended 30 June 2024: 667,525,230) in issue during the six months ended 30 June 2025.

Diluted loss per share is the same as basic loss per share as the effect of potential ordinary shares is anti-dilutive during the six months ended 30 June 2025 and 2024.

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

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to equity holders of the Company, used in the basic and diluted loss per share calculation	(10,407)	(7,556)
	Number of shares	
	At 30 June	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	667,525,230	667,525,230

11. TRADE AND OTHER RECEIVABLES

		30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
	Notes		
Trade receivables			
– Receivables from customers		6,540	10,820
– Interest receivables		204,015	166,208
Loss allowances		(14,854)	(14,904)
	(a)	195,701	162,124
Other receivables	(b)	593,845	574,252
Loss allowances		(27,304)	(27,304)
		566,541	546,948
		762,242	709,072

- (a) 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:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Unbilled	20,655	7,127
0–30 days	6,675	21,158
31–90 days	214	252
91–180 days	1,146	6,445
181–360 days	21,560	34,634
Over 360 days	145,451	92,508
	195,701	162,124

- (b) At 30 June 2025, advances to consignors for auction business, net of loss allowances, amounted to approximately HK\$384,501,000 (31 December 2024: HK\$386,658,000). The balance is 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 (31 December 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.

12. TRADE AND OTHER PAYABLES

		30 June 2025	31 December 2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Trade payables	(a)	123,826	119,650
Accruals		30,277	32,200
Lease liabilities		1,011	1,011
Interest payables		158,718	112,528
Other payables		678,218	608,448
Deposits received		6,176	5,063
Contract liabilities		6,494	6,406
Receipt in advance		539	1,381
		1,005,259	886,687
Analysed into:			
– Current portion		1,005,259	690,751
– Non-current portion		–	195,936
		1,005,259	886,687

- (a) An ageing analysis of the trade payables at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025	31 December 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
0–30 days	437	–
31–90 days	874	–
91–180 days	2,865	154
181–360 days	154	4,529
Over 360 days	119,496	114,967
	123,826	119,650

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL AND BUSINESS REVIEW, AND PROSPECT

DTXS Silk Road Investment Holdings Company Limited (the “Company”) and its subsidiaries (the “Group”) recorded revenue of approximately HK\$15.1 million (30 June 2024: HK\$25.9 million) for the six months ended 30 June 2025. Loss for the period was approximately HK\$10.4 million (Loss for the period ended 30 June 2024: HK\$15.4 million).

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\$14.7 million (30 June 2024: HK\$20.4 million) and a segment profit before tax of approximately HK\$15.0 million (30 June 2024: segment profit before tax of HK\$14.9 million) for the six months ended 30 June 2025.

Auction Business

During the period, due to the current uncertain PRC economy, the arts and antique market is greatly affected. The Company has not held any large scale auction. Instead, the Company has made certain adjustments to the operation of this business unit. The management will continue monitoring the market condition and sentiment on the arts and antique market. Once there is sign on 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 is 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 Division

This division contributed a segment revenue of approximately HK\$0.4 million (30 June 2024: HK\$1.9 million) and with a segment loss before tax of approximately HK\$0.2 million (segment profit before tax for the period ended 30 June 2024: HK\$0.7 million) for the six months ended 30 June 2025.

Property Development Division

This division contributed no segment revenue (30 June 2024: HK\$3.5 million) and a segment loss before tax of approximately HK\$18.9 million (segment loss before tax for the period ended 30 June 2024: HK\$25.9 million) for the period ended 30 June 2025. The decrease in segment loss before tax was mainly attributable to the costs saving measurements applied.

The properties are located in Da Tang West Market, Lianhu District in Xi'an City (the "Da 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 meters.

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. As at 30 June 2025, the Group had completed the structural work up to the 24th floor (as at 31 December 2024: 19th floor) of Tower A. It is expected Tower A will be completed during 2026.

During the period ended 30 June 2025, the properties under development has not yet completed. Therefore, revenue and related costs are not recognized during the period.

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 seek to add value to the properties through consolidation of resources, strategic repositioning and repackaging, and enhanced marketing efforts in collaboration with third party(ies).

LIQUIDITY AND FINANCIAL RESOURCES

During the period, the Group's operations were mainly financed by internal resources.

As at 30 June 2025, the Group's total bank balances and cash amounted to approximately HK\$8.7 million, representing a decrease of approximately HK\$7.5 million as compared with the bank balances and cash 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 period.

As at 30 June 2025, the Group had outstanding secured borrowings of approximately HK\$1,434.3 million (31 December 2024: HK\$1,392.1 million) and are repayable within one year to three years (31 December 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 167.5% as at 30 June 2025 (31 December 2024: 161.2%).

FOREIGN EXCHANGE EXPOSURE

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

For the purposes of presenting condensed interim financial information, 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 30 June 2025. Income and expense items are translated at the average exchange rates for the period ended 30 June 2025. Exchange gain on translation of foreign operations of approximately HK\$10.3 million (for the six months period ended 30 June 2024: Exchange loss of HK\$8.8 million) for the six months ended 30 June 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 30 June 2025, other than outsourcing vendors but including contract workers, the Group has approximately 93 employees (31 December 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 30 June 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\$353.8 million (31 December 2024: HK\$343.2 million).

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 period under review.

CAPITAL COMMITMENT

At 30 June 2025, the Group has capital commitments amounted to approximately HK\$578.5 million (31 December 2024: HK\$627.6 million).

INTERIM DIVIDEND

The board of directors (the “Board”) does not recommend payment of an interim dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2025, the Company and its subsidiaries had not purchased, sold or redeemed any of the listed securities of the Company.

REVIEW OF INTERIM RESULTS

The Company’s unaudited interim results for the six months ended 30 June 2025 have not been reviewed by external auditor, but have been reviewed by the audit committee of the Company.

SUBSEQUENT EVENTS

On 8 July 2025, the Company and a placing agent entered into a placing agreement in relation to the placing of 66,752,523 shares at a price of HK\$0.5 per share. 30,000,000 and 36,700,000 shares have been placed at a price of HK\$0.5 per share on 1 August 2025 and 6 August 2025, respectively. The Company received net proceeds of approximately HK\$32.0 million.

On 8 August 2025, the Company and a placing agent entered into a placing agreement in relation to the placing of 66,800,000 shares at a price of HK\$0.6 per share. The share placement is still in progress as at the date of this announcement.

CORPORATE GOVERNANCE

Upon the resignation of Prof. Wang Guiguo with effect from 1 June 2025 as an Independent Non-executive Director of the Company, the Company was not in compliance with (i) Rule 3.10(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), which stipulates that the Board must include at least three independent non-executive directors; (ii) Rule 3.21 of the Listing Rules, which stipulates that the audit committee must comprise a minimum of three members; and (iii) Rule 3.25 of the Listing Rules, which stipulates that the remuneration committee chaired by an independent non-executive director and comprising a majority of independent non-executive directors.

Following the appointments of Mr. Dai Zhijie as an independent non-executive Director, with effect from 8 August 2025, the Company is in compliance with aforementioned Listing Rules since 8 August 2025.

Save as disclosed above, throughout the period 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 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, who confirmed their compliance with the required standards as set out in the Model Code during the six months ended 30 June 2025.

Senior management who, because of their offices in the Company, are likely to be in possession of inside information in relation to the Company’s securities, have also been represented to comply with the provision of the Model Code when dealing in the securities of the Company.

2025 INTERIM REPORT

The 2025 interim 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 Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and despatched to the shareholders of the Company in due course.

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

Hong Kong, 31 August 2025

As at the date of this announcement, the board of Directors of the Company comprises five 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.