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DX.com Holdings Limited

DX.com 控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8086)

**DISCLOSEABLE TRANSACTION –
ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL
IN SUCCESS BEAUTY LIMITED**

ACQUISITION

The Board is pleased to announce that after trading hours on 7 October 2016, the Company and the Vendor entered into the SP Agreement pursuant to which the Company has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares, representing the entire issued share capital of the Target Company. The Target Subsidiary, a wholly-owned subsidiary of the Target Company, is the holder of money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) to carry out money lending business in Hong Kong.

The Consideration for the Acquisition is HK\$58,266,852, subject to adjustments as described below, which shall be settled in cash.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio under the GEM Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements of Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that after trading hours on 7 October 2016, the Company and the Vendor entered into the SP Agreement pursuant to which the Company has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares, representing the entire issued share capital of the Target Company. The Target Subsidiary, a wholly-owned subsidiary of the Target Company, is the holder of money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) to carry out money lending business in Hong Kong. The Consideration for the Acquisition is HK\$58,266,852, subject to adjustments as described below.

Major terms of the SP Agreement are set out below:

THE SP AGREEMENT

Date

7 October 2016

Parties to the SP Agreement

- (i) The Company, as the purchaser
- (ii) AMCO United Holding Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 630), as the Vendor

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owners is an Independent Third Party and the Vendor is principally engaged in investment holdings. As at the date of this announcement, the Company is interested in 22,000,000 shares of the Vendor, representing approximately 1.18% of its issued share capital.

Subject matter

Pursuant to the terms and conditions of the SP Agreement, the Company has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares, representing the entire issued share capital of the Target Company.

Consideration

The Consideration for the Acquisition payable by the Company to the Vendor shall be HK\$58,266,852, subject to adjustments as described below.

The Consideration shall be payable by the Company to the Vendor in the following manner:

- (a) as to HK\$30,000,000 upon Completion; and
- (b) as to the remaining HK\$28,266,852 within three months after Completion.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Company principally based on the unaudited consolidated net assets value of the Target Company as at 31 August 2016 and adjusted by a shareholder's loan owing to the Vendor in the principal amount of HK\$57,260,000 as at 31 August 2016 plus a premium of HK\$1,000,000. On 30 September 2016, the entire shareholder's loan owing by the Target Company to the Vendor in the principal amount of HK\$58,760,000 was capitalised.

The Consideration will be funded by internal resources of the Group and possible equity fund raising and/or third party borrowing in the future.

Adjustment to Consideration

Within 30 days from the Completion Date, the Vendor shall deliver (i) an unaudited consolidated financial position of the Target Company as at the Completion Date; (ii) an unaudited consolidated profit and loss accounts of the Target Company for the period from 1 September 2016 up to (and inclusive of) the Completion Date (collectively, the "**Completion Accounts**"); (iii) a bank statement from the banker(s) of the Target Subsidiary issued in the month of the Completion Date; and (iv) if there is any accrual booked in the Completion Accounts, the proof of such accrual(s) to the reasonable satisfaction of the Company.

The net assets value of the Target Group as deduced from the Accounts amounted to approximately HK\$6,852 and if adjusted by adding back the amount of the shareholder's loan owing to the Vendor as at 31 August 2016, such adjusted net assets value amounted to HK\$57,266,852 ("**Adjusted NAV**"). In the event that the net assets value of the Target Group as deduced from the Completion Accounts is not equal to the Adjusted NAV, the Consideration (i) shall be adjusted by an amount ("**Adjustment Amount**") which is determined in accordance with the formula set out below and (ii) shall be capped at HK\$60,000,000:

$$A = (B - C)$$

Where:

"A" means the Adjustment Amount and (i) where A is a positive figure, the Company shall pay such amount to the Vendor in accordance with the terms of the SP Agreement; or (ii) where A is a negative figure, the Vendor shall pay such amount to the Company in accordance with the terms of the SP Agreement;

"B" means the net assets value of the Target Group as deduced from the Completion Accounts; and

"C" means HK\$57,266,852, being the Adjusted NAV.

The Adjustment Amount (if any) shall be paid by a party to the other party in cleared and immediately available funds, without any set off, withholding or deduction within 10 Business Days after the delivery of the Completion Accounts by the Vendor to the Company in accordance with the terms of the SP Agreement.

The Completion Accounts shall be prepared in accordance with (i) the Hong Kong Financial Reporting Standards to the extent they are applicable to the period covered by the Completion Accounts; and (ii) the accounting policies applied in the preparation of the underlying financial information for the Accounts, at the cost of the Vendor.

Completion

Completion took place immediately after the signing of the SP Agreement.

Immediately after Completion, the Company owns 100% of the issued share capital of the Target Company and will consolidate the results of the Target Company in the financial statements of the Group.

INFORMATION ON THE TARGET GROUP

The Target Company is the sole legal and beneficial owner of the entire issued share capital of the Target Subsidiary. The Target Subsidiary, a wholly-owned subsidiary of the Target Company, is the holder of money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) to carry out money lending business in Hong Kong.

Set out below is the summary of the key financial information extracted from the unaudited consolidated financial statements of the Target Company for the periods from 1 August 2014 (date of incorporation of the Target Company) to 31 December 2015 and from 1 January 2016 to 31 August 2016 respectively:

	For the period from 1 August 2014 to 31 December 2015 <i>approximately HK\$</i>	For the period from 1 January 2016 to 31 August 2016 <i>approximately HK\$</i>
Loss before taxation	36,000	47,000
Loss after taxation	36,000	43,000

The unaudited consolidated total assets value and unaudited consolidated net assets value of the Target Group as at 31 August 2016 were approximately HK\$57.3 million and approximately HK\$6,900 respectively.

Taking into account the capitalisation of the shareholder's loan in the principal amount of HK\$58,760,000 owing by the Target Company to the Vendor on 30 September 2016, without considering the profit and loss effect after 31 August 2016, the consolidated net assets value of the Target Group would be increased by HK\$58,760,000.

REASONS FOR THE ACQUISITION

The Group is principally engaged in e-commerce business and provision of online sales platform.

In view of the keen competition in the market of e-commerce, in particular, from competitors operating in a large-scale as stated in the annual report of the Company for the year ended 30 June 2016, the Board considers that the Acquisition is in-line with the Company's plan to look for other investment and business opportunity for diversification to break through the existing difficult situation and broaden revenue sources of the Group.

The Directors consider that the terms of the SP Agreement have been entered into on normal commercial terms, and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned, and is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio under the GEM Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements of Chapter 19 of the GEM Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Accounts”	the unaudited consolidated financial statements of the Target Company made up to 31 August 2016 for the eight months ended 31 August 2016
“Acquisition”	the acquisition of the Sale Shares by the Company pursuant to the terms and conditions of the SP Agreement
“associates”	has the meaning ascribed thereunder the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	means a day (excluding Saturday, Sunday or public or statutory holiday in Hong Kong and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on

	which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business in Hong Kong throughout their normal business hours
“Company”	DX.com Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on GEM (Stock code: 8086)
“Completion”	the completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the SP Agreement
“Completion Date”	the date of the SP Agreement or such other date as the parties to the SP Agreement may agree, being the date of completion of the sale and purchase of the Sale Shares in accordance with the terms of the SP Agreement
“connected persons”	has the meaning as ascribed thereto under the GEM Listing Rules
“Consideration”	the consideration for the Acquisition, being HK\$58,266,852 (subject to adjustments as set out in the sub-section headed “the SP Agreement – Adjustment to Consideration” above
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its subsidiaries and not connected with any of the connected persons of the Company or any of their respective associates

“Sale Shares”	two issued shares of the Target Company, which represent the entire issued share capital of the Target Company as at the date of this announcement and as at Completion
“Share(s)”	ordinary issued share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SP Agreement”	the agreement dated 7 October 2016 entered into between the Company and the Vendor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Success Beauty Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and the Target Subsidiary
“Target Subsidiary”	Ever Great Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
“Vendor”	AMCO United Holding Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 630)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

On behalf of the Board
DX.com Holdings Limited
HUNG Kenneth
Chairman

Hong Kong, 7 October 2016

As at the date of this announcement, the executive directors of the Company are Mr. Hung Kenneth and Mr. Tai Man Hin Tony; the non-executive director of the Company is Mr. Meng Hu; and the independent non-executive directors of the Company are Mr. Fong Fuk Wai, Mr. Fung Kam Man and Mr. Zhou Jing.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website <http://www.hkgem.com> for at least 7 days from the date of its publication and on the website of the Company at <http://www.dxholdings.com>.