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If you have sold or transferred all your shares in **Orient Victory Travel Group Company Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ORIENT VICTORY TRAVEL GROUP COMPANY LIMITED

東勝旅遊集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

CONTINUING CONNECTED TRANSACTIONS UNDER THE EVENT PLANNING FRAMEWORK AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



川盟融資有限公司
Chanceton Capital Partners Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A notice convening an extraordinary general meeting of the Company to be held at 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Friday, 31 January 2020 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the extraordinary general meeting is enclosed with this circular. Whether or not you plan to attend the EGM or any adjournment thereof, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Such proxy form is also published on The Stock Exchange of Hong Kong Limited's HKExnews website at www.hkexnews.hk and the Company's website at www.orientvictory.com.hk. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy will be deemed to have been revoked.

10 January 2020

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions have the following meanings:

“Announcement”	The announcement of the Company dated 28 November 2019 in relation to the Continuing Connected Transactions
“Board”	the board of Directors
“Business”	real estate development in the PRC
“Business Day”	a day (other than a Saturday, a Sunday or a day on which a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal is hosted in Hong Kong) on which banks are generally open for business in Hong Kong
“Company”	Orient Victory Travel Group Company Limited (東勝旅遊集團有限公司), a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Continuing Connected Transactions”	the transactions contemplated under the Event Planning Framework Agreement
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the Independent Shareholders to consider and, if thought fit, approve the Event Planning Framework Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)
“Event Planning Framework Agreement”	the event planning framework agreement dated 28 November 2019 entered into between OVPD and the Company in relation to the provision of event planning and all-round event production services in connection with the Business
“Group”	the Company and its subsidiaries
“Hong Kong” or “HK”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the board committee of the Company comprising all independent non-executive Directors, namely Mr. Dong Xiaojie, Mr. He Qi and Mr. Sui Feng-jih, to be established to make recommendation to the Independent Shareholders in respect of the terms of the Event Planning Framework Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps)

DEFINITIONS

“Independent Financial Adviser”	Chanceton Capital Partners Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the terms of the Continuing Connected Transactions (including the Proposed Annual Caps)
“Independent Shareholders”	Shareholders other than OVPD and its associates, i.e. Mr. Shi
“independent third party(ies)”	a third party independent of, and not connected with, the Company and the connected persons of the Company
“Latest Practicable Date”	8 January 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Shi”	Mr. Shi Baodong, the chairman of the Company, an executive Director and a director of OVPD and who beneficially owns the entire issued share capital of OVRE
“OVPD”	Orient Victory Property Development Group Co., Ltd.* (東勝房地產開發集團有限公司), a company incorporated in the PRC
“OVRE”	Orient Victory Real Estate Group Holdings Limited (東勝置業集團控股有限公司), a company incorporated in the British Virgin Islands and wholly-owned by Mr. Shi
“PRC”	the People’s Republic of China which, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Annual Caps”	the proposed annual monetary caps for the Continuing Connected Transactions for the period up to 30 September 2022
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.005 each in the issued and unissued share capital of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	28 November 2019 to 30 September 2022
“%”	per cent

* *for identification purpose only*

In this circular, the terms “close associate(s)”, “connected person(s)”, “core connected person(s)”, “controlling shareholder(s)”, “subsidiary/subsidiaries” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

For illustrative purpose of this circular and unless otherwise specified, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.1137.

LETTER FROM THE BOARD



ORIENT VICTORY TRAVEL GROUP COMPANY LIMITED 東勝旅遊集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

Executive Directors:

Mr. SHI Baodong (*Chairman*)

Mr. MO Yueming

Mr. ZHAO Huining

Non-executive Director:

Ms. SONG Sining

Independent non-executive Directors:

Mr. DONG Xiaojie

Mr. HE Qi

Mr. SUEI Feng-jih

Registered office:

P.O. Box 31119

Grand Pavilion

Hibiscus Way

802 West Bay Road

Grand Cayman

KY1-1205

Cayman Islands

Principal place of business

in Hong Kong:

7/F Winbase Centre

208 Queen's Road Central

Sheung Wan

Hong Kong

10 January 2020

To the Shareholders,

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS UNDER THE EVENT PLANNING FRAMEWORK AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 28 November 2019 in relation to the Continuing Connected Transactions.

On 28 November 2019 (after trading hours), the Event Planning Framework Agreement was entered into between the Company and OVPD. Pursuant to which, OVPD agrees to appoint the Company or its subsidiaries as its exclusive agent for the provision of event planning and all-round event production services in connection with the Business for the Term (i.e. from the date of the Event Planning Framework Agreement to 30 September 2022).

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, information on the Continuing Connected Transactions and other information as required under the Listing Rules. This circular also contains (i) letter of recommendation from the Independent Board Committee; (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) further details on the Continuing Connected Transactions (including the Proposed Annual Caps); and (iv) the notice of the EGM.

THE EVENT PLANNING FRAMEWORK AGREEMENT

On 28 November 2019 (after trading hours), the Company entered into the Event Planning Framework Agreement with OVPD. The principal terms of the Event Planning Framework Agreement are summarised below.

Date

28 November 2019 (after trading hours)

Parties

- (i) OVPD; and
- (ii) the Company

Term

From 28 November 2019 to 30 September 2022.

Subject Matter

OVPD agrees to appoint the Company or its subsidiaries as its exclusive agent who shall provide event planning and all-round event production services to OVPD or its subsidiaries in connection with the Business.

Under the Event Planning Framework Agreement, the Company or its subsidiaries (or through their respective subcontractor) shall be responsible for the following matters including but not limited to:

- (i) pre-event planning;
- (ii) decoration of venue for the event;
- (iii) design and production of materials to be used in the event;
- (iv) the recruitment and management of performers for the event;
- (v) provision of stage lighting and equipment for the event;
- (vi) the recruitment and management of on-site crews for the event;

LETTER FROM THE BOARD

(vii) obtaining relevant approval required for holding the event from the relevant authorities; and

(viii) assisting OVPD or its subsidiaries to retreat the equipment from the event venue.

(the above collectively referred to the “**Services**”)

OVPD or its subsidiaries (as the case maybe) and the Company or its subsidiaries (as the case maybe) shall enter into specific agreement in respect of each individual transaction contemplated under the Event Planning Framework Agreement and shall be performed separately under the relevant specific agreement(s) (the “**Specific Agreement(s)**”) in accordance with the principal terms under the Event Planning Framework Agreement.

Pursuant to the Event Planning Framework Agreement, the Services to be provided by the Company or its subsidiaries to OVPD or its subsidiaries under the Event Planning Framework Agreement shall be conducted on normal commercial terms or better, in particular:

- (i) the terms of the Continuing Connected Transactions must be fair and reasonable and in the interest of the Shareholders as a whole;
- (ii) the terms of the Continuing Connected Transactions shall be no less favourable to the Group than terms available from independent third parties;
- (iii) the Continuing Connected Transactions shall be conducted after arm’s length negotiations; and
- (iv) the Continuing Connected Transactions shall not exceed the Proposed Annual Caps without re-complying with the requirements of the Listing Rules with regard to continuing connected transactions.

Conditions Precedent

The Event Planning Framework Agreement is conditional upon the following:

- (i) the Event Planning Framework Agreement and the transactions contemplated thereunder having been approved by the respective board of directors of OVPD and the Company;
- (ii) all guarantees, representations and warranties given by OVPD and the Company under the Event Planning Framework Agreement remaining valid, true and correct in all material respects;
- (iii) the Independent Shareholders having approved the Event Planning Framework Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) by way of poll at the EGM; and
- (iv) (if necessary) all authorities’ authorizations, approvals, consents, waivers and permits which are necessary or relevant to give effect to the Event Planning Framework Agreement having been granted, received or obtained and not revoked.

Save for condition precedent (ii), all other conditions precedent cannot be waived by OVPD or the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save for item (ii) which is a continuing obligation of OVPD and the Company before completion and items (iii) which requires Independent Shareholders' approval at the EGM, all other conditions precedent have been fulfilled.

Service Fees

The fee to be charged by the Company or its subsidiaries for the provision of the Services shall be determined after arm's length negotiation based on scope and scale of services, work complexity, location, expected labour force to be involved resources to complete the services, schedule and compare with the prevailing market rate for comparable planning services available from other marketing or event planning companies in the PRC, and in any event the fee offered by OVPD or its subsidiaries to the Group shall be on normal commercial term or better than that offered to (a) the Group by other independent marketing or event planning companies for the comparable service; and (b) other independent third parties by OVPD or its subsidiaries for the comparable service. To determine whether the price and terms offered to the Group by OVPD or its subsidiaries are fair and reasonable and comparable to those offered by independent third parties, the Board would obtain, or request OVPD to obtain, quotation from at least two other independent marketing or event planning companies in the PRC for the comparable service.

If the total service fee is agreed at a fixed sum, 30% of the total service fee shall be paid by OVPD or its subsidiaries to the Company or its subsidiaries within seven days after the signing of the Specific Agreement and the balance shall be paid within seven days after the issuance of a completion confirmation and an inspection report by OVPD or its subsidiaries in respect of the relevant event. If the total service fee is variable and shall be determined with reference to unit price per headcount and actual time spent, the total service fee shall be paid within 30 days after the service.

Business Model and Operation of Event Planning and Production

The Company has set up an operation team of twelve staff members who possess relevant experience ranging from 3 to 10 years (the "**Operation Team**"). Generally, the Company has no specific target customer at this stage. However, it is the intention of the Group to focus on customers from real estate and travel-related industries. Leveraging on the network of the staff members in the Operation Team and Mr. Shi, when business opportunity comes, the Operation Team will have a preliminary discussion on how the event should be held based on the budget initially provided by customer and which part of the event is required to be sub-contracted. Generally, if a particular part of an event requires technical service such as electrical installations, such work will be sub-contracted to independent service provider. When a preliminary plan for the event is concluded among the relevant members of the Operation Team and if technical service is required, the Operation Team will obtain quotation from service provider. Thereafter, preliminary plan will be put forward to the relevant customer for approval and the Group's quotation will also be delivered simultaneously. If the Group's quotation does not meet the initial budget of the relevant customer, the Group will recommend the relevant customer to increase the budget for the event such that the event could be held in an impressive way.

The Operation Team is currently operating under five departments, namely human resources department (mainly responsible for recruitment and administration work), branding operation department (mainly responsible for work relating to corporate imaging, brand packaging and marketing strategy), information technology department (mainly responsible for network and equipment maintenance), operation department (mainly responsible for exploring sales channels and expanding client database) and digital merchant department (mainly responsible for work relating to online sales and digital sales platform).

LETTER FROM THE BOARD

The Group completed 22 event planning projects in the aggregate contract amount of RMB4.45 million (equivalent to approximately HK\$4.96 million) as at 31 October 2019, which mainly involved in event planning and coordination work in relation to property development, consultancy services and architectural design businesses. Given the work required to be performed in this business does not require substantial manpower, the Board considers that the Group has sufficient resources to perform such work including the work under the Event Planning Framework Agreement. As and when necessary, the Group may consider expanding its operation team such that it could reduce sub-contraction of work and maximize its profits in this business.

Proposed Annual Caps

The proposed annual monetary caps of the Continuing Connected Transactions to be contracted between OVPD and the Company in aggregate (including value added tax (“VAT”)) during the Term shall not exceed the sum set out below:

Period	Proposed Annual Caps (contract sum in aggregate including VAT)	
		<i>equivalent to</i>
	<i>RMB (million)</i>	<i>approximately</i> <i>HK\$ (million)</i>
28 November 2019 to 31 December 2019	9.48	10.56
1 January 2020 to 31 December 2020	35.82	39.89
1 January 2021 to 31 December 2021	26.05	29.01
1 January 2022 to 30 September 2022	17.11	19.06

Basis of the Proposed Annual Caps

The Proposed Annual Caps were determined after taking into account

- (i) the preliminary scheduled real estate projects (the “**Real Estate Projects**”) under the Business provided by OVPD;
- (ii) the event planning and marketing budget plan for each of the Real Estate Projects provided by OVPD;
- (iii) the estimated work to be undertaken by the Group in the Real Estate Projects; and
- (iv) a buffer of 5% providing for the necessary increase of event planning and marketing expenses.

For each of the Real Estate Projects, an initial budget for event planning and production (the “**Event Budget**”) will be provided by OVPD. The Event Budget will be depending on the scale of the relevant Real Estate Project and generally, approximately 1.00% of the estimated sale proceeds from the Real Estate Project will be allocated as the Event Budget. At this stage, the Company itself will mainly focus on acting as coordinator and provision of ideas and solutions as to how the relevant Real Estate Project should be promoted through utilizing the Event Budget. Other work such as print advertisement layout design and stage or backdrop design will be sub-contracted to independent agencies.

LETTER FROM THE BOARD

The Real Estate Projects consist of 7 developments with saleable areas of approximately 10,500 million square meter in aggregate which are all located in Hebei province of the PRC. It is estimated by OVPD that sales proceeds from these developments would be approximately RMB3,411 million, RMB2,481 million and RMB1,630 million in 2020, 2021 and 2022 respectively. Given the estimated aggregate sales proceeds in each of 2021 and 2022 are less than 2020 and the Proposed Annual Caps in term of monetary are mainly determined with reference to the estimated sales proceeds, the annual caps for 2021 and 2022 are reduced accordingly.

INFORMATION OF THE PARTIES

The Company was an investment holding company and its subsidiaries were principally engaged in the provision of diversified tourism products and services, the provision of integrated development and investment holding.

OVPD is a company incorporated in the PRC, principally engaged in the Business, and is wholly-owned by Mr. Shi, the chairman, the chief executive officer and an executive Director. Mr. Shi is also a controlling shareholder of the Company holding, including through OVRE, 7,925,532,025 Shares (representing approximately 61.33% of the entire issued share capital of the Company).

REASONS FOR ENTERING INTO EVENT PLANNING FRAMEWORK AGREEMENT

With an effort to further develop the business of the Group, the Group has been enhancing its existing business and looking for suitable business opportunities to diversify the business of the Group with an objective to broaden the Group's income sources which in turn improve the financial performance of the Group and achieve better return for the Shareholders. During the year ended 31 December 2019, the Group has recruited a team of talents with extensive experience in corporate image building, brand management, marketing, event planning and public relations and communication. With reference to their aptitude, energetic attitude and ambition in works, they have completed certain event planning projects in the aggregate contract amount of RMB4.45 million (equivalent to approximately HK\$4.96 million) as at 31 October 2019. The Board is of the view that given the business opportunity provided under the Event Planning Framework Agreement, the ability of this team will be further explored and developed and gained the appreciation from various class of customer. The Directors (excluding the members of the Independent Board Committee who will form their opinion after considering the advice from the independent financial adviser in respect of the Event Planning Framework Agreement) consider the terms of the Event Planning Framework Agreement, the Continuing Connected Transactions thereunder and the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In view of the aforesaid, the Board considers that the terms and conditions of the Event Planning Framework Agreement including the Proposed Annual Caps thereof are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and the Board is not aware of there being any disadvantages for entering into the Continuing Connected Transactions.

LETTER FROM THE BOARD

INTERNAL CONTROL MEASURES

To ensure that the transactions contemplated under the Event Planning Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole, the Company has adopted the followings:

- (a) prior to entering into any Specific Agreement, the business department of the Company (or its subsidiaries) shall be responsible for liaising with and obtaining quotations from at least two independent marketing or event planning companies in the PRC for providing such services for the relevant events by way of telephone or email in order to ensure that the terms of the Specific Agreements are fair and reasonable and on normal commercial terms or better than those available from independent third parties;
- (b) after entering into any Specific Agreement, the senior management of the Company (or its subsidiaries) shall be responsible for monitoring the Specific Agreements. The marketing manager or the deputy marketing manager of the Company (or its subsidiaries) will review the Specific Agreement every three months to ensure the transactions have been carried out in compliance with the terms of such agreement and if there is any non-compliance or potential non-compliance, the responsible personnel will report the matter to the senior management of the Company for consideration who will then find ways to resolve the matter. Further, the marketing manager or the deputy marketing manager of the Company (or its subsidiaries) will report to the senior management of the Company every six months on the financial performance of individual events after the auditors have reviewed the Specific Agreements;
- (c) the finance department of the Group is responsible for monitoring the service fees for the Services to ensure that they are conducted in accordance with the terms of the Event Planning Framework Agreement and the Proposed Annual Caps are not exceeded. In addition, the finance department will also conduct overall review on a monthly basis. Where the finance department is aware of any potential non-compliance with the pricing policies or that the Proposed Annual Caps will be exceeded, the finance department will escalate the matter to the senior management of the Company who will co-ordinate at the Group level to take remedial actions and ensure the basis of the Proposed Annual Caps are followed and are not exceeded;
- (d) the senior management of the Company will review the draft Specific Agreements and will escalate the matter to the independent non-executive Directors if the senior management is of the opinion that there is any non-compliance issue. The independent non-executive Directors would further review the draft Specific Agreements and take appropriate actions to ensure that such transactions are conducted within the Event Planning Framework Agreement, on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. After approval of the respective Specific Agreements by the executive Director or director of its subsidiaries after taking into account the steps taken by the independent non-executive Directors (where necessary), the marketing manager or the deputy marketing manager of the Company (or its subsidiaries) will be responsible for monitoring the Specific Agreements, reviewing and approving any decision required for the operation of the events, which is expected to take around one to two weeks; and
- (e) in addition to the review by the independent non-executive Directors every year, the auditors of the Company will conduct annual review on the transactions contemplated by the Event Planning Framework Agreement and Specific Agreements and provide their view to the Board.

LETTER FROM THE BOARD

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this circular, OVPD is wholly-owned by Mr. Shi, the chairman of the Board, the chief executive officer and an executive Director. As OVPD is wholly-owned by Mr. Shi, OVPD is an associate of Mr. Shi and thus a connected person of the Company. Therefore, the Continuing Connected Transactions contemplated under the Event Planning Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (other than the profits ratio) in respect of the maximum amount of the Proposed Annual Caps is more than 5% and exceed HK\$10 million, the Continuing Connected Transactions are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE EGM

Set out on pages EGM-1 to EGM-2 of this circular is a notice convening the EGM to be held at 11:00 a.m. on Friday, 31 January 2020 at 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong at which ordinary resolution(s) will be proposed to approve the Event Planning Framework Agreement and the transactions contemplated thereunder and the Proposed Annual Caps.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. Voting on the proposed resolutions at the EGM will be taken by poll.

Any shareholder with a material interest in the Event Planning Framework Agreement, and its/his associates will abstain from voting on the resolution approving the Event Planning Framework Agreement, the transaction contemplated thereunder and the Proposed Annual Caps for the term at the EGM. As at the Latest Practicable Date, OVPD is wholly-owned by Mr. Shi, the chairman, the chief executive officer and an executive Director. Mr. Shi is also a controlling shareholder of the Company holding, including through OVRE, 7,925,532,025 Shares (representing approximately 61.33% of the entire issued share capital of the Company) has a material interest in the Event Planning Framework Agreement, OVRE and Mr. Shi will abstain from voting in respect of the resolution(s) approving the Event Planning Framework Agreement and the transactions contemplated thereunder and the Proposed Annual Caps at the EGM.

To the best knowledge, information and belief of the Directors, no Shareholder (other than OVRE and Mr. Shi) is required to abstain from voting on the ordinary resolution approving the Event Planning Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps at the EGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders' rights of attending and voting at the EGM, the register of members of the Company will be closed from Friday, 24 January 2020 to Friday, 31 January 2020, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the EGM, all share transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Thursday, 23 January 2020.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Event Planning Framework Agreement and the transactions contemplated thereunder and the Proposed Annual Caps is in the best interests of the Group and the Shareholders as a whole. Accordingly, the Board would recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM.

Should there be any inconsistencies between the English text and the Chinese text of this circular, the English text of this circular will prevail over the Chinese text.

Yours faithfully,
By order of the Board
Orient Victory Travel Group Company Limited
SHI Baodong
Chairman, Chief Executive Officer and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



ORIENT VICTORY TRAVEL GROUP COMPANY LIMITED 東勝旅遊集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

10 January 2020

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS UNDER THE EVENT PLANNING FRAMEWORK AGREEMENT

We refer to the circular of the Company dated 10 January 2020 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the Event Planning Framework Agreement and the transactions contemplated thereunder and the Proposed Annual Caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Chanceton Capital Partners Limited has been appointed as the Independent Financial Adviser to advise us in this respect.

We wish to draw your attention to the “Letter from Independent Financial Adviser” as set out on pages 14 to 25 of the Circular. We have considered the terms and conditions of the transactions, the advice of the Independent Financial Adviser and the other factors contained in the “Letter from the Board” as set out on pages 4 to 12 of the Circular.

In our opinion, so far as the Independent Shareholders are concerned, the terms of the transactions are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Besides, given (i) the Company has been looking for suitable business opportunities and has undertaken certain number of jobs in respect of event planning and all-round event production services (the “**Relevant Services**”) prior to the entering into the Event Planning Framework Agreement; (ii) revenue generated from the Relevant Services was recognised during the eight months ended 31 October 2019; (iii) and the Group’s participation in the Relevant Services will be on a continuous basis, the Relevant Services has become an existing principal activity of the Company and thus, the transactions are conducted in the ordinary and usual course of business of the Company. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed to approve the Event Planning Framework Agreement and the transactions contemplated thereunder and the Proposed Annual Caps.

Yours faithfully
For and on behalf of

Independent Board Committee

Dong Xiaojie

He Qi

Independent non-executive Directors

Suei Feng-jih

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from the Independent Financial Adviser, Chanceton Capital Partners Limited, to the Independent Board Committee and the Independent Shareholders in respect of the terms of the continuing connected transactions contemplated under the Event Planning Framework Agreement and the Proposed Annual Caps, which has been prepared for the purpose of inclusion in this circular.



川盟融資有限公司
Chanceton Capital Partners Limited

Chanceton Capital Partners Limited

Room 801B, 8th Floor,
Tsim Sha Tsui Centre,
West Wing,
66 Mody Road,
Tsim Sha Tsui,
Hong Kong

10 January 2020

To: *the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS UNDER THE EVENT PLANNING FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the terms of the continuing connected transactions under the Event Planning Framework Agreement and the Proposed Annual Caps, details of the Event Planning Framework Agreement and Proposed Annual Caps are set out in the letter from the board (“**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 10 January 2020 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As stated in the Letter from the Board, the Company and OVPD had, on 28 November 2019, entered into the Event Planning Framework Agreement pursuant to which OVPD agrees to appoint the Company or its subsidiaries as its exclusive agent who shall provide event planning and all-round event production services to OVPD or its subsidiaries in connection with the Business for the Term (i.e. from the date of the Event Planning Framework Agreement to 30 September 2022).

As at the Latest Practicable Date, OVPD is wholly-owned by Mr. Shi, the chairman of the Board, the chief executive officer and an executive Director. As OVPD is wholly-owned by Mr. Shi, OVPD is an associate of Mr. Shi and thus a connected person of the Company. Therefore, the Continuing Connected Transactions contemplated under the Event Planning Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the applicable percentage ratios (other than the profits ratio) in respect of the maximum amount of the Proposed Annual Cap is more than 5% and exceed HK\$10 million, the Continuing Connected Transactions are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all three independent non-executive Directors, namely Mr. Dong Xiaojie, Mr. He Qi and Mr. Sui Feng-jih, has been formed to consider and advise the Independent Shareholders as to whether (1) the terms of the Event Planning Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (2) the entering into of the Event Planning Framework Agreement is in the interests of the Company and the Shareholders as a whole; (3) the Proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned; and (4) the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group. We, Chanceton Capital Partners Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or OVPD that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Company or OVPD. Accordingly, we are qualified to give independent advice in respect of (1) the Continuing Connected Transactions; and (2) the Proposed Annual Caps as detailed in the Circular.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the information and facts included in the Circular and supplied, and the opinions expressed, by the management of the Company and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects at the time they were made and up to the date of the EGM. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have no reason to believe that any material information has been withheld, nor doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group and OVPD, nor have we carried out any independent verification of the information supplied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether (1) the terms of the Event Planning Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (2) the entering into of the Event Planning Framework Agreement is in the interests of the Company and the Shareholders as a whole; (3) the Proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned; and (4) the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, we have taken into account the principal factors and reasons set out below:

1. Information on the Group

The Group is principally engaged in the provision of diversified tourism products such as air tickets and other travel related services, the provision of integrated development and other investment holding business.

2. Information on OVPD

OVPD is a company incorporated in the PRC, principally engaged in the Business, and is wholly-owned by Mr. Shi, the chairman, the chief executive officer and an executive Director. Mr. Shi is also a controlling shareholder of the Company holding, including through OVRE, 7,925,532,025 Shares (representing approximately 61.33% of the entire issued share capital of the Company).

3. Reasons for entering into the Event Planning Framework Agreement

As stated in the Letter from the Board, with an effort to further develop the business of the Group, the Group has been enhancing its existing business and looking for suitable business opportunities to diversify the business of the Group with an objective to broaden the Group's income sources which in turn improve the financial performance of the Group and achieve better return for the Shareholders.

Pursuant to the Event Planning Framework Agreement, OVPD agrees to appoint the Company or its subsidiaries as its exclusive agent who shall provide event planning and all-round event production services to OVPD or its subsidiaries in connection with the Business. The terms of the Specific Agreement(s) shall be fair and reasonable and on normal commercial terms or better than those available from other independent marketing or event planning companies in the PRC by obtaining fee quotations from at least two other independent marketing or event planning companies in the PRC for comparable service.

As stated in the Letter from the Board and after our discussion with the management of the Company, we were given to understand that during the year ended 31 December 2019, the Group has recruited a team of twelve staff members with 3 to 10 years relevant experience in corporate image building, brand management, marketing, event planning and public relations and communication. Up to 31 October 2019, the team has completed 22 event planning projects with 13 clients and generated revenue of approximately RMB4.45 million (equivalent to approximately HK\$4.96 million) for the Group. We concur with the Board that the Group has sufficient resource and is capable of providing the Services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the Company's annual report for the year ended 31 December 2018 and the Company's interim report for the six months ended 30 June 2019, Revenue from the diversified tourism products and services segment accounted for approximately 99.87% and approximately 80.75% of the total revenue of the Group for the year ended 31 December 2018 and for the six months ended 30 June 2019 respectively. While competition in diversified tourism products and services business was still keen and the prices of the air-tickets and other services were facing pressure, the Group has been enriching its scope of services through broadening customer groups and types of services provided. The Board is of the view that given the business opportunities provided under the Event Planning Framework Agreement, the Group could further diversify its existing business and broaden its income source, which is in line with the Group's development strategy.

In light of the above factors and given that the Continuing Connected Transaction will be conducted on normal commercial terms, the Directors consider, and we concur, that the entering into the Event Planning Framework Agreement is in line with the Group's development strategy and will further diversify the Group's existing business and broaden its income source.

4. Principal terms of the Event Planning Framework Agreement

Set out below is a summary of the principal terms of the Event Planning Framework Agreement.

(i) Subject matter

The Event Planning Framework Agreement was entered into on 28 November 2019 between the Company and OVPD. Pursuant to the Event Planning Framework Agreement, OVPD agrees to appoint the Company or its subsidiaries as its exclusive agent who shall provide event planning and all-round event production services to OVPD or its subsidiaries in connection with the Business. Under the Event Planning Framework Agreement, the Company or its subsidiaries shall be responsible for the following matters including but not limited to: (i) pre-event planning; (ii) decoration of the venue for the event; (iii) design and production of materials to be used in the event; (iv) the recruitment and management of performers for the event; (v) provision of the stage lighting and equipment for the event; (vi) the recruitment and management of on-site crews for the event; (vii) obtaining relevant approval required for holding the event from the relevant authorities; and (viii) assisting OVPD or its subsidiaries to retreat the equipment from the event venue.

OVPD or its subsidiaries and the Company or its subsidiaries shall enter into specific agreement in respect of each individual transaction contemplated under the Event Planning Framework Agreement and shall be performed separately under the Specific Agreement in accordance with the principal terms under the Event Planning Framework Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to the Event Planning Framework Agreement, the Services to be provided by the Company or its subsidiaries to OVPD or its subsidiaries under the Event Planning Framework Agreement shall be conducted on normal commercial terms or better, in particular:

- (i) the terms of the Continuing Connected Transactions must be fair and reasonable and in the interest of the Shareholders as a whole;
- (ii) the terms of the Continuing Connected Transactions shall be no less favourable to the Group than terms available from independent third parties;
- (iii) the Continuing Connected Transactions shall be conducted after arm's length negotiations; and
- (iv) the Continuing Connected Transactions shall not exceed the Proposed Annual Caps without re-complying with the requirements of the Listing Rules with regard to continuing connected transactions.

(ii) Duration

The Event Planning Framework Agreement was entered into for a term not exceeding three years from the date of the Event Planning Framework Agreement to 30 September 2022.

(iii) Pricing basis

As set out in the section headed "Service Fees" in the Letter from the Board contained in the Circular, the fee to be charged by the Company or its subsidiaries for the provision of the Services shall be determined after arm's length negotiation based on scope and scale of services, work complexity, location, expected labour force to be involved, resources to complete the services, schedule and compare with the prevailing market rate for comparable planning services available from other marketing or event planning companies in the PRC, and in any event the fee offered by OVPD or its subsidiaries to the Group shall be on normal commercial term or better than that offered to (a) the Group by other independent marketing or event planning companies for the comparable service; and (b) other independent third parties by OVPD or its subsidiaries for the comparable service. To determine whether the price and terms offered to the Group by OVPD or its subsidiaries are fair and reasonable and comparable to those offered by independent third parties, the Board would obtain, or request OVPD to obtain, quotation from at least two other independent marketing or event planning companies in the PRC for the comparable service.

We understand from the management of the Company, before entering into any Specific Agreement, the Company or its subsidiaries shall have meeting with OVPD or its subsidiaries to discuss and negotiate the terms of the Specific Agreement based on the above-mentioned pricing basis, including but not limited to scope and scale of services, work complexity, location, expected labour force to be involved, resources to complete the services and schedule.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As advised by the management of the Company, before entering into any Specific Agreement, the marketing department of the Company or its subsidiaries shall be responsible for performing market research by obtaining fee quotations from at least two independent marketing or event planning companies in the PRC for providing services of similar nature and scale, in order to ensure that the terms of the Specific Agreement are fair and reasonable and on normal commercial term or better to the Company or its subsidiaries, than those available from independent parties.

We understand from the management of the Company that, in performing market research through obtaining fee quotations, key details of the service including, among others, scope and scale of services, work complexity, location, expected labour force to be involved, resources to complete the services and schedule are provided to independent marketing or event planning companies in the PRC. We also understand from the management of the Company that fee quotations will be obtained by the Company's or its subsidiaries' marketing department prior to entering into any Specific Agreement, which in our view is reasonable. As such, the management of the Company considers, and we concur, that the obtaining of fee quotations for comparison provides an appropriate basis for determining the service fees under the Specific Agreement.

For each randomly selected Specific Agreements, We have obtained and reviewed at least two fee quotations from other independent marketing or event planning companies in the PRC for providing services of similar nature and scale in respect of the event planning projects expected to be held in 2019. In aggregate, we have obtained twelve samples of fee quotations from other independent marketing or event planning companies in the PRC involving four Specific Agreements and reviewed including but not limited to the scope and scale of services, location, service period as disclosed in the fee quotations. Based on the documents reviewed, we note that the obtaining and comparison of fee quotations from independent marketing or event planning companies in the PRC by the Company or its subsidiaries is consistent with the abovementioned pricing policy as stipulated in the Event Planning Framework Agreement. We also note that the fee quotations were provided by independent marketing or event planning companies in the PRC based on the specifications required by the marketing department of the Company or its subsidiaries for the services. Taking into account the above, as well as the internal control measures as set out in the section headed "Internal control measures" in the Letter from the Board contained in the Circular, we concur with the management of the Company that the pricing basis of the Continuing Connected Transactions to be reasonable.

(iv) Payment

Pursuant to the terms of the Event Planning Framework Agreement, if the total service fee is agreed at a fixed sum, 30% of the total service fee shall be paid by OVPD or its subsidiaries to the Company or its subsidiaries within seven days after the signing of the Specific Agreement and the balance shall be paid within seven days after the issuance of a completion confirmation and an inspection report by OVPD or its subsidiaries in respect of the relevant event. If the total service fee is variable and shall be determined with reference to the unit price per headcount and actual time spent, the total service fee shall be paid within 30 days after the service.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We understand from the management of the Company that the payment term offered to the Company or its subsidiaries is with reference to the market practice and shall be on normal commercial term or better to the Company or its subsidiaries, than those available from independent third parties. We have obtained and reviewed the payment term of the past contracts of providing services of similar nature and scale between OVPD or its subsidiaries and independent third parties. Based on the documents reviewed, we noted that the payment term offered to the Company or its subsidiaries is consistent with the payment terms offered to independent third parties as stipulated in the past contracts between OVPD or its subsidiaries and independent third parties. Considering the above and taking into account the fact that the Services involve different stages such as planning and execution, we consider the payment terms of the Continuing Connected Transactions to be reasonable.

(v) *Conditions precedent*

The Event Planning Framework Agreement is conditional upon fulfillment or waiver in writing (as the case may be) of, among others, (i) the Event Planning Framework Agreement and the transaction contemplated thereunder having been approved by the respective board of directors of OVPD and the Company; (ii) all guarantees, representations and warranties given by OVPD and the Company under the Event Planning Framework Agreement remaining valid, true and correct in all material respects; (iii) the Independent Shareholders having approved the Event Planning Framework Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) by way of poll at the EGM; and (iv) (if necessary) all authorities' authorizations, approvals, consents, waivers and permits which are necessary or relevant to give effect to the Event Planning Framework Agreement having been granted, received or obtained and not revoked.

Save for condition precedent (ii), all other conditions precedent cannot be waived by OVPD or the Company.

As at the Latest Practicable Date, save for item (ii) which is a continuing obligation of OVPD and the Company before completion and item (iii) which requires Independent Shareholders' approval at the EGM, all other conditions precedent have been fulfilled.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. The Proposed Annual Caps with respect to the service fees receivable by the Company or its subsidiaries

The Continuing Connected Transactions are subject to the Proposed Annual Caps for the period up to 31 December 2019, each of the two financial years ending 31 December 2020 and 2021 and nine months ending 30 September 2022. The Proposed Annual Caps of the Continuing Connected Transactions representing the service fees receivable by the Company or its subsidiaries are as follows:

Period	Proposed Annual Cap (contract sum in aggregate including VAT)	
	<i>equivalent to approximately</i>	
	<i>RMB (million)</i>	<i>HK\$ (million)</i>
28 November 2019 to 31 December 2019	9.48	10.56
1 January 2020 to 31 December 2020	35.82	39.89
1 January 2021 to 31 December 2021	26.05	29.01
1 January 2022 to 30 September 2022	17.11	19.06

In estimating the Proposed Annual Caps for the service fees receivable by the Company or its subsidiaries under the Event Planning Framework Agreement for a period up to 31 December 2019, the Company has taken into account (i) the preliminary scheduled Real Estate Projects under the Business provided by OVPD; (ii) the event planning and marketing budget plan for each of the Real Estate Projects provided by OVPD; (iii) the estimated work to be undertaken by the Group in the Real Estate Projects; and (iv) a buffer of 5% providing for necessary increase of event planning and marketing expenses. As advised by the management of the Company, discussion have been held with OVPD in connection with the details of event planning projects currently undertaken or proposed to be undertaken by the Company or its subsidiaries. It is estimated that OVPD or its subsidiaries will require certain Services with respect to the event planning projects, while the Company or its subsidiaries is capable of providing such services. Through its discussion with OVPD, the Company has obtained an understanding of the estimated number of the Real Estate Projects to be held and the budget of event planning and marketing expenses to be allocated for each Real Estate Project, as well as the indicative scope of the Services involved in the event planning projects. When estimating the service fees receivable by the Company or its subsidiaries in respect of the event planning projects, the management of the Company determined the fee to be charged based on the pricing basis as set out in the section headed “Service Fees” in the Letter from the Board contained in the Circular and compared with, among others, the recent quotations obtained from other independent marketing or event planning companies in the PRC for providing services of similar nature and scale in respect of the event planning projects. Regarding the buffer for necessary increase of event planning and marketing expenses, the management of the Company has considered the additional cost maybe incurred due to the unforeseeable additional works resulting from ad-hoc requests from OVPD or its subsidiaries.

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We have obtained and reviewed the (i) preliminary schedule and event planning and marketing budget plan for each of the Real Estate Projects for 2019 provide by OVPD; (ii) the estimated number and scale of works to be undertaken by the Company or its subsidiaries for the Real Estate Projects in 2019; and (iii) the fee quotations obtained from other independent marketing or event planning companies in the PRC. Based on the documents reviewed and compared the service fees receivable by the Company or its subsidiaries in respect of the event planning projects with the event planning and marketing budget for the Real Estate Projects provided by OVPD, we note and understand from the management of the Company that (i) the marketing department has obtained quotations from at least two independent marketing or event planning companies in the PRC on the estimated scale and indicative scope of services in respect of the individual event planning project; (ii) the service fees receivable by the Company or its subsidiaries in respect of the event planning projects are within the event planning and marketing budget for the Real Estate Projects provided by OVPD; (iii) the buffer of 5% provides the Group with flexibility for the further increase in sales of the Group in light of the unforeseeable additional works resulting from ad-hoc requests from OVPD or its subsidiaries. Having considered that the buffer of 5% was applied for the necessary increase of event planning and marketing expense resulting from unforeseeable additional works by ad-hoc requests from OVPD or its subsidiaries, for instance, the unexpected increase in demand of the service from OVPD with a view to strengthening the promotion of the Real Estate Projects, we consider that the buffer of 5% is reasonable.

In estimating the Proposed Annual Caps for the service fees receivable by the Company under the Event Planning Framework Agreement for the two financial years ending 31 December 2020 and 2021 and nine months ending 30 September 2022, the Company has taken into account (i) the preliminary scheduled Real Estate Projects under the Business provided by OVPD; (ii) the event planning and marketing budget plan for each of the Real Estate Projects provided by OVPD; (iii) the estimated work to be undertaken by the Group in the Real Estate Projects; and (iv) a buffer of 5% providing for necessary increase of event planning and marketing expenses. As advised by the management of the Company, discussion have been held with OVPD in connection with the details of event planning projects proposed to be undertaken by the Company or its subsidiaries. It is estimated that OVPD or its subsidiaries will require similar scope of the Services to that in 2019 with respect to the event planning projects, while the Company or its subsidiaries is capable of providing such services. Through its discussion with OVPD, the Company has obtained an understanding that the estimated number of event planning projects under the Real Estate Projects to be held and the budget of event planning and marketing expenses to be allocated for each Real Estate Project shall decrease gradually. When estimating the service fees receivable by the Company or its subsidiaries in respect of the event planning projects, the management of the Company determined the fee to be charged based on the pricing basis as set out in the section headed “Service Fees” in the Letter from the Board contained in the Circular and compared with, among others, the recent quotations from other independent marketing or event planning companies in the PRC for providing services of similar nature and scale in respect of the event planning projects. Regarding the buffer for necessary increase of event planning and marketing expenses, the management of the Company has considered the additional cost maybe incurred due to the unforeseeable additional works resulting from ad-hoc requests from OVPD or its subsidiaries.

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We have obtained and reviewed the (i) preliminary schedule and event planning and marketing budget plan for each of the Real Estate Projects for each period provided by OVPD; and (ii) the estimated number and scale of works to be undertaken by the Company or its subsidiaries for the Real Estate Projects for each period. Based on the documents reviewed and compared the service fees receivable by the Company or its subsidiaries in respect of the event planning projects with the event planning and marketing budget for the Real Estate Projects for each period provided by OVPD, we note and understand from the management of the Company that (i) the service fees receivable by the Company or its subsidiaries in respect of the event planning projects are within the event planning and marketing budget for the Real Estate Projects for each period provided by OVPD; (ii) the buffer of 5% provides the Group with flexibility for the further increase in sales of the Group in light of the unforeseeable additional works resulting from ad-hoc requests from OVPD or its subsidiaries; and (iii) the service fees receivable by the Company or its subsidiaries under the Event Planning Framework Agreement decrease gradually due to the reduction in the estimated number of event planning projects under the Real Estates Projects to be held.

Having considered the basis on which the Proposed Annual Caps is determined as described above, we concur with the management of the Company that the basis adopted in determining the Proposed Annual Caps for the Continuing Connected Transactions under the Event Planning Framework Agreement is reasonable.

6. Internal control measures

The Group has adopted internal control procedures and corporate governance measures in relation to the Continuing Connected Transactions. As stated in the section headed “Internal control measures” in the Letter from the Board contained in the Circular,

- (a) prior to entering into any Specific Agreement, the marketing department of the Company or its subsidiaries shall be responsible for liaising with and obtaining quotations from at least two independent marketing or event planning companies in the PRC for providing such services for the relevant events by way of telephone or email in order to ensure that the terms of the Specific Agreements are fair and reasonable and on normal commercial terms or better than those available from independent third parties;
- (b) after entering into any Specific Agreement, the senior management of the Company or its subsidiaries shall be responsible for monitoring the Specific Agreements. The marketing manager or the deputy marketing manager of the Company or its subsidiaries will review the Specific Agreement every three months to ensure the transactions have been carried out in compliance with the terms of such agreement and if there is any non-compliance or potential non-compliance, the responsible personnel will report the matter to the senior management of the Company for consideration who will then find ways to resolve the matter. Further, the marketing manager or the deputy marketing manager of the Company or its subsidiaries will report to the senior management of the Company every six months on the financial performance of individual events after the auditors have reviewed the Specific Agreements;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (c) the finance department of the Group is responsible for monitoring the service fees for the Services to ensure that they are conducted in accordance with the terms of the Event Planning Framework Agreement and the annual caps are not exceeded. In addition, the finance department will also conduct overall review on a monthly basis. Where the finance department is aware of any potential non-compliance with the pricing policies or that the annual caps will be exceeded, the finance department will escalate the matter to the senior management of the Company who will co-ordinate at the Group level to take remedial actions and ensure the basis of annual caps are followed and are not exceeded;
- (d) the senior management of the Company will review the draft Specific Agreements and will escalate the matter to the independent non-executive Directors if the senior management is of the opinion that there is any non-compliance issue. The independent non-executive Directors would further review the draft Specific Agreements and take appropriate actions to ensure that such transactions are conducted within the Event Planning Framework Agreement, on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. After respective Specific Agreement is approved by the executive director of the Company or its subsidiaries taking into account the actions taken by the independent non-executive Directors (where necessary), the marketing manager or the deputy marketing manager of the Company or its subsidiaries will be responsible for monitoring the Specific Agreements, reviewing and approving any decision required for the operation of the events, which is expected to take around one to two weeks; and
- (e) in addition to the review by the independent non-executive Directors every year, the auditors of the Company will conduct annual review on the transactions contemplated by the Event Planning Framework Agreement and Specific Agreements and provide their view to the Board.

As set out in the section headed “Pricing Basis” of this letter, we have obtained and reviewed documents provided by the Company including, among others, quotations from independent marketing or event planning companies in the PRC in respect of the event planning projects expected to be held in 2019. Based on the documents reviewed, we note that the obtaining and comparison of fee quotations from independent marketing or event planning companies in the PRC by the Company or its subsidiaries is consistent with the internal control measures mentioned in (a) above.

We have obtained and reviewed the internal policy document from the Company on governing the Continuing Connected Transactions. We note that the senior management of the Company or its subsidiaries and independent non-executive Directors shall be responsible for monitoring and reviewing the Specific Agreements to ensure such transactions are conducted within the Event Planning Framework Agreement, on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. The finance department of the Group is responsible for monitoring the services fees for the Services to ensure that they are conducted in accordance with the terms of the Event Planning Framework Agreement and the annual caps are not exceeded.

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We consider that the abovementioned measures are in the interests of the Independent Shareholders as their interests are safeguarded by (a) obtaining and comparing fee quotations from independent marketing or event planning companies in the PRC; and (b) the monitoring and reviewing process to be carried out by the senior management (including independent non-executive Directors) to ensure the terms of the Continuing Connected Transactions to the Group are in accordance with the Event Planning Framework Agreement and on normal commercial terms or better than those available to the Group from independent third parties.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors, we consider that (1) the terms of the Event Planning Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (2) the entering into of the Event Planning Framework Agreement is in the interests of the Company and the Shareholders as a whole; (3) the Proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned; and (4) the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Event Planning Framework Agreement (including the Proposed Annual Caps in respect of the Continuing Connected Transactions).

Yours faithfully,

For and on behalf of

Chanceton Capital Partners Limited

Cheung Shun Lim Ignatius

Wong Wing Kai

Associate Director

Assistant Manager

Mr. Cheung Shun Lim Ignatius is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Chanceton Capital Partners Limited, which is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activities. He has over 9 years' experience in the corporate finance industry.

Mr. Wong Wing Kai is a licensed person registered with the Securities and Futures Commission of Hong Kong and a representative of Chanceton Capital Partners Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has approximately 3 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Capacity	Number of Shares/ underlying shares of the Company held	Approximate percentage of shareholding in the Company
Mr. Shi Baodong	Interest in a controlled corporation	9,986,781,816 (Note 1)	77.28%
	Beneficial owner	130,239,145	1.01%
Mr. Dong Xiaojie	Beneficial owner	2,014,285	0.02%

Notes:

- (1) The 9,986,781,816 shares are held by OVRE. As OVRE is wholly-owned by Mr. Shi, Mr. Shi is deemed to be interested in all the 9,986,781,816 shares held by OVRE under the SFO. The 9,986,781,816 shares of the Company comprise 7,795,292,880 ordinary shares of the Company issued to OVRE and 2,191,488,936 ordinary shares issuable upon the exercise of the conversion rights under the perpetual convertible securities in full.
- (2) The 130,239,145 ordinary shares of the Company are personally held by Mr. Shi.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of shareholding
OVRE (<i>note 1</i>)	Beneficial Interest	9,986,781,816	77.28%
Outstanding Global Holdings Limited (“OGH”) (<i>note 2</i>)	Beneficial Interest Person having a security interest in shares of the Company	436,375,000 6,064,898,713	3.38% 46.93%
Chance Talent Management Limited (“CMT”) (<i>note 3</i>)	Person having a security interest in shares of the Company	6,193,669,868	47.93%
Haitong International Investment Fund SPC – Fund 1 SP (“Haitong Fund”) (<i>note 4</i>)	Person having a security interest in shares of the Company	2,812,957,781	21.77%

Notes:

- (1) OVRE is wholly-owned by Mr. Shi. The 9,986,781,816 shares comprise 7,795,292,880 ordinary shares of the Company issued to OVRE and 2,191,488,936 ordinary shares issuable upon the exercise of the conversion rights under the perpetual convertible securities in full.
- (2) OGH is wholly-owned by China Huarong International Holdings Limited which is in turn owned as to 88.1% by Huarong Real Estate Co., Ltd., which is in turn wholly owned by China Huarong Asset Management Co., Ltd. The 6,501,273,713 shares of the Company, in aggregate, comprise (i) 6,064,898,713 ordinary shares of the Company pledged by OVRE; and (ii) 436,375,000 shares of the Company beneficially held by OGH.
- (3) CTM is a limited liability business company incorporated under the laws of the British Virgin Islands and an indirectly wholly-owned special purpose vehicle of CCB International (Holdings) Limited. CCB International (Holdings) Limited is an investment services flagship which is indirectly wholly-owned by China Construction Bank Corporation, a joint-stock company incorporated in the PRC and listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0939) and the Shanghai Stock Exchange (stock code: 601939). The 6,193,669,868 shares of the Company, in aggregate, comprise (i) 6,064,898,713 ordinary shares of the Company pledged by OVRE; and (ii) perpetual convertible securities (convertible into 128,771,155 ordinary shares of the Company) pledged by Mr. Shi to CTM.
- (4) Haitong Fund is an open-ended exempted segregated portfolio company. The 2,812,957,781 shares of the Company held by Haitong Fund comprise (i) 784,240,000 ordinary shares of the Company pledged by OVRE; and (ii) perpetual convertible securities (convertible into 2,028,717, 781 ordinary shares of the Company) pledged by OVRE.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (who were not Directors nor chief executive of the Company) who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, which is not determinable by the relevant employing member of the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, saved as disclosed herein, so far as the Directors were aware, none of the Directors or their respective associates had any interest in any business which competes or may compete, either directly or indirectly, with the business of the Group or have or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

6. OTHER INTERESTS OF THE DIRECTORS

As at the Latest Practicable Date,

- (a) none of the Directors had any interest, either direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up); and
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group.

7. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given its opinions or advice which are included in this circular:

Name	Qualifications
Chanceton Capital Partners Limited	a corporation licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders

As at the Latest Practicable Date, Chanceton Capital Partners Limited (i) did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (ii) did not have any direct or indirect interest in any assets which have been, since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Chanceton Capital Partners Limited has given and has not withdrawn its written consent to the issue of this circular, with the inclusion herein of its letter and report and references to its name in the form and context in which it appears.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018 the date to which the latest published audited financial statements of the Group were made up.

9. MISCELLANEOUS

The registered office of the Company is located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The principal place of business of the Company in Hong Kong is situated at 7/F Winbase Centre, 208 Queen's Road Central, Sheung Wan, Hong Kong.

The Company's share registrar and transfer office in Hong Kong is Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours from 9:30 a.m. to 6:00 p.m. on any weekday except public holidays at the principal place of business of the Company in Hong Kong at 7/F, Winbase Centre, 208 Queen's Road Central, Sheung Wan, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the Event Planning Framework Agreement;
- (c) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (d) the letter from the Independent Financial Adviser, the text of which is set out in this circular;
- (e) the consent letter of the Independent Financial Adviser referred to in the paragraph headed "Qualifications and Consent of Expert" in this Appendix; and
- (f) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



ORIENT VICTORY TRAVEL GROUP COMPANY LIMITED

東勝旅遊集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Orient Victory Travel Group Company Limited (the “**Company**”) will be held at 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Friday, 31 January 2020 at 11:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions, which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

- (a) “**THAT** the event planning framework agreement dated 28 November 2019 (the “**Event Planning Framework Agreement**”) entered into between the Company and Orient Victory Property Development Group Co., Ltd.* (東勝房地產開發集團有限公司) (“**OVPD**”), pursuant to which, OVPD agrees to appoint the Company or its subsidiaries as its exclusive agent who shall provide event planning and all-round event production services to OVPD or its subsidiaries in connection with real estate development in the People’s Republic of China from the date of the Event Planning Framework Agreement to 30 September 2022 and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified.”
- (b) “**THAT** the proposed annual caps of RMB9.48 million (equivalent to approximately HK\$10.56 million), RMB35.82 million (equivalent to approximately HK\$39.89 million), RMB26.05 (equivalent to approximately HK\$29.01 million) and RMB17.11 million (equivalent to approximately HK\$19.06 million) for the period from 28 November 2019 to 31 December 2019, the two years ending 31 December 2020 and 2021 and the period from 1 January 2022 to 30 September 2022, respectively, in respect of the transactions contemplated under the Event Planning Framework Agreement be and are hereby approved, confirmed and ratified.”
- (c) “**THAT** any one director of the Company be and is hereby authorised to do all such acts and things and sign all such documents (under seal, if necessary) and to take all such steps as he/she consider, necessary or expedient or desirable in connection with or to give effect to the Event Planning Framework Agreement and to implement the transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interests of the Company.”

By order of the Board

Orient Victory China Holdings Limited

SHI Baodong

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 10 January 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies (if holding two or more shares) to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (2) In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude a member from attending and voting in person at the EGM or any adjournment thereof (as the case may be), should he/she so wishes and in such event, the form of proxy shall be deemed to be revoked.
- (3) To ascertain the member's entitlement to attend and vote at the EGM, the register of members will be closed from Friday, 24 January 2020 to Friday, 31 January 2020, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for attending and voting at the EGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Thursday, 23 January 2020.
- (4) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (5) In case of joint shareholdings, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s) and for this purposes seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.

* *For identification purpose only*

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Shi Baodong, Mr. Zhao Huining and Mr. Mo Yueming, one non-executive Director, being Ms. Song Sining, and three independent non-executive Directors, being Mr. Dong Xiaojie, Mr. He Qi and Mr. Sui Feng-jih.

For illustrative purpose of this notice and unless otherwise specified, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.1137.