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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)**

## **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2018**

Reference is made to the annual report of Orient Victory Travel Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2018 (the “**Annual Report**”). Unless otherwise defined herein or the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Annual Report.

As disclosed in the Annual Report, the net proceeds raised from the issue of offered shares with an alternative of unlisted perpetual convertible securities under an open offer in October 2016 amounted to approximately HK\$291.62 million (after deducting the related cost and expenses). As at 31 December 2018, the Group has utilised approximately HK\$146.77 million of the net proceeds, and the unused proceeds was approximately HK\$144.85 million (the “**Unused Proceeds**”).

The Unused Proceeds were intended to be applied to making capital injection to a fund established by a joint venture which owned as to 40% by the Group and setting up a wholly-owned licensed corporation regulated by the Securities and Futures Commission with a minimum capital injection of approximately HK\$10 million (collectively the “**Unmaterialized Plan**”). However, given the social chaos currently happening in Hong Kong, the Sino-US trade war since 2018, and the economic outlook, challenges and uncertainties in the market, the Directors are of the view that, after due consideration, it is relatively not a good timing for taking further steps in pursuing the Unmaterialized Plan having considered the aforesaid factors.

By the year ending 31 December 2019, the Board will further assess as to whether to proceed with the Unmaterialized Plan. If it is determined by the Board after the assessment that it is the best interest of the Company and its shareholders to shelve up the Unmaterialized Plan and reallocate the Unused Proceeds, the Company will inform its shareholders by making further announcement.

By order of the Board

**Orient Victory Travel Group Company Limited**

**Shi Baodong**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 31 October 2019

*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. Swei Feng-jih.*