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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)

DISCLOSEABLE AND CONNECTED TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

On 13 September 2018, Zhangjiakou Hua Yu (an indirect wholly-owned subsidiary of the Company) and the other shareholders of Dakun Zhifang as lenders, and Dakun Zhifang as borrower entered into the Loan Agreement, pursuant to which, amongst others, Zhangjiakou Hua Yu agreed to provide the Loan to Dakun Zhifang without interest for a term of 3 years commencing from the Drawdown Date.

As at the date of this announcement, Dakun Zhifang is owned as to 40% by Zhangjiakou Hua Yu and 40% by Zhangjiakou Dongsheng. The remaining 20% is owned by three Independent Third Parties.

Pursuant to the Loan Agreement, Zhangjiakou Hua Yu, Zhangjiakou Dongsheng and the other shareholders in Dakun Zhifang will make available to Dakun Zhifang shareholders' loans in an aggregate sum of RMB177.75 million (equivalent to approximately HK\$203.91 million). The shareholders' loans to be advanced by Zhangjiakou Hua Yu, Zhangjiakou Dongsheng and the other shareholders of Dakun Zhifang to Dakun Zhifang will be made in proportion to their respective equity interests held in Dakun Zhifang and on the same terms. The proceeds from the shareholders' loans made to the Dakun Zhifang will be used primarily for real estate development including development of hotel, apartment and commercial property with an area of approximately 50,000 sq.m and tourism facilities at Huangtuzui Village, Xi Wan Zi Town, Chongli District.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of financial assistance under the Loan Agreement, on the part of Zhangjiakou Hua Yu (i.e. the Loan), exceeds 5% and is below 25%, the provision of financial assistance by Zhangjiakou Hua Yu under the Loan Agreement constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but is exempt from the independent Shareholder's approval requirement under the Listing Rules. Further, as Dakun Zhifang is owned as to 40% by Zhangjiakou Dongsheng, a company indirectly wholly-owned by Mr. Shi, the chairman, chief executive officer and an executive Director of the Company, Dakun Zhifang is an associate of Mr. Shi and thus is a connected person of the Company under the Listing Rules. Accordingly, the provision of financial assistance under the Loan Agreement, on the part of Zhangjiakou Hua Yu (i.e. the Loan), also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. However, as the financial assistance is provided to Dakun Zhifang on normal commercial terms and in proportion to the equity interest directly held by the Company's subsidiary in Dakun Zhifang, the financial assistance provided by Zhangjiakou Hua Yu to Dakun Zhifang is fully exempt under Chapter 14A.89 of the Listing Rules.

As such, the provision of financial assistance under the Loan Agreement, on the part of Zhangjiakou Hua Yu (i.e. the Loan), is only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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Principal terms of the Loan Agreement are as follows:

Date:	13 September 2018
Parties:	Zhangjiakou Hua Yu and the other shareholders of Dakun Zhifang as lenders; and Dakun Zhifang as borrower
Principal amount:	RMB177.75 million (equivalent to approximately HK\$203.91 million). RMB71.10 million (equivalent to approximately HK\$81.57 million), representing 40% of the principal amount of loan to be advanced by all the shareholders of Dakun Zhifang, will be advanced by Zhangjiakou Hua Yu
Interest rate:	interest free
Maturity date:	3 years commencing from the Drawdown Date
Purpose:	The Loan will be used primarily for the real estate development including development of hotel, apartment and commercial property with an area of approximately 50,000 sq.m and tourism facilities at Huangtuzui Village, Xi Wan Zi Town, Chongli District

REASONS FOR PROVIDING FINANCIAL ASSISTANCE

The Group strives to being an integrated tourism operator. For management purposes, the Group is organised into business units based on their products and services and has several reportable operating segments, including the travel-related and other services business, the financial services business, the integrated development business and the investment holding business.

As disclosed in the announcement of the Company dated 12 June 2018, the Group acquired 40% interest in Dakun Zhifang. Dakun Zhifang is primarily involved in real estate development and sales; real estate agencies; property management; sales of building materials; decoration; landscaping; and real estate information service.

In view that (i) the Group has surplus liquid funds on hand; (ii) the other shareholders of Dakun Zhifang (including Zhangjiakou Dongsheng) will also provide financial assistance to Dakun Zhifang in proportion to their respective equity interests held in Dakun Zhifang without interest; (iii) the provision of financial assistance by the Group to Dakun Zhifang can enable Dakun Zhifang to carry out real estate development including development of hotel, apartment, commercial property and tourism facilities at Huangtuzui Village, Xi Wan Zi Town, Chongli District, which could achieve return for the Shareholders; and (iv) the Group, being a shareholder of Dakun Zhifang, would be benefit from the business development of Dakun Zhifang, the Directors (including the independent non-executive Directors) consider that the provision of financial assistance by the Group to Dakun Zhifang is in the interests of the Company and the Shareholders as a whole and that the terms of the Loan Agreement is fair and reasonable.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“Company”	Orient Victory Travel Group Company Limited (Stock code: 265), a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Dakun Zhifang”	Zhangjiakou Dakun Zhifang Real Estate Development Co., Ltd.* (張家口大坤直方房地產開發有限公司), a company established in the PRC
“Director(s)”	the director(s) of the Company
“Drawdown Date”	the date on which the Loan is drawdown
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	a person or persons, or a company or companies which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not or are not connected person(s) within the meaning ascribed under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan of up to RMB71.10 million (equivalent to approximately HK\$81.57 million) to be advanced by Zhangjiakou Hua Yu to Dakun Zhifang under the Loan Agreement, representing 40% of the principal amount of RMB177.75 million (equivalent to approximately HK\$203.91 million) to be advanced by all the shareholders of Dakun Zhifang
“Loan Agreement”	the loan agreement dated 13 September 2018 entered into between Zhangjiakou Hua Yu and the other shareholders of Dakun Zhifang as lenders, and Dakun Zhifang as borrower in respect of a loan in the principal amount of RMB177.75 million (equivalent to approximately HK\$203.91 million)
“Mr. Shi”	Mr. Shi Baodong, the chairman, the chief executive officer and an executive director of the Company
“OVPD”	Orient Victory Property Development Group Co., Ltd.* (東勝房地產開發集團有限公司), a company established in PRC and indirectly owned by Orient Victory Group HK Holdings Limited (東勝集團香港控股有限公司) (a Hong Kong company indirectly wholly-owned by Mr. Shi)
“percentage ratio(s)”	As defined under the Listing Rules
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhangjiakou Dongsheng”	Dongsheng Real Estate Development (Zhangjiakou) Co., Ltd.* (東勝房地產開發集團張家口有限公司), a company established in the PRC and a wholly-owned subsidiary of OVPD

“Zhangjiakou Hua Yu”

Zhangjiakou Chongliqiu Hua Yu Travel Co., Ltd.* (張家口崇禮區華譽旅遊開發有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company

“%”

Per cent

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

Hong Kong, 13 September 2018

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.

For illustrative purpose of this announcement and unless otherwise specified, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.1472.

* *For identification purpose only*