

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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**

The Board announces that, on 28 November 2017, Donghui HK (a wholly-owned subsidiary of the Company) and China Comfort entered into the Agreement in respect of the provision of financial assistance to China Comfort, pursuant to which, Donghui HK agreed to provide financial assistance to China Comfort by executing the Charge on Deposit(s) in favour of the Bank as a security for the provision of the Loan.

### **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 Agreement exceeds 5% and is below 25%, the provision of financial assistance under the Agreement constitutes a discloseable transaction of the Company. Further, as Beijing Tourism is a substantial shareholder of a subsidiary of the Company and China Comfort is owned as to 51% by Beijing Tourism, China Comfort is an associate of Beijing Tourism under Rule 14A.13 of the Listing Rules and thus a connected person of the Company. Accordingly, the provision of financial assistance under the Agreement also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As such, the provision of financial assistance under the Agreement is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules since China Comfort is a connected person only because of its connection with the Company's subsidiary and that the provision of financial assistance under the Agreement has been approved by the Board and all the independent non-executive Directors have confirmed that the terms of the Agreement is fair and reasonable, the provision of financial assistance under the Agreement is on normal commercial terms or better and in the interests of the Company and Shareholders as a whole.

## **PROVISION OF FINANCIAL ASSISTANCE**

The Board announces that, on 28 November 2017, Donghui HK (a wholly-owned subsidiary of the Company) and China Comfort entered into the Agreement in respect of the provision of financial assistance to China Comfort, pursuant to which, Donghui HK agreed to provide financial assistance to China Comfort by executing the Charge on Deposit(s) in favour of the Bank as a security for the provision of the Loan. Principal terms of the Agreement are as follows:

<b>Date:</b>	28 November 2017
<b>Parties:</b>	Donghui HK and China Comfort
<b>Security Period:</b>	12 months from the granting of letter of credit by the Bank
<b>Security for the Loan:</b>	charge to the Bank by way of first fixed charge the entire right, title and interest (both present and future) in and to the Deposit; and all rights and benefits accruing to or arising in connection with the Deposit.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Bank and the Lender, and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons and their respective associates.

## **REASONS FOR PROVIDING FINANCIAL ASSISTANCE**

The Group is principally engaged in the sale of air tickets and other travel related services, trading and retail of jewellery products, provision of financial services and other investment holding business.

China Comfort is a reputable brand in the travel market in the PRC and continuously ranked as one of the Top 10 Travel Agency Groups in China by China National Tourism Administration. In 2010, “Comfort Travel” had been named as a famous trademark in China by the State Administration for Industry of Commerce of the PRC.

As at the date of this announcement, China Comfort is owned as to 49% by the Group and as to 51% by Beijing Tourism. In view that (i) the Group has surplus liquid funds on hand; (ii) Beijing Tourism, being the other shareholder of China Comfort, had also advanced a loan in cash to China Comfort in the aggregate sum of RMB28.85 million (equivalent to approximate HK\$33.96 million) at the interest rate of 4.35% per annum; (iii) the provision of financial assistance by the Group to China Comfort can enable China Comfort to obtain the Loan and use the proceeds from the Loan to develop its business, which could achieve return for its shareholders; (iv) the Group will receive an interest rate of no less than 4.35% per annum from the Bank for the Deposit during the security period; and (v) the Group, being a shareholder of China Comfort, would be benefit from the business development of China Comfort, the Directors (including the independent non-executive Directors) consider that the provision of financial assistance by the Group to China Comfort is in the interests of the Company and its Shareholders as a whole and that the terms of the Agreement is fair and reasonable.

## 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 Agreement exceeds 5% and is below 25%, the provision of financial assistance under the Agreement constitutes a discloseable transaction of the Company. Further, as Beijing Tourism is a substantial shareholder of a subsidiary of the Company and China Comfort is owned as to 51% by Beijing Tourism, China Comfort is an associate of Beijing Tourism under Rule 14A.13 of the Listing Rules and thus a connected person of the Company. Accordingly, the provision of financial assistance under the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As such, the provision of financial assistance under the Agreement is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules since China Comfort is a connected person only because of its connection with the Company's subsidiary and that the provision of financial assistance under the Agreement has been approved by the Board and all the independent non-executive Directors have confirmed that terms of the Agreement is fair and reasonable, the provision of financial assistance under the Agreement is on normal commercial terms or better and in the interests of the Company and Shareholders as a whole.

## DEFINITIONS

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

“Agreement”	the agreement entered into between Donghui HK and China Comfort dated 28 November 2017 in respect of the provision of financial assistance to China Comfort
“Bank”	China Minsheng Banking Corporation Limited, Hong Kong Branch
“Beijing Tourism”	Beijing Tourism Group Company Limited* (北京首都旅遊集團有限責任公司), a company incorporated in the PRC and a substantial shareholder of a subsidiary of the Company
“Board”	the board of Directors
“Charge on Deposit(s)”	the Charge on Deposit(s) in respect of the charge of the Deposit to be executed by Donghui HK in favour of the Bank as a security for the provision of the Loan
“China Comfort”	China Comfort Tourism Group Co. Limited* (中國康輝旅遊集團有限公司), a company incorporated in the PRC with limited liability and owned as to 49% by the Group through Donghui HK and 51% by Beijing Tourism
“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
“Deposit”	the fixed deposit in the name of Donghui HK with the Bank in the principal sum of RMB27,718,000 (equivalent to approximately HK\$32.63 million), representing the principal amount of the Loan with interest rate of no less than 4.35% per annum payable by the Bank during the security period

“Director(s)”	the director(s) of the Company
“Donghui HK”	Donghui Hong Kong Holdings Limited, a company incorporated in Hong Kong and wholly-owned by the Group
“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
“Lender”	China Minsheng Banking Corporation Limited, Beijing Branch
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan facility in the sum of not more than RMB27,718,000 (equivalent to approximately HK\$32.63 million) to be advanced to China Comfort by way of letter of credit to be provided by the Lender
“Loan Agreement”	the loan agreement in respect of the Loan entered into between China Comfort as borrower and the Lender as lender
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

On behalf of the Board  
**Orient Victory Travel Group Company Limited**  
**Shi Baodong**  
*Chairman and Executive Director*

Hong Kong, 28 November 2017

*As at the date of this announcement, the Board comprises three executive Directors, being Mr. Shi Baodong, Mr. Zhao Huining and Mr. Wang Jianhua, one non-executive Director, being Ms. Song Sining, and three independent non-executive Directors, being Mr. Dong Xiaojie, Mr. He Qi and Mr. Law Wang Chak, Waltery.*

*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\$1.17725.*

\* For identification purpose only