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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 TRANSACTION ACQUISITION OF LAND IN NEW ZEALAND

The Board is pleased to announce that on 11 August 2017 (after trading hours), the Company entered into the Agreement with the Vendor in relation to the acquisition of the Land at the consideration of approximately NZD9 million (equivalent to approximately HK\$51.31 million).

The Land comprises three adjacent parcels of vacant land with an aggregate area of approximately 15,742 sq. m. located at Silverdale, Auckland of New Zealand. The Land is currently intended to be developed for visitor accommodation and residential properties development purposes.

As one or more of the applicable percentage ratios in respect of the Acquisition calculated under Chapter 14 of the Listing Rules is more than 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 11 August 2017 (after trading hours), the Company entered into the Agreement with the Vendor in relation to the acquisition of the Land.

THE AGREEMENT

Major terms of the Agreement are set out below:

Date: 11 August 2017.

Parties:

- (1) The Company, as purchaser
- (2) Horncastle Homes Limited, as vendor, which is a building company principally engaged in mid-to-high end residential property development and property management as post-sale service.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner(s) is independent of and not connected with the Company or any of its connected person (as defined in the Listing Rules).

- Land: Comprising three adjacent land parcels of approximately 15,742 sq. m. located at corner Miller Rise, Bankside Rd, Millwater Parkway, Silverdale, Auckland, New Zealand.
- Condition: Completion of the Acquisition is conditional on the Company completing a due diligence exercise of all aspects of the Land in accordance with the Agreement (the “**Due Diligence**”) and being satisfied that the Land is suitable in all respects for the Company's requirements at the Company's sole discretion.
- Consideration and payment terms: The Consideration for the Acquisition is approximately of NZD9 million (equivalent to approximately HK\$51.31 million), which was agreed between the parties based on arm's length negotiation. The Directors consider that the Consideration is fair and reasonable after taking into account the current market conditions in the nearby area, the location, development potential of the Land and the prevailing market value of the Land as appraised by an independent valuer.
- The Consideration will be payable by the Company in the following manner:
- (i) 10% of the Consideration shall be payable by the Company within five working days from the date of the Agreement as deposit (which is non-refundable upon satisfaction of the Due Diligence) and partial payment;
 - (ii) 20% of the consideration shall be payable by the Company on 2 October 2017 as deposit (which is non-refundable upon satisfaction of the Due Diligence) and partial payment; and
 - (iii) the balance of the Consideration shall be payable by the Company on a date which is three calendar months from the unconditional date of the Agreement (the “**Settlement Date**”). The unconditional date of the Agreement is the completion date of the Due Diligence to the satisfaction of the Company.

Completion: Completion of the Acquisition will take place on the Settlement Date.

INFORMATION ON THE LAND AND PROPOSED DEVELOPMENT

The Land is located at Silverdale, Auckland of New Zealand and has an aggregate area of approximately 15,742 sq. m. for the development of into visitor accommodation for operating purpose and residential properties for sale. The preliminary plan is to develop the Land in phases which will comprise self-serviced units and sale residential units. As at the date of this announcement, no legally binding contract has been entered into by the Group in respect of the construction and/or development of the Land.

REASONS FOR, AND BENEFITS OF, THE ACQUISITION

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

The Company has been exploring opportunities to expand its travel-related business in order to add momentum to the growth of the Group. The Land is located in a tourism hub in North Auckland with close proximity to motorway, public transport, local amenities and popular tourist attractions. Identifying critical housing shortage in Auckland, the Board believes that the property market of the nearby location where the Land is situated has significant growth potential and thus the Acquisition represent a good investment opportunity for the Group to boost up the revenue of the Group through the rental and sales of properties and thereby broaden the business scope and increase the profitability of the Group. In addition, the intended development of self-serviced units on the Land is currently intended to be utilised as to approximately 62% out of the total number of units for the fulfilment of the accommodation needs of tours from the People's Republic of China organised by China Comfort Travel Group Company Limited, which is owned as to 49% by the Company and therefore the Acquisition will bring synergy effects to the travel business of the Group's invested entity, and will also provide an additional source of income for the Group through the daily operations as Auckland tourist boom rolls on, which is in line with the Group's long-term strategy.

The Directors consider that the terms of the Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole. The Acquisition will be financed by internal resources of the Group and/or bank borrowings and/or future fund raising exercise.

IMPLICATION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Acquisition calculated under Chapter 14 of the Listing Rules is more than 5% but all are below 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Acquisition”	acquisition of the Land by the Company from the Vendor
“Agreement”	the agreement for sale and purchase of real estate dated 11 August 2017 and entered into between the Company and the Vendor in relation to the sale and purchase of the Land
“Board”	the board of Directors
“Company”	Orient Victory Travel Group Company Limited (stock code: 265), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Consideration”	consideration for the Acquisition
“Directors”	directors of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	comprising three adjacent land parcels of approximately 15,742 sq. m. located at corner Miller Rise, Bankside Rd, Millwater Parkway, Silverdale, Auckland, New Zealand
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NZD”	New Zealand dollars, the lawful currency of New Zealand
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Horncastle Homes Limited, a company incorporated in Christchurch, New Zealand in March 1996 with limited liability, (Company No. 705299, Business No. 9429038389450)
“sq. m.”	square meter(s)

For illustration purposes, amount in NZD in this announcement has been translated into HK\$ at the exchange rate of NZD1.00= HK\$5.7010.

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

Hong Kong, 11 August 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.