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ORIENT VICTORY CHINA HOLDINGS LIMITED

東勝中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO INVESTMENT AGREEMENT

THE INVESTMENT AGREEMENT

The Board is pleased to announce that, on 10 July 2017 (after trading hours), Donghui HK (an indirect wholly-owned subsidiary of the Company), the Investors and the JV Company entered into the Investment Agreement in relation to the Capital Injection into the JV Company.

Pursuant to the Investment Agreement, Investor B, Investor C and Investor E shall transfer to Donghui HK 5%, 5% and 20% shareholding in the JV Company respectively, namely the Sale Equity Interest in aggregate, and Investor A and Investor D shall waive all their pre-emption rights (if any) therein and, in exchange, subject to the satisfaction (or waiver, as the case may be) of all the conditions precedent to Completion as set out below, Donghui HK shall inject the Subscription Amount of RMB15,000,000 in cash into the JV Company as consideration for the Sale Equity Interest.

The Company will use its internal resources to satisfy the Subscription Amount of RMB15,000,000 under the Capital Injection. Upon Completion, the register capital of the JV Company will be held as to 30% and 70% by Donghui HK and the Investors respectively and Donghui HK will become the largest shareholder of the JV Company and the financial statement of the JV Company will be consolidated into the financial statements of the Group and the JV Company will become an indirect non-wholly owned subsidiary of the Company.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio(s) as defined in the Rule 14.07 of the Listing Rules exceed 5% but are all less than 25%, the transactions under the Investment Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements pursuant Chapter 14 of the Listing Rules.

As at the date of this announcement, the spouse of Investor A is interested in 49% shareholding in an indirect non-wholly owned subsidiary of the Company and therefore is a connected person at the subsidiary level and Investor A is an associate of a connected person at subsidiary level pursuant to the Listing Rules. Accordingly, the entering into of the Investment Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the Investment Agreement or is required to abstain from voting on the board resolutions for approval of the same. Given that (i) the Board has approved the Investment Agreement; and (ii) the independent non-executive Directors have confirmed that the terms of the Investment Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the Capital Injection contemplated under the Investment Agreement are subject to the reporting and announcement requirements only but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 10 July 2017 (after trading hours), Donghui HK (an indirect wholly-owned subsidiary of the Company), the Investors and the JV Company entered into the Investment Agreement in relation to the Capital Injection into the JV Company.

Details of the Investment Agreement are set out as below:

Date: 10 July 2017 (after trading hours)

Parties: Donghui HK

The Investors

The JV Company

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the JV Company and the Investors (except Investor A) are Independent Third Parties of the Company and its Connected Persons as defined by the Listing Rules.

As at the date of this announcement, the registered capital of the JV Company is owned as to 10%, 15%, 15%, 20% and 40% by Investor A, Investor B, Investor C, Investor D and Investor E respectively.

Capital Injection

Pursuant to the Investment Agreement, Investor B, Investor C and Investor E shall transfer to Donghui HK 5%, 5% and 20% shareholding in the JV Company respectively, namely the Sale Equity Interest in aggregate, and Investor A and Investor D shall waive all their pre-emption rights (if any) therein and, in exchange, subject to the satisfaction (or waiver, as the case may be) of all the conditions precedent to the Completion as set out below, Donghui HK shall inject the Subscription Amount of RMB15,000,000 in cash into the JV Company as consideration for the Sale Equity Interest.

The Company will use its internal resources to satisfy the Subscription Amount of RMB15,000,000 under the Capital Injection.

Business Registration and board composition of the JV Company

The parties to the Investment Agreement agreed that within 65 business days from the date of the Investment Agreement, the Company shall complete the relevant business registration with the government authorities in the PRC which shall confirm that, upon Completion, Donghui HK is a registered owner of 30% equity interest in the JV Company and the board of directors of the JV Company shall comprise seven directors, four of which will be nominated by Donghui HK and the chairman of the board will be nominated by Donghui HK (the “**Business Registration**”).

Condition precedent

Completion will be conditional upon the satisfaction or waiver (as the case may be) of, among other things, the following conditions:

1. the JV Company shall complete the Business Registration with the government authorities in the PRC and shall obtain all necessary consents and approvals from the relevant government authorities in the PRC in respect of the Capital Injection and the board composition of the JV Company;
2. the financial controller of the JV Company shall be nominated by Donghui HK;
3. the articles of association of the JV Company shall be amended in accordance with the Investment Agreement and to Donghui HK's satisfaction;
4. the registration of certain intellectual property rights of the JV Company with the relevant government authorities in the PRC has been duly completed;
5. various business plans, projects or programmes of the JV Company shall be implemented and be carried out;
6. the Investors have paid up their respective shares of the registered capital of the JV Company and provided the relevant proofs of payment to Donghui HK;
7. the JV Company shall not have any outstanding liabilities and debts; and
8. the results of due diligence on the financial, business and legal aspects of the JV Company to be carried out Donghui HK shall be satisfied by Donghui HK.

If, within 30 days from the date of the Business Registration, any of the conditions precedent set out in paragraphs (4)-(8) is not fulfilled (or waived), Donghui HK has the right to terminate the Capital Injection. If Donghui HK exercises such right to terminate the Capital Injection, all expenses and fees incurred for the Capital Injection shall be borne by the JV Company and Donghui HK shall return the Sale Equity Interest to the relevant Investors.

Completion

Upon satisfaction or waiver of all the conditions precedent, Completion shall take place on the Completion Date. On the Completion Date, Donghui HK shall have fully injected the Subscription Amount of RMB15,000,000 in cash into the JV Company as consideration for the Sale Equity Interest.

Upon Completion, the registered capital of the JV Company will be held as to 30% and 70% by Donghui HK and the Investors respectively and Donghui HK will become the largest shareholder of the JV Company and the financial statement of the JV Company will be consolidated into the financial statements of the Group and the JV Company will become an indirect non-wholly owned subsidiary of the Company.

Information on the Group

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.

Donghui HK is an indirect wholly-owned subsidiary of the Company which is incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

Information on the JV Company

The JV Company was established in the PRC on 19 May 2017. As at the date of the Investment Agreement, the registered capital of the JV Company is RMB50,000,000 and the JV Company is owned by the Investors. The principal business activities of the JV Company are organisation of cultural and art exchange and activities (non-performance type).

Since the JV Company was established on 19 May 2017 and the JV Company has not yet commenced operation since its date of establishment, no financial information regarding the JV Company can be provided in this announcement.

REASONS FOR ENTERING INTO OF THE INVESTMENT AGREEMENT

The Board constantly reviews the Company's business strategy in maximizing the value of the Company and continues to explore attractive business opportunities. The JV Company is specialising in cultural and art exchange and activities and therefore the Company intended to expand its travel-related business with the JV Company. The Board considers that the Capital Injection can strengthen the capital base of the JV Company to cater for future development and business growth, which will increase the performance of the JV Company, which in turn will increase the overall profits of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratio(s) as defined in the Rule 14.07 of the Listing Rules exceed 5% but all less than 25%, the transactions under the Investment Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

As at the date of this announcement, the spouse of Investor A is interested in 49% shareholding in an indirect non-wholly owned subsidiary of the Company and therefore is a connected person at the subsidiary level and Investor A is an associate of a connected person at subsidiary level pursuant to the Listing Rules. Accordingly, the entering into of the Investment Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the Investment Agreement or is required to abstain from voting on the board resolutions for approval of the same. Given that (i) the Board has approved the Investment Agreement; and (ii) the independent non-executive Directors have confirmed that the terms of the Investment Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the Capital Injection contemplated under the Investment Agreement are subject to the reporting and announcement requirements only but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“BVI”	British Virgin Islands
“Capital Injection”	the capital injection into the registered capital of the JV Company by Donghui HK in accordance with the Investment Agreement
“Company”	Orient Victory China Holdings 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
“Completion”	completion of the Capital Injection
“Completion Date”	the third business day after all the conditions precedent have been satisfied or waived pursuant to the Investment Agreement
“Connected Persons”	having the meaning ascribed to such term in the Listing Rules
“Director(s)”	directors of the Company

“Donghui HK”	Donghui Hong Kong Holdings Limited, a company incorporated in Hong Kong and the entire issued share capital of which is owned by Donghui Holdings
“Donghui Holdings”	Donghui Holdings Limited, a company incorporated in the BVI and the entire issued share capital of which is owned by the Company
“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)”	third party(ies) independent of, and not connected with, the Company and its Connected Persons
“Investor A”	Shi Shuyao (史書瑤)
“Investor B”	Ding Xin (丁新)
“Investor C”	An Xiafei (安霞飛)
“Investor D”	邯鄲文化旅遊產業發展有限公司 (Handan Cultural Tourism Industry Development Company Limited)*
“Investor E”	北京壹天星光世界音樂文化發展有限公司 (Beijing Yitian Xingguang World Music Cultural Development Company Limited)*
“Investors”	Investor A, Investor B, Investor C, Investor D and Investor E
“Investment Agreement”	the agreement dated 10 July 2017 entered into among Donghui HK, the JV Company and the Investors in relation to the Capital Injection
“JV Company”	北京壹天中新音樂文化產業發展有限公司 (Beijing Yitian New Music Cultural Development Company Limited)*, a company established in the PRC with the limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC

“Sale Equity Interest”	30% equity interest in the registered capital of the JV Company legally and beneficially owned by Investor B, Investor C and Investor E to be transferred to Donghui HK in accordance with the Investment Agreement
“Shareholder(s)”	holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Amount”	the subscription amount of RMB15,000,000 payable by Donghui HK to the JV Company under the Capital Injection in accordance with the Investment Agreement
%	per cent.

By order of the Board
Orient Victory China Holdings Limited
Shi Baodong
Chairman and Executive Director

* *for identification only*

Hong Kong, 10 July 2017

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Shi Baodong, Mr. Wang Jianhua and Mr. Zhao Huining, 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.