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)

FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2016

The Board hereby announces the consolidated results of the Group for the Year. A summary of the final results is set forth below:

- Revenue was approximately HK$109.42 million for the Year, representing an increase of 64.7% from approximately HK$66.44 million for the year ended 31 December 2015. The increase was mainly attributable to the fact that the sale of air tickets was recognised on a gross basis instead of net basis, effective from 1 October 2016 as disclosed in the Company's announcements dated 30 November 2016 and 15 December 2016, respectively.

- A substantial loss of approximately HK$194.07 million was recorded for the Year as compared with a net profit of approximately HK$0.85 million for the year ended 31 December 2015. The change from a net profit to a substantial loss was primarily attributable to:

  (i) the share of the loss of an associate of the Group of HK$148.37 million that the associate of the Group recorded a significant asset impairment (net of tax and adjusted for the Group's share) of HK$141.91 million for the Year;

  (ii) the increase of HK$7.22 million in the net amortised finance charge in connection with the interest free loans from a related party and a third party during the Year as compared to 2015; and

  (iii) a gain on disposal of available-for-sale financial assets of HK$17.62 million was recorded in 2015 while no such gain was recorded during the Year.

- Basic and diluted loss per share attributable to equity shareholders of the Company for the Year was HK1.66 cents, as compared with basic and diluted earnings per share attributable to equity shareholders of the Company of HK0.01 cent for the year ended 31 December 2015.

- The Board does not recommend the payment of any final dividend for the Year.

The board ("**Board**") of directors (the "**Director(s)**") of Orient Victory China Holdings Limited (the "**Company**") hereby announces the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2016 (the "**Year**"), together with comparative figures for the last financial year as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 HK$'000	2015 HK$'000
REVENUE	3	**109,417**	66,444
Cost of sales		**(82,150)**	(33,800)
Gross profit		**27,267**	32,644
Other income		**5,089**	1,350
Selling expenses		**(6,389)**	(7,425)
Administrative expenses		**(56,756)**	(47,414)
Net loss on financial assets at fair value through profit or loss		**–**	(526)
Gain on disposal of available-for-sale financial assets		**–**	17,618
Share of (loss)/profit of an associate		**(148,374)**	3,649
Loss from operations		**(179,163)**	(104)
Finance costs		**(14,902)**	(33,525)
Gain on acquisition of an associate		**–**	34,458
(LOSS)/PROFIT BEFORE TAX	4	**(194,065)**	829
Income tax	5	**–**	20
(LOSS)/PROFIT FOR THE YEAR		**(194,065)**	849
Attributable to:			
Equity owners of the Company		**(191,816)**	1,369
Non-controlling interests		**(2,249)**	(520)
(LOSS)/PROFIT FOR THE YEAR		**(194,065)**	849
(LOSS)/EARNINGS PER SHARE			
Basic and diluted	6	**(HK1.66 cents)**	HK0.01 cent

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	HK$'000	*HK$'000*
(LOSS)/PROFIT FOR THE YEAR	**(194,065)**	849
OTHER COMPREHENSIVE INCOME FOR THE YEAR (AFTER TAX)		
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of available-for-sale financial assets	**–**	(17,849)
Release of available-for-sale financial assets revaluation reserve upon disposal	**–**	(17,618)
Exchange differences on translation of financial statements of foreign operations	**(24,505)**	(3,728)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**(24,505)**	(39,195)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(218,570)**	(38,346)
Attributable to:		
Equity owners of the Company	**(216,078)**	(37,524)
Non-controlling interests	**(2,492)**	(822)
	(218,570)	(38,346)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	**2016**	2015
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,513**	545
Interest in an associate		**383,519**	557,090
Intangible assets		**9,011**	–
		394,043	557,635
CURRENT ASSETS			
Inventories		**16,010**	24,594
Trade receivables	*7*	**25,804**	29,261
Prepayments, deposits and other receivables		**19,301**	4,845
Prepaid income tax		**–**	442
Restricted bank deposits		**33,393**	–
Cash and cash equivalents		**334,627**	326,605
		429,135	385,747
CURRENT LIABILITIES			
Trade payables	*8*	**28,839**	25,554
Other payables and accruals		**40,882**	20,285
Short-term borrowings	*9*	**9,617**	65,732
		79,338	111,571
NET CURRENT ASSETS		**349,797**	274,176
TOTAL ASSETS LESS CURRENT LIABILITIES		**743,840**	831,811
NON-CURRENT LIABILITIES			
Long-term borrowing	*10*	**–**	440,707
Deferred tax liabilities		**1,487**	–
		1,487	440,707
NET ASSETS		**742,353**	391,104
CAPITAL AND RESERVES			
Share capital	*11*	**60,235**	54,897
Perpetual convertible securities	*12*	**396,556**	–
Reserves		**281,746**	329,899
Total equity attributable to equity owners of the Company		**738,537**	384,796
Non-controlling interests		**3,816**	6,308
TOTAL EQUITY		**742,353**	391,104

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Orient Victory China Holdings Limited (the "**Company**") is an exempted limited company incorporated in the Cayman Islands. The registered office of the Company is located at P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Group are 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.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance (the "**Companies Ordinance**"). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2016 comprise the Group and the Group's interest in an associate.

These financial statements are presented in Hong Kong Dollars ("**HK$**") and all values are rounded to the nearest thousand ("**HK$'000**") except when otherwise indicated.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discount, the value of services rendered and commission income during the Year.

The amount of each significant category of revenue is as follows:

	2016	2015
	HK$'000	*HK$'000*
Sale of air tickets	**61,301**	–
Commission and service income from travel related and other services	**17,032**	22,461
Trading and retail of jewellery	**26,350**	39,992
Commission income from sale of jewellery	**3,915**	3,991
Financial services	**819**	–
	109,417	66,444

The Group mainly engages in retail business, and the Directors consider that the Group's customer base is diversified and has no customer with whom transactions have exceeded 10% of the Group's revenue for the years ended 31 December 2016 and 2015.

(b) Segment reporting

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

– The travel related and other services segment, which comprises the sale of air tickets and other travel related services principally to corporate clients;

– The trading and retail of jewellery segment, which involves the distribution and sale of jewellery products;

– The financial services segment, which mainly involves the provision of advisory on securities and asset management services; and

– The investment holding segment, which mainly involves equity investment activities.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that finance costs are excluded from such measurement.

Segment assets and liabilities include all assets and liabilities with the exception of cash and cash equivalents, restricted bank deposits, short-term borrowings and long-term borrowing which are managed centrally.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2016 and 2015 is set out below.

	Travel related and other services		Trading and retail of jewellery		Financial services		Investment holding		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue										
Revenue from external customers	**78,333**	22,461	**30,265**	43,983	**819**	–	**–**	–	**109,417**	66,444
Segment results	**(3,817)**	(407)	**(1,127)**	227	**(608)**	–	**(173,611)**	34,534	**(179,163)**	34,354
Reconciliation:										
Finance costs									**(14,902)**	(33,525)
(Loss)/profit before tax									**(194,065)**	829
Segment assets	**25,167**	29,752	**18,896**	27,266	**9,723**	–	**401,372**	559,759	**455,158**	616,777
Reconciliation:										
Corporate and other unallocated assets									**368,020**	326,605
Total assets									**823,178**	943,382
Segment liabilities	**35,728**	31,079	**2,265**	4,817	**3,437**	–	**29,778**	9,943	**71,208**	45,839
Reconciliation:										
Corporate and other unallocated liabilities									**9,617**	506,439
Total liabilities									**80,825**	552,278
Other segment information:										
Net loss on financial assets at fair value through profit or loss	–	–	–	–	**–**	–	**–**	(526)	**–**	(526)
Gain on disposal of available-for-sale financial assets	–	–	–	–	**–**	–	**–**	17,618	**–**	17,618
Share of (loss)/profit of an associate	–	–	–	–	**–**	–	**(148,374)**	3,649	**(148,374)**	3,649
Gain on acquisition of an associate	–	–	–	–	**–**	–	**–**	34,458	**–**	34,458
(Loss)/gain on disposal of property, plant and equipment, net	–	–	**(54)**	2	**–**	–	–	–	**(54)**	2
Depreciation	**(57)**	(26)	**(47)**	(76)	**(3)**	–	**(163)**	(9)	**(270)**	(111)
Capital expenditure	**(41)**	(180)	**(53)**	(22)	**–**	–	**(1,206)**	(20)	**(1,300)**	(222)

(ii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's assets. The geographical location of customers is based on the location at which the goods and services were sold or provided. The geographical location of the specified assets is based on the physical location of the assets or the location of the operations, in the case of property, plant and equipment, intangible assets arise from licenses and current assets, and the location of operations, in the case of interests in an associate except for the associate's intangible assets in distribution network which is separately allocated based on the location receiving the substantial benefits.

(i) Revenue from external customers

	2016	2015
	HK$'000	*HK$'000*
Outside Mainland China (including Hong Kong, place of domicile)	**79,152**	22,461
Mainland China	**30,265**	43,983
	109,417	66,444

(ii) Total assets

	2016			2015		
	Non-current assets	**Current assets**	**Total assets**	Non-current assets	Current assets	Total assets
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Outside Mainland China (including Hong Kong, place of domicile)	**350,429**	**396,969**	**747,398**	533,433	341,972	875,405
Mainland China	**43,614**	**32,166**	**75,780**	24,202	43,775	67,977
	394,043	**429,135**	**823,178**	557,635	385,747	943,382

4. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging/(crediting):

(a) Finance costs

	2016	2015
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**848**	1,163
Net finance charges in connection with interest-free loans from a related party and a third party	**12,061**	4,845
Net foreign exchange loss	**1,993**	27,517
	14,902	33,525

(b) Staff costs (including Directors' emoluments)

	2016	2015
	HK$'000	*HK$'000*
Wages, salaries and other benefits	**29,390**	26,753
Pension scheme contributions	**1,250**	1,377
	30,640	28,130

(c) Other items

	2016	2015
	HK$'000	*HK$'000*
Cost of inventories sold	**82,150**	33,800
Depreciation	**270**	111
Impairment losses on trade receivables	**828**	–
Minimum lease payments under operating leases	**6,754**	5,592
Auditors' remuneration	**2,213**	1,980
Loss/(gain) on disposal of property, plant and equipment, net	**54**	(2)

5. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2016	2015
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Over-provision in respect of prior years	**–**	(20)

(i) Provision for Hong Kong Profits Tax for 2016 is calculated at 16.5% (2015: 16.5%) of the estimated assessable profits for the year, if any.

(ii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

(iii) Pursuant to the rules and regulations of the People's Republic of China (the "**PRC**"), the Group's subsidiaries established in the Mainland China are subject to PRC Corporate Income Tax at the statutory rate of 25% during the Year (2015: 25%), except for a subsidiary of the Group which is a small-scale enterprise and is subject to income tax at 20% (2015: 20%).

6. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK$191,816,000 (2015: profit of HK$1,369,000) and the weighted average of 11,567,592,781 ordinary shares (2015: 9,647,837,538 ordinary shares after adjusting for effect of the share subdivision and warrants exercised) in issue during the Year, calculated as follows:

(i) Weighted average number of ordinary shares

	2016	2015
	'000	*'000*
Issued ordinary shares at 1 January	**10,979,337**	1,823,401
Effect of issuance of new shares	**–**	86,739
Effect of share subdivision	**–**	7,640,560
Effect of warrants exercised	**532,496**	97,138
Effect of issuance of shares under open offer	**55,760**	–
Weighted average number of ordinary shares at 31 December	**11,567,593**	9,647,838

(b) Diluted (loss)/earnings per share

There were no dilutive potential ordinary shares outstanding for years ended 31 December 2016 and 31 December 2015. The effect of the exercise of perpetual convertible securities and warrants was not included in the calculation of diluted loss per share as they are anti-dilutive during the year ended 31 December 2016.

7. TRADE RECEIVABLES

	31 December 2016	31 December 2015
	HK$'000	*HK$'000*
Trade receivables	**26,632**	29,261
Less: allowance for doubtful debts	**(828)**	–
	25,804	29,261

All trade receivables are expected to be received within one year.

Ageing Analysis

As at the end of the Year, the ageing analysis of trade receivables, based on the invoice date and net of allowance for doubtful debts, if any, is as follow:

	31 December 2016	31 December 2015
	HK$'000	*HK$'000*
Within 90 days	**24,585**	26,539
91 to 180 days	**1,173**	1,846
181 to 365 days	**46**	754
Over 365 days	**–**	122
	25,804	29,261

Trade receivables are due within 14 to 90 days (2015: 14 to 90 days) from the date of billing.

8. TRADE PAYABLES

As at the end of the Year, the ageing analysis of trade payables, based on the invoice date, is as follows:

	31 December 2016 *HK$'000*	31 December 2015 *HK$'000*
Within 90 days	**28,638**	22,834
91 to 180 days	**42**	2,559
181 to 365 days	**86**	91
Over 365 days	**73**	70
	28,839	25,554

Included in the trade payables are payables of HK$25,415,000 (31 December 2015: HK$20,669,000) due to a non-controlling shareholder of a subsidiary which are repayable within 40 days from the date of billing.

All trade payables are expected to be settled within one year or are repayable on demand.

9. SHORT-TERM BORROWINGS

The analysis of the Group's short-term borrowings is as follows:

	Notes	**31 December 2016** *HK$'000*	31 December 2015 *HK$'000*
Loan from a third party	*(i)*	**–**	52,415
Bank loans	*(ii)*	**5,565**	5,587
Other borrowings	*(iii)*	**4,052**	7,730
		9,617	65,732

Notes:

(i) The loan was unsecured, non-interest-bearing and was repaid in May 2016.

(ii) The bank loans bear interest at rates ranging from 4.5% to 6.0% (2015: 5.5% to 6.7%) per annum. Certain of the Group's bank loans with an aggregate carrying amount of HK$4,452,000 (31 December 2015: HK$4,721,000) are guaranteed by Nanjing Minxing Credit Guarantee Co., Ltd. ("**Nanjing Minxing**"), a third party. Such guarantees are further secured by the Group's inventories and other receivables with carrying amount of HK$6,679,000 and HK$501,000 as at 31 December 2016, respectively (31 December 2015: HK$7,081,000 and HK$472,000 respectively).

(iii) Other borrowings are unsecured, bear interest at 6.5% per annum (2015: 6.5% to 7% per annum) and are repayable on demand.

All short-term borrowings as at 31 December 2016 and 2015 are denominated in Renminbi ("**RMB**").

10. LONG-TERM BORROWING

In 2015, the Group obtained a long-term loan of RMB396,900,000 (approximately HK$484,556,000) from another company controlled by the ultimate controlling shareholder of the Company. The long-term loan is unsecured, non-interest-bearing and repayable on 13 March 2017. The long-term loan was measured at fair value at initial recognition and subsequently measured at amortised cost using the effective interest method. The fair value of the long-term loan was determined by its present value with reference to the market interest rate of loans with similar terms. The long-term loan was initially recognised at its fair value of HK$450,360,000 and the excess of the cash received over the fair value of the loan of HK$34,196,000 has been credited to equity as contribution from shareholder of the Company.

During the Year, the Group early repaid the long-term loan. Upon the repayment of the long-term loan, the excess of nominal amount over the carrying amount of the long-term loan of HK$15,948,000 has been charged to equity as distribution to shareholder of the Company.

11. SHARE CAPITAL

	2016		2015	
	Number of ordinary shares		Number of ordinary shares	
	'000	***HK$'000***	*'000*	*HK$'000*
Authorised:				
At 1 January	**20,000,000**	**100,000**	4,000,000	100,000
Share subdivision	**–**	**–**	16,000,000	–
At 31 December	**20,000,000**	**100,000**	20,000,000	100,000
Issued and fully paid:				
At 1 January	**10,979,337**	**54,897**	1,823,401	45,584
Issuance of new shares	**–**	**–**	372,466	9,313
Share subdivision	**–**	**–**	8,783,470	–
Issuance of new shares upon exercise of warrants *(Note (i))*	**784,260**	**3,921**	–	–
Issuance of new shares under open offer *(Note (ii))*	**283,446**	**1,417**	–	–
At 31 December	**12,047,043**	**60,235**	10,979,337	54,897

Notes:

(i) In 2016, the Company made a bonus issue of warrants to the shareholders of the Company on the basis of one warrant for every seven existing ordinary shares of the Company. Accordingly, 1,568,476,768 units of warrants were issued on 4 May 2016.

Each warrant entitles the holder to subscribe in cash for one new ordinary share at an initial subscription price of HK$0.195. The warrants are exercisable at any time during the period of twelve months commencing from 4 May 2016 and ending on 3 May 2017 (both dates inclusive). Details of the warrants are disclosed in the Company's circular dated 26 April 2016.

During the Year, 784,259,285 units of warrants had been exercised by the holders and accordingly, 784,259,285 ordinary shares were issued and allotted by the Company to the holders of the warrants. The consideration of HK$152,930,000 from the exercise of warrants were credited to share capital and share premium at the amounts of HK$3,921,000 and HK$149,009,000, respectively.

As at 31 December 2016, there are 784,217,483 units of warrants remaining outstanding.

(ii) In September 2016, the Company conducted an open offer of ordinary share with an alternative of perpetual convertible security on the basis of one ordinary share or one unit of perpetual convertible security for every five ordinary shares held by the eligible shareholders (the "**Open Offer**") at a subscription price of HK$0.128 for each ordinary share or each unit of perpetual convertible security. Details of the Open Offer are set out in the Company's prospectus dated 29 September 2016.

As a result of the Open Offer, 283,446,432 ordinary shares and 2,069,272,901 units of perpetual convertible securities were issued by the Company. The proceeds of HK$36,281,000 from the issue of the ordinary shares under the Open Offer were credited to share capital and share premium account at the amounts of HK$1,417,000 and HK$34,864,000, respectively.

12. PERPETUAL CONVERTIBLE SECURITIES

On 30 March 2016, the Company issued perpetual convertible securities in an aggregate principal amount of HK$170,000,000 (the "**2016 March PCS**"). The net proceeds of HK$155,668,000 were recorded as equity.

On 24 October 2016, the Company issued perpetual convertible securities in an aggregate principal amount of HK$264,867,000 (the "**2016 October PCS**", together with the 2016 March PCS, the "**PCS**") under the Open Offer. Out of the net proceeds of HK$256,780,000, HK$15,892,000 were recorded as a payable for the guaranteed distributions according to the terms of the 2016 October PCS and the remaining amount of HK$240,888,000 were recorded as equity.

The PCS has no fixed maturity date. The Company may at its option redeem in whole or in part of the PCS. The PCS are convertible at the option of the holders into ordinary shares of the Company at the conversion price of HK$0.5436 and HK$0.128 per ordinary share of the Company for the 2016 March PCS and the 2016 October PCS, respectively.

Distributions at a rate of 6% per annum shall be payable on the PCS semi-annually and may be deferred at the sole discretion of the Company unless compulsory distribution payment event (including a discretionary dividend to ordinary shareholders of the Company or repaying any securities of lower rank or early redemption of securities prior to its stated maturity) has occurred.

13. DIVIDEND

The Board does not recommend the payment of any final dividend for the Year (2015: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Summary

- Revenue was approximately HK$109.42 million for the Year, representing an increase of 64.7% from approximately HK$66.44 million for the year ended 31 December 2015. The increase was mainly attributable to the fact that the sale of air tickets was recognised on a gross basis instead of a net basis, effective from 1 October 2016 as disclosed in the Company's announcements dated 30 November 2016 and 15 December 2016, respectively.

- A substantial loss of approximately HK$194.07 million was recorded for the Year as compared with a net profit of approximately HK$0.85 million for the year ended 31 December 2015. The change from a net profit to a substantial loss was primarily attributable to:

  (i) the share of the loss for the Year of an associate of the Group of HK$148.37 million that the associate of the Group recorded a significant asset impairment (net of tax and adjusted for the Group's share) of HK$141.91 million for the Year;

  (ii) the increase of HK$7.22 million in the net amortised finance charge in connection with the interest free loan from a related party and a third during the Year as compared to 2015; and

  (iii) a gain on disposal of available-for-sale financial assets of HK$17.62 million was recorded in 2015 while no such gain was recorded during the Year.

Business Review

Travel Related and Other Services

The continuing economic slowdown, weak demand of high cabin corporate travel, intense competition from outline travel agencies and direct sale of low cost carriers impacted the Group's operating performance.

For the Year, the segment recorded an 248.8% increase in revenue from approximately HK$22.46 million for the year ended 31 December 2015 to approximately HK$78.33 million. The increase was mainly attributable to the fact that the sale of air tickets was recognised on a gross basis instead of a net basis with effect from 1 October 2016. This segment recorded an operating loss of approximately HK$3.82 million for the Year, an increase of operating loss approximately HK$3.41 million compared to operating loss of approximately HK$0.41 million for the year ended 31 December 2015.

The Group kept looking for more experienced sales and marketing staff to capture more business and clients from the markets of Hong Kong and Mainland China. The Group also sought to develop highly profitable tourism products, including MICE (Meetings, Incentives, Conferences and Exhibitions) business, cruise business and hotel booking business.

The Group has been working with global partners to develop travel reporting tools to provide our corporate clients with effective and efficient travel management solution that are customized to their needs.

The Group will provide comprehensive training and allowances for the study of tourism-related courses to its staff in order to improve their knowledge, service quality and service standards in the area of tourism and travel related business.

Trading and Retail of Jewellery

Trading and retail of jewellery includes the distribution and sale of jewellery products such as precious stones, jade, gold and silver in our Group's flagship stores and counters of large department stores in Nanjing. The continuous slowdown in the PRC's economic growth from 2015 to 2016, the increase in prices of gold as a raw material of jewellery and coupled with the blocked fences along the road in front of our flagship store in Nanjing due to comprehensive treatment deployed by the local municipal government since mid-October 2016, which had led to a decline in the overall sales of this segment.

This segment recorded a decrease in revenue to approximately HK$30.27 million for the Year (2015: approximately HK$43.98 million) and revert to operating loss of approximately HK$1.13 million from operating profit of approximately HK$0.23 million as compared to last year.

During the Year, efforts have been made to reduce the borrowing cost so as to reduce the loss. In this regard, the Group succeeded in obtaining the Qualification of Cultural Enterprise to enjoy the lower borrowing interest rate.

To deal with the sluggish economic environment, the Group will attempt to improve the performance of its jewellery business by reducing its staff costs and leasing costs. The Group will continue to monitor and review the performance of its jewellery business and make appropriate arrangement as and when necessary.

The principal assets for this segment are inventories, which are mainly comprised of gold ornaments, gold materials, inlaid ornament and diamond materials. During the course of business, the Group has well-established systems for sourcing, warehousing, storage, payment, delivery, sales and payment collection for the purposes of better inventory and credit control. The Group's internal control system has been effectively implemented throughout the Year.

Financial Services

The acquisition of entire issued share capital of Afanti Asset Management Limited ("**Afanti**"), a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**") from two sellers and the completion of the acquisition took place on 29 July 2016.

The Directors believe that the acquisition can diversify the principal business activities of the Group and also signifying the beginning of the Group's initial step into the business of financial services in Hong Kong, being a new business segment to the Group.

After the acquisition, this segment recorded a revenue of approximately HK$0.82 million and a loss from operation of approximately HK$0.61 million.

Liquidity and Financial Resources

During the Year, the Group's operations and investments continued to be mainly financed by internal resources, borrowings as well as proceeds raised from issuance of equity financing exercises. As at 31 December 2016, the Group's cash and cash equivalent and the restricted bank deposit totally amounted to approximately HK$368.02 million (2015: approximately HK$326.61 million), representing an increase of HK$41.41 million as compared to the year ended 31 December 2015.

The increase of cash and cash equivalent and the restricted bank deposit was mainly attributable to (i) the net proceeds of approximately HK$159.80 million raised under the issue of perpetual convertible securities in March 2016; (ii) the proceeds of HK$301.15 million raised under the Open Offer; and netting off (iii) the repayment of interest-free loan to a third party and a related party in the aggregate amount of HK$366.08 million during the Year.

As at 31 December 2016, the Group had total bank and other borrowings of approximately HK$9.62 million (2015: HK$506.44 million), all of which are denominated in RMB, among which (i) approximately HK$5.57 million are bank loans (2015: HK$5.59 million), which were secured and the range of effective interest rate was 4.5% to 6.0% per annum for the Year (2015: 5.5% to 6.7% per annum); and (ii) approximately HK$4.05 million are other short-term borrowings (2015: HK$7.73 million), which were unsecured and was at a fixed interest rate of 6.5% per annum for the Year (2015: 6.5% to 7.0% per annum).

As at 31 December 2016, the Group had a current ratio of 5.41 (2015: 3.46). The gearing ratio was not applicable as the Group had net cash of HK$325.01 million as at 31 December 2016 (2015: net debt of HK$179.83 million).

Foreign Exchange Exposure

Since the transactions of the Group were mainly denominated in HK$ and RMB, the Group is exposed to foreign currency risk on the cash and cash equivalents of the entity which are denominated in RMB whose functional currency is HK$. The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the Directors monitor the related foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

FUND RAISING ACTIVITIES

(a) Issuance of bonus warrants

Reference is made to the Company's announcement dated 5 April 2016 and also the Company's circular dated 26 April 2016 in relation to the issuance of bonus warrants (the "**Warrant(s)**") to the shareholders of the Company whose names appeared on the register of members of the Company on 22 April 2016, on the basis of one Warrant for every seven existing ordinary shares of the Company. A total of 1,568,476,768 units of Warrants were issued on 4 May 2016.

Each Warrant entitles the holder to subscribe in cash for one new ordinary share of the Company at an initial subscription price of HK$0.195, and the subscription price was adjusted to HK$0.193 as a result of the Open Offer. It is exercisable at any time during the period of twelve (12) months commencing from 4 May 2016 and ending on 3 May 2017 (both day inclusive). During the Year, 784,259,285 units of Warrants had been exercised by the holders thereof and 784,259,285 ordinary shares were issued by the Company to the holders of the Warrants. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. As at 31 December 2016, 784,217,483 units of Warrants remained outstanding.

(b) Issuance of 2016 March PCS

Reference is made to the Company's announcement dated 30 March 2016 and also the Company's circular dated 29 January 2016 in relation to the issuance of 2016 March PCS in an aggregate principal amount of HK$170,000,000 which was completed on 30 March 2016. Unless otherwise expressly stated in this announcement, capitalized terms used in this section shall have same meanings as those defined in the abovementioned circular.

The 2016 March PCS confer the holders a right to receive distribution from the issue date at the distribution rate of 6% per annum. Distributions shall be payable on the 2016 March PCS semi-annually and may be deferred at the sole discretion of the Company unless any compulsory distribution payment event has occurred.

The 2016 March PCS has no fixed maturity date and pursuant to the Investment Agreement and the Personal Guarantee, Mr. Shi (being an executive Director and ultimate controlling shareholder of the Company) will, at the option of an Investor as holder of the 2016 March PCS or any holder, purchase all or part of their holding of 2016 March PCS on the Third Anniversary at the Put Repurchase Price. Under the Investment Agreement, Mr. Shi undertook that if an Investor fails to achieve an internal rate of return of 12% on the Third Anniversary in respect of the 2016 March PCS not purchased by Mr. Shi pursuant to the Put Option, Mr. Shi will pay such Investor an amount in order to make up an internal rate of return of 12% on such 2016 March PCS.

Mr. Shi also undertook in the Personal Guarantee that upon the occurrence of a Forced Repurchase Event, a holder may serve a notice on Mr. Shi requiring Mr. Shi to purchase, and Mr. Shi shall purchase, the outstanding 2016 March PCS held by such holder on the date of purchase at the Forced Repurchase Price.

(c) Issuance of Offered Shares and 2016 October PCS

Reference is made to the announcement of the Company dated 5 September 2016 and the prospectus dated 29 September 2016, respectively, in relation to an open offer. The Company proposed an open offer of offered shares with an alternative of unlisted perpetual convertible securities at the subscription price of HK$0.128 per offered share on the basis of one (1) offered share for every five (5) ordinary shares held by the Qualifying Shareholders as determined on the Record Date. Capitalized terms used in this section shall have the same meanings as those defined in the abovementioned prospectus, unless otherwise defined.

On 21 October 2016, the Board announced the result of the Open Offer, a total of 23 valid acceptances in respect of 1,534,873,661 Offered Securities for assured entitlements were received, representing approximately 65.24% of the total Offered Securities offered under the Open Offer. Out of such 23 valid acceptances, 153,742,537 Offered Securities were applied for in the form of Offered Shares and 1,381,131,124 Offered Securities were applied for in the form of 2016 October PCS (which includes the 1,378,266,004 units of 2016 October PCS which Orient Victory Real Estate has taken up in respect of its assured entitlement). Furthermore, a total of 19 valid acceptances in respect of 133,393,895 Offered Securities were received for the Offered Securities by way of excess application, representing approximately 5.67% of the total Offered Securities offered under the Open Offer. Out of such 19 valid acceptances, 129,703,895 Offered Securities were applied for in the form of Offered Shares and 3,690,000 Offered Securities were applied for in the form of 2016 October PCS.

Based on the acceptance results, the Open Offer was under-subscribed by 684,451,777 Offered Securities. The Underwriter has taken up all the 684,451,777 Offered Securities in the form of 2016 October PCS pursuant to its underwriting obligation under the Underwriting Agreement.

ACQUISITION

By a share purchase agreement entered into between Triple King International Limited ("**Triple King**") as purchaser, an indirect wholly-owned subsidiary of the Company, and two sellers on 14 January 2016, Triple King conditionally agreed to purchase, and the sellers conditionally agreed to sell, the entire issued share capital of Hanli Investments Limited (incorporated in the British Virgin Islands) ("**Hanli**"), which is an investment holding company directly holds the entire issued share capital of Afanti and MAAM Limited ("**MAAM**") respectively (collectively, the "**Target Group**") (the "**Acquisition**").

Afanti, a company incorporated in Hong Kong with limited liability, is a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. MAAM is an exempted company incorporated in the Cayman Islands and is an investment holding company.

The consideration for the Acquisition was approximately HK$8.19 million which was determined with reference to the net asset value of the Target Group as at 30 June 2016. Following completion of the Acquisition on 29 July 2016, Hanli has become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group has been consolidated into the Group's consolidated financial statements for the Year.

The Directors believe that the Acquisition can diversify the principal business activities of the Group and therefore maximize returns to shareholders of the Company, signifying the beginning of the Group's initial step into the business of financial services in Hong Kong, being a new business segment to the Group. Therefore, the Group is expanding its scope of principal business activities to encompass provision of financial services. The Group is expected to be benefited from diversifying its revenue stream from this new business segment, which is expected to increase its shareholders' value and benefit to the Company and its shareholders as a whole.

EVENTS AFTER THE REPORTING PERIOD

New Acquisitions

(a) On 24 October 2016, Triple King as the purchaser, Axis Capital Group Limited as the seller and Mr. Yu Tat Chi Michael as the guarantor of the seller entered into a share purchase agreement, pursuant to which Triple King conditionally agreed to purchase, and the seller conditionally agreed to sell, the entire issued share capital of Greater China Paxwell Limited ("**Greater China Paxwell**") (the "**Greater China Paxwell Acquisition**").

Greater China Paxwell, a company incorporated in Hong Kong with limited liability, is a corporation licensed to carry out Type 6 (advising on corporate finance but not acting as sponsor) regulated activities under the SFO.

The consideration for the Greater China Paxwell Acquisition was approximately HK$6.42 million (after adjustment), with reference to the agreed net asset value of Greater China Paxwell as at 31 December 2016. Following completion of the Greater China Paxwell Acquisition on 24 January 2017, Greater China Paxwell has become an indirect wholly-owned subsidiary of the Company and the financial results of the Greater China Paxwell will be consolidated into the Group's consolidated financial statements.

The Directors believe that the Greater China Paxwell Acquisition can further expand the financial services arm of the principal business activities of the Group and therefore further maximize returns to shareholders of the Company, marking an important milestone of the Group in its financial service segment.

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Greater China Paxwell Acquisition is below 5%, the entering into of the share purchase agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

(b) Reference is made to the Company's announcements dated 10 March 2017 and 13 March 2017 respectively, Yield Quality Investment Limited ("**Yield Quality**") as the purchaser, Mr. Ippa Kitazono as the vendor, and Mr. Zhang Jie and Mr. Hui Wan Sang as the guarantors of the vendor entered into a share purchase agreement, pursuant to which Yield Quality conditionally agreed to purchase, and the seller conditionally agree to sell the sale shares representing 78% of the issued share capital of Nibou Company Limited ("**Nibou**") at the consideration of JPY103,740,000 (equivalent to approximately HK$7,053,283) (the "**Nibou Acquisition"**). Further, Mr. Ippa Kitazono and Mr. Hui Wan Sang as assignors shall, respectively, assign to Yield Quality part of the shareholder's loan and a third party's loan owed by Nibou at the aggregate consideration of JPY233,510,000 (equivalent to HK$15,876,345) upon completion.

    Nibou is a company established in Japan with limited liability on 14 July 2014. Nibou is principally engaged in hotel ownership and management in Japan and its major assets are the properties which include a hotel and the relevant land and buildings.

    The hotel is a 9-storey building (include 2-storey basement) hot spring (onsen) hotel with a total gross floor area of approximately 5,000 sq.m and has about 60 guest rooms and car parking facilities. It is situated at Jozankei-onsen, Minami-ku, Sapporo, Hokkaido, Japan, which is in a tourist destination and is accessible through railroad network and road systems of Japan.

    Upon signing of the shares purchase agreement, Yield Quality as lender, Nibou as borrower, Mr. Ippa Kitazono, Mr. Hui and Mr. Zhang as Nibou's guarantors entered into a loan agreement pursuant to which Yield Quality shall provide an interest-free loan in an amount of JPY51,750,000 (equivalent to approximately HK$3,518,483) and remitting the loan to the bank accounts designated by two lenders, which are independent third parties, and to procure the full release and discharge of the property mortgages of Nibou prior to completion.

    The Board considers that the abovesaid acquisition will not only bring synergy effects to the existing package tour and travel business of the Group, but will also provide an additional source of income for the Group through hotel operations, which is in line with the Group's strategy to expand its travel business.

Investment in Private Equity Fund

With reference to the announcements of the Company dated 13 July 2016 and 19 July 2016, respectively, in relation to the investment in a private equity fund (the "**Fund**") by the Company. The Fund is proposed to be established by a joint venture company (the "**JV Company**") which is incorporated by the wholly-owned subsidiaries of each of the Company, Beijing Tourism Group Company Limited ("**BTG**") and CCB International (Holdings) Limited ("**CCBI**"), with a primary investment focus on certain tourism related projects.

On 19 July 2016, Broad Vantage Limited (a direct wholly-owned subsidiary of the Company) ("**OVC Subscriber**"), Chance Talent Management Limited (an indirect wholly-owned subsidiary of CCBI) ("**CCBI Subscriber**") and Charter Century Limited (an indirect wholly-owned subsidiary of BTG) ("**BTG Subscriber**") (collectively, the "**JV Shareholder(s)**") entered into a shareholders agreement (the "**Shareholders Agreement**"), pursuant to which OVC Subscriber, CCBI Subscriber and BTG Subscriber shall subsequently subscribe unconditionally for shares of the JV Company respectively at a total subscription of US$1,000,000 (40% equity), US$750,000 (30% equity) and US$750,000 (30% equity) respectively (the "**Subscription**").

The JV Company is a company incorporated under the laws of the Cayman Islands with limited liability and is an investment holding company. Pursuant to the Shareholders Agreement, the business of the JV Company shall be confined to, inter alia, the following:

(1) establishing a company which will be the general partner of the Fund, the Fund and such other entities as may be required to achieve the purposes of the Fund (including any investment manager or investment adviser) according to the Shareholders Agreement; and

(2) carrying out any other business as the JV Shareholders may unanimously agree (including the carrying out of investment management or advisory services or the establishment of other funds or investment vehicles).

As at the date of this announcement, the formation of the JV Company had not yet been completed. Upon completion of the Subscription, the financial statements of the JV Company will be consolidated into the consolidated financial statements of the Group and the JV Company will become an indirect non-wholly owned subsidiary of the Company.

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription is below 5%, the entering into of the Shareholders Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

BUSINESS STRATEGY

(a) Travel Related and Other Services Business

The Group will continue to allocate resources in promotion and marketing to expand and diversify its business product types such as MICE (Meetings, Incentives, Conferences and Exhibitions). We will also be working with global travel related solutions providers who are present and developing this market for common growth. We expect to gain our market share in this area with our global travel management partner bringing global management practice to the Hong Kong market and continue to improve our service and tools for companies both large multinationals and SMEs.

The Group will be benefit from the vast network of China Comfort Travel Group Company Limited ("**China Comfort**"), an associate company of the Group, the integrated online service system for China Comfort by building its own online platform, together with the cooperation with major B2C platforms (such as Ctrip and Tuniu). The Board believe that the Group and China Comfort will complement each other with their own remarkable resources while the Group will make vigorous efforts to promote its MICE business and penetrate into the Chinese tourism market, so as to strengthen its position in the tourism market.

(b) Trading and Retail of Jewellery Business

Due to the sluggish economic environment and the increase in prices of raw materials such as gold, and certain other factors, the performance of our jewellery business is deteriorating. However, the Group will attempt to improve the performance of our jewellery business by reducing its staff costs and leasing costs. Further, we will also attempt to change the situation of our jewellery business by increasing the variety of our jewellery products, especially those with innovative designs. We will closely monitor the performance of our jewellery business and take such action as we think appropriate.

(c) Financial Services Business

During the Year, the Group had acquired 100% equity of Afanti, a company engaged in provision of advisory on securities and asset management business. On 24 January 2017, the Group also completed the acquisition of Greater China Paxwell, a corporation licensed to carry out Type 6 (advising on corporate finance but not acting as sponsor) regulated activities under the SFO. The Board believes that the Group can leverage on the existing business's tourist flow for the provision of its financial services in the future. In order to provide integrated solutions in the financial service industry, the Group will be expanding into different areas including corporate finance, brokerage services (equities and futures) so that we will be able to provide a full range of services. We believe the market potential is still considerable and especially in China, the middle class of which needs international exposures in terms of investment opportunities.

As at the date of this announcement, the Group carry out Type 4 (advising on securities), Type 6 (advising on corporate finance but not acting as sponsor) and Type 9 (asset management) regulated activities under the SFO. The Company will deepen its penetration into the financial service industry and strive to become a corporation with a complete range of licences so as to provide comprehensive services to our customers.

Looking forward, the "Travel +" (Travel + Finance) will be the main revenue driver of the Company in the future and the Company will make vigorous effort to develop its "Travel +" business, with the focus on investment in travel resources, increasing its market share in the tourism market and enhancing its influence in the financial service industry, aiming to turn the Group into a comprehensive service provider.

NEW BUSINESS UPDATES

The Group is exploring other potential opportunities in the travel industry via acquisition of overseas hotels or other tourist attractions. The potential acquisitions, if materialised, are expected to enable the Group to expand its travel-related business vertically as well as to generate synergy effects on the existing business of the Group.

PLEDGES OF ASSETS

As at 31 December 2016, certain assets of the Group with an aggregate carrying value of HK$40.57 million (31 December 2015: HK$7.55 million) were pledged as collateral for borrowings obtained by its subsidiaries and associate. As at the date of this announcement, the aforesaid asset pledge in the amount of HK$33.39 million for its associate has been discharged and released.

As at 31 December 2016, the Group had pledged the entire equity interest of Shenzhen Dong Sheng Hua Yu Commercial Management Company Limited (深圳東勝華譽商業管理有限公司) (an indirect wholly-owned subsidiary of the Company) and had pledged the entire issued share capital of Donghui Hong Kong Holdings Limited (an indirect wholly-owned subsidiary of the Company), to secure the issue of the 2016 March PCS in an aggregate principal amount of HK$170 million.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group had contingent liabilities in respect of a letter of credit secured for bank borrowings of an associate in an amount of HK$33.39 million (31 December 2015: Nil). As at the date of this announcement, the aforesaid obligation of the Group has been discharged.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2016, the total number of employees of the Group was 137 (31 December 2015:138). Staff costs (including Directors' emoluments) amounted to approximately HK$30.64 million for the Year (2015: approximately HK$28.13 million).

In addition to salary, other fringe benefits such as medical insurance and mandatory provident fund schemes for employees, are offered to all employees of the Group. Performance of the employees is normally reviewed on an annual basis with adjustment to their salaries comparable to that of the market. Individual employees may also receive a discretionary bonus at the end of each year based on their individual performance.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the Year (2015: Nil).

CORPORATE GOVERNANCE

The Company has complied with all the code provisions of the "Corporate Governance Code and Corporate Governance Report" as set out in the Appendix 14 to the Listing Rules throughout the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct for dealings in securities of the Company by the Directors.

Specific enquiries have been made with all the Directors, who have confirmed that they complied with the required standards as set out in the Model Code throughout the Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, the Company did not redeem any of its shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any such shares.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the Listing Rules. The Audit Committee presently comprises two independent non-executive Directors, namely Mr. Law Wang Chak, Waltery (being the chairman) and Mr. He Qi, and a non-executive Director, namely Mr. Li Yankuan.

The Group's annual results for the Year have been reviewed by the Audit Committee, which was of the opinion that the preparation of such annual results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement have been compared by the Company's external auditor, KPMG, Certified Public Accountants, with the amounts set out in the Group's draft consolidated financial statements for the Year and the amounts were found to be in agreement.

The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by KPMG on this preliminary announcement.

The Audit Committee has met KPMG, and reviewed the annual results for the Year and has recommended its adoption by the Board.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The electronic version of this announcement will be published on the website of the Stock Exchange (**www.hkexnews.hk**) and the website of the Company (**www.orientvictorychina.com.hk**).

On behalf of the Board
Orient Victory China Holdings Limited
Shi Baodong
Chairman and Executive Director

Hong Kong, 24 March 2017

As at the date of this announcement, the Board of the Company comprises seven directors, of which three are executive Directors, namely Mr. Shi Baodong, Mr. Wang Jianhua and Ms. Xu Yongmei; one is non-executive Director, Mr. Li Yankuan, and three are independent non-executive Directors, namely Mr. Dong Xiaojie, Mr. He Qi and Mr. Law Wang Chak, Waltery.