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ORIENT VICTORY CHINA HOLDINGS LIMITED

東勝中國控股有限公司

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

PROPOSED BONUS WARRANTS ISSUE

The Board proposes, subject to the satisfaction of certain conditions, to make the Bonus Warrants Issue to the Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one (1) Bonus Warrant for every seven (7) Shares held.

The Bonus Warrants will be issued in registered form. Each Bonus Warrant will entitle its holder to subscribe in cash for one (1) New Share at an initial Subscription Price of HK\$0.195, subject to adjustment, upon exercise of the Bonus Warrants. The Bonus Warrants will be exercisable at any time from the date of issue (which is expected to be Wednesday, 4 May 2016 to the last day of the 12 months thereafter (both days inclusive).

The register of members of the Company will be closed from Wednesday, 20 April 2016 to Friday, 22 April 2016 (both days inclusive) where Friday, 22 April 2016 is the Record Date. In order to qualify for the Bonus Warrants Issue, all outstanding transfers of Shares should be lodged for registration with the branch share registrar of the Company in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not later than 4:00 p.m. on Tuesday, 19 April 2016.

A circular containing, among others, details and timetable of the Bonus Warrants Issue is expected to be despatched to the Shareholders on 26 April 2016.

PROPOSED BONUS WARRANTS ISSUE

The Board proposes, subject to the satisfaction of the conditions below, to make the Bonus Warrants Issue to the Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one (1) Bonus Warrant for every seven (7) Shares held.

Shares to be issued upon exercise of the Bonus Warrants

Based on 10,979,337,380 Shares in issue as at the date of this announcement and assuming that no further Shares will be issued or repurchased from the date of this announcement up to the Record Date, the total number of the Bonus Warrants to be issued will be 1,568,476,768 Bonus Warrants, entitling the holders thereof to subscribe for 1,568,476,768 New Shares representing approximately 14.29% of the issued share capital of the Company as at the date of this announcement and approximately 12.50% of the issued share capital of the Company, as enlarged by the New Shares to be issued upon the exercise of all the Bonus Warrants.

The New Shares which are entitled to be subscribed under the Bonus Warrants will be issued pursuant to the general mandate granted to the Directors to issue shares in the Company during the relevant period up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the annual general meeting of the Company on 15 June 2015. No Share has been allotted or issued under the general mandate since it was granted and a maximum of 1,823,401,376 Shares can be issued under the general mandate.

Subscription Price

Each Bonus Warrant will entitle its holder to subscribe for one (1) New Share at an initial Subscription Price of HK\$0.195, subject to adjustment, upon exercise of the Bonus Warrants, which was determined with reference to the market price of the Shares and prospects of the Group. The initial Subscription Price of HK\$0.195 represents:

- (i) a discount of approximately 39.06% to the closing price of HK\$0.32 per Share (as quoted on the Stock Exchange on 1 April 2016 (being the last trading day immediately preceding the date of this announcement)); and
- (ii) a discount of approximately 40.37% to the average closing price of approximately HK\$0.327 per Share (as quoted on the Stock Exchange for the last five trading days up to and including 1 April 2016 (being the last trading day immediately preceding the date of this announcement)).

The Directors consider the terms of the Bonus Warrants Issue, including the Subscription Price thereof, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Exercise period and board lot of the Bonus Warrants

The Bonus Warrants will be exercisable at any time from the date of issue (which is expected to be Wednesday, 4 May 2016) to the last day of the 12 months thereafter (both days inclusive).

The Bonus Warrants will be listed for trading on the Stock Exchange and the proposed board lot for trading in the Bonus Warrants is 10,000, which is the same as the board lot for trading in the Shares.

Overseas Shareholders

The circular to be issued for the Bonus Warrants Issue and the Bonus Warrants to be issued will not be registered under any securities legislation outside Hong Kong. In determining whether it would be necessary or expedient to exclude an Overseas Shareholder who is registered as a member of the Company on the Record Date, the Directors will make enquiry pursuant to Rule 13.36(2) (a) of the Listing Rules regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange of the relevant place in which such Overseas Shareholder is residing. If the Directors are of the view that, after such enquiry, the exclusion of such Overseas Shareholder is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Bonus Warrant will not be granted to such Overseas Shareholder(s).

In view of the above, the Bonus Warrants which would otherwise be issued to the Non-Qualifying Shareholder(s) under the Bonus Warrants Issue will be sold in the market as soon as practicable after the commencement of dealings in the Bonus Warrants, if a premium (net of expenses) can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Non-Qualifying Shareholder(s) at their own risks pro rata to their respective holdings of Shares, unless the amount falling to be distributed to any such Non-Qualifying Shareholder(s) is less than HK\$100, in which case such amount will be retained for the benefit of the Company.

Fractional entitlements to the Bonus Warrants

Fractional entitlements to the Bonus Warrants (if any) will not be issued to any Shareholder and will be aggregated and sold in the market for the benefit of the Company.

Odd lots

In order to alleviate the difficulties arising from the existence of odd lots of Bonus Warrants arising from the Bonus Warrant Issue, the Company will procure the appointment of an agent to stand in the market to provide matching services for the odd lots of Bonus Warrants. Shareholders should note that successful matching of the sale and purchase of odd lots of the Bonus Warrants would be made on a best effort basis but would not be guaranteed. Further details in respect of the odd lots matching arrangement will be set out in the circular which is expected to be despatched to the Shareholders on 26 April 2016.

Status of the New Shares to be issued upon exercise of the Bonus Warrants

New Shares which are allotted and issued on the exercise of the subscription rights attaching to the Bonus Warrants will rank *pari passu* in all respects with the then Shares in issue on the date of such allotment and issue.

Conditions to the Bonus Warrants Issue

The Bonus Warrants Issue will be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Warrants and the New Shares.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Warrants and the New Shares. The New Shares will rank *pari passu* in all respects with the then existing issued Shares.

Application will also be made to HKSCC for the admission of the Bonus Warrants into the CCASS.

Record Date and closure of register of members for the Bonus Warrants Issue

The register of members of the Company will be closed from Wednesday, 20 April 2016 to Friday, 22 April 2016 (both days inclusive) where Friday, 22 April 2016 is the Record Date. In order to qualify for the Bonus Warrants Issue, all outstanding transfers of Shares should be lodged for registration with the branch share registrar of the Company in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Tuesday, 19 April 2016.

Reasons for the Bonus Warrant Issue

In recognition of the continuous support of the Shareholders, the Directors propose the Bonus Warrants Issue to allow them to participate in the future growth and development of the Company. The Bonus Warrants Issue will also strengthen the equity base of the Company and increase the Company's working capital if and when the subscription rights attaching to the Bonus Warrants are exercised. The Company intends to apply any subscription monies received when the Bonus Warrants are exercised to strengthen the Company's working capital and repayment of shareholders' loan (if applicable).

Fund raising activities of the Group in the past twelve months

Set out below is a summary of the fundraising activities of the Company during the past 12 months before the date of this announcement.

Date of Announcement	Fundraising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
7 July 2015 (completed on 8 October 2015)	Issue of the subscription Shares under a specific mandate (Note)	HK\$260,624,914	Payment of the consideration for the acquisition of the 49% equity interest of a PRC company ("Acquisition") and payment of costs and fees (such as legal and other professional fees) in respect thereof.	As at the date of this announcement, the proceeds had not been utilised and were kept for general working capital purposes (Note)

Date of Announcement	Fundraising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
28 June 2015 (completed on 30 March 2016)	Issue of perpetual convertible securities under specific mandate (Note)	HK\$162,200,000	Payment of the consideration for the Acquisition and as general working capital of the Company	As at the date of this announcement, the proceeds had not been utilized and were kept for general working capital (Note)

Note: As the subscription of Shares and perpetual convertible securities did not complete in time, as an intermediate arrangement, the Company obtained a loan in the amount of RMB396.9 million from a company controlled by Mr. Shi Baodong, the chairman and an executive Director, (“**Loan**”) to settle the consideration for the Acquisition. The proceeds from the subscription of Shares and perpetual convertible securities will be used for repayment of the Loan when due if not used for other purposes, depending on the cash position of the Group and its requirements. In deciding the time to repay the Loan, the Company will take into consideration factors including its cash flow and financial positions, its ability to obtain financing and the willingness of the lender of the Loan to extend the term of the Loan. As the Loan is not due for repayment yet and the Company considers that it is not in the interests of the Company to repay the Loan at this moment given the Company’s current cash flow status and financial positions, the proceeds from the subscription of Shares and perpetual convertible securities will be kept by the Company for general working capital purposes for the time being and may be used for paying legal fees, salaries and/or potential acquisitions. As at the Latest Practicable Date, the Company had not identified any specific acquisition target. As the proceeds of the subscription of Shares and perpetual convertible securities will be used to repay the Loan which was used to settle the consideration for the Acquisition, the Board is of the view that the intended use of the proceeds of the subscription of Shares and perpetual convertible securities has not changed.

Saved as disclosed, the Company has not raised fund on any issue of equity securities in the past 12 months immediately before the date of this announcement.

EXPECTED TIMETABLE

The expected timetable for implementing the Bonus Warrants Issue is set forth below:

Last day of dealings in Shares cum-entitlement to the Bonus Warrants Issue	Friday, 15 April 2016
Commencement of dealings in Shares ex-entitlement to the Bonus Warrants Issue	Monday, 18 April 2016
Latest time for lodging transfers of Shares for entitlement to the Bonus Warrants Issue	4:00 p.m. Tuesday, 19 April 2016

Closure of register of members of the Company, both days inclusive	Wednesday, 20 April 2016 to Friday, 22 April 2016
Record Date	Friday, 22 April 2016
Despatch of Circular	Tuesday, 26 April 2016
Despatch of certificates for the Bonus Warrants	Wednesday, 4 May 2016
Commencement of dealings in the Bonus Warrants on the Stock Exchange.....	9:00 a.m., Thursday, 5 May 2016

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative purpose only. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

GENERAL

A circular containing, among others, details and timetable of the Bonus Warrants Issue is expected to be despatched to the Shareholders on 26 April 2016.

DEFINITIONS

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

“Board”	the board of Directors
“Bonus Warrant(s)”	warrant(s) to be issued pursuant to the Bonus Warrants Issue
“Bonus Warrants Issue”	bonus issue of Bonus Warrants by the Company to the Shareholders whose names appear on the register of members of the Company on the Record Date, on the basis of one (1) Bonus Warrant for every seven (7) Shares held on the Record Date
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Orient Victory China Holdings Limited (stock code: 265), a company incorporated in the Cayman Islands with limited liability, the Shares are listed on the Main Board of the Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HKSCC”	Hong Kong Securities Clearing Company Limited
“New Shares”	ordinary share(s) of HK\$0.005 each in the share capital of the Company which may fall to be issued upon the exercise of the subscription rights attaching to the Bonus Warrants
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, after making enquiry, consider it necessary or expedient on account either of legal restrictions under the laws of the relevant overseas places or requirements of the relevant regulatory bodies or stock exchanges in those places to exclude them from the Bonus Warrants Issue
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es) as shown on the register of members of the Company at the close of business on the Record Date is/are outside Hong Kong
“PRC”	the People’s Republic of China
“Record Date”	the record date for the purpose of ascertaining the entitlements of the Shareholders to the Bonus Warrants Issue and it is tentatively set to be on Friday, 22 April 2016
“Share(s)”	the ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.195 for the subscription of one New Share, subject to adjustment, upon the exercise of one Bonus Warrant
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

For and on behalf of the Board
Orient Victory China Holdings Limited
Ip Pui Sum
Company Secretary

Hong Kong, 5 April 2016

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