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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)

COMPLETION CONNECTED TRANSACTION – INVESTMENT AGREEMENT INVOLVING PROPOSED ISSUE OF PERPETUAL CONVERTIBLE SECURITIES UNDER SPECIFIC MANDATE

Reference is made to the announcements of Orient Victory China Holdings Limited (“**Company**”) dated 28 June 2015, 8 January 2016 and 19 February 2016 and the circular of the Company (“**Circular**”) and the notice of the EGM both dated 29 January 2016 in relation to the Investment Agreement involving the proposed issue of Perpetual Convertible Securities under specific mandate. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Circular.

COMPLETION OF INVESTMENT AGREEMENT INVOLVING ISSUE OF PERPETUAL CONVERTIBLE SECURITIES

The Board is pleased to announce that all the conditions precedents to the Investment Agreement have been fulfilled or waived (as the case may be). Completion of the Investment Agreement took place on 30 March 2016.

Pursuant to the Investment Agreement, the Perpetual Convertible Securities in the aggregate principal amount of HK\$100,000,000 and in the aggregate principal amount of HK\$70,000,000 have been issued by the Company to OGH and CTM respectively on 30 March 2016.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 10,979,337,380 Shares in issue. The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately following the full conversion of the Perpetual Convertible Securities (assuming that there is no change in the issued share capital of the Company other than the issue of the Conversion Shares); and (iii) immediately following the exercise of the Put Option and full conversion of the Perpetual Convertible Securities by Mr. Shi (assuming that there is no change in the issued share capital of the Company other than the issue of the Conversion Shares):

Shareholders	As at the date of this announcement		Immediately following the full conversion of the Perpetual Convertible Securities		Immediately following the exercise of the Put Option or the Forced Put Option in full and full conversion of the Perpetual Convertible Securities by Mr. Shi	
	No. of Shares	Approximately % of Shares in issue	No. of Shares	Approximately % of Shares in issue	No. of Shares	Approximately % of Shares in issue
Orient Victory Real Estate ^(Note 1)	6,106,890,020	55.62	6,106,890,020	54.08	6,106,890,020	54.08
Mr. Shi ^(Note 2)	–	–	–	–	312,729,948	2.77
Mr. Dong Xiaojie ^(Note 3)	1,500,000	0.014	1,500,000	0.013	1,500,000	0.013
Mr. Law Wang Chak Waltery ^(Note 3)	350,000	0.003	350,000	0.003	350,000	0.003
CTM	232,350,000	2.12	361,121,155	3.20	232,350,000	2.06
OGH	436,375,000	3.97	620,333,793	5.49	436,375,000	3.86
Other public Shareholders	4,201,872,360	38.273	4,201,872,360	37.214	4,201,872,360	37.214
Total	10,979,337,380	100%	11,292,067,328	100%	11,292,067,328	100%

Notes:

- Orient Victory Real Estate is a company incorporated in the BVI and whose entire issued share capital/equity is beneficially owned by Mr. Shi.
- Upon the exercise of the Put Option and full conversion of the Perpetual Convertible Securities by Mr. Shi, Mr. Shi would be interested in 6,419,619,968 Shares including 6,106,890,020 Shares held by Orient Victory Real Estate, representing a total 56.85% of the entire issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares.
- Mr. Dong Xiaojie and Mr. Law Wang Chak Waltery are independent non-executive Directors.

DEED OF UNDERTAKING

The Company has been informed by Mr. Shi that, on 30 March 2016, Mr. Shi and the Investors entered into a deed of undertaking, pursuant to which Mr. Shi has undertaken to procure and cause Donghui HK and the Shenzhen Subsidiary to take all necessary actions to reduce the registered capital of the Shenzhen Subsidiary from RMB460,000,000 to RMB5,000,000 on or before 30 June 2016 or any date as agreed between Mr. Shi and the Investors and to provide to each Investor a legal opinion as to PRC law issued by a PRC law firm and copies of the relevant records from the relevant PRC authorities evidencing the same (“**Capital Reduction Conditions**”), and to procure Donghui HK to directly own and hold all the equity interest of the Shenzhen Subsidiary and will not directly or indirectly pledge, grant a security interest or in any way encumber or otherwise dispose of any such equity interest until the Capital Reduction Conditions are satisfied (“**Control Condition**”). If the Capital Reduction Conditions or the Control Condition shall be breached the Investors shall have the right to require Mr. Shi to purchase or procure the purchase of the Perpetual Convertible Securities.

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

Hong Kong, 30 March 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.