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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)

CONNECTED AND MAJOR TRANSACTION DISPOSAL OF SHARES IN SOUTH CHINA (CHINA) LIMITED BY WAY OF PLACING

**Placing Agent
South China Securities Limited**

The Board announces that on 11 June 2015 (after trading hours), the Vendor entered into the Placing Agreement with the Placing Agent pursuant to which the Vendor agreed to appoint the Placing Agent as agent and the Placing Agent agreed to act as agent for the Vendor to procure, on a best effort basis and subject to the terms and conditions set out in the Placing Agreement, purchasers for up to 64,128,416 Placing Shares (representing approximately 2.15% of the existing issued ordinary share capital of SCC) at a price of HK\$0.59 per Placing Share. Upon completion of the Transaction and assuming the sale of all the Placing Shares, the Transaction will raise a maximum of approximately HK\$37,836,000 for the Company, before expenses.

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 25% but are less than 75%, the Transaction therefore constitutes a major disposal transaction for the Company under the Listing Rules and is subject to the approval by the Shareholders.

In relation to the Placing Agreement, Mr. Ng Hung Sang, a controlling shareholder of the Placing Agent, was a director of the Company in the last 12 months immediately before the date of the Placing Agreement, and therefore the Placing under the Placing Agent constitutes a connected transaction for the Company. Given that the maximum amount of the placing commission payable by the Vendor to the Placing Agent will not be more than HK\$3,000,000, the connected transaction in respect of the Placing by the Placing Agent will be fully exempt from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.76 of the Listing Rules.

The Company has obtained a written approval for the Transaction in accordance with Rule 14.44 of the Listing Rules from OVRE, which is beneficially interested in an aggregate of 1,331,163,004 Shares, representing approximately 73% of the existing issued share capital of the Company as at the date of this announcement. Furthermore, no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting to approve the Transaction. As such, no extraordinary general meeting of the Company will be convened for the purpose of approving the Transaction as permitted under Rule 14.44 of the Listing Rules.

A circular of the Company containing, amongst other information, further details of the Placing Agreement and the disposal contemplated thereunder will be sent to the Shareholders in accordance with the requirements of the Listing Rules and the expected date of despatch of the circular will be on or before 3 July 2015.

THE PLACING

The Placing Agreement

On 11 June 2015 (after trading hours), the Vendor and the Placing Agent entered into the Placing Agreement, the terms of which are further described below.

Parties

- (a) the Vendor; and
- (b) the Placing Agent.

The Vendor is a wholly-owned subsidiary of the Company.

The Placing

Pursuant to the Placing Agreement, the Vendor agreed to appoint the Placing Agent as the agent, and the Placing Agent agreed to act as the agent for the Vendor to the exclusion of all others to procure, on a best efforts basis and subject to terms and conditions set out in the Placing Agreement, Placees for up to 64,128,416 Placing Shares (representing approximately 2.15% of the existing issued ordinary share capital of SCC) at the Placing Price of HK\$0.59 per Placing Share.

Placees

It is expected that the Placing Agent will place the Placing Shares to professional, institutional and/or individual investors. The Placees will be determined solely by the Placing Agent, subject to the terms and conditions of the Placing Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Placees and their ultimate beneficial owners are expected to be third parties independent of the Company and its connected persons.

Placing Price

The Placing Price of HK\$0.59 per Placing Share represents a discount of approximately 25% to the closing price of HK\$0.79 per SCC Share as quoted on the Stock Exchange on the date of entering into the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to recent market prices and liquidity of SCC Shares and market conditions.

Placing commission

The Placing Agent will be entitled to receive a placing commission of 3% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent. Such commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agents and market conditions. The Directors consider that the commission is fair and reasonable based on the current market conditions and is in the interests of the Company and the Shareholders as a whole.

Completion of the Placing

Completion of the sale and purchase of the Placing Shares shall take place before 5:00 p.m. on the second Business Day immediately after the date of the Placing Agreement, or such other date and time as may be agreed between the Vendor and the Placing Agent.

As at the date of this announcement, the Vendor is beneficially interested in 64,128,416 SCC Shares (representing approximately 2.15% of the existing issued ordinary share capital of SCC). Upon completion of the Transaction and assuming the sale of all the Placing Shares, the Group will cease to have any shareholding in SCC.

Financial Information

The SCC Shares represent the ordinary shares with par value of HK\$0.02 each in the share capital of SCC, a company incorporated in the Cayman Islands and the SCC Shares are listed on the Stock Exchange.

The 64,128,416 SCC Shares held by the Group are currently recorded as available-for-sale financial assets in the financial statements of the Group. As at 31 December 2014, the fair value of these SCC Shares was approximately HK\$54,509,000.

It is estimated that the net gain on the sale of the SCC Shares will be approximately HK\$18,794,000, representing the difference between the consideration, revaluation reserve and the carrying value of such shares as at 31 December 2014 in the Group's financial statements. The net gain will be recognised in the income statements of the Group for the year ending 31 December 2015.

For the year ended 31 December 2013, the net profit before tax of SCC was approximately HK\$317,099,000 and the net profit after tax was approximately HK\$283,618,000 based on its published financial statements. For the year ended 31 December 2014, the net profit before tax of SCC was approximately HK\$222,301,000 and the net profit after tax was approximately HK\$189,641,000 based on its published financial statements.

REASONS FOR THE TRANSACTION

The Directors consider that the Placing represents an opportunity to realise the Group's investment in SCC. Upon completion of the Transaction and assuming the sale of all the Placing Shares, the Transaction will raise a maximum of approximately HK\$37,836,000 for the Company, before expenses. The Directors expects to use the net sale proceeds of the Transaction principally to meet new business opportunities and/or for general working capital of the Group.

The Directors consider that the Placing Agreement and the Placing (including the Placing Price) are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 25% but are less than 75%, the Transaction therefore constitutes a major disposal transaction for the Company under the Listing Rules and is subject to the approval by the Shareholders.

In relation to the Placing Agreement, Mr. Ng Hung Sang, a controlling shareholder of the Placing Agent was a director of the Company in the last 12 months immediately before the date of the Placing Agreement, and therefore the Placing under the Placing Agent constitutes a connected transaction for the Company. Given that the maximum amount of the placing commission payable by the Vendor to the Placing Agent will not be more than HK\$3,000,000, the connected transaction in respect of the Placing by the Placing Agent will be fully exempt from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.76 of the Listing Rules.

No Director has a material interest in the transactions contemplated under the Placing Agreement and none of the Directors is required to abstain, or has abstained from, voting on the relevant board resolutions to approve the Placing Agreement and the transactions contemplated under the Placing Agreement.

The Company has obtained a written approval for the Transaction in accordance with Rule 14.44 of the Listing Rules from OVRE, which is beneficially interested in an aggregate of 1,331,163,004 Shares, representing approximately 73% of the existing issued share capital of the Company as at the date of this announcement. Furthermore, no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting to approve the Transaction. As such, no extraordinary general meeting of the Company will be convened for the purpose of approving the Transaction as permitted under Rule 14.44 of the Listing Rules.

A circular of the Company containing, amongst other information, further details of the Placing Agreement and the disposal contemplated thereunder will be sent to the Shareholders in accordance with the requirements of the Listing Rules and the expected date of despatch of the circular will be on or before 3 July 2015.

GENERAL INFORMATION

The Company is an investment holding company and its subsidiaries were principally engaged in the sale of air-tickets, other travel related and services, trading and retailing of jewellery products, and other investment holding.

Based on the published information of SCC, the principal businesses of SCC and its subsidiaries include trading and manufacturing, property investment and development and agriculture and forestry.

The Placing Agent is a company licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to conduct type 1 (dealing in securities) regulated activities.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (other than Saturdays, Sundays and public holidays) on which licensed banks in Hong Kong are open for business
“Company”	Orient Victory China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“OVRE”	Orient Victory Real Estate Group Holdings Limited, a company incorporated under the British Virgin Islands and the controlling shareholder of the Company
“Placee(s)”	any individual(s), institutional or other professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 64,128,416 Placing Shares on a best effort basis pursuant to the terms and conditions of the Placing Agreement

“Placing Agent”	South China Securities Limited, the placing agent for the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the placing letter agreement dated 11 June 2015 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	price payable for the Placing Shares at HK\$0.59 per Placing Share
“Placing Shares”	up to 64,128,416 SCC Shares beneficially owned by the Vendor and to be placed pursuant to the Placing Agreement
“SCC”	South China (China) Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the Stock Exchange (stock code: 413)
“SCC Share(s)”	the ordinary shares with par value of HK\$0.02 each in the share capital of SCC
“Share(s)”	ordinary share(s) with par value of HK\$0.025 each in the issued share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the sale of up to 64,128,416 Placing Shares by the Vendor by way of the Placing
“Vendor”	Worldunity Investments Limited 世統投資有限公司, a company incorporated in Hong Kong, which is an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 11 June 2015

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.