

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ORIENT VICTORY TRAVEL GROUP COMPANY LIMITED

東勝旅遊集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

CONNECTED TRANSACTIONS IN RELATION TO ACQUISITION OF PROPERTIES

THE AGREEMENTS

The Board is pleased to announce that on 20 January 2022 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreements with the Vendor, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell, the Properties for the total consideration of RMB22,876,305 (equivalent to approximately HK\$27,909,000).

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the Vendor is owned as to 51% by OVPD and OVPD is wholly-owned by Mr. Shi, the chairman of the Board, the chief executive officer of the Company and an executive Director. As the Vendor is ultimately owned as to 51% by Mr. Shi, the Vendor is an associate of Mr. Shi and thus a connected person of the Company. Therefore, the Acquisition contemplated under the Agreements constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios in respect of the Acquisition, when aggregated, exceed 0.1% but are less than 5%, pursuant to Chapter 14A of the Listing Rules, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 20 January 2022 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreements with the Vendor, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell, the Properties for the total consideration of RMB22,876,305 (equivalent to approximately HK\$27,909,000).

THE AGREEMENTS

The Agreements are based on the standard form set out by the Ministry of Housing and Urban-Rural Development of Shijiazhuang City, the PRC (中國石家莊市住房和城鄉建設局), and the contents are consistent with each other. The principal terms of the Agreements are set out below:

Date

20 January 2022 (after trading hours)

Parties

Purchaser : The Purchaser (a wholly-owned subsidiary of the Company)

Vendor : The Vendor (a company owned as to 51% by OVPD)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Vendor is owned as to 51% by OVPD and OVPD is wholly-owned by Mr. Shi.

Properties to be acquired

47 commercial units with an estimated aggregate gross floor area of approximately 2,563 square meters located at 17th Floor and 18th Floor, building no. 1, Zijingyuehe Centre (South zone), 2 Fengya Road, Changan District, Shijiazhuang City, Hebei Province, the PRC* (中國河北省石家莊市長安區豐雅路2號紫晶悅和中心南區). The term of the respective commercial land use right is until 29 July 2054.

The Vendor shall, within 30 days from the date of the Agreements, complete the filing procedures of the Agreements and notify the Purchaser the status of such filing.

Consideration

The total consideration is RMB22,876,305 (equivalent to approximately HK\$27,909,000), which shall be fully paid by the Purchaser to the Vendor before 31 January 2022.

The consideration was arrived at after arm's length negotiation among the Purchaser and the Vendor with reference to the market value of the Properties valued by an independent property valuer of RMB22,880,000 (equivalent to approximately HK\$27,914,000) as at 1 January 2022 (subject to deferred handover for a period of 24 months and the Properties are free from any encumbrances). Further, according to the valuation report, the market value of the Properties rises to RMB24,910,000 (equivalent to approximately HK\$30,390,000) if the Properties can be handed over immediately and free from any encumbrances.

The consideration for the Properties is subject to upward or downward adjustment based on the final registered gross floor area of the Properties, which will be shown on the title certificates. In any event, if upward adjustment is required, the total consideration shall not exceed RMB24,910,000 (equivalent to approximately HK\$30,390,000).

The consideration will be financed by the Group's internal resources.

Termination

The Vendor shall deliver the Properties to the Purchaser before 31 December 2023. The Purchaser may terminate the relevant Agreement if delivery of the relevant Property be delayed for more than 180 days and require for the return of the consideration paid with interest thereon at the benchmark lending rate published by the People's Bank of China together with penalty calculated based on 0.01% of the total consideration.

INFORMATION OF THE VENDOR

The Vendor is a company established in the PRC with limited liability and, to the best knowledge of the Directors, is principally engaging in the business of real estate development in the PRC. As at the date of this announcement, the Vendor is owned as to 51% by OVPD and is the developer of building no. 1, Zijingyuehe Centre (South zone), 2 Fengya Road, Changan District, Shijiazhuang City, Hebei Province, the PRC* (中國河北省石家莊市長安區豐雅路2號紫晶悅和中心南區) of which the Properties form part.

OVPD is a company incorporated in the PRC and is principally engaging in the business of real estate development in the PRC, which is wholly-owned by Mr. Shi, the chairman of the Board, the chief executive officer of the Company and an executive Director. Mr. Shi is also a controlling shareholder of the Company holding, including through OVRE, 7,974,992,025 Shares (representing approximately 61.72% of the entire issued share capital of the Company) as at the date of this announcement.

INFORMATION OF THE GROUP AND THE PURCHASER

The Company is an investment holding company and its subsidiaries are principally engaging in the property management and leasing services businesses for residential and commercial properties, the diversified tourism products and services businesses and the integrated development businesses. The Purchaser is a wholly-owned subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As advised by the PRC legal advisor engaged by the Company for the purpose of the Acquisition, (i) the Vendor has the rights to legally sell the Properties; (ii) the Vendor has obtained the Pre-sale Permit in respect of the Properties; (iii) the terms of the Agreements are lawful, valid and legally binding on the Vendor and the Purchaser; (iv) the contents of the Agreements are consistent with the standard form of pre-sale contract for online signing and record; and (v) the Vendor cannot resell the pre-sold Properties to other party after the online signing and record uploaded unless both the Purchaser and the Vendor agree to withdraw the record and the government official website has published the withdrawal.

Pursuant to the Agreements, the Vendor shall deliver the Properties to the Purchaser before 31 December 2023. It was the negotiation between the Vendor and the Group that if the Group agreed to fully settle the purchase price of the Properties at pre-sale stage, the Vendor would sell the Properties to the Group at a relatively competitive price. According to the valuation report, the market value of the Properties rises to RMB24,910,000 (equivalent to approximately HK\$30,390,000) if the Properties can be handed over immediately and free from any encumbrances, while the Company is only required to pay RMB22,876,305 (equivalent to approximately HK\$27,909,000) for the Properties.

After taking into account the valuation report prepared by the independent valuer and the legal opinion issued by the PRC legal advisor, and in the view that the Group has surplus cash on hand and that Zijingyuehe Centre* (紫晶悦和中心) (of which the Properties form part) is in the city centre of Shijiazhuang City, Hebei Province, the PRC, the Board is of the view that it would be an advantage for the Group to acquire the Properties at a relatively competitive price for potential capital appreciation and future rental income source purposes, and as such, the Directors (including all the independent non-executive Directors but excluding Mr. Shi, who had abstained from voting on the relevant resolution at the Board meeting) resolved that the terms and conditions of the Agreements are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the Vendor is owned as to 51% by OVPD and OVPD is wholly-owned by Mr. Shi, the chairman of the Board, the chief executive officer of the Company and an executive Director. As the Vendor is ultimately owned as to 51% by Mr. Shi, the Vendor is an associate of Mr. Shi and thus a connected person of the Company. Therefore, the Acquisition contemplated under the Agreements constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios in respect of the Acquisition, when aggregated, exceed 0.1% but are less than 5%, pursuant to Chapter 14A of the Listing Rules, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Properties by the Purchaser from the Vendor
“Agreements”	the sale and purchase agreements (pre-sale) all dated 20 January 2022 (as supplemented on 20 January 2022) entered into between the Vendor and the Purchaser in relation to the Acquisition and “Agreement” refers to any of them
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Orient Victory Travel Group Company Limited (東勝旅遊集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“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 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 main board of the Stock Exchange
“Mr. Shi”	Mr. Shi Baodong (石保棟先生), the chairman of the Board, the chief executive officer of the Company and an executive Director, and a controlling shareholder of the Company
“OVPD”	Orient Victory Property Development Group Co., Ltd.* (東勝房地產開發集團有限公司), a company established in the PRC with limited liability and is wholly-owned by Mr. Shi as at the date of this announcement
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-sale Permit”	pre-sale permit (預售許可證), a permit authorising a developer to commence the pre-sale of units within a real estate development but are not ready for delivery to intended purchasers
“Properties”	47 commercial units with an estimated aggregate gross floor area of approximately 2,563 square meters located at 17th Floor and 18th Floor, building no. 1, Zijingyuehe Centre (South zone), 2 Fengya Road, Changan District, Shijiazhuang City, Hebei Province, the PRC* (中國河北省石家莊市長安區豐雅路2號紫晶悅和中心南區) and “Property” refers to any of them
“Purchaser”	Shijiazhuang Dongsheng Property Management Services Company Limited* (石家莊市東勝物業服務有限公司), a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company as at the date of this announcement

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Shareholders”	holders of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Hebei Qifuqianyue Real Estate Development Co., Ltd.* (河北祈福乾悦房地產開發有限公司), a company established in the PRC with limited liability and is owned as to 51% by OVPD as at the date of this announcement
“%”	per cent

By order of the Board
Orient Victory Travel Group Company Limited
Shi Baodong
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 20 January 2022

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Shi Baodong, Mr. Zhao Huining and Mr. Mo Yueming, one non-executive Director, being Ms. Song Sining, and three independent non-executive Directors, being Mr. Dong Xiaojie, Mr. He Qi and Mr. Swei Feng-jih.

For illustrative purpose of this announcement and unless otherwise specified, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.22.

* for identification purpose only