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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)

INSIDE INFORMATION TEMPORARY CLOSE OF BUSINESS OF FLAGSHIP STORE

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company regrets to announce that at about 6:00pm on 8 June 2017, there was a fire accident on the top of the third floor of the building, two floors above where our flagship jewelry store is situated. The fire was caused by a new water proofing project at the building. Due to timely firefighting, the fire was extinguished. However, since the ceiling tiles were removed during the firefighting, causing a serious water leakage problem on the ceiling where our store is situated. The hung ceiling, inner walls, lighting, air conditioning systems, surveillance systems, wall lights, roll-up gates, display shelves were severely damaged. All of the counters and the tools stored inside the counters are affected by different levels of dampness. The flagship store is temporarily closed for urgent repair and the reopening date is yet to be confirmed.

According to the defacement features of the ceiling, the urgent repair is estimated to complete in around one month. The Water Leakage inflicted no material damage on the Group's products and would not cause material adverse impact on the financial position of the Group. The impairment to the store and equipment will be fully covered by the responsible party. The management of the Company considers that the disruption caused by the Water Leakage has no material effect on the Group's sales and operation.

This announcement is made by Orient Victory China Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”).

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According to the defacement features of the ceiling, the urgent repair is estimated to complete in around one month (the “**transitional period**”). The Water Leakage inflicted no material damage on the Group’s products and would not cause material adverse impact on the financial position of the Group. The impairment to the store and equipment will be fully covered by the responsible party.

During the transitional period before the completion of repair, the management of the Company plans to seek alternate channels to work off the inventory and lower the level of damages, such as: (i) to increase the inventory level at other stores and to hold mid-year sale promotions; (ii) to negotiate with Nanjing Baoqing Yinlou Jewellery Co., Ltd, for a suitable one-month counter; and (iii) to negotiate with franchise partners on new distribution arrangements.

The management of the Company is also planning to urge and cooperate with the landlord in repairing the ceiling in a timely manner. The Company will establish dedicated units to follow-up on the claim for damages matters and to procure timely resumption of business.

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

Hong Kong, 22 June 2017

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Shi Baodong, Mr. Wang Jianhua and Mr. Zhao Huining, one non-executive Director, being Ms. Song Sining, and three independent non-executive Directors, being Mr. Dong Xiaojie, Mr. He Qi and Mr. Law Wang Chak, Waltery.