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ORIENT VICTORY SMART URBAN SERVICES HOLDING LIMITED

東勝智慧城市服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

SUPPLEMENTAL ANNOUNCEMENT

**TOP-UP PLACING OF EXISTING SHARES
AND
SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**

Reference is made to the announcements of Orient Victory Smart Urban Services Holding Limited (the “**Company**”) dated 25 January 2019, 8 February 2019, 6 June 2019 and 19 June 2019 in relation to the Top-up Placings (collectively, the “**Placing Announcements**”).

Reference is also made to the voluntary announcement of the Company dated 12 July 2019 in relation to adoption of Share Award Scheme by the Vendor (the “**Voluntary Announcement**”). Pursuant to the Voluntary Announcement, inter alia, the Company was informed by the Vendor that it adopted the Share Award Scheme on 12 July 2019.

AWARDS UNDER THE SHARE AWARD SCHEME

In or about January 2019, for the purpose of motivating the employees of the Vendor and the Group to participate in the Top-up Placings, the Vendor introduced to such employees that the Vendor proposed to give away one (1) existing Share for every one (1) Placing Share subscribed. Further, with a view to preventing departure of such employees (i.e. the placees) shortly after the Top-up Placing, repurchase of the Placing Shares by the Vendor from the resigning employees within a certain period of time was also proposed.

To show the appreciation to the 129 Placees who subscribed for the relevant Placing Shares, on 21 July 2019 (the “**Date of Grant**”), the Vendor granted to each of the Placees (save for the Placees who have resigned or transferred out the Placing Shares owned by them prior to the Date of Grant) such number of Shares (the “**Buy-one-get-one-free Shares**”) as representing the number of the Placing Shares purchased by them under the Top-up Placings and, to appreciate the loyalty of certain employees of the Group and the Vendor, a total of 23,930,000 existing Shares were granted to 63 Placees.

It is a condition precedent of the grant of the Buy-one-get-one-free Shares that each of the grantees shall execute a deed of call option in favour of the Vendor (the “**Deed**”) granting to the Vendor an exclusive right to require the relevant grantee to sell to the Vendor up to the number of Placing Shares owned by the relevant grantee at an exercise price representing the placing price of the relevant Placing Shares (i.e. HK\$0.145 or HK\$0.129 per Placing Share (as the case may be)) within 5 years from the effective date of the Deed (the “**Call Option(s)**”). The Deed was executed by each of the grantees on 19 July 2019.

In addition to the Buy-one-get-one-free Shares, to appreciate the loyalty of certain employees of the Group and the Vendor as well as the business partners, on the Date of Grant, the Vendor also awarded an aggregate of 25,490,000 existing Shares to 79 selected persons, who are not placees and have worked in or partnered with the Group or the Vendor for long years, under the Share Award Scheme at nil consideration (The Buy-one-get-one-free Shares and the existing Shares awarded to the selected persons are collectively referred to as the “**Awarded Share(s)**”). All the Awarded Shares are subject to a lock-up period of up to 60 months. Pursuant to the Share Award Scheme, 20% of awarded shares shall be released from lock-up after 36 months; additional 40% of awarded shares shall be released from lock-up after 48 months, while the remaining 40% of awarded shares shall be released from lock-up after 60 months.

LISTING RULES IMPLICATION

According to Rule 2.13 of the Listing Rules, inter alia, the information contained in the document must be accurate and complete in all material respects and not be misleading or deceptive. Besides, an issuer must not, among other things, omit material facts of an unfavourable nature or fail to accord them with appropriate significance. As the Buy-one-get-one-free Shares and the Call Options are considered material respects of the Top-up Placings, such arrangements/proposals should be disclosed in the Placing Announcements and the Voluntary Announcement. However, due to the fact that the documents associated with the Buy-one-get-one-free Shares and the Call Options were only executed on 19 July 2019 and the Awarded Shares were only granted on 21 July 2019, the Company has misconceived that disclosure of such arrangements/proposal are not required (the “**Breach**”). As a result, the Board considers that this supplemental announcement is necessary with a view to rectifying the Breach.

REVOCAION OF UNEXERCISED CALL OPTIONS

The following table sets out the movements of the Call Options:

Date of grant of the Call Options	Number of Call Options granted	Number of Call Options exercised by the Vendor	Number of Call Options cancelled by the Vendor due to the release from lock-up	Number of unexercised Call Options as at the date immediately prior to this announcement
19 July 2019	164,310,000	45,230,000	72,580,000	46,500,000

Despite that there were no triggering events specified in the Deed in exercising the Call Options, the Vendor exercised its right under the relevant Call Options to acquire the relevant Placing Shares either at the request of the relevant Placees (due to financial difficult) or due to the resignations of the relevant Placees. Upon exercising the relevant Call Options, any Awarded Shares which were still subjected to lock-up period had also been revoked.

As a remedial action against the Breach, in addition to this supplemental announcement, the Vendor has unconditionally revoked all unexercised Call Options with effect from the date of this supplemental announcement, but the Share Award Scheme shall remain valid and effective until its expiry.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Orient Victory Smart Urban Services Holding Limited (東勝智慧城市服務控股有限公司), a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“Placee(s)”	individuals, each of whom (a) is not a connected person of the Company and is independent of and not connected with the Company, Directors, its chief executives or substantial Shareholders or its subsidiaries, or any of their respective associates; (b) will not become a substantial Shareholder immediately following the relevant Top-up Placing; and (c) is not a party acting in concert with (i) one another; (ii) the Company, Directors, its chief executives or substantial Shareholders or its subsidiaries; (iii) the Vendor or any party acting or presumed to be acting in concert with it; or any of their respective associates; and (d) is not an associate of the Vendor
“Placing Shares”	an aggregate of 172,150,000 Shares under the Top-up Placings
“Share Award Scheme”	the share award scheme of the Vendor approved and adopted by the Vendor on 12 July 2019
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	an aggregate of 172,150,000 new Shares, as the same total number of Placing Shares actually sold by the Vendor and purchased by all Placee(s)
“Top-up Placing(s)”	the placings of the Placing Shares from the Vendor to the Placees and the subscriptions by the Vendor for the Subscription Shares completed on 8 February 2019 and 19 June 2019. For details, please refer to the announcements of the Company dated 25 January 2019, 8 February 2019, 6 June 2019 and 19 June 2019
“Vendor”	Orient Victory Real Estate Group Holdings Limited (東勝置業集團控股有限公司), a company incorporated in the British Virgin Islands with limited liability, who is a controlling Shareholder

By order of the Board
Orient Victory Smart Urban Services Holding Limited
Lee On Wing
Company Secretary

Hong Kong, 1 November 2023

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. Chang Meiqi, and three independent non-executive Directors, being Mr. Dong Xiaojie, Mr. He Qi and Mr. Swei Feng-jih.