

STATEMENT OF DISCIPLINARY ACTION

Exchange's Disciplinary Action against Orient Victory Smart Urban Services Holding Limited (Stock Code: 265) and a Current Director

SANCTIONS AND DIRECTION

The Stock Exchange of Hong Kong Limited (**Exchange**)

CRITICISES:

- (1) **Orient Victory Smart Urban Services Holding Limited** (Stock Code: 265) (**Company**);
and
- (2) **Mr Shi Baodong**, executive director, chairman and chief executive officer of the Company (**Mr Shi**).

AND FURTHER DIRECTS:

Mr Shi to attend 17 hours of training on regulatory and legal topics and Listing Rule compliance, including at least three hours on each of (i) directors' duties and (ii) the Corporate Governance Code; and two hours on the Listing Rule requirements for Rule 2.13.

SUMMARY OF FACTS

On 25 January 2019 and 6 June 2019, the Company announced two top-up placings (**Top-up Placings**), where placees were able to subscribe for the Company's shares at agreed prices of \$0.145 and \$0.129 respectively (**Placing Announcements**).

At the time of the Top-up Placings, Mr Shi was the ultimate beneficial owner of the Company's controlling shareholder, OVRE.

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Prior to each Top-up Placing, online meetings with selected participants were held in January and May 2019, in which Mr Shi informed the meeting participants of the rationale and scale of the Top-up Placings. The participants primarily consisted of the Company's employees. With a view to encouraging their subscription in the Top-up Placings, Mr Shi informed the meeting participants that, for every placing share they took up in the Top-up Placings, OVRE would give them one free additional share (**Offer**).

Information about the Offer was not disclosed in the Placing Announcements. The Top-up Placings were completed on 8 February 2019 and 19 June 2019.

Following the Exchange's investigation into the matter, the Company published a supplemental announcement on 1 November 2023 disclosing the Offer and admitting its breach of Rule 2.13(2) by failing to disclose the Offer in the Placing Announcements.

RULE REQUIREMENTS

Rule 2.13(2) requires that the information contained in any announcement must be accurate and complete in all material respects and not be misleading or deceptive.

Under Rule 3.09B, a director has an obligation under the Listing Rules to use his best endeavours to procure the listed issuer's compliance with the Listing Rules.

SETTLEMENT

The Company and Mr Shi have admitted their respective breaches and accepted the sanctions and direction set out in this statement.

LISTING COMMITTEE'S FINDINGS OF BREACH

Given the nature and relevance of the Offer to the Top-up Placings, the Listing Committee found as follows:

- (1) The Company breached Rule 2.13(2) by failing to disclose the Offer in the Placing Announcements.
- (2) Mr Shi breached his obligation now set out in Rule 3.09B by failing to procure the Company's compliance with Rule 2.13(2) despite his knowledge of and involvement in the Offer.

CONCLUSION

The Listing Committee decided to impose the sanctions and direction set out in this Statement of Disciplinary Action.

For the avoidance of doubt, the Exchange confirms that the above sanctions and direction apply only to the Company and Mr Shi, and not to any other past or present directors of the Company.

Hong Kong, 25 June 2024