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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)

VOLUNTARY ANNOUNCEMENT ADOPTION OF SHARE AWARD SCHEME BY CONTROLLING SHAREHOLDER

The Board is pleased to announce that the Company was informed that OVRE, a controlling shareholder of the Company, adopted the Scheme on 12 July 2019.

The Scheme was adopted by OVRE as a means to (i) motivate and incentivise the respective employees of the Group and the OVRE Group and provide them with the opportunity to own equity interests of the Company; (ii) align the interests of the Selected Persons with those of the Company, and strive for the future development and expansion of the Group; and (iii) attract capable persons to join the Group.

Pursuant to the Scheme, the OVRE Board may, from time to time and at its sole discretion, choose Selected Persons to participate in the Scheme, determine the number of Awarded Shares to be awarded to each Selected Person, and impose any additional conditions for each Selected Person to accept such Awarded Shares. An Offer Letter, setting out the number of Awarded Shares to be granted and any additional conditions for acceptance of the Awarded Shares, will be issued to each Selected Person. OVRE shall transfer the Awarded Shares to a Selected Person after the Selected Person signed and returns the Offer Letter. If any Prescribed Event occurs to the Selected Person, OVRE shall have the right to require the Selected Person to return to OVRE any Awarded Shares and Related Distributions (if any) which are subject to any Lock-up Period.

The Scheme is not adopted by the Company and does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purposes of Chapter 17 of the Listing Rules and is not required to comply with the rules thereunder. It is a discretionary award scheme of OVRE.

ADOPTION OF THE SCHEME

The Board is pleased to announce that the Company was informed that OVRE has adopted the Scheme on 12 July 2019. The purpose and the principal terms of the Scheme are set out below.

Purposes

The purposes of the Scheme were (i) to motivate and incentivise the respective employees of the Group and the OVRE Group and provide them with the opportunity to own equity interests of the Company; (ii) to align the interests of the Selected Persons with those of the Company, and strive for the future development and expansion of the Group; and (iii) to attract capable persons to join the Group.

Term

Subject to any early termination of the Scheme by OVRE, the Scheme shall be valid and effective for ten (10) years commencing on the date of adoption of the Scheme by OVRE.

Administration

The OVRE Board shall be responsible for administering the Scheme in accordance with the Scheme Rules. The OVRE Board has also appointed Yue Xiu Securities Company Limited to assist in the administration of the Scheme, including but not limited to the setting up of securities accounts by the relevant Participants, and assistance to the relevant Participants in the transfer of the Awarded Shares.

Eligible Persons

Eligible Persons shall include the respective employees of the Group and the OVRE Group. Pursuant to the Scheme, the OVRE Board may, from time to time and at its sole discretion, choose Selected Persons to participate in the Scheme, determine the number of Awarded Shares to be awarded to each Selected Person, and impose any additional conditions for each Selected Person to accept such Awarded Shares.

Lock-up Periods

For each Participant, the Awarded Shares held by his/her shall be subject to Lock-up Periods as follows:

100% of the Awarded Shares	The first 36 months after the Participant accepts the Awarded Shares
80% of the Awarded Shares	The 37th to 48th months after the Participant accepts the Awarded Shares
40% of the Awarded Shares	The 49th to 60th months after the Participant accepts the Awarded Shares

Operations

An Offer Letter, setting out the number of Awarded Shares to be granted and any additional conditions for acceptance of the Awarded Shares, will be issued to each Selected Person. A Selected Person may accept an offer of the grant of the Awarded Shares in such manner as set out in the Offer Letter. Upon acceptance, the Selected Person becomes a Participant in the Scheme.

OVRE shall transfer the Awarded Shares to a Participant after the Participant signs and returns the Offer Letter.

(1) *Voting Rights*

A Participant shall be entitled to exercise the voting rights in respect of any Awarded Shares held by him/her, unless and until the Participant receives a Revocation Notice (defined below) from OVRE.

(2) *Entitlement to cash distributions and Related Distributions*

A Participant shall be entitled to the benefits of any cash dividend or distribution derived from any Awarded Shares held by him/her and paid to him/her by the Company before the Participant receives a Revocation Notice from OVRE.

For any Awarded Shares subject to a Lock-up Period, a Participant shall deposit or procure to deposit all Related Distributions derived therefrom in the securities account in which such Awarded Shares are deposited. The Participant may withdraw such Related Distribution only after the relevant Awarded Shares cease to be subject to any Lock-up Period.

(3) *Rights attached to Shares*

Subject to any applicable Lock-up Period, any Awarded Shares transferred to a Participant under the Scheme will be subject to all the provisions of the Articles and will rank *pari passu* with the fully paid Shares in issue on the date of the transfer. Accordingly, subject to the sections headed “Voting Rights” and “Entitlement to cash distributions and Related Distributions” above, the Relevant Participant will be entitled to participate in all dividends or other distributions paid or made on or after the date of the transfer.

(4) *No Assignment*

The Awarded Shares granted pursuant to the Scheme are personal in nature. For each Participant, for as long as any Awarded Shares are subject to a Lock-up Period, the Participant shall not sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any such Awarded Shares, or any interest or benefits therein.

(5) *Prescribed Events*

For any Participant, if any of the following events (each a “**Prescribed Event**”) occurs, the OVRE Board shall have the right to, at its sole and absolute discretion, serve a written notice (the “**Revocation Notice**”) on the Participant (or his/her trustee, executor, administrator or guardian, if applicable) on or before the date falling 90 days after the occurrence of such Prescribed Event (or, if that day is a day on which OVRE is prohibited by the Model Code, the Listing Rules or the SFO to acquire any such Awarded Shares, the date falling 5 Business Days after OVRE ceases to be so prohibited). If the OVRE Board does so, the Participant shall at nil consideration transfer all the Awarded Shares subject to any Lock-up Period to OVRE. If the OVRE Board does not serve such the Revocation Notice on the Participant within the above timeframe, all Awarded Shares held by the Participant shall cease to be subject to any Lock-up Period.

Each of the following events shall constitute a Prescribed Event:

- (a) the Participant leaves his/her employment with the Group or the OVRE Group, as applicable, for any reason, including without limitation (i) the Participant dies or suffers a permanent loss of physical or mental capacity; (ii) the Participant resigns or is made redundancy, dismissed or laid off; or (iii) the Participant ceases to be physically fit for his/her position;
- (b) the Participant is unable to pay his/her debts when due, or enters into an arrangement with his/her creditors;
- (c) the Participant is convicted of any criminal offence involving dishonesty;
- (d) OVRE has sufficient evidence that the Participant has, during his employment with the Group or the OVRE Group (as applicable):
 - (i) committed a breach of any term of his employment;
 - (ii) committed a breach of any laws or rules of professional ethics, or appropriated funds from OVRE or any of its subsidiaries;
 - (iii) appropriated or stole any property or assets of the OVRE Group, or disclosed any confidential information of OVRE or any of its subsidiaries;
 - (iv) participated in any bribery or corruption, or any act predominantly benefiting the Participant himself/herself or any third party, in the course of his/her employment;
 - (v) committed any gross negligence or dereliction of duty during the course of his/her employment, resulting in losses or adverse effects to OVRE or any of its subsidiaries, or the community;
 - (vi) was responsible for any false records, information or data on the Participant's performance at work; or
 - (vii) committed a serious breach of any of the applicable policies, rules or regulations of OVRE or any of its subsidiaries, causing any damage to the interest of reputation of OVRE or any of its subsidiaries, or any act of gross negligence causing any loss to OVRE or any of its subsidiaries;
- (e) the employer of the Participant ceases to be a subsidiary of OVRE; and
- (f) where the Participant is employed by the Company or any of its subsidiaries, and:
 - (i) the Company ceases to be a subsidiary of OVRE; or
 - (ii) the Company or OVRE is under an involuntary winding up or has passed a resolution for a voluntary winding up.

LISTING RULES IMPLICATIONS

The Scheme is not adopted by the Company and does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purposes of Chapter 17 of the Listing Rules and is not required to comply with the rules thereunder. It is a discretionary award scheme of the OVRE.

DEFINITIONS

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

“Articles”	the memorandum and articles of association of the Company (as amended from time to time)
“Awarded Shares”	in relation to a Participant or Selected Person, means such Shares awarded to the Participant or to be awarded to the Selected Person, as applicable, under the relevant Offer Letter
“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, the shares of which are listed on the Stock Exchange
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	persons eligible to be awarded Awarded Shares under the Scheme, which includes any employee of the group or the OVRE Group
“Group”	the Company and the Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Lock-up Period”	as to any Awarded Shares, the period in which the Participant is prohibited from selling, transferring, assigning, charging, mortgaging, encumbering or creating any interest in favour of any other person over or in relation to any such Awarded Shares, or any interest or benefits therein, under the terms of the Scheme
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules.
“Offer Letter”	means the letter to be issued by OVRE to a Selected Person for the grant of Awarded Shares

“OVRE”	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 of the Company
“OVRE Board”	the board of directors of OVRE
“Participant(s)”	a Selected Person who accepts the offer of the grant of Awarded Shares in accordance with the Scheme Rules
“Related Distribution”	non-cash distribution(s) derived from the Awarded Shares referable to the Participants during any Lock-up Period applicable to such Awarded Shares, which shall include distributions such as scrip dividend, bonus Shares or bonus warrants pursuant to this Scheme, but exclude nil paid rights, non-cash and non-scrip distributions or proceeds of sale of the same
“Scheme”	the share award scheme of OVRE approved and adopted by OVRE on 12 July 2019
“Scheme Rules”	the rules of the Scheme as amended from time to time
“Selected Person(s)”	Eligible Persons selected by the OVRE Board to be granted Awarded Shares under the Scheme
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the issued ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 12 July 2019

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.