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港譽城市服务集团

GANGYU URBAN SERVICES GROUP

GANGYU SMART URBAN SERVICES HOLDING LIMITED

港譽智慧城市服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

**PROPOSED SHARE CONSOLIDATION
AND
CHANGE IN BOARD LOT SIZE**

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation pursuant to which every fifty (50) issued and unissued Existing Shares of HK\$0.005 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.25 each in the share capital of the Company.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 10,000 Existing Shares. It is proposed that, subject to and upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares to 2,000 Consolidated Shares.

Based on the closing price of HK\$0.027 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 2,000 Consolidated Shares, assuming that the Share Consolidation had already been effective, would be HK\$2,700.

GENERAL

The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the EGM and the Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as none of the Shareholders or their associates would have a material interest in the Share Consolidation, no Shareholder is required to abstain from voting on the ordinary resolution relating to the proposed Share Consolidation.

A circular containing, among other things, further details of the Share Consolidation, the Change in Board Lot Size and the notice convening the EGM and related form of proxy is expected to be despatched to the Shareholders on or before Monday, 11 November 2024.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraphs headed "Conditions of the proposed Share Consolidation" below. Accordingly, the Share Consolidation may or may not proceed.

Shareholders or potential investors should also note that (i) significant number of odd lots will be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every fifty (50) issued and unissued Existing Shares of HK\$0.005 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.25 each in the share capital of the Company:

Conditions of the proposed Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution to approve the Share Consolidation by the Shareholders at the EGM;
- (ii) the Listing Committee granting approval for the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) the compliance with the relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Consolidation.

As at the date of this announcement, none of the above conditions had been fulfilled.

Subject to the satisfaction of all the above conditions, it is expected that the Share Consolidation will become effective on the Effective Date, i.e. being the second Business Day immediately after the date of passing of the ordinary resolution approving the Share Consolidation at the EGM.

Effects of the proposed Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 20,000,000,000 Existing Shares with par value of HK\$0.005 each.

Upon the Share Consolidation becoming effective and assuming that no changes on the authorized share capital of the Company from the date hereof until the Effective Date, the authorised share capital of the Company will become HK\$100,000,000 divided into 400,000,000 Consolidated Shares with par value of HK\$0.25 each.

As at the date of this announcement, 12,922,075,516 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no new Existing Shares will be issued or repurchased from the date hereof until the Effective Date, 258,441,510 Consolidated Shares will be in issue. Save for the Perpetual Convertible Securities, the Company has no other outstanding convertible bonds, share options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares as at the date of this announcement.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other in accordance with the Company's articles of association. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the shareholdings, proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares that arise from the Share Consolidation which will not be allocated to the Shareholders otherwise entitled thereto and will be aggregated and sold for the benefit of the Company.

Proposed Change in Board Lot Size

As at the date of this announcement, the Existing Shares were traded on the Stock Exchange in the board lot size of 10,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares to 2,000 Consolidated Shares.

Based on the closing price of HK\$0.027 per Existing Share (equivalent to the theoretical closing price of HK\$1.35 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 2,000 Consolidated Shares, assuming that the Share Consolidation had already been effective, would be HK\$2,700.

Listing Application

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, upon the Share Consolidation becoming effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchanges other than the Stock Exchange, and at the time when the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Arrangement on odd lot trading and matching service

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular of the Company.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on Wednesday, 4 December 2024, being the second Business Day immediately after the date of the EGM, the Shareholders may during the period from Wednesday, 4 December 2024 and to Tuesday, 14 January 2025 (both days inclusive) between 9:00 a.m. and 4:00 p.m. on any Business Day submit existing share certificates for the Existing Shares (in the colour of blue) to the Hong Kong share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, to exchange for new share certificates for the Consolidated Shares (in the colour of green) at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever is higher.

After 4:10 p.m. on Friday, 10 January 2025, trading will only be in Consolidated Shares. Share certificates for the Existing Shares will continue to remain good evidence of legal title and may be exchanged for share certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

As at the date of this announcement, the Company has outstanding Perpetual Convertible Securities in principal amounts of HK\$70,000,000. Pursuant to the terms of the Perpetual Convertible Securities, the conversion price of the Perpetual Convertible Securities will be adjusted upon the Share Consolidation becoming effective. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save for the aforesaid, the Company has no other outstanding options, warrants or securities in issue which are convertible or exchangeable into Shares as at the date of this announcement.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

According to rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in September 2024 has further stated that (i) market price of the shares at a level less than HK\$0.1 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

As at the date of this announcement, the closing price of an Existing Share of the Company was HK\$0.027, with the board lot size of 10,000 Existing Shares, the existing board lot value was HK\$270, which was less than HK\$2,000.

The share price of the Company has been below HK\$0.1 and the existing board lot value of Existing Shares has been below HK\$2,000 for at least the past 6 years. In view of the prolonged period of share price approaching extremity, the proposed Share Consolidation is justified to increase the corresponding share price and to facilitate trading activities.

The Board considers that upon the Share Consolidation and the Change in Board Lot Size becoming effective, the estimated board lot value would be HK\$2,700.

The Board considers that the proposed Share Consolidation would bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. In addition, the Share Consolidation and the Change in Board Lot Size would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade. In view of the above reasons, the Board considers that the Share Consolidation and the Change in Board Lot Size are justifiable notwithstanding the potential costs and impact arising from the creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

The Board believes the Share Consolidation and the Change in Board Lot Size will not have any material adverse effect on the financial position of the Company nor result in change in the relative rights of the Shareholders and are in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. At present, the Company is considering certain methods of fund-raising activity for its business operation, which may involve issue of new Shares, including but not limited to rights issue and share placing. However, as at the date of this announcement, there is no concrete plan for any fund-raising activity. The Company will update its Shareholders by way of announcement as and when required in accordance with the Listing Rules.

Shareholders or potential investors should note that (i) significant number of odd lots will be created after the Share Consolidation and the Change in Board Lot Size; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

EXPECTED TIMETABLE

Event	Time and Date
Despatch date of circular with notice of the EGM	on or before Monday, 11 November 2024
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:00 p.m. on Tuesday, 26 November 2024
Closure of the register of members for determining the entitlement to attend and vote at the EGM (both days inclusive)	Wednesday, 27 November 2024 to Monday, 2 December 2024
Latest date and time for lodging the proxy forms for the EGM	11:00 a.m. on Saturday, 30 November 2024
Record date for the EGM	Monday, 2 December 2024
Date and time of the EGM.	11:00 a.m. on Monday, 2 December 2024
Publication of announcement of poll results of the EGM.	Monday, 2 December 2024

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement and therefore the dates are tentative only.

Effective date of the Share Consolidation Wednesday, 4 December 2024

Dealing in the Consolidated Shares commences 9:00 a.m. on
Wednesday, 4 December 2024

First day of free exchange of existing share certificates
for new share certificates for the Consolidated Shares Wednesday, 4 December 2024

Original counter for trading in the Existing Shares in board
lots of 10,000 Existing Shares (in the form
of existing share certificates) temporarily closes 9:00 a.m. on
Wednesday, 4 December 2024

Temporary counter for trading in the Consolidated Shares
in board lots of 200 Consolidated Shares (in the form
of existing share certificates) opens 9:00 a.m. on
Wednesday, 4 December 2024

Original counter for trading in the Consolidated Shares
in board lots of 2,000 Consolidated Shares (in the form
of new share certificates) re-opens. 9:00 a.m. on
Wednesday, 18 December 2024

Parallel trading in the Consolidated Shares (in the form of
new share certificates and existing share certificates)
commences 9:00 a.m. on
Wednesday, 18 December 2024

Designated broker starts to stand in the market to provide
matching services for odd lots of the Consolidated Shares 9:00 a.m. on
Wednesday, 18 December 2024

Designated broker ceases to stand in the market to provide
matching services for odd lots of the Consolidated Shares. 4:00 p.m. on
Friday, 10 January 2025

Temporary counter for trading in the Consolidated Shares
in board lots of 200 Consolidated Shares (in the form
of existing share certificates) closes 4:10 p.m. on
Friday, 10 January 2025

Parallel trading in the Consolidated Shares (in the form of
new share certificates and existing share certificates) ends 4:10 p.m. on
Friday, 10 January 2025

Last day for free exchange of existing share certificates for
new share certificates for the Consolidated Shares Tuesday, 14 January 2025

The expected timetable set out above is subject to the results of the EGM and the fulfilment of the conditions to the Share Consolidation and is therefore for indicative purpose only. All times and dates in this announcement refer to Hong Kong local times and dates. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

GENERAL

The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the EGM and the Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as none of the Shareholders or their associates would have a material interest in the Share Consolidation, no Shareholder is required to abstain from voting on the resolution relating to the proposed Share Consolidation.

A circular containing, among other things, details of the Share Consolidation and the notice convening the EGM is expected to be despatched to the Shareholders on or before Monday, 11 November 2024.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraphs headed "Conditions of the proposed Share Consolidation" above. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

Unless the context requires otherwise, the use of capitalised terms in this announcement shall have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System, a securities settlement system used within Hong Kong Exchanges and Clearing Limited market system, which is established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in effect
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 10,000 Existing Shares to 2,000 Consolidated Shares upon Share Consolidation becoming effective
“Company”	Gangyu Smart Urban Services Holding Limited (formerly known as Orient Victory Smart Urban Services Holding Limited), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 265)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company immediately after the Share Consolidation becoming effective

“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Share Consolidation shall become effective, being the second Business Day immediately after the date of the passing of the ordinary resolution approving the Share Consolidation at the EGM
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and if thought fit to approve the Share Consolidation and the matters contemplated thereunder at conference room of B03, 29/F., Tower 1 Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong at 11:00 a.m. on Monday, 2 December 2024
“Existing Shares”	ordinary share(s) of HK\$0.005 each in the share capital of the Company prior to the Share Consolidation becomes effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Perpetual Convertible Securities”	the perpetual convertible securities issued by the Company on 30 March 2016 with aggregate principal amounts of HK\$70,000,000 outstanding and conversion price of HK\$0.5436 prior to Share Consolidation becoming effective

“Shares”	Existing Share(s) and/or Consolidated Share(s), as the case may be
“Shareholders”	holder(s) of the issued Shares
“Share Consolidation”	the share consolidation of every fifty (50) issued and unissued Existing Shares into one (1) Consolidated Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Gangyu Smart Urban Services Holding Limited
Mo Yueming
Chairman and Executive Director

Hong Kong, 31 October 2024

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Mo Yueming, Ms. Hao Ying and Mr. Xue Fei; and three independent non-executive Directors, being Mr. He Qi, Mr. Sui Feng-jih and Mr. Lin Hua Rong, Harry.