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**港譽城市服務集團**  
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)**

**CONNECTED TRANSACTION**  
**OFF-SET OF OUTSTANDING RECEIVABLES**

**THE OFF-SET AGREEMENT**

On 30 April 2025 (after trading hours), the Company and OVPD entered into the Off-Set Agreement, pursuant to which the Company has conditionally agreed to offset part of the Outstanding Receivables by way of accepting the transfer of the Properties from OVPD to the Company or the Nominated Entity.

**LISTING RULES IMPLICATIONS**

As OVPD is a company controlled by a controlling shareholder of the Company who holds, together with OVRE, approximately 62.1% of the issued share capital of the Company, OVPD is a connected person of the Company. Therefore, the transaction contemplated under the Off-Set Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Off-Set Arrangement exceeds 5% but is less than less than 25% and the total consideration is less than HK\$10,000,000, the Off-Set Arrangement is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 30 April 2025 (after trading hours), the Company and OVPD entered into the Off-Set Agreement, pursuant to which the Company has conditionally agreed to offset part of the Outstanding Receivables by way of accepting the transfer of the Properties from OVPD to the Company or the Nominated Entity.

## **OFF-SET AGREEMENT**

The principal terms of the Off-Set Agreement are set out below:

Date	:	30 April 2025
Parties	:	(1) the Company; and (2) OVPD
Subject matter	:	The parties to the Off-Set Agreement acknowledged and confirmed that the Outstanding Receivables for (i) property management; and (ii) marketing, event planing and consulting services provided by the Group to OVPD and/or its related companies remained outstanding and payable by OVPD as at 31 December 2024 amounted to approximately RMB50.1 million (equivalent to approximately HK\$53.1 million), of which approximately RMB13.7 million (equivalent to approximately HK\$14.5 million) has been outstanding for more than one year.
Off-Set arrangement	:	<p>The Company has conditionally agreed to offset part of the Outstanding Receivables, amounting to approximately RMB6.52 million (equivalent to approximately HK\$6.91 million) by way of accepting the transfer of the Properties from OVPD to the Company or the Nominated Entity. The off-set amount was determined based on the valuation of the Properties as at 28 February 2025 conducted by an independent valuer appointed by the Company.</p> <p>The beneficial and legal ownership of the Properties shall be assigned from OVPD to the Company or the Nominated Entity within five Business Days after the date of the Off-Set Agreement.</p>
The Properties	:	For details of the Properties, please refer to the section headed “Information on the Properties and Their Valuation” of this announcement.

- Conditions precedent : The Off-Set Arrangement is conditional upon:
- (i) due diligence on the Properties having been completed and the Company is satisfied with the results thereof;
  - (ii) the transaction documents contemplated under the Off-Set Arrangement having been duly executed by the relevant parties;
  - (iii) OVPD and the Company have obtained the relevant authorisation(s), consent(s), approval(s) or wavier(s) from, including but not limited to the relevant government authorities, the Stock Exchange, management, board of directors and shareholders of the relevant party (as the case may be);
  - (iv) there is no title defect to the Properties, including but not limited to any mortgage, pledge, guarantee, trusteeship, encumbrance or other impediments that may subject the Properties to recourse or claims by third parties;
  - (v) Title Certificates having been obtained by the Company (which have registered the name of the Company or the Nominated Entity (as the case may be) as the owners of the Properties); and
  - (vi) at any time from the date of the Off-Set Agreement to the Title Certificates Date, there has been no material adverse change, no effective prohibition or similar decree that may prohibit or restrict any party from completing the Off-Set Arrangement, and no third party has proposed any ongoing or imminent claims, assertions or demands that may restrict the performance of the Off-Set Agreement.

None of the above Conditions Precedent can be waived. In the event that any of the Conditions Precedent cannot be fulfilled on or before the Long Stop Date, the Company shall be entitled to rescind the Off-Set Agreement and OVPD shall continue to be obliged to fulfill its payment obligations in connection with the Outstanding Receivables.

Representations, warranties:  
and undertakings

In addition to the representations and warranties given by OVPD, OVPD has further made the following undertakings:

- (i) it shall unconditionally agree and accept the reversal of the Off-Set Arrangement if any of the Conditions Precedent cannot be fulfilled on or before the Long Stop Date and the Company elects to rescind the Off-Set Agreement. OVPD shall continue to be obliged to fulfill their payment obligations in connection with the Outstanding Receivables and other outstanding receivables owed to the Group;
- (ii) OVPD shall not sell any of the Properties to any person save for the transfer under the Off-Set Agreement; and
- (iii) Any civil, administrative, or criminal liability as well as the risks of penalties arising from illegal or non-compliant actions due to the transfer of the Properties to the Company or the Nominated Entity shall be borne by OVPD, which shall also indemnify the Group against all losses or damages incurred as a result of the aforementioned liabilities and risks.

## INFORMATION ON THE PROPERTIES AND THEIR VALUATION

The Properties consist of five (5) office unit properties with a total gross floor area of approximately 1,014 square meters situated at Office Building Nos. 3-15,16, Dongsheng Ziyufu (Xinyuan)\* (東勝紫御府(馨苑)), No. 9 Jiheng Street (also known as Building 15A and 16B, Dongsheng Ziyu Park Plaza, Yuxi Park\* (裕西公園東勝紫御公園廣場)), Qiaoxi District, Shijiazhuang City, Hebei Province of the PRC. Among the Properties four (4) units are currently subject to tenancies (the “**Tenancies**”). As from the Completion Date (but excluding the actual Completion Date), the Company or the Nominated Entity (as the case may be) shall be entitled to the rents payable by the respective tenants under the Tenancies. The material terms of the Tenancies are as follows:

Unit	Term	Rent (RMB)	Tenant’s Business
Unit 1204, Building 15A	1 December 2024 to 31 May 2027	1 December 2024 to 31 May 2025: 16,265.00 1 June 2025 to 31 May 2026: 54,217.00 1 June 2026 to 31 May 2027: 54,217.00	Construction engineering
Unit 1503, Building 15A	1 May 2024 to 30 June 2029	1 May 2024 to 30 June 2025: 61,356.24 1 July 2025 to 30 June 2026: 61,356.24 1 July 2026 to 30 June 2027: 61,356.24 1 July 2027 to 30 June 2028: 76,695.30 1 July 2028 to 30 June 2029: 76,695.30	General office
Unit 1504, Building 15A	1 January 2025 to 31 December 2027	1 January 2025 to 31 December 2025: 43,373.68 1 January 2026 to 31 December 2026: 54,217.10 1 January 2027 to 31 December 2027: 54,217.10	Beauty shop

Unit	Term	Rent (RMB)	Tenant's Business
Unit 2101, Building 16B	1 June 2024 to 31 May 2028	1 June 2024 to 31 May 2025: 78,489.60 1 June 2025 to 31 May 2026: 78,489.60 1 June 2026 to 31 May 2027: 130,816.00 1 June 2027 to 31 May 2028: 130,816.00	Pharmaceutical technology

As confirmed by the Company, after making reasonable enquires, each of the tenants (including their respective associates) of the Tenancies is an Independent Third Party. Each of the tenants under the Tenancies has signed a renunciation of right of first refusal for the purchase of the relevant office unit.

The value of the Properties was determined with reference to the valuation conducted by an independent valuer on the Properties with the market value of the Properties of approximately RMB6.52 million (equivalent to approximately HK\$6.91 million) as at 28 February 2025 under market approach. As the Properties are newly developed properties, there was no acquisition costs to OVPD, but construction costs which are for the whole development.

## FINANCIAL IMPLICATION OF THE OFF-SET ARRANGEMENT

As at 31 December 2024, the Outstanding Receivables was approximately RMB50.1 million (equivalent to approximately HK\$53.1 million), of which approximately RMB13.7 million (equivalent to approximately HK\$14.5 million) has been outstanding for more than one year. Upon the Completion Date, an amount of approximately RMB6.52 million (equivalent to approximately HK\$6.91 million), being the market value of the Properties as at 28 February 2025, will be derecognised by the recognition of the acquisition of an investment property. Each of the Properties will be recognized as an investment property on the Completion Date subject to fair value measurement with impact reflected in the Company's profit or loss in the future. Pursuant to the Off-Set Agreement, the costs in connection with the Off-Set Arrangement which include deed tax, stamp duty and other fees and expenses (excluding professional fees) on the acquisition of the Properties shall be borne by OVPD.

Save as disclosed above, the Directors consider that there will be no material adverse impact on (a) the financial position and earnings; and (b) the business and operation of the Group associated with the Off-Set Arrangement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO OFF-SET ARRANGEMENT**

As OVPD is unable to settle the Outstanding Receivables in a timely manner, after the Group's repeated demands of payment and having explored different measures to recover the Outstanding Receivables, the Company and OVPD agreed to enter into the Off-Set Arrangement. The Outstanding Receivables arose from (i) property management; and (ii) marketing, event planning and consulting services provided by the Group to OVPD and/or its related companies in the past. The Company had taken various measures to recover the Outstanding Receivables, including periodically demanding payments through oral and electronic means as well as organizing physical meetings. With continuous effort, it is finally agreed between the Company and OVPD that the Properties are to be transferred to the Company or the Nominated Entity as a partial settlement of the Outstanding Receivables. The Group is exploring other options to recover the remaining balance of the Outstanding Receivables due from OVPD.

In addition to the Off-Set Arrangement, OVPD has settled an aggregate sum of approximately RMB0.87 million (equivalent to approximately HK\$0.92 million) in cash since 1 January 2025. Immediately after the Completion Date, the Outstanding Receivables will be reduced to approximately RMB42.71 million (equivalent to approximately HK\$45.27 million).

The Company had considered the risks associated with the Off-Set Arrangement. In accordance with the terms of the Off-Set Agreement, if any of the Conditions Precedent cannot be fulfilled on or before the Long Stop Date, the Company shall be entitled to rescind the Off-Set Agreement.

The Directors are of the view that by entering into the Off-Set Arrangement, the Group shall (i) immediately reduce the exposure to credit risk associated with the Outstanding Receivables; and (ii) benefit from the potential capital appreciation and future rental income source, which will improve the financial position of the Group in the future as a whole.

The Directors (including the independent non-executive Directors) consider the Off-Set Arrangement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company confirms that none of the other Directors had a material interest or otherwise required to abstain from voting on the Board resolutions approving the Off-Set Agreement and the transaction contemplated thereunder.

## **INFORMATION ON THE PARTIES**

### **The Group**

The Company is an investment holding company and its subsidiaries are principally engaging in the property management and leasing services businesses for residential and commercial properties, the environmental hygiene businesses, the integrated development business and the diversified tourism products and services businesses.

### **OVPD**

OVPD is a company incorporated in the PRC and is principally engaged in the business of real estate development in the PRC.

## **LISTING RULES IMPLICATIONS**

As OVPD is a company controlled by a controlling shareholder of the Company who holds, together with OVRE, approximately 62.1% of the issued share capital of the Company, OVPD is a connected person of the Company. Therefore, the transaction contemplated under the Off-Set Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Off-Set Arrangement exceeds 5% but is less than less than 25% and the total consideration is less than HK\$10,000,000, the Off-Set Arrangement is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

**The Settlement Arrangement is subject to the satisfaction of the Conditions Precedent and therefore may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**



## 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
“Company”	Gangyu 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)
“Completion Date”	the date on which completion of the Off-Set Arrangement take place, i.e. within five Business Day after the fulfillment of all the Conditions Precedent
“Conditions Precedent”	being the conditions precedent to the Off-Set Agreement provided in the section headed “Off-Set Agreement” of this announcement
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third-Party”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	being 30 September 2025
“Nominated Entity”	a subsidiary of the Company nominated by it to accept titles of the Properties
“Off-Set Agreement”	the off-set agreement dated 30 April 2025 entered into between the Company and OVPD in respect of the partial settlement of the Outstanding Receivables by way of transferring the legal and beneficial ownership of the Properties from OVPD to the Company or the Nominated Entity, the principal terms of which are disclosed in the section headed “Off-Set Agreement” of this announcement
“Off-Set Arrangement”	the off-set arrangement contemplated under the Off-Set Agreement
“Outstanding Receivables”	being approximately RMB50.1 million which remained outstanding and payable by OVPD to the Group as at 31 December 2024 arising out of (i) property management; and (ii) marketing, event planning and consulting services provided by the Group
“OVPD”	東勝房地產開發集團有限公司 (Orient Victory Property Development Group Co., Ltd.*), a company established in PRC with limited liability and owned as to 95% by Mr. Shi Baodong (石保棟先生) (“ <b>Mr. Shi</b> ”), the former chief executive officer of the Company and an former executive Director, and a controlling shareholder of the Company as at the date of this announcement

“OVRE”	Orient Victory Real Estate Group Holdings Limited (東勝置業集團控股有限公司), a controlling shareholder of the Company, which is wholly-owned by Mr. Shi
“PRC”	the People’s Republic of China, except where the context requires otherwise, and for the purpose of this announcement only, geographical references to the PRC or China exclude Hong Kong, Macau Special Administrative Regions and Taiwan
“Properties”	being Units 1204, 1503, 1504, 2003 and 2101 of Office Building Nos. 3-15,16, Dongsheng Ziyufu (Xinyuan)* (東勝紫御府(馨苑)), No. 9 Jiheng Street (also known as Building 15A and 16B, Dongsheng Ziyu Park Plaza, Yuxi Park* (裕西公園東勝紫御公園廣場)), Qiaoxi District, Shijiazhuang City, Hebei Province of the PRC, the details of which are disclosed in the section headed “Information on the Properties and Their Valuation” of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary share(s) of HK\$0.25 each in the share capital of the Company
“Shareholders”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Title Certificates”	the title certificates (《不動產權證書》) of the Properties (the Company or the Nominated Entity (as the case may be) has been registered as the owners of the Properties)

“Title Certificates Date”                      being the date on which the Company has obtained the Title Certificates

“%”    per cent

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

Hong Kong, 30 April 2025

*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.*

For illustrative purpose of this announcement, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.06.

\*    *denotes an English translation of the Chinese name for identification purpose only.*