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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)**

**SUPPLEMENTAL ANNOUNCEMENT**  
**APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

Reference is made to the announcement of Gangyu Smart Urban Services Holding Limited (the “**Company**”) dated 30 June 2025 (the “**Announcement**”) in relation to, among other thing, appointment of independent of non-executive director. Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement.

In addition to the information provided in the Announcement, the Company would like to provide the shareholders and potential investors of the Company with the following further information:

**Matters that need to be brought to the attention of shareholders**

As disclosed in the Announcement, on 11 April 2018, Mr. Yao received the Decision, which imposed an administrative penalty consisting of a warning and a fine of RMB150,000. The Decision involved non-disclosures to the public certain information related to Qingdao Zhongzi occurring between 2014 and 2015 when Mr. Yao was an independent director of Qingdao Zhongzi. As confirmed by Mr. Yao, save that he was an independent director of Qingdao Zhongzi at the material time, he was not directly involved in the relevant transactions. Particulars of the relevant events are as follows:-

**(a) *Failure to disclose in a timely manner the information regarding the pledging and release of pledges of shares exceeding 5% held by shareholders.***

From 17 December 2014 to 21 April 2015, some shareholders of Qingdao Zhongzi, including the chairman of the board (also a controlling shareholder), a director and other members of the senior management, pledged and subsequently released pledges on more than 5% of Qingdao Zhongzi’s shares. The then directors of Qingdao Zhongzi include Mr. Yao.

**(b) Recognize revenue from multiple major contracts in advance**

- (i) Prematurely recognized revenue of RMB9,401,709.40 and profit of RMB3,921,394.65 from the RMB11 million equipment supply procurement contract with Sichuan Electric Power.

On 2 April 2014, Artabumi Sentra Industri (“**ASI**”) signed the Engineering, Procurement and Construction Agreement for the Sulawesi Blast Furnace Smelting Project (the “**EPC Contract Agreement**”) and the EPC Memorandum for the Sulawesi Blast Furnace Smelting Project (the “**EPC Memorandum**”) with Sichuan Electric Power. The EPC Memorandum stipulated that the equipment package for the project would be supplied by Qingdao Zhongzi, a subcontractor designated by ASI.

On 8 April 2014, Sichuan Electric Power entered into the Electrical Equipment Procurement Contract for the ASI Blast Furnace Smelting Project (the “**Electrical Equipment Contract**”) with Qingdao Zhongzi, with a contract value of RMB11 million.

On 30 June 2014, Qingdao Zhongzi recognized revenue of RMB9,401,709.40 from this contract, accounting for 4.7% of its semi-annual cumulative revenue, and recognized a profit of RMB3,921,394.65, representing 16.75% of its semi-annual cumulative profit.

Upon investigation, Sichuan Electric Power and Qingdao Zhongzi used VAT invoices issued at different times for the same contract, with discrepancies in the listed equipment descriptions. Besides, their explanations for issuing two separate VAT invoices were inconsistent.

Liu Tao, the then CFO of Qingdao Zhongzi, claimed that the company reissued invoices in June after “product optimization and assembly” resulting in changes to the equipment models and quantities. However, the acceptance document stamped by Sichuan Electric Power in June 2014 still listed the exact same equipment as specified in the original contract.

In fact, Sichuan Electric Power did not conduct acceptance inspection for the contracted equipment in June 2014. The actual inspection occurred in March 2015, and the goods remained under Qingdao Zhongzi’s custody as of December 2014.

By recognizing this revenue in its semi-annual and annual reports for 2014, Qingdao Zhongzi improperly recorded revenue in advance, violating accounting standards. The then directors of Qingdao Zhongzi include Mr. Yao.

- (ii) On 18 July 2014, based on the aforementioned EPC Contract Agreement and EPC Memorandum, Sichuan Electric Power and Qingdao Zhongzi entered into the Electrical Equipment Procurement Contract for the ASI Blast Furnace Smelting Project Supporting Power Plan (the “**Supporting Power Plant Contract**”) with contract value of RMB93.5 million.

On 30 September 2014, Qingdao Zhongzi recognized revenue of RMB79,914,529.60 from this contract, accounting for 44.11% of its revenue for the third quarter and 24.67% of its cumulative revenue for the first three quarters. It also recognized a profit of RMB28,349,077.59, representing 74.04% of its total profit for the third quarter and 45.94% of its cumulative profit for the first three quarters.

Upon investigation, it was found that multiple versions existed for the contract signed between Sichuan Electric Power and Qingdao Zhongzi on 18 July 2014, with discrepancies in key terms including, delivery location; scope of supply; payment terms; supervision and inspection clauses; and contract signatories.

No acceptance inspection was conducted by Sichuan Electric Power in September 2014 for the contracted equipment. Actual acceptance occurred in 2015. The goods remained under Qingdao Zhongzi’s custody as of December 2014. The equipment inventory related to the contract had not been finalized as of September 2014.

By recognizing this revenue in the third quarter of 2014 and annual financial reports, Qingdao Zhongzi improperly recorded revenue in advance, constituting a violation of revenue recognition principle. The then directors of Qingdao Zhongzi include Mr. Yao.

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

Hong Kong, 18 July 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; two non-executive Directors, being Mr. He Qi and Mr. Sui Feng-jih; and three independent non-executive Directors, being Mr. Lin Hua Rong, Harry, Ms. Juliett Jing Dong and Mr. Yao Gang.*