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Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus dated Tuesday, 19 April 2022 (the “Prospectus”) of DOWELL SERVICE GROUP CO. LIMITED (東原仁知城市運營服務集團股份有限公司) (the “Company”). This announcement is made pursuant to section 9(2) of the Securities and Futures (Price Stabilising) Rules (Chapter 571W of the Laws of Hong Kong).*

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DOWELL SERVICE GROUP CO. LIMITED*

東原仁知城市運營服務集團股份有限公司

(A joint stock company incorporated in the People’s Republic of China with limited liability)

(Stock Code: 2352)

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION STABILISING ACTIONS AND END OF STABILISATION PERIOD

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been partially exercised by the Sole Global Coordinator (on behalf of the International Underwriters) on Friday, 20 May 2022 in respect of an aggregate of 324,200 H Shares (the “**Over-allotment Shares**”), representing approximately 1.95% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option. The Over-allotment Shares will be allotted and issued by the Company at HK\$11.90 per H Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, FRC transaction levy of 0.00015%, and Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Global Offering.

STABILISING ACTIONS AND END OF STABILISATION PERIOD

The Company further announces that the stabilisation period in connection with the Global Offering ended on 22 May 2022, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. Further information in relation to the stabilisation actions undertaken by Guotai Junan Securities (Hong Kong) Limited as the Stabilising Manager, or any person acting for it, during the stabilisation period, is set out below.

PUBLIC FLOAT

The Company continues to comply with the public float requirement under Rule 8.08(1) of the Listing Rules.

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been partially exercised by the Sole Global Coordinator (on behalf of the International Underwriters) on Friday, 20 May 2022 in respect of an aggregate of 324,200 H Shares, representing approximately 1.95% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option. The Over-allotment Shares will be allotted and issued by the Company at HK\$11.90 per H Share (exclusive of brokerage of 1.0%, FRC transaction levy of 0.00015%, SFC transaction levy of 0.0027%, and Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Global Offering. The Over-allotment Shares will be used to partly cover the over-allocation under the International Offering.

APPROVAL OF LISTING

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on Tuesday, 24 May 2022 (Hong Kong time).

USE OF PROCEEDS

The Company will receive additional net proceeds of approximately HK\$3.86 million, after deduction of underwriting fees, commissions and other offering expenses payable by the Company in connection with the partial exercise of the Over-allotment Option, for 324,200 additional H Shares to be issued and allotted upon the partial exercise of the Over-allotment Option. The Company intends to utilise the additional net proceeds on a pro rata basis for the purposes as set out in the section headed “Future plans and use of proceeds” in the Prospectus.

STABILISING ACTIONS AND END OF STABILISATION PERIOD

Pursuant to section 9(2) of the Securities and Futures (Price Stabilising) Rules (Chapter 571W of the Laws of Hong Kong), the Company announces that the stabilisation period in connection with the Global Offering ended on Sunday, 22 May 2022, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. The stabilising actions undertaken by Guotai Junan Securities (Hong Kong) Limited, the Stabilising Manager or any person acting for it, during the stabilisation period are set out below:

- (i). over-allocation of an aggregate of 2,500,000 H Shares under the International Offering, representing 15% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
- (ii). successive purchases of an aggregate of 2,175,800 H Shares at the price of HK\$11.63 per H Share (exclusive of brokerage of 1%, FRC transaction levy of 0.00015%, SFC transaction levy of 0.0027%, and Stock Exchange trading fee of 0.005%) on the market during the stabilisation period, representing approximately 13.05% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, and the Stabilising Manager did not sell any of these Shares during the stabilisation period. The last purchase made by the Stabilising Manager or any person acting for it, on the market during the course of the stabilisation period was on 20 May 2022 at the price of HK\$11.90 per H Share (exclusive of brokerage of 1%, FRC transaction levy of 0.00015%, SFC transaction levy of 0.0027%, and Stock Exchange trading fee of 0.005%);
- (iii). the partial exercise of the Over-allotment Option by the Sole Global Coordinator (on behalf of the International Underwriters) on Friday, 20 May 2022, in respect of an aggregate of 324,200 H Shares, representing approximately 1.95% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at HK\$11.90 per H Share (exclusive of brokerage of 1.0%, FRC transaction levy of 0.00015%, SFC transaction levy of 0.0027%, and Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Global Offering. The Over-allotment Shares will be used to partly cover the over-allocation under the International Offering; and
- (iv). the portion of the Over-allotment Option which has not been exercised by the Sole Global Coordinator (on behalf of the International Underwriters), lapsed on Sunday, 22 May 2022.

PUBLIC FLOAT

The Directors confirm that, immediately after the end of the stabilisation period and the completion of the partial exercise of the Over-allotment Option, the issued share capital of the Company which are held by the public continues to satisfy the minimum percentage requirement of 25.0% as prescribed in Rule 8.08(1) of the Listing Rules.

SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The shareholding structure of the Company immediately before and immediately after the completion of the allotment and issue of the Over-allotment Shares pursuant to the partial exercise of the Over-allotment Option is as follows:

	Immediately before the completion of the partial exercise of the Over-allotment Option		Immediately after the completion of the partial exercise of the Over-allotment Option	
	Number of Shares	Approximate % of total issued share capital	Number of Shares	Approximate % of total issued share capital
Tianjin Chengfang ^(note 1)	25,520,000	38.28	25,520,000	38.09
Tianjin Partnership	4,990,000	7.48	4,990,000	7.45
Kingdom Vast	12,705,000	19.06	12,705,000	18.97
Harvest Property ^(note 2)	6,785,000	10.18	6,785,000	10.13
Public Shareholders	16,666,667	25.00	16,990,867	25.36
Total	66,666,667	100.00	66,990,867	100.00

Notes

1. Tianjin Chengfang is wholly-owned by Dima Ruisheng which is in turn wholly-owned by Dima. Dima is an A-share company listed on the Shanghai Stock Exchange and is owned by Chongqing Doyen and Chongqing Shuorun as to approximately 34.76% and 2.94% respectively. For the purpose of the Listing Rules, each of Dima and Dima Ruisheng are deemed to be interested in all the Shares held by Tianjin Chengfang.
2. Each of (i) Harvest International Premium Value (Alternative Investments) Fund SPC (being the sole shareholder of Harvest Property); (ii) Harvest Global Capital Investments Limited (being the sole shareholder of Harvest International Premium Value (Alternative Investments) Fund SPC); (iii) Harvest Alternative Investment Group Limited (being the sole shareholder of Harvest Global Capital Investments Limited); (iv) Harvest Global Investments Limited (being the sole shareholder of Harvest Alternative Investment Group Limited); (v) Harvest Fund Management Co., Ltd.* (嘉實基金管理有限公司) (being the sole shareholder of Harvest Global Investments Limited); and (vi) Zhongcheng Trust Co., Ltd.* (中誠信託有限公司) (being the equity holder of 40% of equity interest in Harvest Fund Management Co., Ltd.* (嘉實基金管理有限公司)) is deemed to be interested in all the Shares held by Harvest Property by virtue of the SFO.

By order of the Board
DOWELL SERVICE GROUP CO. LIMITED*
Yi Lin
Chairman

Hong Kong, 23 May 2022

As at the date of this announcement, the Board comprises Mr. Heng Qingda and Mr. Fan Dong as executive Directors, Ms. Yi Lin and Mr. Chen Han as non-executive Directors, and Ms. Cai Ying, Mr. Wang Susheng and Mr. Song Deliang as independent non-executive Directors.

* For identification purpose only