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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
SUPPLEMENTAL AGREEMENT
IN RELATION TO THE EQUITY TRANSFER AGREEMENT**

INTRODUCTION

Reference is made to the announcement (the “**Announcement**”) 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**”) dated 19 April 2024 in relation to, among others, the Equity Transfer Agreement. Terms used herein shall have the same meanings as defined in the Announcement.

THE SUPPLEMENTAL AGREEMENT

The Board is pleased to announce that on 29 April 2024 (after trading hours), the Company (as purchaser), Shanghai Dixuan (as vendor) and the Target Company entered into a supplemental agreement to the Equity Transfer Agreement (the “**Supplemental Agreement**”) pursuant to which:

- (1) the consideration shall be adjusted from RMB25.4 million to RMB28.0 million, and the corresponding consideration payable on each of the first tranche and second tranche shall be adjusted from RMB12.7 million to RMB14.0 million; and
- (2) the Equity Transfer Agreement shall be conditional upon two further conditions precedent being fulfilled, being (a) completion of the equity transfer of Chengdu Changlai Health Management Co., Ltd.* (成都市常萊健康管理有限公司) (“**Chengdu Changlai**”) from the Target Group to Dima Group (the “**Reorganisation**”); and (b) the Company (i) completing its due diligence on the Target Company, the Target Group and projects of the Target Group; and (ii) being satisfied with the results of such due diligence.

Save as disclosed, all other principal terms of the Equity Transfer Agreement as disclosed in the Announcement shall remain unchanged and shall continue to be valid.

REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT

The Board believes that the Reorganisation of the Target Group is beneficial to the Group as Chengdu Changlai is a less integral part of the Target Group. By acquiring one less subsidiary of the Target Group, the integration of the Target Group with the Company would be more efficient, and the Company would reach optimal operational efficiency in less time.

Furthermore, based on the information available to the Board, and the estimated unaudited consolidated financial information of the Target Group (carving out the financial information of Chengdu Changlai), (i) the net asset value of the Target Company (carving out the financial information of Chengdu Changlai) as at 31 December 2023 is expected to be approximately RMB24,540,000; and (ii) the net loss before and after taxation of the Target Company (carving out the financial information of Chengdu Changlai) for the year ended 31 December 2023 are expected to be approximately RMB13,864,000 and approximately RMB13,864,000 respectively.

In light of the reasons stated above, the Directors (excluding the independent non-executive Directors who's views will be formed after taking into account of the advice of the Independent Financial Adviser) are of the view that, despite the entering into the Equity Transfer Agreement (as supplemented by the Supplemental Agreement) was not in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreement (as supplemented by the Supplemental Agreement) and the transaction contemplated thereunder are on normal commercial terms after arm's length negotiations, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Since Ms. Luo Shaoying, being a non-executive Director, is a director and chief executive officer of Dima, and Ms. Yi Lin, being a non-executive Director, is a director, vice chief executive officer and the head of finance department of Dima, for good corporate governance practice, each of Ms. Luo and Ms. Yi has abstained from voting on the relevant resolutions of the Board approving the Supplemental Agreement and the transaction contemplated thereunder. Save as disclosed, none of the other Directors had or may be regarded as having a material interest in the Supplemental Agreement and the transaction contemplated thereunder and therefore none of the other Directors had abstained from voting on the relevant Board resolutions approving the Supplemental Agreement and the transaction contemplated thereunder.

By order of the Board
東原仁知城市運營服務集團股份有限公司
DOWELL SERVICE GROUP CO. LIMITED*
Ms. Luo Shaoying
Chairman and non-executive Director

The PRC, 29 April 2024

As at the date of this announcement, the Board comprises Mr. Zhang Aiming and Mr. Fan Dong as executive Directors whom also act as employee Directors, Ms. Luo Shaoying and Ms. Yi Lin as non-executive Directors, and Ms. Cai Ying, Mr. Wang Susheng and Mr. Song Deliang as independent non-executive Directors.

* *For identification purpose only*