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DoThink®德信服务
股份代号：2215.HK

Dexin Services Group Limited
德信服务集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2215)

DISCLOSEABLE TRANSACTION IN RELATION TO THE 2025 EQUITY ACQUISITION AND UPDATE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

2025 EQUITY ACQUISITION

On 31 July 2025 (after trading hours), Shengquan Property and Shanghai Xuquan (each indirect wholly-owned subsidiary of the Company) entered into the 2025 Equity Transfer Agreement with Deqing Changzhuo, pursuant to which, Shengquan Property and Shanghai Xuquan have conditionally agreed to acquire and Deqing Changzhuo has conditionally agreed to sell 95% and 5% equity interest in the Target Company respectively at a total consideration of RMB74,100,000 and RMB3,900,000 respectively. The principal asset of the Target Company is the Property. Upon 2025 Equity Acquisition Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will therefore be consolidated into the consolidated financial statements of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios as defined under the Listing Rules in respect of the 2025 Equity Acquisition are 5% or more but less than 25%, the entering into of the 2025 Equity Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

UPDATE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

References are made to the prospectus (the "**Prospectus**") of the Company dated 29 June 2021 and the annual report (the "**2024 Annual Report**") of the Company for the year ended 31 December 2024.

The Directors consider that the 2025 Equity Acquisition represents an unique opportunity for the Group to expand its business scale and diversify into new and more profitable business areas, which is in line with the intended application as disclosed in the Prospectus. The Directors have also considered that the 2025 Equity Acquisition represents an opportunity for the Company to increase its brand recognition in the locations where the Property is situated, strengthen the Group's relationship with its customers, enhance the management efficiency and achieve synergy with the Group's property services business, all of which are also consistent with the intended application as disclosed in the Prospectus. Therefore, the Directors are of the view that the 2025 Equity Acquisition fits within the stated intended application as disclosed in the Prospectus, namely, to expand the Group's business scale and increase market share through multiple channels. Considering the above, the 2025 Equity Acquisition will be funded partly from the utilisation of HK$82.4 million (equivalent to approximately RMB75.0 million) from the Unutilised Net Proceeds and the remaining balance of the consideration of the 2025 Equity Acquisition, approximately RMB3.0 million will be funded partly by the internal resources of the Company.

THE 2025 EQUITY ACQUISITION

On 31 July 2025 (after trading hours), Shengquan Property and Shanghai Xuquan (each indirect wholly-owned subsidiary of the Company) entered into the 2025 Equity Transfer Agreement with Deqing Changzhuo, pursuant to which, Shengquan Property and Shanghai Xuquan have conditionally agreed to acquire and Deqing Changzhuo has conditionally agreed to sell 95% and 5% equity interest in the Target Company at a consideration of RMB74,100,000 and RMB3,900,000 respectively. The principal terms of the 2025 Equity Transfer Agreement are set out below:

Date : 31 July 2025 (after trading hours)

Parties : (1) Shengquan Property, as Purchaser A;

(2) Shanghai Xuquan, as Purchaser B;

(3) Deqing Changzhuo, as the vendor; and

(4) the Target Company, as the target company

Subject matter	:	Shengquan Property and Shanghai Xuquan conditionally agreed to acquire and the Vendor has conditionally agreed to sell in aggregate 100% equity interest in the Target Company upon the terms and conditions of the 2025 Equity Transfer Agreement. The principal asset of the Target Company is the Property. Further information of the Target Company and the Property is disclosed in the section headed "General Information" in this announcement.
Consideration and payment conditions	:	The consideration for the 2025 Equity Acquisition is in aggregate RMB78,000,000, will be payable and settled by the Purchasers in the following manner: (1) the first instalment: RMB4,000,000, shall be payable by Purchaser A upon setting up an escrow account jointly maintained by the Purchasers and the Vendor upon completion or waive (as the case may be) of the conditions precedents paragraphs (i), (ii) and (iii); (2) the second instalment: 52.50% of the total consideration, among which, (i) RMB37,050,000 shall be payable by Purchaser A and (ii) RMB3,900,000 shall be payable by Purchaser B within 3 working days upon completion or waive (as the case may be) of the conditions precedents except for paragraphs (xii) and (xiii) of the conditions precedents; (3) the third instalment: RMB23,050,000, being 29.55% of the consideration, shall be payable by Purchaser A within 3 working days upon completion or waive (as the case may be) of the conditions precedent paragraph (xii); and (4) the fourth instalment: RMB10,000,000 being the remaining balance of the consideration, shall be payable by Purchaser A within 3 working days upon completion or waive (as the case may be) of the conditions precedent paragraph (xiii).

Basis of consideration: : The consideration for the 2025 Equity Acquisition was arrived at after arm's length negotiations between the Purchasers and the Vendor after taking into consideration of factors including but not limited to (a) the appraised value of the Property in an amount of RMB236,204,000 as at 31 May 2025 as set out in the valuation report prepared by an independent professional valuer; and (b) the total liabilities of the Target Company in the amount of approximately RMB158,000,000 based on the latest management account of the Target Company.

Having considered the aforesaid factors, the Board is of the view that the consideration of the 2025 Equity Acquisition is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Conditions precedent : The 2025 Equity Acquisition Completion is conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

(i) the Vendor having procured the opening of an escrow account jointly maintained by the Purchasers and the Vendor and there being no outstanding obligations, disputes against the Target Company and the Vendor;

(ii) the Vendor having procured all the existing disputes being resolved and settled; and there being no outstanding litigation or legal proceedings against the Target Company;

(iii) the Vendor having procured the Target Company to enter into settlement agreements in the form and substance satisfactory to the Purchasers with the relevant contractors and to settle all the outstanding contract payments; and there being no outstanding litigations or legal proceedings against the Target Company in relation to the construction fees;

(iv) there being no material adverse change in respect of the Target Company and the Property;

(v) all representations, warranties and undertakings made by the Vendor under the 2025 Equity Transfer Agreement remaining true, accurate and not misleading in all material aspects;

(vi) the 2025 Equity Transfer Agreement and the transactions contemplated thereunder have been completed in accordance with the terms and conditions thereof;

(vii) the Vendor having obtained all necessary authorisations, approvals, waivers or consents for the 2025 Equity Acquisition (including but not limited to the approval by any PRC government authorities, major business partners, banks, lenders of the Target Company, if applicable) and such authorisations, approvals, waivers or consents remain validly subsisting;

(viii) there being no laws, regulations or rules which may render the 2025 Equity Transfer Agreement illegal or impractical, none of the parties facing any pending or potential claims which would restrict the performance of the 2025 Equity Transfer Agreement or have a material adverse effect on the legality or otherwise of the 2025 Equity Acquisition;

(ix) the Vendor having delivered to the Purchasers a compliance certificate signed by its authorised representative confirming the satisfaction of the conditions precedents;

(x) save and except otherwise disclosed to or agreed by the Purchasers, the Target Company having settled all outstanding debts, interests, liabilities or loans to any shareholders, investors, creditors or any other third parties; and there being no outstanding obligations, responsibilities, debts, unresolved disputes or claims or legal proceedings against the Target Company and the Vendor;

(xi) the Vendor having completed all the specified obligations and responsibilities as stipulated in the 2025 Equity Acquisition Agreement in accordance with the terms and conditions thereof;

(xii) the Vendor having delivered the updated business license of the Target Company and the filing receipt of the registration with the industrial and commercial authorities of the Target Company's equity interest; and

(xiii) the Vendor having procured and ensured the aggregate outstanding principal amount of the existing loans of the Target Company shall not exceed RMB137,000,000, and such amount shall be subject to review and confirmation by the Purchasers.

Completion : 2025 Equity Acquisition Completion shall take place on a date within 30 days upon completion or waive (as the case may be) of the conditions precedents or a date to be agreed by the Purchasers and the Vendor.

Upon 2025 Equity Acquisition Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will therefore be consolidated into the consolidated financial statements of the Company.

Under the 2025 Equity Transfer Agreement, the parties agreed that, following the completion of the transaction, the Purchasers retain the right to deduct or withhold payments from the Vendor in the event that of identification of any undisclosed or contingent liabilities of the Target Company arising from events prior to the 2025 Equity Acquisition Completion.

Termination of the 2023 Equity Transfer Agreement

References are made to (i) the announcement of the Company dated 24 August 2023; (ii) the circular of the Company dated 23 February 2024; and (iii) the poll results announcement of the Company dated 13 March 2024 in relation to, among other matters, the 2023 Equity Acquisition. The transactions contemplated under the 2023 Equity Transfer Agreement were approved at the extraordinary general meeting of the Company on 13 March 2024.

As disclosed in the 2024 Annual Report, the completion of the 2023 Equity Transfer Agreement would depend on, among other things, Dexin China having obtained the requisite approval. Based on the latest publicly-available information, the extraordinary general meeting of Dexin China was originally scheduled to be held on 12 June 2024 to consider and approve transactions contemplated under the 2023 Equity Transfer Agreement. The abovementioned extraordinary general meeting of Dexin China has been cancelled according to the announcement of Dexin China dated 26 June 2024.

Subsequent to the above, the Company became aware that the Target Company had been transferred to a new purchaser without the prior notice or consent from the Company. In view of the unexpected change in the Target Company's shareholding structure, the Company has initiated commercial negotiation with the new shareholders of the Target Company. Consequently, the Company entered into the 2025 Equity Transfer Agreement, and the Board resolved to terminate and refrain from proceeding with the transactions contemplated under the 2023 Equity Transfer Agreement. As at the date of this announcement, no deposit or partial payment had been made by the Company to the original seller under the 2023 Equity Transfer Agreement.

Reasons for and Benefits of Entering into the 2025 Equity Transfer Agreement

The Company takes the view that, to maintain the competitiveness of the Group and to enhance the overall profitability of the Group, the Company intends to diversify its income streams and seek to identify new business opportunities to achieve stable revenue growth.

The Group is committed to fully utilise various internal and external high-quality resources to provide the community owners with high-quality diversified living services and to provide the customers of the Group with a more valuable portfolio of professional services. The Company believes that the hotel management business is substantially the same as the Company's existing major business lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services. It is the mission of the Group to concentrate on the quality improvement of fundamental property management services and enhance their density. Under the Group's community value-added services, the Group provides common area value-added services where the Group assists property owners in leasing common spaces and public facilities to third parties in exchange for a pre-determined percentage of the rental fees as commissions. The Group also cooperates with travel agencies to provide recommendation for hotels choices and travel routes planning. Normally, the Group charges a certain service fee to the relevant hotels/travel agencies. The Group believes that through the acquisition of the Target Company, it can better utilise its resources to provide hotel management services and the common area value-added services directly through the Group's self-owned assets, under which the Group can benefit from the hotel revenue. Throughout the years of operating history, the Group has accumulated an established network of property owners and non-property owners. Coupled with the steady recovery of the tourism industry since 2023, it is expected the 2025 Equity Acquisition will bring positive impact to the overall financial performance to the Group in the long run. The management believes that the 2025 Equity Acquisition would provide a platform for the Group to replicate its success in the property management services and achieve business growth. As such, the management is confident that this would allow the Group to expand its revenue stream and profitability. The Group endeavours to focus on core advantageous businesses in value-added services, deepen the concentration of services and release their potential value. The Company has derived high-end property services, including hotel management, to expand the scale of

management and enhance the Company's management capability and talent reserves in the field of hotel management, which will enable the Company further enhance the Company's core competitiveness and brand recognition, promote the continuous improvement of the scale of profitability.

The Company operates in the real estates industry and has accumulated an established network of customers. The Company plans to promote the Property and the hotel management business to its existing customers and offer them with discounts to attract a stable flow of customers during the initial business cycle.

The Target Company is principally engaged in hotel operations and management, and provision of food and beverage catering services. The Group has cooperated with the Property to carry out corporate activities. The Property is located within Moganshan, a well-known tourism district which is regarded as one of the four major summer resorts in China, with a number of tourist attractions including Mogan Mountain Scenic Resort and other scenic spots. The Directors are of the view that the prime location of the Property signifies the stable hospitality demand from both domestic and international business and travel arrangements, which would lead to the revenue growth to the Group's value-added services. The outbreak of COVID-19 has caused negative impact on the tourism and hospitality industry. However, since late 2022, the PRC government started to relax its zero-COVID policy, and most of the travel restrictions were lifted since December 2022. With the good progress on the relaxation in the government policies and traveling restrictions, the Company is optimistic about the recovery of domestic tourism and hospitality industry in the long-run to pre-pandemic levels and beyond.

The Directors are confident to seize the opportunities to be brought by the industry revival when the tourism industry rebound completely in the near future. Besides, the principal asset of the Target Company is the Property, which has an appraised value of RMB236,204,000 as at 31 May 2025. In view of the future potential of domestic tourism and the valuation of the Property, coupled with the geographic location advantage of the Property, the Directors are confident that the 2025 Equity Acquisition presents a valuable opportunity for the Group to invest in the Property through acquiring high quality asset at a favourable price. Through investing into this Property, which has over 100 guest rooms, conferencing facilities, restaurants and bars, the Directors believe that the Group would be able to diversify into commercial estate management, the provision of conferencing services, and also ride on the trend of increasing interest in eco-tourism and domestic tourism. Furthermore, taking into account the financial position and financial performance of the Target Company, the Board considers that the 2025 Equity Acquisition would be beneficial to the Group's income stream in the long run, and allow it to gain valuable experience in the hotel management field and allow the Group to expand its business scope.

In light of the above, the terms of the 2025 Equity Transfer Agreement are on normal commercial terms or better, and the Board considers that the transaction contemplated under the 2025 Equity Transfer Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

Information about the Purchasers

Shengquan Property is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the provision of property management services.

Shanghai Xuquan is a company established under the laws of the PRC with limited liability, an indirect wholly-owned subsidiary of the Company. It is principally engaged in sales of building materials and business management.

Information about the Vendor

Deqing Changzhuo is a company incorporated in the PRC with limited liability. It is principally engaged in the corporate management consulting business. It is held by 50% by each of He Shanshan (何珊珊) and Ningbo Yuanping Enterprise Management Consulting Co., Ltd. (寧波源平企業管理諮詢有限公司). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Deqing Changzhuo, He Shanshan and Ningbo Yuanping Enterprise Management Consulting Co., Ltd. are third parties independent of the Company and its connected persons.

Information about the Group

The Group is principally engaged in the provision of property management services, community value-added services and value-added services to non-property owners.

Information about the Target Company

The Target Company is a company incorporated in the PRC with limited liability and is wholly-owned by the Vendor as at the date of this announcement. The Target Company is principally engaged in hotel operations and management, and provision of food and beverage catering services.

Set out below is an extract of the unaudited financial statements prepared for the two financial years ended 31 December 2023 and 31 December 2024 respectively of the Target Company:

	For the year ended	
	31 December 2023	**31 December 2024**
	(RMB) (unaudited)	*(RMB)* (unaudited)
Revenue	5,825,000	5,046,000
Loss before taxation	(21,125,000)	(22,223,000)
Loss after taxation	(21,125,000)	(22,223,000)

The unaudited net assets as at 31 December 2023 and 31 December 2024 of the Target Company amounted to approximately RMB7,512,000 and RMB6,702,000 respectively.

Information about the Property

The Property is located at No. 66 Sanmo Line, Moganshan Town, Deqing County, Huzhou, Zhejiang Province, the PRC. The site area and the total gross floor area of the Property is 17,819.66 square metres and 31,955.09 square metres respectively. The Hotel comprises the 4-storey building (including 1-storey basement) providing a total of 190 guest rooms with 3 restaurants, a wine bar and a range of facilities including a pillar-free ballroom, several meeting rooms, an indoor swimming pool, home party and gym. In August 2021, the Hotel commenced business.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios as defined under the Listing Rules in respect of the 2025 Equity Acquisition are 5% or more but less than 25%, the entering into of the 2025 Equity Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

UPDATE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

References are made to the prospectus (the "**Prospectus**") of the Company dated 29 June 2021 and the annual report (the "**2024 Annual Report**") of the Company for the year ended 31 December 2024.

As disclosed in the Prospectus, the Company originally intended to use approximately 65.0% or HK$451.7 million, to expand the business scale and market share through multiple channels, among which, (i) approximately 60.0% or HK$417.0 million was planned to be used to acquire or invest in other property management companies which are with geographical influence and similar market positioning to maximize potential synergies with the Group's existing business operations; and (ii) approximately 5.0% or HK$34.7 million planned to be used to actively identify opportunities to form joint ventures with local municipal investment companies in the cities where the Group operates, local property management service providers and/or local property developers, so as to obtain more projects for public facilities. As disclosed in the Prospectus, where the Group's acquisition plans cannot materialize, the Company might take steps to continue expanding its market share by obtaining engagements from new customers, and enhance the relationship with existing customers to obtain new engagements.

As disclosed in the 2024 Annual Report, as at 31 December 2024, the net proceeds from the Global Offering which were and remained unutilised were approximately HK$138.0 million (the "**Unutilised Net Proceeds**"), among which, (i) approximately HK$82.4 million (the "**Intended Application**") was expected to expand our business scale and improve market share through multiple channels, and (ii) approximately HK$55.6 million was expected to invest in information technologies and our internal management system(s) to improve service quality and customer experience.

The Directors consider that the 2025 Equity Acquisition represents an unique opportunity for the Group to expand its business scale and diversify into new and more profitable business areas, which is in line with the Intended Application. The Directors have also considered that the 2025 Equity Acquisition represents an opportunity for the Company to increase its brand recognition in the locations where the Property is situated, strengthen the Group's relationship with its customers, enhance the management efficiency and achieve synergy with the Group's property services business, all of which are also consistent with the Intended Application. Therefore, the Directors are of the view that the 2025 Equity Acquisition fits within the stated Intended Application, namely, to expand the Group's business scale and increase market share through multiple channels. Considering the above, the 2025 Equity Acquisition will be funded partly from the utilisation of the above-mentioned HK$82.4 million (equivalent to approximately RMB75.0 million) from the Unutilised Net Proceeds and the remaining balance of the consideration of the 2025 Equity Acquisition, (equivalent to approximately RMB3.0 million) will be funded partly by the internal resources of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

"2023 Equity Transfer Agreement"	the acquisition of the 100% equity interest in the Target Company pursuant to the terms and conditions of the equity transfer agreement dated 24 August 2023 and entered into by Shengquan Property, Dexin Movie City and the Target Company
"2025 Equity Acquisition"	the acquisition of the 100% equity interest in the Target Company pursuant to the terms and conditions of the 2025 Equity Transfer Agreement
"2025 Equity Acquisition Completion"	completion of the 2025 Equity Transfer Agreement
"2025 Equity Transfer Agreement"	the equity transfer agreement dated 31 July 2025 and entered into by Shengquan Property, Shanghai Xuquan, Deqing Changzhuo and the Target Company
"Board"	the board of Directors
"Company"	Dexin Services Group Limited (德信服务集团有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2215)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Deqing Changzhuo"	Deqing Changzhuo Enterprise Management Co., Ltd. (德清常卓企業管理有限公司), a company incorporated under the laws of the PRC with limited liability
"Dexin China"	Dexin China Holding Company Limited (德信中國控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2019)
"Dexin Movie City"	Deqing Moganshan Dexin Movie City Development Co., Ltd. (德清莫干山德信影視城開發有限公司), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of Dexin China

"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"Hotel" or "Property"	Moganshan Yungu Dexin New Century Mingting Hotel (莫干山雲谷德信開元名庭酒店), located at No. 66 Sanmo Line, Moganshan Town, Deqing County, Huzhou, Zhejiang Province, the PRC, of which the land use rights has been registered in the Real Estate Ownership Certificate — Zhe (2021) De Qing Xian Bu Dong Chan Quan Di No. 0024577 issued by the Deqing Municipal Bureau of Natural Resources and Planning (德清縣自然資源和規劃局)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"percentage ratio"	has the meaning ascribed thereto under the Listing Rules
"PRC"	the People's Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Xuquan"	Shanghai Xuquan Trading Co., Ltd. (上海栩全商貿有限公司) a company established under the laws of the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
"Shareholders"	holder(s) of the Share(s)
"Shengquan Property"	Dexin Shengquan Property Services Co., Ltd. (德信盛全物業服務有限公司) (formerly known as Shengquan Property Services Co., Ltd. (盛全物業服務股份有限公司)), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Deqing Moganshan Ruijing Real Estate Co., Ltd. (德清莫干山瑞璟置業有限公司), a company incorporated under the laws of the PRC with limited liability, which is wholly-owned by the Vendor as at the date of this announcement

"%"	per cent

By order of the Board
Dexin Services Group Limited
Hu Yiping
Chairman

Hong Kong, 31 July 2025

As of the date of this announcement, the Board comprises Mr. Hu Yiping, Mr. Tang Junjie and Ms. Zheng Peng as executive Directors; and Dr. Wong Wing Kuen Albert, Mr. Rui Meng and Mr. Yang Xi as independent non-executive Directors.