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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)

PROFIT WARNING

This announcement is made by 東原仁知城市運營服務集團股份有限公司 (Dowell Service Group Co. Limited*) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the provision of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company and the potential investors that, based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (the “**Year**”) and the information currently available to the Board, the Group is expected to record a profit in the range between RMB20.0 million and RMB25.0 million, as compared to a profit of approximately RMB92.0 million for the year ended 31 December 2022 (restated). Such decrease in profit was mainly attributable to (a) the decrease in the gross profit of the Group for the Year as a result of (1) the increase in the scale of operations of the Group resulting in an increase in the number of employees of the Group and the corresponding costs for the purposes of ensuring the provision of quality services to the Group’s customers; and (2) the unfavourable macroeconomic environment, resulting in budget reductions to some of the Group’s customers, which affected the gross profit margin of the Group due to the Group’s continuous provision of quality services to its customers; and (b) policy reasons relating to the receipt of a one-off government subsidy for the year ended 31 December 2022, which was not available to the Group during the Year.

The information contained in this announcement is based on the Board's preliminary assessment after reviewing the unaudited consolidated management accounts of the Group for the Year and the information currently available to them. The information contained in this announcement is neither based on any figure nor information that has been audited or reviewed by the external auditor of the Company and may be subject to change. The Group's actual results are subject to review by the Board, and will be audited by the Company's external auditor and reviewed by the audit committee of the Board prior to finalisation of such accounts. Therefore, the actual results of the Group for the Year may differ from the information contained in this announcement. Shareholders and potential investors of the Company are advised to refer to the annual results announcement of the Company for the Year, which is expected to be announced in March 2024.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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 People's Republic of China, 29 February 2024

As at the date of this announcement, the Board comprises Mr. Zhang Aiming and Mr. Fan Dong as executive 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*