DESUN 德商产投服务
创造美好福流生活

Desun Real Estate Investment Services Group Co., Ltd.
德商產投服務集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2270)

CONNECTED TRANSACTION IN RELATION TO PAYMENT OF THE DEPOSIT

PAYMENT OF THE DEPOSIT

The Company is pleased to announce that, Chengdu Fengzhi, an indirect wholly-owned subsidiary of the Company, and Dehua Enterprise, intend to participate as a consortium in the project regarding invitation and selection of restructuring investors for the Jinke Property and Chongqing Jinke Restructuring Proposal (the "**Project**"). On 16 August 2024, Chengdu Fengzhi and Dehua Enterprise have applied for the Project, and shall pay the Deposit of RMB10 million in aggregate to the Administrator after passing the preliminary review, of which Chengdu Fengzhi shall pay RMB5 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Zou Kang is the controlling shareholder and the non-executive Director and is therefore a connected person of the Company. Dehua Enterprise is held as to 50% by Desun Wealth, which is in turn directly held as to 86.25% by Mr. Zou Kang. Therefore, Dehua Enterprise is a connected person of the Company. The payment of the Deposit constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the payment of the Deposit exceeds 0.1% but is less than 5%, the payment of the Deposit is subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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According to the Relevant Announcement, potential investors who have applied and passed the preliminary review shall pay the Deposit of RMB10 million to the Administrator within three days upon receipt of the "Deposit Payment Notice" (《支付保證金通知書》). Potential investors shall submit the Restructuring Investment Proposal prior to 24 September 2024. After the closing of submission of the Restructuring Investment Proposal, the Administrator will determine the final restructuring investors through a competitive selection process.

If a potential investor is not selected, the Administrator will refund the Deposit paid by such potential investor, without interest, within five business days from the date of issuance of the corresponding result notice. For the final selected restructuring investors, the Deposit paid shall be converted into a performance security deposit (without interest), and the performance security deposit paid by the restructuring investors shall be automatically converted into the investment amount (without interest) once the Restructuring Investment Proposal is approved by the court.

If a potential investor is confirmed as a restructuring investor but refuses to pay the investment amount in accordance with the terms of the restructuring investment agreement or fails to fulfill relevant obligations of a restructuring investor, the Deposit paid will not be refunded.

The Deposit of RMB5 million paid by Chengdu Fengzhi was financed by the internal resources of the Group and shall be paid directly to the designated bank account of the Administrator.

As at the date of this announcement, the Group has not entered into any transaction agreements with Dehua Enterprise and/or the Administrator in respect of the Group's application and participation in the Project. The Group will comply with the relevant approval and disclosure requirements under the Listing Rules for any subsequent developments.

REASONS FOR AND BENEFITS OF PAYMENT OF THE DEPOSIT

On 22 April 2024, Chongqing No.5 Intermediate People's Court adjudicated to accept the restructuring application of Jinke Property and its wholly-owned subsidiary Chongqing Jinke in accordance with the law, and appointed the Administrator on 17 May 2024. To facilitate the smooth progress of the restructuring, the Administrator, in accordance with the Enterprise Bankruptcy Law of the People's Republic of China and relevant laws and regulations, has adopted the market-oriented competition methods to publicly invite and select restructuring investors to participate in the restructuring investments of both Jinke Property and Chongqing Jinke. Payment of the Deposit is a prerequisite for completing the Project application. If Chengdu Fengzhi is successfully selected in the future, this will help the Group to expand its market, have more business opportunities and enhance brand recognition.

The Directors (including the independent non-executive Directors) consider that, although the payment of the Deposit is not made in the ordinary and usual course of business of the Group, the terms thereof are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

Chengdu Fengzhi

Chengdu Fengzhi is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. Chengdu Fengzhi is mainly engaged in information consultancy service and technology consultancy service.

Dehua Enterprise

Dehua Enterprise is a company established in the PRC with limited liability. As at the date of this announcement, Dehua Enterprise is directly held as to 50% and 50% by Guangzhou Fanghua Investment Consulting Co., Ltd. (廣州方樺投資諮詢有限公司) and Sichuan Desun Wealth Investment Management Group Co. Ltd. (四川德商財富投資管理集團有限公司) ("**Desun Wealth**"), respectively, and Desun Wealth is directly held as to 86.25% by Mr. Zou Kang. Dehua Enterprise is mainly engaged in, among others, enterprise management, real estate consulting and other businesses.

The Administrator

The Administrator of Jinke Property and Chongqing Jinke is a consortium formed by the Chongqing Branch of BDO China SHU LUN PAN Certified Public Accountants LLP and the Shanghai Branch of King & Wood Mallesons (Beijing) as designated by Chongqing No.5 Intermediate People's Court. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Administrator and its ultimate beneficial owner(s) are Independent Third Parties.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Zou Kang is the controlling shareholder and the non-executive Director and is therefore a connected person of the Company. Dehua Enterprise is held as to 50% by Desun Wealth, which is in turn directly held as to 86.25% by Mr. Zou Kang. Therefore, Dehua Enterprise is a connected person of the Company. The payment of the Deposit constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the payment of the Deposit exceeds 0.1% but is less than 5%, the payment of the Deposit is subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Zou Kang (a non-executive Director) had abstained from voting on the Board resolution proposed to approve the payment of the Deposit. Save as disclosed above, none of the Directors has any material interest and is required to abstain from voting on the Board resolution proposed to approve the payment of the Deposit.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below.

"Administrator"	a consortium formed by the Chongqing Branch of BDO China SHU LUN PAN Certified Public Accountants LLP and the Shanghai Branch of King & Wood Mallesons (Beijing) as designated by Chongqing No.5 Intermediate People's Court, serving as the administrator of Jinke Property and Chongqing Jinke
"Board"	the board of Directors
"Chengdu Fengzhi"	Chengdu Fengzhi Technology Co., Ltd.* (成都風知科技有限公司), an indirect wholly-owned subsidiary of the Company as at the date of this announcement

"Chongqing Jinke"	Chongqing Jinke Real Estate Development Co., Ltd.* (重慶金科房地產開發有限公司), a core subsidiary of Jinke Property, which is mainly engaged in, among others, real estate development
"Company"	Desun Real Estate Investment Services Group Co., Ltd. (德商產投服務集團有限公司) (formerly known as Desun Real Estate Investment Services Limited), an exempted company incorporated in the Cayman Islands with limited liability on 10 December 2020
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Dehua Enterprise"	Chengdu Dehua Enterprise Management Consultancy Co., Ltd.* (成都德樺企業管理諮詢有限公司), a company incorporated in the PRC with limited liability
"Deposit"	RMB10 million, of which Chengdu Fengzhi shall pay RMB5 million
"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
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and connected person(s) of the Company
"Jinke Property"	Jinke Property Group Co., Ltd.* (金科地產集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, the share of which is listed on the Shenzhen Stock Exchange (stock short name: *ST Jinke) and a real estate development enterprise
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"normal commercial terms or better"	has the meaning ascribed to it under the Listing Rules

"PRC"	the People's Republic of China, and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary shares in the share capital of the Company with a nominal value of US$0.0001 each
"Shareholder(s)"	holder(s) of the Share(s)
"%"	per cent

By order of the Board
Desun Real Estate Investment Services Group Co., Ltd.
Zhang Zhicheng
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 16 August 2024

As at the date of this announcement, the executive Directors are Mr. Zhang Zhicheng, Mr. Yang Wen, Ms. Wan Hong, Mr. Liu Jun and Mr. Shao Jiazhen, the non-executive Director is Mr. Zou Kang, and the independent non-executive Directors are Mr. Fang Liqiang, Mr. Chen Di and Mr. Yan Hong.

* *For identification purpose only*