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 TRANSACTIONS IN RELATION TO RETURN OF THE PARKING SPACES

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On 2 September 2024 (after trading hours), Chengdu Desun, a wholly-owned subsidiary of the Company, entered into the Termination Agreements with the Relevant Debtors and the Parking Space Vendors, pursuant to which, Chengdu Desun agreed to return 485 parking spaces to the Parking Space Vendors and the Relevant Debtors agreed to make a payment in an aggregate amount of RMB15.46 million to Chengdu Desun.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Zou Kang is a controlling shareholder and the non-executive Director and is therefore a connected person of the Company. Jia Tai Real Estate, Bo Lang Real Estate, Dekunda Real Estate, Ding Chuang Real Estate and DJXY are ultimately controlled by Mr. Zou Kang, and hence are all connected persons of the Company. The Termination Agreements and the transactions contemplated thereunder constitute connected transactions 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 Termination Agreements and the transactions contemplated thereunder exceeds 0.1% but is less than 5%, the Termination Agreements and the transactions contemplated thereunder are 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.

CONNECTED TRANSACTIONS IN RELATION TO RETURN OF THE PARKING SPACES

Reference is made to the announcement of the Company dated 26 December 2023 and the circular of the Company dated 31 January 2024, in relation to the debts settlement agreements entered into by Chengdu Desun and certain debtors and vendors, pursuant to which, Chengdu Desun agreed to acquire and the vendors agreed to sell a total of 1,512 parking spaces at an aggregate consideration of RMB51,640,000 which shall be offset against the trade receivables due from the debtors to Chengdu Desun on a dollar-for-dollar basis. On 20 February 2024, the Company held an extraordinary general meeting, at which the independent Shareholders approved the terms of the relevant debts settlement agreements and the transactions contemplated thereunder.

As of the date of this announcement, all the abovementioned 1,512 parking spaces have been consolidated into the consolidated financial statements of the Group.

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The principal terms of the Termination Agreements are set out below:

Date

2 September 2024

Parties

Chengdu Desun, DJXY (the Relevant Debtor) and Jia Tai Real Estate (the Parking Space Vendor) for the purpose of Termination Agreement I;

Chengdu Desun, Ding Chuang Real Estate (the Relevant Debtor) and Jia Tai Real Estate (the Parking Space Vendor) for the purpose of Termination Agreement II;

Chengdu Desun, Bo Lang Real Estate (the Relevant Debtor) and Jia Tai Real Estate (the Parking Space Vendor) for the purpose of Termination Agreement III;

Chengdu Desun, Dekunda Real Estate (the Relevant Debtor) and Desun Da (the Parking Space Vendor) for the purpose of Termination Agreement IV; and

Chengdu Desun, Desun Da (the Relevant Debtor and the Parking Space Vendor) for the purpose of Termination Agreement V.

Return of Parking Spaces and Refund of Consideration

All parties of the Termination Agreements confirm that, the debts settlement agreements corresponding to the Termination Agreements will be terminated without further performance from the execution date of the Termination Agreements.

Chengdu Desun shall return an aggregate of 485 parking spaces to the Parking Space Vendors, and the Relevant Debtors shall make a payment of RMB15.46 million to Chengdu Desun by 30 September 2024, that is, (i) 192 parking spaces at RMB50,000 per parking space to be returned by Chengdu Desun pursuant to the Termination Agreement I, Termination Agreement II and Termination Agreement III; and (ii) 293 parking spaces at RMB20,000 per parking space to be returned by Chengdu Desun pursuant to the Termination Agreement IV and the Termination Agreement V. Such considerations were determined with reference to the carrying amount of the relevant parking spaces.

The aggregate cost of such 485 parking spaces purchased by Chengdu Desun amounts to RMB15.46 million. The carrying amount of such 485 parking spaces as at 30 June 2024 amounted to RMB15.46 million. Since the acquisition of such parking spaces by Chengdu Desun and up to the date of this announcement, such 485 parking spaces have not been leased to any third party.

Other Terms

Chengdu Desun agrees to return all of such 485 parking spaces in current condition to the Parking Space Vendors upon receipt of the full payments from the Relevant Debtors. If the Parking Space Vendors have entered into any property purchase contract with Chengdu Desun and have recorded the online signature and online registered for the parking spaces, Chengdu Desun agrees to cooperate with the Parking Space Vendors in entering into a termination agreement for the property purchase contract and assist in completing the necessary procedures to cancel the online signature and online registration.

Effectiveness of the Agreements

The Termination Agreements shall come into effect upon the signing and affixing of seals by each party.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TERMINATION AGREEMENTS

Pursuant to the debts settlement agreements corresponding to the Termination Agreements, the Parking Space Vendors shall transfer a total of 552 parking spaces to Chengdu Desun to offset against the receivables due from the Relevant Debtors to Chengdu Desun. As at the date of this announcement, a total of 67 parking spaces have been sold by Chengdu Desun, and a total of 485 parking spaces remaining unsold. The Relevant Debtors paying in cash will not only enhance the Company's cash flow, but also expedite the sale of parking spaces and reduce sales costs.

The Directors (including the independent non-executive Directors) consider that, although the Termination Agreements and the transactions contemplated thereunder are 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

The Group

The Group is an integrated property management services and commercial operational services provider, providing property management services and commercial operational services for mid- to high-end residential properties and commercial properties.

Chengdu Desun

Chengdu Desun (formerly known as Chengdu Desun Investment Management Co., Ltd. (成都德商投資管理有限公司) at the time of establishment) is a company incorporated in the PRC on 12 March 2010 and an indirect wholly-owned subsidiary of the Company. Chengdu Desun is principally engaged in, among other things, property management, real estate brokerage, real estate appraisal, real estate consulting and information consulting services.

The Relevant Debtors

In respect of Termination Agreement I, the Relevant Debtor is DJXY, a company established in the PRC with limited liability and is principally engaged in real estate development. As at the date of this announcement, DJXY is owned as to 95.24% by Chengdu Desun Property Co., Ltd.* (成都德商置業有限公司) ("**Desun Property**"). Desun Property is owned as to 80% by Chengdu Desun Yuanmou Holding (Group) Co., Ltd.* (成都德商淵謀控股(集團)有限公司) ("**Desun Yuanmou**") and 20% by Mr. Zou Kang (a non-executive Director and a controlling shareholder of the Company). Desun Yuanmou is owned as to 91.875% by Mr. Zou Kang and Ms. Zou Jian (the controlling shareholders of the Company) collectively.

In respect of Termination Agreement II, the Relevant Debtor is Ding Chuang Real Estate, a company established in the PRC with limited liability and is principally engaged in real estate development. As at the date of this announcement, Ding Chuang Real Estate is owned as to 95.24% by Chengdu Dehesheng Property Co., Ltd.* (成都德合盛置業有限公司) ("**Dehesheng Property**"). Dehesheng Property is wholly-owned by Chengdu Desun Xinchuang Property Co., Ltd.* (成都德商新創置業有限公司) ("**Xinchuang**

Property”). Xinchuang Property is owned as to 80% by Desun Yuanmou. For details of Desun Yuanmou, please refer to the section headed “Information on the Parties — the Relevant Debtors” in this announcement.

In respect of Termination Agreement III, the Relevant Debtor is Bo Lang Real Estate, a company established in the PRC with limited liability and is principally engaged in real estate development. As at the date of this announcement, Bo Lang Real Estate is wholly-owned by Chengdu Dexi Property Co., Ltd.* (成都德璽置業有限公司) (“**Dexi Property**”). Dexi Property is owned as to 95.24% by Dehesheng Property. For details of Dehesheng Property, please refer to the section headed “Information on the Parties — the Relevant Debtors” in this announcement.

In respect of Termination Agreement IV, the Relevant Debtor is Dekunda Real Estate, a company established in the PRC with limited liability and is principally engaged in real estate development. As at the date of this announcement, Dekunda Real Estate is owned as to 90% by Chengdu Dexuan Property Co., Ltd.* (成都德軒置業有限公司) (“**Dexuan Property**”). Dexuan Property is owned as to 99% by Dehesheng Property. For details of Dehesheng Property, please refer to the section headed “Information on the Parties — the Relevant Debtors” in this announcement.

In respect of Termination Agreement V, the Relevant Debtor is Desun Da, a company established in the PRC with limited liability and is principally engaged in real estate development. As at the date of this announcement, Desun Da is owned as to 50% by Mr. Ni Guofang (倪國舫先生) and 50% by Mr. Gao Baiyi (高柏義先生).

The Parking Space Vendors

In respect of Termination Agreement I, Termination Agreement II and Termination Agreement III, the Parking Space Vendor is Jia Tai Real Estate, a company established in the PRC with limited liability and is principally engaged in real estate development. As at the date of this announcement, Jia Tai Real Estate is owned as to 98% by Xinchuang Property. For details of Xinchuang Property, please refer to the section headed “Information on the Parties — the Relevant Debtors” in this announcement.

In respect of Termination Agreement IV and Termination Agreement V, the Parking Space Vendor is Desun Da, a company established in the PRC with limited liability and is principally engaged in real estate development. As at the date of this announcement, Desun Da is owned as to 50% by Mr. Ni Guofang (倪國舫先生) and 50% by Mr. Gao Baiyi (高柏義先生). To the best knowledge, information and belief of the Directors, having made all reasonable enquires, Mr. Ni Guofang (倪國舫先生) and Mr. Gao Baiyi (高柏義先生) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company. Desun Da was disposed of by Chengdu Desun Real Estate Co. Ltd.* (成都德商置業有限公司) (a connected person of the Company) to Mr. Ni Guofang (倪國舫先生) and Mr. Gao Baiyi (高柏義先生) in August 2022.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Zou Kang is a controlling shareholder and the non-executive Director and is therefore a connected person of the Company. Jia Tai Real Estate, Bo Lang Real Estate, Dekunda Real Estate, Ding Chuang Real Estate and DJXY are ultimately controlled by Mr. Zou Kang, and hence are all connected persons of the Company. The Termination Agreements and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

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Mr. Zou Kang (a non-executive Director) had abstained from voting on the Board resolutions approving the Termination Agreements and the transactions contemplated thereunder. Save and except for the aforesaid, none of the other Directors has any material interest and was required to abstain from voting on such Board resolutions.

DEFINITIONS

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

"Board"	the board of Directors
"Bo Lang Real Estate"	Chongzhou De Shang Bolang Real Estate Co., Ltd.* (崇州德商博朗置業有限公司), a company incorporated in the PRC with limited liability
"Chengdu Desun"	Chengdu Desun Real Estate Investment Property Service Co., Ltd.* (成都德商產投物業服務有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"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
"Dekunda Real Estate"	Chengdu Dekunda Real Estate Co., Ltd.* (成都德坤達置業有限公司), a company incorporated in the PRC with limited liability
"Desun Da"	Chengdu Desun Da Real Estate Co., Ltd.* (成都德商達置業有限公司), a company incorporated in the PRC with limited liability
"Ding Chuang Real Estate"	Chengdu Desun Ding Chuang Real Estate Co., Ltd.* (成都德商鼎創置業有限公司), a company incorporated in the PRC with limited liability
"Director(s)"	the director(s) of the Company
"DJXY"	Chengdu Dijing Xingye Real Estate Development Co., Ltd.* (成都帝景興業房地產開發有限公司), a company incorporated in the PRC with limited liability
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Jia Tai Real Estate"	Chengdu Desun Jia Tai Real Estate Co., Ltd.* (成都德商嘉泰置業有限公司), a company incorporated in the PRC with limited liability
"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
"Parking Space Vendor(s)"	Jia Tai Real Estate and/or Desun Da
"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
"Relevant Debtor(s)"	DJXY, Ding Chuang Real Estate, Bo Lang Real Estate, Dekunda Real Estate and/or Desun Da
"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)
"Termination Agreements"	Termination Agreement I, Termination Agreement II, Termination Agreement III, Termination Agreement IV and Termination Agreement V
"Termination Agreement I"	the termination agreement dated 2 September 2024 entered into among Chengdu Desun, DJXY (as Relevant Debtor) and Jia Tai Real Estate (as Parking Space Vendor) in order to terminate the debts settlement agreement signed by the parties on 22 December 2023 (i.e. the Debts Settlement Agreement III disclosed in the announcement of the Company dated 26 December 2023)
"Termination Agreement II"	the termination agreement dated 2 September 2024 entered into among Chengdu Desun, Ding Chuang Real Estate (as Relevant Debtor) and Jia Tai Real Estate (as Parking Space Vendor) in order to terminate the debts settlement agreement signed by the parties on 22 December 2023 (i.e. the Debts Settlement Agreement IV disclosed in the announcement of the Company dated 26 December 2023)
"Termination Agreement III"	the termination agreement dated 2 September 2024 entered into among Chengdu Desun, Bo Lang Real Estate (as Relevant Debtor) and Jia Tai Real Estate (as Parking Space Vendor) in order to terminate the debts settlement agreement signed by the parties on 22 December 2023 (i.e. the Debts Settlement Agreement V disclosed in the announcement of the Company dated 26 December 2023)
"Termination Agreement IV"	the termination agreement dated 2 September 2024 entered into among Chengdu Desun, Dekunda Real Estate (as Relevant Debtor) and Desun Da (as Parking Space Vendor) in order to terminate the debts settlement agreement signed by the parties on 22 December 2023 (i.e. the Debts Settlement Agreement IX disclosed in the announcement of the Company dated 26 December 2023)

"Termination Agreement V"	the termination agreement dated 2 September 2024 entered into among Chengdu Desun and Desun Da (as Relevant Debtor and Parking Space Vendor) in order to terminate the debts settlement agreement signed by the parties on 22 December 2023 (i.e. the Debts Settlement Agreement X disclosed in the announcement of the Company dated 26 December 2023)
"%"	per cents

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

Hong Kong, 2 September 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*