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

THE COOPERATION AGREEMENT

Reference is made to the Announcement. As disclosed in the Announcement, pursuant to the relevant agreement, upon Shudu Wanze's shareholding in Shudu Savills reaching 70% or more, Dexin Shangyu and Shudu Yintai shall enter into a separate contract to establish the payment terms (the "**Payment Terms to Shudu Yintai**") of the Relevant Payment. Since the payment conditions for the Payment Terms to Shudu Yintai have been fulfilled, Dexin Shangyu and Shudu Yintai have commenced negotiations regarding the payment of the Relevant Payment and signed the Memorandum. Details of the background information in relation to the above-mentioned matters have been disclosed in the Announcement.

On 30 September 2024, Dexin Shangyu, Shudu Yintai, Shanghai Kesheng and Shudu Wanze entered into the Cooperation Agreement, pursuant to which, among other things, the parties to the Cooperation Agreement have agreed on the Relevant Payment.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shudu Wanze is indirectly owned as to 51% by the Company, and Shudu Wanze is a significant subsidiary of the Company. Accordingly, Shudu Yintai and Shanghai Kesheng are connected persons of the Company at the subsidiary level under the Listing Rules. As such, the entering into of the Cooperation Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As (1) Shudu Yintai and Shanghai Kesheng are connected persons of the Company at the subsidiary level; (2) the Board has approved the Cooperation Agreement and the transactions contemplated thereunder; and (3) the independent non-executive Directors have confirmed that the terms of the Cooperation Agreement are fair and reasonable and the Cooperation Agreement and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the Cooperation Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE COOPERATION AGREEMENT

Reference is made to the Announcement. As disclosed in the Announcement, pursuant to the relevant agreement, upon Shudu Wanze's shareholding in Shudu Savills reaching 70% or more, Dexin Shangyu and Shudu Yintai shall enter into a separate contract to establish the payment terms (the "**Payment Terms to Shudu Yintai**") of the Relevant Payment. Since the payment conditions for the Payment Terms to Shudu Yintai have been fulfilled, Dexin Shangyu and Shudu Yintai have commenced negotiations regarding the payment of the Relevant Payment and signed the Memorandum. Details of the background information in relation to the above-mentioned matters have been disclosed in the Announcement.

On 30 September 2024, Dexin Shangyu, Shudu Yintai, Shanghai Kesheng and Shudu Wanze entered into the Cooperation Agreement, pursuant to which, among other things, the parties to the Cooperation Agreement have agreed on the Relevant Payment.

The principal terms of the Cooperation Agreement are summarized as follows:

Date	:	30 September 2024
Parties	:	(a) Dexin Shangyu;
		(b) Shudu Yintai;
		(c) Shanghai Kesheng; and
		(d) Shudu Wanze

Payment Terms to Shudu Yintai	:	As disclosed in the Announcement, pursuant to the Capital Increase and Cooperation Agreement, Dexin Shangyu and Shudu Yintai confirmed that the valuation of the approximately 51% of equity interest in Shudu Wanze will be within the range of RMB10 million to RMB15 million, with the exact amount to be determined based on Dexin Shangyu's assessment of Shudu Wanze's actual operating conditions after obtaining the relevant shareholding. Dexin Shangyu and Shudu Yintai will then jointly agree on the exact amount, the relevant payment (the "**Relevant Payment**") of which will be made to Shudu Yintai in cash or by transferring Dexin Shangyu's dividends of a certain amount from Shudu Wanze.

Accordingly, under the Cooperation Agreement, the parties agreed to temporarily not fulfill the capital increase obligation to Shudu Wanze for the time after entering into the Cooperation Agreement, and (i) given that Dexin Shangyu has actually acquired 51% equity interest in Shudu Wanze, Dexin Shangyu has agreed to pay the Relevant Payment to Shudu Yintai by way of transferring its entitlement to Shudu Wanze's dividends for the three years of 2024, 2025 and 2026 (the "**Transferring Period**"), with the maximum amount of the transfer not exceeding RMB11,000,000; (ii) given that Shanghai Kesheng has actually acquired 24.5% equity interest in Shudu Wanze, Shanghai Kesheng has agreed to pay the Relevant Payment to Shudu Yintai by way of transferring its entitlement to Shudu Wanze's dividends for the three years of 2024, 2025 and 2026, with the maximum amount of the transfer not exceeding RMB5,284,300; (iii) the parties acknowledge that in the event of losing the operating right of Shudu Center Phase I and Phase II projects under management by Shudu Savills during the Transferring Period, which results in Shudu Wanze not having any distributable profits, Shudu Yintai shall no longer claim its rights in relation to the transferring dividend amount from Dexin Shangyu and Shanghai Kesheng.

The maximum transferring dividend amount under the Cooperation Agreement was determined after arm's length negotiations between the parties taking into account the Valuation of RMB22.2 million of Shudu Savills as at the Valuation Reference Date and the shareholders' respective shareholding in Shudu Wanze.

Other terms	:	Pursuant to the Cooperation Agreement, Shudu Yintai undertakes that Shudu Wanze and Shudu Savills will operate legally without any unresolved risks, disputes and unpaid fees by 1 January 2024. If any unpaid fees arise due to illegal, non-compliant or default actions that occurred before 1 January 2024, Shudu Yintai shall bear these damages and expenses. If Shudu Wanze or Shudu Savills assumes such liability or pays these expenses, Shudu Yintai will reimburse them for the incurred costs. As disclosed in the Announcement, under the Memorandum, the Earnest Money will be automatically converted into the transaction payment once the parties to the Memorandum reach an agreement on the Payment Terms to Shudu Yintai and sign a formal agreement. Accordingly, under the Cooperation Agreement, Dexin Shangyu and Shudu Yintai have agreed that the Earnest Money will be applied as an offset against the transferring dividend amount payable by Dexin Shangyu. In the event that circumstance (iii) described in the paragraph of "Payment Terms to Shudu Yintai" as set out above result in the dividend amount to be transferred by Dexin Shangyu being less than the Earnest Money, Shudu Yintai will refund the difference. The terms of such a refund will be negotiated separately between Dexin Shangyu and Shudu Yintai.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT

The transaction has further enhanced the business layout of the Company in the property management sector. The entering into of the Cooperation Agreement will help promote the smooth progress of the subsequent co-operation between the parties and ensure that the rights and interests of the parties during the cooperation will be protected.

In view of the above, the Directors (including the independent non-executive Directors) consider that the Cooperation Agreement is entered into during the ordinary and usual course of business of the Group, the terms of the Cooperation Agreement are on normal commercial terms or better and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

VALUATION

According to the Valuation Report dated 30 June 2024 issued by the Independent Valuer, in valuing all the shareholders' equity interest in Shudu Savills, the Independent Valuer has adopted the discounted free cash flow under the income approach, which constitutes a profit forecast under Rule 14.61 of the Listing Rules, and therefore the requirements under Rule 14.60A of the Listing Rules are applicable.

Key Assumptions

The valuation assumptions adopted by the Independent Valuer in the valuation of all the shareholders' equity interest in Shudu Savills with the income approach are set out below:

Basic Assumptions

1. Transaction Assumption

The transaction assumption is that if the valuation object is in the course of transaction processes, it is assumed that the Independent Valuer will conduct valuation according to simulated marketplace situation, including transaction conditions of the valuation object. The result of the valuation is an estimate of the price at which the valuation object is most likely to be transacted.

2. Open Market Assumption

An open market assumption is that if the valuation object and its assets involved are traded in the open market where each of the buyer and the seller is provided with equal opportunity and time to have access to adequate market information, it is assumed that the trading behaviours of both the buyer and the seller are conducted under voluntary, rational, non-mandatory conditions.

3. Business Going Concern Assumption

Business going concern assumption is assuming that, the valued entity can legally continue its production and operation business according to the scale it is expected to operate for the foreseeable future operating period under the existing asset resources conditions and there will be no major adverse changes in the operating conditions.

Macroeconomic Environment Assumptions

1. No material changes in the current economic policies or directions of the PRC;

2. No material changes in bank credit interest rates, exchange rates and tax rates;

3. No material changes in the social and economic environments of the region where the valued entity is located;

4. The steady development trend of the industry to which the valued entity belongs, and the prevailing laws, regulations and economic policies related to the production and operation of the valued entity remaining stable.

Assumptions About the Status of the Valuation Object as at the Valuation Reference Date

1. Save for the knowledge as to the valuation personnel, it is assumed that the purchase, acquisition or development processes of the valuation object and its assets involved are in compliance with relevant national laws and regulations.

2. Save for the knowledge as to the valuation personnel, it is assumed that the valuation object and its assets involved bear no defects of rights, liabilities and restrictive conditions that may affect their value, and it is presumed that considerations, taxes and amounts payable relating to the valuation object and its assets involved have been fully settled.

3. Save for the knowledge as to the valuation personnel, it is assumed that the valuation object and its tangible assets, such as equipment involved, have no significant technical failures that would affect their continued use, that such assets contain no hazardous substances that may adversely influence their value, and that the places where such assets are located are subject to no hazardous materials and other harmful environmental conditions that may cause detrimental impacts on the value of such assets.

Forecasting Assumptions of Income Approach

1. There are no material changes in the current economic and industrial policies of the PRC; there are no material changes in the social and economic environments of the region where the valued entity is located; the development trend of the industry to which the valued entity belongs is steady, and the prevailing laws, regulations and economic policies related to the production and operation of the valued entity remain stable.

2. The valued entity fully complies with all relevant laws and regulations to product and operate.

3. The operators of the valued entity are responsible and the management of the enterprise is capable of performing their responsibilities, regardless of the impact of the special behaviours of the operators on the operation of the enterprise; The valued entity can conduct normal and continuous production and operation in accordance with the business scale, capacity, operating conditions, scope, and policies planned by the management of the company, and the enterprise's profit forecast in the future is able to be realized as scheduled.

4. It is assumed that the accounting policies adopted by the valued entity in the future are consistent with the accounting policies adopted at the time of preparation of the report: The calculation of the revenue is conducted in accordance with the accounting years in the PRC, assuming that revenue and expenditure occur uniformly during each forecast period; It is assumed that the company will continue as a going concern in future periods, the forecast period is "infinite years".

5. It is assumed that there is no material adverse effect of force majeure and unforeseeable factors.

6. The valued entity is in a position to acquire the property rights of Phase I and Phase II of the Shudu Center property on an ongoing basis and to continue to operate the property.

7. The valued entity has the financing ability to match the scale of future operations to ensure normal future operations.

8. The Valuation assumes that leases of operating venues will be renewed under same market conditions upon expiry.

9. It is assumed that the rights for operation and management of the company will not be lost and will be stable and sustainable.

Reasons for choosing Income Approach

According to the Valuation Report, the future expected income of the valued entity can be quantified, and the risk borne by the expected income closely related to the discount can be predicted, so the income approach is applicable to this valuation.

The valuation adopted the discounted free cash flow approach to estimate the equity value of the appraised entity.

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.

Dexin Shangyu

Dexin Shangyu is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Dexin Shangyu is principally engaged in, among others, property management.

Shudu Yintai

Shudu Yintai is a company established in the PRC with limited liability. Shudu Yintai is principally engaged in, among others, commercial housing development and operation, property decoration and property management. As at the date of this announcement, Shudu Yintai is wholly-owned by Chengdu Shudu Jiatai Real Estate Co. Ltd.* (成都蜀都嘉泰置業有限責任公司) ("**Shudu Jiatai**"). Shudu Jiatai is owned as to 91.60% by Jiangsu Zanhua Business Management Co., Ltd.* (江蘇贊華商業管理有限公司) ("**Jiangsu Zanhua**") and 8.40% by Chengdu Shudu Real Estate Development Co. Ltd.* (成都蜀都房地產開發有限責任公司). Jiangsu Zanhua is owned as to approximately 51.0552%, approximately 24.9640% and approximately 23.9808% by Li Youzhen (李友珍), Jiangsu Zanhua Holding Group Co., Ltd.* (江蘇贊華控股集團有限公司) and Shudu Yintai, respectively. Jiangsu Zanhua Holding Group Co., Ltd.* (江蘇贊華控股集團有限公司) is indirectly owned as to 70% by Zhang Yaoming (張耀明).

Shanghai Kesheng

Shanghai Kesheng is a limited partnership established under the laws of the PRC, and its executive partner is Cai Jiandong (蔡建東), whose proportion of capital contribution is 95%. Shanghai Kesheng is principally engaged in, among others, enterprise management consulting, information consulting and financing consulting.

Shudu Wanze

Shudu Wanze is a company established in the PRC with limited liability. As at the date of this announcement, Shudu Wanze is an indirect non-wholly owned subsidiary of the Company and owned as to approximately 51%, approximately 24.5% and approximately 24.5% by Dexin Shangyu, Shudu Yintai and Shanghai Kesheng, respectively. Shudu Wanze is principally engaged in, among others, property management through its wholly-owned subsidiary Shudu Savills. As at the date of this announcement, Shudu Wanze holds 100% equity interest in Shudu Savills.

Pursuant to the financial statements prepared by Shudu Wanze in accordance with the China Accounting Standards for Business Enterprises, the unaudited consolidated net assets of Shudu Wanze as at 31 May 2024 was RMB6,194,482.83, the unaudited consolidated loss before and after taxation of Shudu Wanze for the year ended 31 December 2022 was RMB615.17 and RMB615.17 respectively, and the unaudited consolidated profit before and after taxation of Shudu Wanze for the year ended 31 December 2023 was RMB1,629,678.89 and RMB1,349,621.28 respectively.

Confirmations

The Directors have discussed with the Independent Valuer on different aspects upon which the Valuation was prepared and have reviewed the key assumptions upon which the profit forecast was based and the Valuation. The Directors are of the view that the Valuation was made after due and careful enquiry.

BDO Limited, acting as the Company's reporting account (the "**Reporting Accountant**"), has been engaged by the Company to review the arithmetical calculation of the discounted future estimated cash flows upon which the Valuation Report prepared by the Independent Valuer were based.

A report from the Reporting Accountant and a letter from the Board are included in Appendix I and Appendix II to this announcement for the purpose of Rule 14.60A of the Listing Rules.

Expert and Consent

The qualifications of the expert who has given its opinion and advice in this announcement are as follows:

Name	**Qualification**
BDO Limited	Certified Public Accountants

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, the Reporting Accountant is a third party independent of the Group and its connected persons. As at the date of this announcement, the Reporting Accountant does have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The Reporting Accountant has given and has not withdrawn its written consent to the issue of this announcement with inclusion of its advice, letter and/or report and the references to its name (including its qualifications) included herein in the form and context in which they respectively appear.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shudu Wanze is indirectly owned as to 51% by the Company, and Shudu Wanze is a significant subsidiary of the Company. Accordingly, Shudu Yintai and Shanghai Kesheng are connected persons of the Company at the subsidiary level under the Listing Rules. As such, the entering into of the Cooperation Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As (1) Shudu Yintai and Shanghai Kesheng are connected persons of the Company at the subsidiary level; (2) the Board has approved the Cooperation Agreement and the transactions contemplated thereunder; and (3) the independent non-executive Directors have confirmed that the terms of the Cooperation Agreement are fair and reasonable and the Cooperation Agreement and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the Cooperation Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"Announcement"	the announcement of the Company dated 4 September 2024
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Capital Increase and Cooperation Agreement"	the capital increase and cooperation agreement dated 22 August 2023 entered into among Dexin Shangyu, Shudu Yintai and Shudu Wanze, pursuant to which Dexin Shangyu agreed to subscribe by way of cash for the registered capital of Shudu Wanze of RMB5,200,000, representing approximately 51% equity interest in the enlarged registered capital of Shudu Wanze
"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
"Cooperation Agreement"	the cooperation agreement dated 30 September 2024 entered into among Dexin Shangyu, Shudu Yintai, Shanghai Kesheng and Shudu Wanze
"Dexin Shangyu"	Chengdu Dexin Shangyu Property Management Co., Ltd.* (成都德新尚裕物業管理有限公司)
"Directors"	the directors of the Company
"Earnest Money"	the earnest money in the amount of RMB4 million paid by Dexin Shangyu to Shudu Yintai under the Memorandum
"Group"	the Company and its subsidiaries

"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"Independent Valuer"	Yinxin Asset Appraisal Co., Ltd.* (銀信資產評估有限公司)
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange as amended or revised from time to time
"Memorandum"	the memorandum of understanding dated 4 September 2024 entered into among Dexin Shangyu, Shudu Yintai, Shanghai Kesheng and Shudu Wanze, pursuant to which, among other things, Dexin Shangyu agreed to pay RMB4 million to Shudu Yintai as earnest money
"PRC"	The People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Kesheng"	Shanghai Kesheng Enterprise Management Partnership (Limited Partnership) (上海恪昇企業管理合夥企業(有限合夥))
"Share(s)"	ordinary shares in the share capital of our Company with a nominal value of US$0.0001 each
"Shareholder(s)"	holder(s) of the Share(s)
"Shudu Savills"	Chengdu Shudu Savills Property Services Co., Ltd.* (成都蜀都第一太平戴維斯物業服務有限責任公司), which is wholly-owned by Shudu Wanze as at the date of this announcement
"Shudu Wanze"	Chengdu Shudu Wanze Real Estate Co., Ltd.* (成都蜀都萬澤置業有限責任公司)
"Shudu Yintai"	Chengdu Shudu Yintai Teal Estate Co., Ltd.* (成都蜀都銀泰置業有限責任公司)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Valuation"	the valuation of all the shareholders' equity interest in Shudu Savills at the Valuation Reference Date

"Valuation Report"	the valuation report dated 30 June 2024 issued by the Independent Valuer in respect of all the shareholders' equity interest in Shudu Savills with 31 May 2024 as the Valuation Reference Date
"Valuation Reference Date"	31 May 2024
"%"	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, 30 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*

The following is the text of a report received from the Reporting Accountant, BDO Limited, Certified Public Accountants, Hong Kong, for inclusion in this announcement.

INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF THE DISCOUNTED FUTURE CASH FLOWS IN CONNECTION WITH THE VALUATION OF CHENGDU SHUDU SAVILLS PROPERTY SERVICES CO., LTD. (THE "TARGET COMPANY")

To the Board of Directors of Desun Real Estate Investment Services Group Co., Ltd.

We have completed our assurance engagement to report on the calculations of the discounted future cash flows on which the valuation ("**Valuation**") dated 30 June 2024 prepared by Yinxin Assets Appraisal Co., Ltd. in respect of the appraisal of the fair value of Chengdu Shudu Savills Property Services Co., Ltd. (collectively referred to as the "**Target Company**") as at 31 May 2024 is based. The summary of the Valuation is set out in the announcement of Desun Real Estate Investment Services Group Co., Ltd. (the "**Company**") dated 30 September 2024 (the "**Announcement**") in connection with the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' Responsibility for the Discounted Future Cash Flows

The directors of the Company (the "**Directors**") are solely responsible for the preparation of the discounted future cash flows, including the bases and assumptions set out in the Announcement on which the discounted future estimated cash flows are based. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the discounted future cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

It is our responsibility, pursuant to paragraph 14.60A(2) of the Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows, and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person in respect of, arising out of or in connection with our work.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA.

This standard involved performing procedures to obtain sufficient appropriate evidence as to whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in accordance with the bases and assumptions set out in the Announcement. The extent of procedures selected depends on the reporting accountant's judgement and our assessment of the engagement risk. Within the scope of our work, we, amongst others, reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations is concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation.

Other Matters

Without modifying our opinion, we draw your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of the Target Company or an expression of an audit or review opinion on the Valuation.

The discounted future estimated cash flows do not involve the adoption of accounting policies. The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Further, since the discounted future cash flows relates to the future, actual results are likely to be different from the discounted future cash flows because events and circumstances frequently do not occur as expected, and the differences may be material.

Yours faithfully

BDO Limited
Certified Public Accountants

Hong Kong, 30 September 2024

The following is the text of a letter from the Board for the purpose of incorporation in this announcement.

30 September 2024

Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place, Central, Hong Kong

Dear Sirs,

CONNECTED TRANSACTION — THE COOPERATION AGREEMENT

We refer to the announcement of Desun Real Estate Investment Services Group Co., Ltd. (the "**Company**") dated 30 September 2024 (the "**Announcement**") in relation to the captioned transactions. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

We refer to the Valuation Report prepared by Yinxin Asset Appraisal Co., Ltd.* (銀信資產評估有限公司), the Independent Valuer, in relation to the Valuation as at the Valuation Reference Date of the appraised value of all the shareholders' equity interest in Shudu Savills which was determined based on the income approach (which is based on the discounted cash flow forecast). Such Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules.

We have discussed with the Independent Valuer on different aspects including the bases and assumptions based upon which the Valuation has been prepared, and reviewed the Valuation for which the Independent Valuer is responsible. We have also considered the report from the Reporting Accountant regarding whether the profit forecasts, so far as the calculations are concerned, have been properly complied with the bases and assumptions set out in the Valuation Report. We have noted that the profit forecasts in the Valuation are mathematically accurate and the discounted cash flows will not be affected by accounting policies. Pursuant to the requirements of Rule 14.60A(3) of the Listing Rules, the Board confirmed that the Valuation prepared by the Independent Valuer has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the Board
Desun Real Estate Investment Services Group Co., Ltd.
Zhang Zhicheng
Chairman, Chief Executive Officer and Executive Director

* *for identification purpose only*