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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE LEASE AGREEMENT

BACKGROUND

On 25 March 2026, Chengdu Desun, a wholly-owned subsidiary of the Company, successfully won the bid for the Project, a landmark media complex located in Chengdu, the PRC, with a net land area of approximately 35.5642 mu, which is set to become a hub for "digital media + fashion and arts". The Project is expected to have a term of 10 years, including the preparation period and the cooperation period, and involves three cooperative projects: the office property entrusted operation, commercial leasing and comprehensive property services. As part of the scope of the Project, Chengdu Desun will enter into the Lease Agreement for the commercial property and, subject to the compliance with the designated use, obtain authorisation to carry out specific operational activities.

THE LEASE AGREEMENT

Upon receipt by Dongan Smart Media (as the lessor) of the full performance bond paid by or the independent bank guarantee submitted by Chengdu Desun, Chengdu Desun (as the lessee) and Dongan Smart Media shall enter into the Lease Agreement in respect of the Leased Premises. Dongan Smart Media is expected to deliver the Leased Premises on 30 June 2027, and the lease term shall commence on 1 July 2027 and end on 30 June 2036, with an expected duration of nine years.

IMPLICATIONS UNDER THE LISTING RULES

Chengdu Desun has been awarded the entire Project, of which the entrustment operation fees from the office property entrusted operation and property services fees from the comprehensive property services are of a revenue nature arising from the Group's ordinary course of business.

Pursuant to HKFRS 16, the lease of the Leased Premises under the Lease Agreement will be recognized as a right-of-use asset of the Group. Accordingly, the entering into of the Lease Agreement is regarded as an acquisition of asset by the Group pursuant to Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratio in respect of the estimated value of the right-of-use asset to be recognized by the Group under the Lease Agreement exceeds 5% but all applicable percentage ratios are less than 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Group under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 25 March 2026, Chengdu Desun successfully won the bid for the Project, a landmark media complex located in Chengdu, the PRC, with a net land area of approximately 35.5642 mu, which is set to become a hub for "digital media + fashion and arts". The Project is expected to have a term of 10 years, including the preparation period and the cooperation period and involving the office property entrusted operation, commercial leasing and comprehensive property services. As part of the scope of the Project, Chengdu Desun will enter into the Lease Agreement for the commercial property and, subject to the compliance with the designated use, obtain authorisation to carry out specific tenant recruitment.

THE LEASE AGREEMENT

Upon receipt by Dongan Smart Media (as the lessor) of the full performance bond paid by or the independent bank guarantee submitted by Chengdu Desun, Chengdu Desun (as the lessee) and Dongan Smart Media shall enter into the Lease Agreement in respect of the Leased Premises. Dongan Smart Media is expected to deliver the Leased Premises on 30 June 2027, and the lease term shall commence on 1 July 2027 and end on 30 June 2036, with an expected duration of nine years.

The principal terms of the Lease Agreement are as follows:

Parties	:	(i) Chengdu Desun (as lessee); and
		(ii) Dongan Smart Media (as lessor)

Leased Premises	:	the Leased Premises consist of level B1 to level 4 of Building 1 and level B1 to level 3 of Building 2 of the Project, which is located at Group 7, Baojiangqiao Village, Liujiang Subdistrict and Groups 4 and 5, Zhuguosi Village, Jinjiang District, Chengdu, the PRC.
Gross floor area	:	Approximately 37,186.63 sq.m., including 27,129.67 sq.m. of above-ground commercial space and 10,056.96 sq.m. of underground commercial space, with 6,332.5 sq.m. of ancillary facilities. As at the date of this announcement, the Leased Premises have not yet obtained an independent real estate ownership certificate, and the gross floor area is the predicated area as set out in the "Real Estate Surveying and Mapping Results Report (Predicted)" (《房地產測繪成果報告(預測)》), which shall ultimately be subject to the gross floor area recorded in the actual survey report.
Lease term	:	The lease term shall commence from the day following the delivery date of the Leased Premises determined by Dongan Smart Media in accordance with the Lease Agreement and shall end on 30 June 2036. The Leased Premises are still under construction and have not yet been completed, and the Leased Premises are expected to be delivered on 30 June 2027, and the lease term shall commence on 1 July 2026 and end on 30 June 2026, with an expected duration of nine years. The one-year preparation period is scheduled from 1 July 2026 to 30 June 2027. Pursuant to the Lease Agreement, the completion filing for the Leased Premises is expected to be completed by 30 June 2027. However, if the completion filing is completed earlier or delayed, the preparation period may be shortened or extended accordingly, resulting in the actual lease term being shortened or extended beyond the nine-year period. Chengdu Desun agrees that in the event of a delay in the completion filing, it shall not request an adjustment to the lease end date under the Lease Agreement (i.e. 30 June 2036), and agrees to grant the grace period as provided under the Lease Agreement.
Usage	:	The Leased Premises will be used by Chengdu Desun for sublease, investment promotion and operation.

Rent	:	The rent increases by 5% every three Lease Years during the lease term. The rental rates are based on Chengdu Desun's winning bid of RMB51.5 per sq.m. per month for the first Lease Year, and increase by 5% every three Lease Years during the lease term. The rental area for the Leased Premises is calculated based on the measured gross floor area. Ancillary facilities are included in the unit rent and no separate charge applies. The unit rent of RMB51.5 per sq.m. per month for the first Lease Year represents Chengdu Desun's successful bid price determined through the open public tender process conducted in respect of the Project. The bidding price was determined with reference to the prevailing market rental rates for comparable commercial properties in Jinjiang District, Chengdu, and was evaluated by the evaluation committee as part of the tender evaluation process. The aggregate rent payable by Chengdu Desun under the Lease Agreement (including rent-free period) is estimated to be approximately RMB194.4 million over the nine-year lease term, calculated on the basis of (i) the unit rent of RMB51.5 per sq.m. per month for the first three Lease Years; (ii) an upward adjustment of 5% every three Lease Years; and (iii) a total gross floor area of approximately 37,186.63 sq.m. The aggregate rent figure above is based on the predicted area stated in the "Real Estate Surveying and Mapping Results Report (Predicted)" and the final figure may differ upon actual measurement.
Rent free period	:	The total rent-free period is determined in accordance with the Lease Agreement and is granted in two installments: (i) the first rent-free period commences from the day following the delivery date and lasts for a duration equivalent to two third of the total rent-free period, calculated in Lease Months.

(ii) the second rent-free period is applied during the second Lease Year and is divided equally across two rental cycles: one-half of the remaining one third of the total rent-free period is granted in the first rental cycle of the second Lease Year, and the other half is granted in the second rental cycle of the second Lease Year.

During any rent-free period, Chengdu Desun is exempt from paying base rent to Dongan Smart Media. However, Chengdu Desun remains responsible for all non-rent expenses, including but not limited to fees such as energy consumption.

Performance bond	:	Chengdu Desun shall pay a performance bond of RMB20,000,000 in the form of cash or a bank guarantee for the Project, among which a performance bond of RMB15,000,000 shall be paid according to the Lease Agreement and a performance bond of RMB5,000,000 shall be paid according to the relevant office property entrusted operation contract. If the relevant office property entrusted operation contract or the Leased Agreement is terminated due to reasons attributable to Chengdu Desun, Dongan Smart Media shall be entitled to deduct in full or retain the relevant performance bond.
Payment terms	:	Pursuant to the Lease Agreement, with the exception of the first installment of rent, both the payment cycle and lease period are three Lease Months. The amount of the first installment of rent covers the rent for the Lease Months within the first Lease Year that are not part of the rent-free period as calculated under the Lease Agreement. Chengdu Desun shall pay the first installment of rent in a lump sum within seven days of completing the preparation period assessment and receiving both the preparation period assessment results notice and the rent payment notice. For the subsequent payments, Chengdu Desun shall pay the rent for the upcoming lease period at least seven days prior to the end of the current lease period, regardless of whether a formal rent payment notice has been issued.
Termination	:	The Lease Agreement may be terminated upon the occurrence of certain events, including the expiry of the Lease Premises; the total destruction or loss of the leased property due to force majeure, rendering it irreparable; the exercise of the right of unilateral termination by either party; or termination by mutual consent.

Where a breach by Chengdu Desun results in the termination or cancellation of any of the relevant office property entrusted operation contract, property service contract or the Lease Agreement, Dongan Smart Media shall be entitled to unilaterally terminate the remaining two agreements, regardless of whether those two agreements are also subject to any breach.

INFORMATION OF THE PARTIES

The Group

The Group is an urban core asset operator, which is principally engaged in three business segments: property services, asset operation services and investment and development.

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.

Dongan Smart Media

Dongan Smart Media is a company established in the PRC with limited liability, which is principally engaged in cultural industry development. As at the date of this announcement, Dongan Smart Media is a wholly-owned subsidiary of Chengdu Media Group, the organizer of which is CPC Chengdu Municipal Committee and Chengdu Municipal People's Government. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Dongan Smart Media and its ultimate beneficial owners is Independent Third Party.

REASONS FOR AND BENEFITS FOR ENTERING INTO THE LEASE AGREEMENT

The Company has been deeply involved in property services, investment operations, office leasing, and entrustment operations for many years, accumulating solid industry experience and professional capabilities. The project participating in this bidding is located in the core area of the city — Jinjiang district, with a superior location and concentrated resources, possessing significant location value and strategic significance. If the Project progresses smoothly, it will not only bring the Company continuous and stable operating income, but also create a benchmark project case with exemplary significance. This will enhance the Company's brand influence and market reputation, attract more high-quality partners and customer resources, and inject continuous impetus into the long-term development of the enterprise.

Therefore, the Board considers that the entering into of the Lease Agreement is in the ordinary and usual course of business of the Group, is on normal commercial terms and such terms are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

RIGHT-OF-USE ASSETS

In accordance with HKFRS 16, the Company will recognise the corresponding right-of-use asset upon delivery of the Leased Premises. The Leased Premises is expected to be delivered on 30 June 2027, and the estimated right-of-use asset calculated accordingly amounts to approximately RMB150 million (unaudited). Such amount is derived by discounting the rental payments payable under the Lease Agreement over the entire lease term.

In the event that the Project is delivered earlier or later than the scheduled date, the carrying value of the right-of-use asset will be adjusted accordingly. The final amount of the right-of-use asset recorded by the Company is subject to audit.

IMPLICATIONS UNDER THE LISTING RULES

The Company has been awarded the entire Project, of which the entrustment operation fees from the office property entrusted operation and property services fees from the comprehensive property services are of a revenue nature arising from the Group's ordinary course of business.

Pursuant to HKFRS 16, the lease of the Leased Premises under the Lease Agreement will be recognized as a right-of-use asset of the Group. Accordingly, the entering into of the Lease Agreement is regarded as an acquisition of asset by the Group pursuant to Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratio in respect of the estimated value of the right-of-use asset to be recognized by the Group under the Lease Agreement exceeds 5% but all applicable percentage ratios are less than 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Group under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"Board"	the board of Directors
"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), an exempted company incorporated in the Cayman Islands with limited liability, the Share of which are listed on the Main Board of the Stock Exchange (stock code: 2270)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"cooperation period"	the period from the delivery of the Project until 30 June 2036
"Director(s)"	the director(s) of the Company
"Dongan Smart Media"	Chengdu East Coast Smart Media Cultural Industry Development Co., Ltd.* (成都東岸智媒文化產業發展有限公司)
"grace period"	a grace period during which Chengdu Desun agrees to grant Dongan Smart Media a period of 30 days in the event that the lessor fails to deliver the leased property on the scheduled delivery date. If delivery has still not taken place by the expiry of the grace period, Chengdu Desun shall be entitled to require Dongan Smart Media to pay a daily penalty of three per ten thousand of the rent for the first year of the lease term (excluding the rent-free period)
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	person(s) who is(are) third party(ies) independent of the Company and connected person(s) of the Company
"Lease Agreement"	the lease agreement entered into between Chengdu Desun and Dongan Smart Media with respect to the Leased Premises

"Lease Year and Lease Month"	the period from the day following the delivery date of the leased properties to the day before the corresponding date of the next year constitutes a lease year in accordance with the Lease Agreement, and the same applies to lease months
"Leased Premises"	level B1 to level 4 of Building 1 and level B1 to level 3 of Building 2 of the Project, which is located at Group 7, Baojiangqiao Village, Liujiang Subdistrict and Groups 4 and 5, Zhuguosi Village, Jinjiang District, Chengdu, the PRC
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"preparation period"	the period from the date on which Dongan Smart Media and Chengdu Desun entered into a partnership until the Project is completed and delivered (expected to be one year)
"Project"	the Jiaozi Park Financial and Business District Cultural and Financial Industry Supporting Infrastructure Construction Project (成都市交子公園金融商務區文創金融產業配套基礎設施建設項目), which is a major industrial initiative of Chengdu Media Group. The total development net land area of the Project is approximately 35.5642 mu with a total gross floor area of approximately 172,750.23 sq.m.. The Project is located at Group 7, Baojiangqiao Village, Liujiang Subdistrict and Groups 4 and 5, Zhuguosi Village, Jinjiang District, Chengdu, the PRC and will be operated through office property entrusted operation, commercial leasing and comprehensive property services
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	share(s) of US$0.0001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"sq.m."	square meter
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"%"	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, 25 March 2026

As at the date of this announcement, the executive Directors are Mr. Zhang Zhicheng, Ms. Wan Hong, Mr. Liu Jun, Mr. Shao Jiazhen and Ms. Zhu Na, 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*