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 THE OFFSET AGREEMENT

THE OFFSET AGREEMENT

On 31 March 2026 (after trading hours), Chengdu Desun, a wholly-owned subsidiary of the Company, entered into the Offset Agreement with Rong He Real Estate, pursuant to which Chengdu Desun agreed to acquire and Rong He Real Estate agreed to sell the Properties at the Property Consideration of RMB3,691,863.00, which shall be offset against the Receivables owed by Rong He Real Estate to Chengdu Desun in the amount of RMB3,336,711.60 on a dollar-for-dollar basis. Following the aforesaid set-off, a balance of RMB355,151.40 of the Property Consideration remained payable by Chengdu Desun to Rong He Real Estate. Chengdu Desun and Rong He Real Estate further agreed that such balance shall continue to be offset by Chengdu Desun against any receivables due from Rong He Real Estate to Chengdu Desun arising pursuant to the relevant property management service contract entered into between Rong He Real Estate and Chengdu Desun and such offset shall be completed within three months from the date of the Offset Agreement.

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. Rong He Real Estate is controlled as to 33% ultimately by Mr. Zou Kang through a number of intermediates and is therefore an associate of Mr. Zou Kang. Accordingly, Rong He Real Estate is the connected person of the Company. The Offset Agreement and the transaction contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Offset Agreement and the transaction contemplated thereunder exceed 0.1% but are less than 5%, the Offset Agreement and the transaction contemplated thereunder constitutes a connected transaction of the Company subject to the reporting and announcement requirements but is exempt from the circular (including advice of independent financial adviser) and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE OFFSET AGREEMENT

The principal terms of the Offset Agreement are set out below:

Date

31 March 2026

Parties

(1) Rong He Real Estate; and

(2) Chengdu Desun

Subject Matter

Pursuant to the Offset Agreement, Chengdu Desun agreed to acquire and Rong He Real Estate agreed to sell the Properties at the Property Consideration of RMB3,691,863.00, which shall be offset against the Receivables owed by Rong He Real Estate to Chengdu Desun in the amount of RMB3,336,711.60 on a dollar-for-dollar basis. Following the aforesaid set-off, a balance of RMB355,151.40 of the Property Consideration remained payable by Chengdu Desun to Rong He Real Estate. Chengdu Desun and Rong He Real Estate further agreed that such balance shall continue to be offset by Chengdu Desun against any receivables due from Rong He Real Estate to Chengdu Desun arising pursuant to the relevant property management service contract entered into between Rong He Real Estate and Chengdu Desun and such offset shall be completed within three months from the date of the Offset Agreement.

The Properties

The acquisition of the Properties pursuant to the Offset Agreement will be carried out by way of a direct transfer of the property ownership right.

The Property Consideration pertains to Chengdu Desun's acquisition of the Properties, which are commercial residential properties (No. 301 and No. 302) of Building No. 11 of the Desun Zhangtai Feili Tianxi Project (德商彰泰翡麗天璽項目), located in the East Lake High-tech Development Zone, Wuhan City, the PRC. The Properties have a total gross floor area of approximately 282 sq.m. The Property Consideration was determined after arm's length negotiations between the parties and with reference to the prevailing market prices offered to other Independent Third Parties in respect of the same commercial residential properties for the Desun Zhangtai Feili Tianxi Project. As at the date of this announcement, the average publicly available listed price for the project was approximately RMB13,900/sq.m. Applying this current market price, the average market price of the Properties is approximately RMB3,910,000.00.

The original acquisition costs of the Properties are unavailable since they are developed by Rong He Real Estate.

Other terms of the Offset Agreement

Pursuant to the Offset Agreement, within two days following the effective date of the Offset Agreement, Chengdu Desun shall issue an invoice for the Receivables in the amount of RMB3,691,863.00, and Rong He Real Estate shall issue a corresponding payment receipt for the Property Consideration in the same amount. Upon completion of the aforementioned documentation, along with successful online and property title registration for the Properties, the offset amount of RMB3,691,863.00 shall be deemed to have been fully and timely paid by both parties.

The Property Consideration for the acquisition of the Properties is RMB3,691,863.00. Following the offset described above, Chengdu Desun retains an outstanding Property Consideration of RMB355,151.40 payable to Rong He Real Estate. Pursuant to the Offset Agreement, such remaining balance shall be fully settled or offset by Chengdu Desun against any receivables due from Rong He Real Estate to Chengdu Desun arising pursuant to the relevant property management service contract entered into between Rong He Real Estate and Chengdu Desun within three months from the date of the Offset Agreement. Any taxes arising from the mutual offset shall be borne by each party in accordance with applicable laws and regulations.

Pursuant to the Offset Agreement, if Chengdu Desun, through its actions, prevents the satisfaction of the payment conditions under the construction contract (being the contract under which the Receivables arose) as scheduled, Chengdu Desun shall be deemed in default of its payment obligation for the Property Consideration from that date and shall pay late payment penalties to Rong He Real Estate.

Effectiveness

The Offset Agreement shall become effective upon signing and affixing of seals by each party.

REASONS FOR AND BENEFITS OF ENTERING INTO THE OFFSET AGREEMENT

The execution of the Offset Agreement aims to accelerate the recovery of Receivables and mitigate receivables-related risks. Following negotiations and discussions with Rong He Real Estate, the Properties were acquired at its prevailing market price which is conducive to accelerating capital recovery. Should property prices rise in the future, and if Chengdu Desun decides to sell the Properties at that time, it would generate cash flows and realize a profit for the Group. This would help mitigate the Group's receivables risk and is in the interests of the Shareholders.

In view of the above, the Directors (including the independent non-executive Directors) consider that, despite the Offset Agreement not being entered into during the ordinary and usual course of business of the Group, the terms of the Offset 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.

INFORMATION ON 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.

Rong He Real Estate

Rong He Real Estate is a company established in the PRC with limited liability and is principally engaged in real estate development. As at the date of this announcement, Rong He Real Estate is owned as to 67% by Guilin Zhangtai Enterprise Group Limited* (桂林彰泰實業集團有限公司) ("**Zhangtai Group**") and as to 33% by Chengdu Desun Jiayu Real Estate Co., Ltd.* (成都德商嘉裕置業有限公司) ("**Jiayu Real Estate**"). Jiayu Real Estate is ultimately controlled by Mr. Zou Kang through a number of intermediates. Zhangtai Group is ultimately controlled by Mr. Huang. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Zhangtai Group and its ultimate beneficial owner is Independent Third Party.

LISTING RULES IMPLICATIONS

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Mr. Zou Kang (a non-executive Director) had abstained from voting on the Board resolutions approving the Offset Agreement and the transaction contemplated thereunder. Save as disclosed above, none of the other Directors has any material interest and was required to abstain from voting on the relevant Board resolution(s).

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
"Chengdu Desun"	Wuhan Branch of Chengdu Desun Real Estate Investment Property Service Co., Ltd.* (成都德商產投物業服務有限公司武漢分公司)
"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
"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)"	person(s) who is(are) third party(ies) independent of the Company and connected person(s) of the Company
"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
"Mr. Huang"	Mr. HUANG Haitao* (黃海濤)
"Offset Agreement"	an agreement on setting off construction payments against property payments dated 31 March 2026 entered into between Chengdu Desun and Rong He Real Estate
"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

"Properties"	commercial residential properties (No. 301 and No. 302) of Building No. 11 of the Desun Zhangtai Feili Tianxi Project (德商彰泰翡麗天璽項目), located in the East Lake High-tech Development Zone, Wuhan City, the PRC
"Property Consideration"	the property payments and parking space payments in an aggregate amount of RMB3,691,863.00 which shall be made by Chengdu Desun to Rong He Real Estate for the acquisition of the Properties
"Receivables"	the property management fees, vacancy fees and other charges amounted to RMB3,336,711.60 payable by Rong He Real Estate to Chengdu Desun pursuant to the settlement agreement entered into between Rong He Real Estate and Chengdu Desun
"RMB"	Renminbi, the lawful currency of the PRC
"Rong He Real Estate"	Wuhan Desun Rong He Real Estate Co. Ltd.* (武漢德商榮和置業有限公司)
"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)
"sq.m."	square metres
"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, 31 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*