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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE OFFSET AGREEMENT

Reference is made to the announcement (the "**Announcement**") of Desun Real Estate Investment Services Group Co., Ltd. (the "**Company**") dated 31 March 2026. Unless otherwise specified, terms used in this announcement shall have the same meanings as those defined in the Announcement.

This announcement is made to provide supplemental information in relation to the Offset Agreement.

BACKGROUNDS

The Receivables arose from ordinary course of business arrangements between Chengdu Desun and Rong He Real Estate in relation to the Desun Zhangtai Feili Tianxi Project (the "**Project**"). The Receivables consisted primarily of (i) property management fees for unsold vacant units and parking spaces accrued over a period following Project delivery; (ii) compensation for property management fees that Rong He Real Estate agreed to pay on behalf of certain owners due to Project delivery delays; (iii) labour costs for staff engaged during the delayed delivery period; and (iv) property management fees paid by Rong He Real Estate on behalf of the owners under a marketing promotion scheme.

To recover the Receivables, the Group took proactive collection measures, including negotiations and written demands letter. Despite these efforts, Rong He Real Estate was unable to settle the Receivables on time, largely due to broader market conditions in the PRC real estate sector. The Receivables therefore remained outstanding.

As disclosed in the Announcement, the execution of the Offset Agreement aims to accelerate the recovery of Receivables and mitigate receivables-related risks. The receivable-related risks primarily include prolonged collection delays, the potential need for costly legal enforcement actions, and the possibility that the Receivables could become partially or wholly irrecoverable.

REASONS FOR AND BENEFITS OF ENTERING INTO THE OFFSET AGREEMENT

While the Properties are less liquid than cash, they are tangible assets of measurable value. The Group accepted the offset as a prudent and commercially reasonable means to secure the recovery of Receivables, especially given the uncertainty that would have persisted if the offset had been refused. In particular, refusing the property offset would have left the Receivables exposed to even greater uncertainty, whereas accepting the Properties converted an unsecured receivable into a tangible asset of measurable value and provided a practical path to eventual cash recovery.

As disclosed in the Announcement, the Property Consideration was determined through arm's length negotiations with reference to prevailing market prices for similar properties in the same Project, including actual transaction data and publicly available market information. The Property Consideration was set below the relevant market references, providing the Company with a cost advantage and pricing flexibility. Unlike Rong He Real Estate, which, as the developer of the Project, had to factor in development costs and overall project profitability when setting its prices and therefore had limited flexibility to offer discounts, the Company has a lower cost base and greater pricing flexibility. As the Company can respond more directly to market conditions, the Board considers the sale of the Properties a realistic and commercially reasonable strategy to recover the Receivables.

As disclosed in the Announcement, the average listed price for the Project was approximately RMB13,900 per sq.m. in March 2026. The Company also identified completed property transactions directly comparable to the Properties, being properties located in the same building and with the same orientation within the Project, with actual transaction prices falling within a reasonable market price range. Accordingly, the Company considers that the average listed price is comparable and supported by actual market transaction data.

The Company intends to sell the Properties at an appropriate time in the future to realize asset value and recover liquidity. The Company has taken concrete steps to initiate disposal procedures, including listing the Properties on public sales platforms and assigning four to five professionals, each with more than three years of experience in real estate sales, to focus exclusively on marketing, promoting and selling of the Properties. The Company has also partnered with BEKE, a major real estate trading platform, to leverage its customer base and distribution channels to increase the exposure of the Properties. Meanwhile, the Company plans to use live-streaming virtual property tours and other online promotional tools to attract more public attention and reach a wider range of potential buyers.

Accordingly, the Board (including the independent non-executive Directors) considers that, although the Offset Agreement was not being entered into in 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.

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

Hong Kong, 14 May 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.