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## **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)**

### **VOLUNTARY ANNOUNCEMENT ENTERING INTO A CAPITAL CONTRIBUTION AND COOPERATION AGREEMENT**

This announcement is made by Desun Real Estate Investment Services Group Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders (the “**Shareholder(s)**”) of the Company and potential investors with an update on the latest business development of the Group.

#### **THE CAPITAL CONTRIBUTION AND COOPERATION AGREEMENT**

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to announce that on 25 August 2023, Chengdu Desun Real Estate Investment Property Service Co., Ltd\* (成都德商產投物業服務有限公司) (“**Chengdu Desun**”) and Chengdu Shengcheng City Management Service Co., Ltd\* (成都晟城城市管理服務有限公司) (“**Chengdu Shengcheng**”), being the indirect wholly owned subsidiaries of the Company, entered into a capital contribution and cooperation agreement (the “**Capital Contribution and Cooperation Agreement**”) with Chengdu Airport Industry Xingcheng Investment Development Co., Ltd.\* (成都空港產業興城投資發展有限公司) (“**Chengdu Airport Industry Xingcheng**”), pursuant to which, Chengdu Desun and Chengdu Airport Industry Xingcheng agreed to make capital contribution to Chengdu Shengcheng in cash on the basis of RMB1/registered capital to increase the registered capital of Chengdu Shengcheng from RMB4 million to RMB10 million (the “**Capital Contribution**”). As at the date of this announcement, Chengdu Shengcheng is an indirect wholly own subsidiary of the Company, which Chengdu Desun made a capital contribution of RMB4 million and is holding the entire equity interest in Chengdu Shengcheng. According to the Capital Contribution and Cooperation Agreement, Chengdu Desun will further

contribute RMB900,000 and Chengdu Airport Industry Xingcheng will contribute RMB5.1 million to Chengdu Shengcheng. After the Capital Contribution, the registered capital of Chengdu Shengcheng will increase from RMB4 million to RMB10 million. Chengdu Desun and Chengdu Airport Industry Xingcheng will hold a capital contribution in the amount of RMB4.9 million and RMB5.1 million in Chengdu Shengcheng, respectively. Accordingly, Chengdu Desun and Chengdu Airport Industry Xingcheng will own 49% and 51% of the equity interest in Chengdu Shengcheng, respectively.

The Capital Contribution to Chengdu Shengcheng by Chengdu Desun and Chengdu Airport Industry Xingcheng will result in a reduction of the Group's shareholding percentage in Chengdu Shengcheng. Accordingly, Chengdu Shengcheng will cease to be a subsidiary of the Company upon the completion of the Capital Contribution and its financial results will no longer be consolidated into the consolidated financial statements of the Group.

The parties entered into the Capital Contribution and Cooperation Agreement in order to principally engage in commercial asset operation (including but not limited to front planning, merchants commerce leasing and project marketing and promotion), property management (including but not limited to site services, project introduction and inspection), long-term rental apartment operation (including but not limited to product design, operation planning, leasing and operation) and home furnishing services (including but not limited to product design, construction, batch fine decoration and soft decoration).

According to the Capital Contribution and Cooperation Agreement, the board of directors of Chengdu Shengcheng shall then have three members, two of whom shall be appointed by Chengdu Airport Industry Xingcheng (one of them shall also be the chairman of the board of directors of Chengdu Shengcheng) and one of whom shall be appointed by Chengdu Desun.

## **INFORMATION OF THE PARTIES**

### **The Group, Chengdu Desun and Chengdu Shengcheng**

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 is a company established in the People's Republic of China (the "PRC") with limited liability and an indirect wholly owned subsidiary of the Company. Chengdu Desun is principally engaged in providing property management service and business operation integrated service.

Chengdu Shengcheng is a company established in the PRC with limited liability and is an indirect wholly owned subsidiary of the Company as at the date of this announcement. Chengdu Shengcheng is principally engaged in providing integrated asset operation services including commercial asset operation and residential property services.

### **Chengdu Airport Industry Xingcheng**

Chengdu Airport Industry Xingcheng is a company established in the PRC with limited liability, which is principally engaged in real estate development and operation, various types of construction and urban public transportation business. Chengdu Airport Industry Xingcheng is a wholly owned subsidiary of Chengdu Airport Industry Xingcheng Investment Group Co., Ltd\* (成都空港興城投資集團有限公司) (“**Airport Xingcheng Investment Group**”), which is ultimately owned as to 90% by Chengdu Shuangliu District State-owned Assets Supervision, Administration and Financial Bureau (成都市雙流區國有資產監督管理和金融工作局) and 10% by Sichuan Provincial Department of Finance. To the best knowledge, information and belief of the Directors, having made all reasonable enquires, Chengdu Airport Industry Xingcheng and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company as at the date of this announcement.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL CONTRIBUTION AND COOPERATION AGREEMENT**

Chengdu Airport Industry Xingcheng is a wholly owned subsidiary of Airport Xingcheng Investment Group, the total assets of which amounted to RMB124.6 billion as of 31 December 2022. The credit rating of Airport Xingcheng Investment Group has been assigned to AA+ domestically and BBB+ internationally. Among the state-owned enterprises located at Shuangliu District in Chengdu City, Airport Xingcheng Investment Group has become the district level state-owned enterprise with the longest inception history, the largest asset base, the most construction projects and the largest financing scale. Chengdu Desun, on the other hand, focuses on the operation of urban core assets (concentrated in the hub cities in the central and western regions in the PRC). In the meantime, Chengdu Desun has the superior strength in urban asset operation which further promotes the development of Chengdu — Chongqing urban agglomeration. By leveraging their respective strengths, Chengdu Airport Industry Xingcheng and the Group will make a strong alliance to collaboratively operates Chengdu Shengcheng, which will principally engage in, among other things, commercial asset operation, property management and home furnishing businesses, through which Chengdu Shengcheng will be driven to achieve continuous growth in revenue and profits.

After considering the above, the Group believes that the strategic cooperation with Chengdu Airport Industry Xingcheng complements the business strategies of the Group in carrying out businesses in the areas of commercial asset operation, property management, home furnishing and sales agency. The terms of the Capital Contribution and Cooperation Agreement were negotiated after arm's length negotiations. The Directors are of the view that the terms of the Capital Contribution and Cooperation Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As each of the applicable percentage ratio in respect of the transaction contemplated under the Capital Contribution and Cooperation Agreement is below 5%, the entering into of the Capital Contribution and Cooperation Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, and this announcement is made by the Company on a voluntary basis for the information of the Shareholders and potential investors.

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

Hong Kong, 25 August 2023

*As at the date of this announcement, the executive Directors are Mr. Zhang Zhicheng, Ms. Xiong Jianqiu, 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*