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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 LETTER OF INTENT FOR LEASE OF PREMISES IN THE PRC**

This announcement is made by the Company on a voluntary basis.

### **LETTER OF INTENT**

The Board announces that Chengdu Desun (an indirect wholly-owned subsidiary of the Company) and Chengdu Huashang has recently entered into the Letter of Intent pursuant to which Chengdu Desun may lease the Premises (as defined hereunder) in Chengdu, the PRC from Chengdu Huashang (the “**Possible Lease**”), which the Group intends to further sub-leasing the Premises to prospective tenants.

The principal terms of the Letter of Intent are set out below:

- |                         |   |   |
|-------------------------|---|---|
| <b>Parties</b>          | : | (i) Chengdu Desun (as tenant); and<br>(ii) Chengdu Huashang (as landlord)                               |
| <b>Premises</b>         | : | Several floors of a building located in Chengdu (the “ <b>Premises</b> ”)                               |
| <b>Gross floor area</b> | : | Approximately 28,262.04 sq.m.   |
| <b>Term</b>             | : | For a period of 15 years, subject to, among other things, the execution of a definitive lease agreement |

- Deposit** : Within five business days after the execution of the Letter of Intent, Chengdu Desun shall pay to Chengdu Huashang approximately RMB3.96 million (the “**Deposit**”), being the deposit for the possible lease. In the event any definitive agreement in respect to the lease of the Premises is entered into by both parties, the Deposit would become part of the rental deposit. The Deposit was determined after arm’s length negotiations between the parties and is refundable. The Company intends to finance the Deposit by its internal resources
- Non-legally binding** : The commencement of the lease of the Premises is subject to, among others, the definitive lease agreement. The Letter of Intent shall terminate upon (i) the execution of a definitive agreement with respect to the lease of the Premises; and (ii) 31 July 2022, if no definitive lease agreement is entered into between the parties, whichever is the earlier

Pursuant to the negotiation with Chengdu Huashang but subject to the terms and conditions of the definitive lease agreement to be entered into, it is expected that the total rent payable during the term of the lease would fall within the range of RMB350.0 million to RMB450.0 million.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LETTER OF INTENT**

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.

The Premises were operated as a shopping mall. By leveraging on the Group’s experience and expertise in property management and commercial operation, it is the current intention of the Group to sublease the Premises to prospective tenants which the Company believes to be an appealing opportunity to expand the scope of the Group’s commercial operation service and the Group’s revenue stream.

If the Possible Lease materialises, the transaction may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Further announcement(s) in respect of the Possible Lease will be made by the Company in accordance with applicable requirements of the Listing Rules as and when appropriate.

**As the Letter of Intent is not legally binding, the Group may or may not proceed with the Possible Lease under the Letter of Intent. Further, as no legally binding agreement with respect to the Possible Lease has been entered into, the transaction contemplated thereunder may or may not proceed. Shareholders and possible investors of the Company are reminded to exercise caution when dealing in the Shares.**

## 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”                | 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  |
| “Chengdu Huashang”             | Chengdu Huashang House Development Co., Ltd.* (成都華商房屋開發有限公司), a company incorporated in the PRC with limited liability. To the best knowledge, information and belief of the Directors, having made all reasonable enquires, Chengdu Huashang 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 |
| “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 shares 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   |
| “Director(s)”                  | the director(s) of the Company   |
| “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 persons of the Company   |
| “Letter of Intent”             | a non-legally binding letter of intent entered into between Chengdu Desun and Chengdu Huashang in relation to the possible lease of the Premises   |
| “Listing Rules”                | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited   |

|                  |   |
|------------------|---|
| “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 |
| “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.**  
**Mr. Zhang Zhicheng**  
*Chairman and Executive Director*

Hong Kong, 12 July 2022

*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 purposes only*