
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Desun Real Estate Investment Services Group Co., Ltd., you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was affected for transmission to the purchaser or transferee.

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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)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTIONS
IN RELATION TO THE DEBTS SETTLEMENT AGREEMENTS
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



Capitalized terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 7 to 18 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders with respect to the Debts Settlement Agreements and the transactions contemplated thereunder is set out on pages 19 to 20 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders with respect to the Debts Settlement Agreements and the transactions contemplated thereunder is set out on pages 21 to 36 of this circular.

A notice convening the EGM to be held at the Conference Room, 18th Floor, Block A, Desun International, No. 1480, North Section of Tianfu Avenue, High-tech Industrial Development Zone, Chengdu, the PRC on Tuesday, 20 February 2024 at 10:30 a.m. is set out on pages 76 to 80 of this circular. A form of proxy for the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding of the EGM (i.e. before 10:30 a.m. on Sunday, 18 February 2024) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

31 January 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the followings meanings:

“Acquisition”	the acquisition of the Settlement Properties contemplated under the Debts Settlement Agreements
“Announcement”	the Company’s announcement dated 26 December 2023
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bo Lang Real Estate”	Chongzhou De Shang Bolang Real Estate Co., Ltd.* (崇州德商博朗置業有限公司)
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Chengdu Desun”	Chengdu Desun Property Service Co., Ltd* (成都德商產投物業服務有限公司), 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, a company incorporated in the PRC on 12 March 2010 and an indirect wholly owned subsidiary of the Company
“China” or “PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“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, 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
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“De Qian Real Estate”	Chengdu De Qian Real Estate Co., Ltd.* (成都德乾置業有限公司)
“Debtor(s)”	each of the debtors under the Debts Settlement Agreements, details of which are set out in the paragraph “2. Discloseable and Connected Transactions in relation to the Debts Settlement Agreements — Parties” in this circular

DEFINITIONS

“Debts Settlement Agreements”	the Debts Settlement Agreements dated 22 December 2023 entered into among the Company, the Debtors and the Vendors, details of each of the Debts Settlement Agreement I, the Debts Settlement Agreement II, the Debts Settlement Agreement III, the Debts Settlement Agreement IV, the Debts Settlement Agreement V, the Debts Settlement Agreement VI, the Debts Settlement Agreement VII, the Debts Settlement Agreement VIII, the Debts Settlement Agreement IX and the Debts Settlement Agreement X are set out in the section headed “2. Discloseable and Connected Transactions in relation to the Debts Settlement Agreements” in this circular
“Debts Settlement Agreement I”	the debts settlement agreement dated 22 December 2023 entered into among Yong Hong Real Estate as a Vendor, Rong He Real Estate as a Debtor and Chengdu Desun as a purchaser
“Debts Settlement Agreement II”	the debts settlement agreement dated 22 December 2023 entered into among Yong Hong Real Estate as a Vendor, Gao Xin Real Estate as a Debtor and Chengdu Desun as a purchaser
“Debts Settlement Agreement III”	the debts settlement agreement dated 22 December 2023 entered into among Jia Tai Real Estate as a Vendor, DJXY as a Debtor and Chengdu Desun as a purchaser
“Debts Settlement Agreement IV”	the debts settlement agreement dated 22 December 2023 entered into among Jia Tai Real Estate as a Vendor, Ding Chuang Real Estate as a Debtor and Chengdu Desun as a purchaser
“Debts Settlement Agreement V”	the debts settlement agreement dated 22 December 2023 entered into among Jia Tai Real Estate as a Vendor, Bo Lang Real Estate as a Debtor and Chengdu Desun as a purchaser
“Debts Settlement Agreement VI”	the debts settlement agreement dated 22 December 2023 entered into between Dekunda Real Estate as a Vendor and a Debtor and Chengdu Desun as a purchaser
“Debts Settlement Agreement VII”	the debts settlement agreement dated 22 December 2023 entered into among Dekunda Real Estate as a Vendor, Bo Lang Real Estate as a Debtor and Chengdu Desun as a purchaser
“Debts Settlement Agreement VIII”	the debts settlement agreement dated 22 December 2023 entered into among Dekunda Real Estate as a Vendor, De Qian Real Estate as a Debtor and Chengdu Desun as a purchaser
“Debts Settlement Agreement IX”	the debts settlement agreement dated 22 December 2023 entered into among Desun Da as a Vendor, Dekunda Real Estate as a Debtor and Chengdu Desun as a purchaser

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“Debts Settlement Agreement X”	the debts settlement agreement dated 22 December 2023 entered into between Desun Da as a Vendor and a Debtor and Chengdu Desun as a purchaser
“Dekunda Real Estate”	Chengdu Dekunda Real Estate Co., Ltd.* (成都德坤達置業有限公司)
“Desun Da”	Chengdu Desun Da Real Estate Co., Ltd.* (成都德商達置業有限公司)
“Ding Chuang Real Estate”	Chengdu Desun Ding Chuang Real Estate Co., Ltd.* (成都德商鼎創置業有限公司)
“Directors”	the directors of the Company
“DJXY”	Chengdu Dijing Xingye Real Estate Development Co., Ltd.* (成都帝景興業房地產開發有限公司)
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if appropriate, to approve the Debts Settlement Agreements and the transactions contemplated thereunder
“Gao Xin Real Estate”	Chengdu Desun Gao Xin Real Estate Co., Ltd.* (成都德商高欣置業有限公司)
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all independent non-executive Directors, to advise the Independent Shareholders in respect of the Debts Settlement Agreements and the transactions contemplated thereunder
“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Debts Settlement Agreements and the transactions contemplated thereunder

DEFINITIONS

“Independent Shareholder(s)”	the Shareholders who are not required to abstain from voting at the EGM for the relevant resolution(s) with respect to the Debts Settlement Agreements and the transactions contemplated thereunder
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and connected persons of the Company
“Jia Tai Real Estate”	Chengdu Desun Jia Tai Real Estate Co., Ltd.* (成都德商嘉泰置業有限公司)
“Latest Practicable Date”	25 January 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“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
“Pengna Holding”	Pengna Holding Limited, a company incorporated in the BVI with limited liability, which is wholly owned by Ms. Zou Jian, and is one of the controlling shareholders of the Company
“Prospectus”	the prospectus of the Company dated 30 November 2021
“Receivables”	the total amount of Receivables I, Receivables II, Receivables III, Receivables IV, Receivables V, Receivables VI, Receivables VII, Receivables VIII, Receivables IX and Receivables X
“Receivables I”	the receivables due by Rong He Real Estate to Chengdu Desun in the amount of RMB15,280,000
“Receivables II”	the receivables due by Gao Xin Real Estate to Chengdu Desun in the amount of RMB3,120,000
“Receivables III”	the receivables due by DJXY to Chengdu Desun in the amount of RMB1,600,000
“Receivables IV”	the receivables due by Ding Chuang Real Estate to Chengdu Desun in the amount of RMB9,200,000
“Receivables V”	the receivables due by Bo Lang Real Estate to Chengdu Desun in the amount of RMB1,200,000
“Receivables VI”	the receivables due by Dekunda Real Estate to Chengdu Desun in the amount of RMB8,760,000

DEFINITIONS

“Receivables VII”	the receivables due by Bo Lang Real Estate to Chengdu Desun in the amount of RMB2,370,000
“Receivables VIII”	the receivables due by De Qian Real Estate to Chengdu Desun in the amount of RMB3,870,000
“Receivables IX”	the receivables due by Dekunda Real Estate to Chengdu Desun in the amount of RMB2,020,000
“Receivables X”	the receivables due by Desun Da to Chengdu Desun in the amount of RMB4,220,000
“RMB”	Renminbi, the lawful currency of the PRC
“Rong He Real Estate”	Chengdu Desun Rong He Real Estate Co. Ltd.* (成都德商榮和置業有限公司)
“Settlement Properties”	a total of 1,512 parking spaces to be acquired by the Group under the Debts Settlement Agreements, consist of Settlement Properties I, Settlement Properties II, Settlement Properties III, Settlement Properties IV, Settlement Properties V, Settlement Properties VI, Settlement Properties VII, Settlement Properties VIII, Settlement Properties XI and Settlement Properties X
“Settlement Properties I”	382 parking spaces located at Wuhou District of Chengdu, Sichuan Province, the PRC
“Settlement Properties II”	78 parking spaces located at Wuhou District of Chengdu, Sichuan Province, the PRC
“Settlement Properties III”	32 parking spaces located at Qingyang District of Chengdu, Sichuan Province, the PRC
“Settlement Properties IV”	184 parking spaces located at Qingyang District of Chengdu, Sichuan Province, the PRC
“Settlement Properties V”	24 parking spaces located at Qingyang District of Chengdu, Sichuan Province, the PRC
“Settlement Properties VI”	292 parking spaces located at Wenjiang District of Chengdu, Sichuan Province, the PRC
“Settlement Properties VII”	79 parking spaces located at Wenjiang District of Chengdu, Sichuan Province, the PRC
“Settlement Properties VIII”	129 parking spaces located at Wenjiang District of Chengdu, Sichuan Province, the PRC

DEFINITIONS

“Settlement Properties IX”	101 parking spaces located at Tianfu New District of Chengdu, Sichuan Province, the PRC
“Settlement Properties X”	211 parking spaces located at Tianfu New District of Chengdu, Sichuan Province, the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sky Donna”	Sky Donna Holding Limited, a company incorporated in the BVI with limited liability, which is wholly owned by Mr. Zou Kang, and is one of the controlling shareholders of the Company
“sq. m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor(s)”	each of the vendors under the Debts Settlement Agreements, details of which are set out in the paragraph “2. Discloseable and Connected Transactions in relation to the Debts Settlement Agreements — Parties” in this circular
“Yong Hong Real Estate”	Chengdu Desun Yong Hong Real Estate Co. Ltd.* (成都德商永鴻置業有限公司)
“%”	per cent

* *For identification purpose only*



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)

Executive Directors:

Mr. Zhang Zhicheng

(Chairman and Chief Executive Officer)

Ms. Xiong Jianqiu

Ms. Wan Hong

Mr. Liu Jun

Mr. Shao Jiazhen

Non-executive Director:

Mr. Zou Kang

Independent Non-executive Directors:

Mr. Fang Liqiang

Mr. Chen Di

Mr. Yan Hong

Registered office:

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

*Head office and principal place
of business in the PRC:*

Room 1803, Block A

Desun International

No. 1480 North Section of

Tianfu Avenue High-tech

Industrial Development Zone

Chengdu

China

*Principal place of business
in Hong Kong:*

31/F., Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

31 January 2024

To the Shareholders,

Dear Sir or Madam,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTIONS
IN RELATION TO THE DEBTS SETTLEMENT AGREEMENTS
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you with, among other things, (i) further information relating to the Debts Settlement Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders relating to the Debts Settlement Agreements and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders relating to the Debts Settlement Agreements and the transactions contemplated thereunder; (iv) other information as required under the Listing Rules; and (v) a notice of EGM, to enable you to make an informed decision on whether to vote for or against the resolution(s) to be proposed at the EGM.

2. DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE DEBTS SETTLEMENT AGREEMENTS

Reference is made to the Announcement in relation to, among other things, the entering into the Debts Settlement Agreements.

On 22 December 2023 (after trading hours), Chengdu Desun, a wholly owned subsidiary of the Company, entered into the Debts Settlement Agreements with the respective Debtors and Vendors, pursuant to which Chengdu Desun agreed to acquire and the Vendors agreed to sell the Settlement Properties at an aggregate consideration of RMB51,640,000 which shall be offset against the Receivables on a dollar-for-dollar basis.

LETTER FROM THE BOARD

The principal terms of the Debts Settlement Agreements are set out below:

Date	The Debts Settlement Agreement I	The Debts Settlement Agreement II	The Debts Settlement Agreement III	The Debts Settlement Agreement IV	The Debts Settlement Agreement V	The Debts Settlement Agreement VI	The Debts Settlement Agreement VII	The Debts Settlement Agreement VIII	The Debts Settlement Agreement IX	The Debts Settlement Agreement X
22 December 2023	Yong Hong Real Estate (as a Vendor), a limited liability company established in the PRC and is principally engaged in real estate development;	Yong Hong Real Estate (as a Vendor);	Jia Tai Real Estate (as a Vendor), a limited liability company established in the PRC and is principally engaged in real estate development;	Jia Tai Real Estate (as a Vendor);	Jia Tai Real Estate (as a Vendor);	Dekunda Real Estate (as a Vendor and a Debtor), a limited liability company established in the PRC and is principally engaged in real estate development; and	Dekunda Real Estate (as a Vendor);	Dekunda Real Estate (as a Vendor);	Desun Da (as a Vendor) a limited liability company established in the PRC and is principally engaged in real estate development;	Desun Da (as a Vendor and a Debtor); and
22 December 2023	Rong He Real Estate (as a Debtor), a limited liability company established in the PRC and is principally engaged in real estate development; and	Gao Xin Real Estate (as a Debtor), a limited liability company established in the PRC and is principally engaged in real estate development; and	DIYI (as a Debtor), a company established in the PRC and is principally engaged in real estate development; and	Ding Chuang Real Estate (as a Debtor), a limited liability company established in the PRC and is principally engaged in real estate development; and	Bo Lang Real Estate (as a Debtor), a limited liability company established in the PRC and is principally engaged in real estate development; and	Bo Lang Real Estate (as a Debtor); and	Bo Lang Real Estate (as a Debtor); and	De Qian Real Estate (as a Debtor), a limited liability company established in the PRC and is principally engaged in real estate development; and	Desun Da (as a Debtor); and	Chengdu Desun (as a Debtor); and
22 December 2023	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Dekunda Real Estate (as a Debtor); and	Chengdu Desun (as purchaser);
22 December 2023	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);	Chengdu Desun (as purchaser);

As at the Latest Practicable Date, except for Desun Da, each of the Vendors and the Debtors is ultimately controlled by Mr. Zou Kang (a non-executive Director and a controlling shareholder of the Company) through a number of intermediaries. Desun Da is a company established in the PRC with limited liability and is principally engaged in real estate development. As at the Latest Practicable Date, Desun Da is owned as to 50% by Mr. Ni Guofang (倪国芳先生) and 50% by Mr. Gao Baiyi (高柏懿先生). To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Mr. Ni Guofang (倪国芳先生) and Mr. Gao Baiyi (高柏懿先生) are third parties independent of the Company and connected persons of the Company (as defined in the Listing Rules). Desun Da was disposed of by Chengdu Desun Real Estate Co. Ltd.* (成都德商置业有限公司) (a connected person of the Company) to Mr. Ni Guofang and Mr. Gao Baiyi in August 2022.

LETTER FROM THE BOARD

Subject Matter	The Debts Settlement Agreement I	The Debts Settlement Agreement II	The Debts Settlement Agreement III	The Debts Settlement Agreement IV	The Debts Settlement Agreement V	The Debts Settlement Agreement VI	The Debts Settlement Agreement VII	The Debts Settlement Agreement VIII	The Debts Settlement Agreement IX	The Debts Settlement Agreement X
	Chengdu Desun agreed to acquire, and Yong Hong Real Estate agreed to sell a total of 32 parking spaces located at Wuhou District of Chengdu, Sichuan Province, the PRC.	Chengdu Desun agreed to acquire, and Yong Hong Real Estate agreed to sell a total of 78 parking spaces located at Wuhou District of Chengdu, Sichuan Province, the PRC.	Chengdu Desun agreed to acquire, and Jia Tai Real Estate agreed to sell a total of 184 parking spaces located at Qinggang District of Chengdu, Sichuan Province, the PRC.	Chengdu Desun agreed to acquire, and Jia Tai Real Estate agreed to sell a total of 184 parking spaces located at Qinggang District of Chengdu, Sichuan Province, the PRC.	Chengdu Desun agreed to acquire, and Dekunda Real Estate agreed to sell a total of 24 parking spaces located at Weijiang District of Chengdu, Sichuan Province, the PRC.	Chengdu Desun agreed to acquire, and Dekunda Real Estate agreed to sell a total of 79 parking spaces located at Weijiang District of Chengdu, Sichuan Province, the PRC.	Chengdu Desun agreed to acquire, and Dekunda Real Estate agreed to sell a total of 101 parking spaces located at Tianfu New District of Chengdu, Sichuan Province, the PRC.	Chengdu Desun agreed to acquire, and Desun Da agreed to sell a total of 211 parking spaces located at Tianfu New District of Chengdu, Sichuan Province, the PRC.	Chengdu Desun agreed to acquire, and Desun Da agreed to sell a total of 101 parking spaces located at Tianfu New District of Chengdu, Sichuan Province, the PRC.	Chengdu Desun agreed to acquire, and Desun Da agreed to sell a total of 211 parking spaces located at Tianfu New District of Chengdu, Sichuan Province, the PRC.
	The acquisition of the Settlement Properties I pursuant to the Debts Settlement Agreement I will be carried out by way of a direct transfer of the property ownership right.	The acquisition of the Settlement Properties II pursuant to the Debts Settlement Agreement II will be carried out by way of a direct transfer of the property ownership right.	The acquisition of the Settlement Properties III pursuant to the Debts Settlement Agreement III will be carried out by way of a direct transfer of the property ownership right.	The acquisition of the Settlement Properties IV pursuant to the Debts Settlement Agreement IV will be carried out by way of a direct transfer of the property ownership right.	The acquisition of the Settlement Properties V pursuant to the Debts Settlement Agreement V will be carried out by way of a direct transfer of the property ownership right.	The acquisition of the Settlement Properties VI pursuant to the Debts Settlement Agreement VI will be carried out by way of a direct transfer of the property ownership right.	The acquisition of the Settlement Properties VII pursuant to the Debts Settlement Agreement VII will be carried out by way of a direct transfer of the property ownership right.	The acquisition of the Settlement Properties VIII pursuant to the Debts Settlement Agreement VIII will be carried out by way of a direct transfer of the property ownership right.	The acquisition of the Settlement Properties IX pursuant to the Debts Settlement Agreement IX will be carried out by way of a direct transfer of the property ownership right.	The acquisition of the Settlement Properties X pursuant to the Debts Settlement Agreement X will be carried out by way of a direct transfer of the property ownership right.
	Following the three working days after signing of the Debts Settlement Agreement I, Yong Hong Real Estate and Chengdu Desun shall enter into a sales and purchase agreement and relevant ancillary documents for the purpose of, among other things, transferring the property ownership rights of the Settlement Properties I to Chengdu Desun.	Following the three working days after signing of the Debts Settlement Agreement II, Yong Hong Real Estate and Chengdu Desun shall enter into a sales and purchase agreement and relevant ancillary documents for the purpose of, among other things, transferring the property ownership rights of the Settlement Properties II to Chengdu Desun.	Following the three working days after signing of the Debts Settlement Agreement III, Jia Tai Real Estate and Chengdu Desun shall enter into a sales and purchase agreement and relevant ancillary documents for the purpose of, among other things, transferring the property ownership rights of the Settlement Properties III to Chengdu Desun.	Following the three working days after signing of the Debts Settlement Agreement IV, Jia Tai Real Estate and Chengdu Desun shall enter into a sales and purchase agreement and relevant ancillary documents for the purpose of, among other things, transferring the property ownership rights of the Settlement Properties IV to Chengdu Desun.	Following the three working days after signing of the Debts Settlement Agreement V, Jia Tai Real Estate and Chengdu Desun shall enter into a sales and purchase agreement and relevant ancillary documents for the purpose of, among other things, transferring the property ownership rights of the Settlement Properties V to Chengdu Desun.	Following the three working days after signing of the Debts Settlement Agreement VI, Dekunda Real Estate and Chengdu Desun shall enter into a sales and purchase agreement and relevant ancillary documents for the purpose of, among other things, transferring the property ownership rights of the Settlement Properties VI to Chengdu Desun.	Following the three working days after signing of the Debts Settlement Agreement VII, Dekunda Real Estate and Chengdu Desun shall enter into a sales and purchase agreement and relevant ancillary documents for the purpose of, among other things, transferring the property ownership rights of the Settlement Properties VII to Chengdu Desun.	Following the three working days after signing of the Debts Settlement Agreement VIII, Dekunda Real Estate and Chengdu Desun shall enter into a sales and purchase agreement and relevant ancillary documents for the purpose of, among other things, transferring the property ownership rights of the Settlement Properties VIII to Chengdu Desun.	Following the three working days after signing of the Debts Settlement Agreement IX, Desun Da and Chengdu Desun shall enter into a sales and purchase agreement and relevant ancillary documents for the purpose of, among other things, transferring the property ownership rights of the Settlement Properties IX to Chengdu Desun.	Following the three working days after signing of the Debts Settlement Agreement X, Desun Da and Chengdu Desun shall enter into a sales and purchase agreement and relevant ancillary documents for the purpose of, among other things, transferring the property ownership rights of the Settlement Properties X to Chengdu Desun.
Information on the Settlement Properties	The Settlement Properties I comprise 32 parking spaces located at Wuhou District of Chengdu, Sichuan Province, the PRC. The property rights of the Settlement Properties I are held by Yong Hong Real Estate.	The Settlement Properties II comprise 78 parking spaces located at Wuhou District of Chengdu, Sichuan Province, the PRC. The property rights of the Settlement Properties II are held by Yong Hong Real Estate.	The Settlement Properties III comprise 184 parking spaces located at Qinggang District of Chengdu, Sichuan Province, the PRC. The property rights of the Settlement Properties III are held by Jia Tai Real Estate.	The Settlement Properties IV comprise 184 parking spaces located at Qinggang District of Chengdu, Sichuan Province, the PRC. The property rights of the Settlement Properties IV are held by Jia Tai Real Estate.	The Settlement Properties V comprise 24 parking spaces located at Qinggang District of Chengdu, Sichuan Province, the PRC. The property rights of the Settlement Properties V are held by Jia Tai Real Estate.	The Settlement Properties VI comprise 292 parking spaces located at Weijiang District of Chengdu, Sichuan Province, the PRC. The property rights of the Settlement Properties VI are held by Dekunda Real Estate.	The Settlement Properties VII comprise 79 parking spaces located at Weijiang District of Chengdu, Sichuan Province, the PRC. The property rights of the Settlement Properties VII are held by Dekunda Real Estate.	The Settlement Properties VIII comprise 129 parking spaces located at Weijiang District of Chengdu, Sichuan Province, the PRC. The property rights of the Settlement Properties VIII are held by Dekunda Real Estate.	The Settlement Properties IX comprise 101 parking spaces located at Tianfu New District of Chengdu, Sichuan Province, the PRC. The property rights of the Settlement Properties IX are held by Desun Da.	The Settlement Properties X comprise 211 parking spaces located at Tianfu New District of Chengdu, Sichuan Province, the PRC. The property rights of the Settlement Properties X are held by Desun Da.

The Settlement Properties were developed by the respective Debtors so that there were no original acquisition costs of the Settlement Properties to the respective Debtors. Based on the total car-parking space area developed, the development costs of the Settlement Properties were estimated at approximately RMB48 million.

LETTER FROM THE BOARD

	The Debts Settlement Agreement I	The Debts Settlement Agreement II	The Debts Settlement Agreement III	The Debts Settlement Agreement IV	The Debts Settlement Agreement V	The Debts Settlement Agreement VI	The Debts Settlement Agreement VII	The Debts Settlement Agreement VIII	The Debts Settlement Agreement IX	The Debts Settlement Agreement X
	According to the valuation report, the market value of Settlement Properties I in existing state as at 30 November 2023 is RMB45,876,000.	According to the valuation report, the market value of Settlement Properties II in existing state as at 30 November 2023 is RMB8,990,000.	According to the valuation report, the market value of Settlement Properties III in existing state as at 30 November 2023 is RMB4,800,000.	According to the valuation report, the market value of Settlement Properties IV in existing state as at 30 November 2023 is RMB20,794,000.	According to the valuation report, the market value of Settlement Properties V in existing state as at 30 November 2023 is RMB3,380,000.	According to the valuation report, the market value of the 23 carparking spaces of Desun Xudun Tianjiao City (德商徐都天娇城) of Settlement Properties VI in existing state as at 30 November 2023 is RMB1,403,000, the market value of the 209 carparking spaces of Desun Hanlin Tianjiao City (德商翰林天娇城) of Settlement Properties VI in existing state as at 30 November 2023 is RMB2,701,000 and the market value of the 60 carparking spaces of Desun Huadu Tianjiao City (德商华都天娇城) of Settlement Properties VI in existing state as at 30 November 2023 is RMB3,641,000.	According to the valuation report, the market value of Settlement Properties VII in existing state as at 30 November 2023 is RMB7,144,000.	According to the valuation report, the market value of Settlement Properties VIII in existing state as at 30 November 2023 is RMB3,775,000.	According to the valuation report, the market value of Settlement Properties IX in existing state as at 30 November 2023 is RMB1,130,000.	According to the valuation report, the market value of Settlement Properties X in existing state as at 30 November 2023 is RMB1,220,000.
Consideration, basis of the consideration and payment terms	The aggregate consideration for the acquisition of Settlement Properties I is RMB15,280,000. It is agreed by the parties to the Debts Settlement Agreement I that the consideration for the acquisition of Settlement Properties I payable by Chengdu Desun shall be offset against the Receivables I on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Yong Hong Real Estate.	The aggregate consideration for the acquisition of Settlement Properties II is RMB1,120,000. It is agreed by the parties to the Debts Settlement Agreement II that the consideration for the acquisition of Settlement Properties II payable by Chengdu Desun shall be offset against the Receivables II on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Yong Hong Real Estate.	The aggregate consideration for the acquisition of Settlement Properties III is RMB1,600,000. It is agreed by the parties to the Debts Settlement Agreement III that the consideration for the acquisition of Settlement Properties III payable by Chengdu Desun shall be offset against the Receivables III on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Jia Tai Real Estate.	The aggregate consideration for the acquisition of Settlement Properties IV is RMB9,200,000. It is agreed by the parties to the Debts Settlement Agreement IV that the consideration for the acquisition of Settlement Properties IV payable by Chengdu Desun shall be offset against the Receivables IV on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Jia Tai Real Estate.	The aggregate consideration for the acquisition of Settlement Properties V is RMB1,200,000. It is agreed by the parties to the Debts Settlement Agreement V that the consideration for the acquisition of Settlement Properties V payable by Chengdu Desun shall be offset against the Receivables V on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Jia Tai Real Estate.	The aggregate consideration for the acquisition of Settlement Properties VI is RMB8,760,000. It is agreed by the parties to the Debts Settlement Agreement VI that the consideration for the acquisition of Settlement Properties VI payable by the Chengdu Desun shall be offset against the Receivables VI on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to DeKunda Real Estate.	The aggregate consideration for the acquisition of Settlement Properties VII is RMB3,370,000. It is agreed by the parties to the Debts Settlement Agreement VII that the consideration for the acquisition of Settlement Properties VII payable by the Chengdu Desun shall be offset against the Receivables VII on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to DeKunda Real Estate.	The aggregate consideration for the acquisition of Settlement Properties VIII is RMB3,870,000. It is agreed by the parties to the Debts Settlement Agreement VIII that the consideration for the acquisition of Settlement Properties VIII payable by the Chengdu Desun shall be offset against the Receivables VIII on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to DeKunda Real Estate.	The aggregate consideration for the acquisition of Settlement Properties IX is RMB3,020,000. It is agreed by the parties to the Debts Settlement Agreement IX that the consideration for the acquisition of Settlement Properties IX payable by Chengdu Desun shall be offset against the Receivables IX on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Desun Da.	The aggregate consideration for the acquisition of Settlement Properties X is RMB4,220,000. It is agreed by the parties to the Debts Settlement Agreement X that the consideration for the acquisition of Settlement Properties X payable by Chengdu Desun shall be offset against the Receivables X on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Desun Da.

The consideration for the Acquisition was determined after arm's length negotiations among the parties to the Debts Settlement Agreements with reference to, among other things, the valuation of the Settlement Properties as at 30 November 2023 in the aggregate amount of RMB37,259,000, which was conducted by an independent valuer using direct comparison approach.

LETTER FROM THE BOARD

The Receivables offset contemplated under the Debts Settlement Agreements will be implemented correspondingly upon the Shareholders' approval for the transactions contemplated thereunder and the receipt of the invoices issued by Chengdu Desun to the respective Debtors. As of 30 June 2023, the total outstanding receivables due from Mr. Zou Kang and his associates amounted to approximately RMB147.21 million which consisted of approximately RMB72.45 million due from the Debtors and approximately RMB74.76 million due from Mr. Zou and his associates other than the Debtors. The Debts Settlement Agreements were entered into in order to address receivables due from the Debtors in a total amount of approximately RMB65.42 million. Pursuant to the terms of the Debts Settlement Agreements, a total of RMB51.64 million was offset. Upon the completion of the Debts Settlement Agreements, the remaining receivables due from the Debtors, as a result of the Debts Settlement Agreements, stand at approximately RMB13.78 million. Accordingly, together with the amount of approximately RMB7.03 million due from the Debtors which were not included in the Debts Settlement Agreements, the outstanding receivables due from the Debtors totaled approximately RMB20.81 million upon the completion of the Debts Settlement Agreements. As at the Latest Practicable Date, except for the amount of RMB51.64 million which will be offset under the Debts Settlement Agreements, Mr. Zou Kang and his associates have settled outstanding receivables in the amount of approximately RMB11.20 million by way of cash. Shareholders should note that the actual outstanding receivables due from Mr. Zou Kang and his associates (including the Debtors) as at 31 December 2023 will be reflected in the consolidated financial statements of the Company for the year ended 31 December 2023 and is subject to audit by the auditors of the Company. The Company will actively engage in discussions with the Debtors concerning the outstanding receivables due from the Debtors. This proactive approach reflects the Company's dedication to finding mutually agreeable solutions for the outstanding receivables. Additionally, the Company will persist in negotiating the offset plans, which involves exploring options to offset outstanding receivables with available assets or funds from the Debtors. Simultaneously, the Company will carefully assess the reasonable necessity of initiating legal proceedings. This evaluation is crucial to determining whether legal actions are warranted in situations where negotiations and alternative settlement arrangements have not yielded satisfactory results. This comprehensive approach underscores the Company's commitment to managing and resolving outstanding receivables due from the Debtors in a strategic and judicious manner.

LETTER FROM THE BOARD

3. REASONS FOR AND BENEFITS OF ENTERING INTO THE DEBTS SETTLEMENT AGREEMENTS

The Group has been providing, among others, property management services and onsite services to the Debtors and/or their respective subsidiaries. In order to mitigate the risk caused by the possible liquidity issues faced by the Debtors, the Debtors made debts settlement proposals to its creditors including the Group, according to which the Debtors proposed to sell the Settlement Properties to Chengdu Desun and the consideration of the Acquisition shall be offset against the Receivables on a dollar-for-dollar basis. Before entering into the Debts Settlement Agreements, Chengdu Desun conducted financial due diligence and valuation on the Settlement Properties. With continuous efforts, the Company had finally reached agreements with the Debtors and/or their respective subsidiaries to enter into the Debts Settlement Agreements for the relevant debt offset and settlement arrangement. Upon completion of the Debts Settlement Agreements, the Group will gradually sell the Settlement Properties either to the owners or tenants of the Group's properties under management or by identifying suitable third parties in the open market. With the rising number of automobile ownership volume in the PRC while relatively low ratio of parking spaces to cars, there is a development potential in the parking space market in the PRC, and the launching of measures such as the adjustment by various local governments in the PRC of the restriction policy on sales and loans in the property market, it is expected to bring favourable factors to the sales of parking spaces. In respect of the owners and tenants of the Group's properties under its management, the Group is able to utilise its information, service and technological advantages to prioritize and effectively access to the customers, and is able to promote the sales of parking spaces to the owners and tenants of the properties under its management in a more effective manner as compared to other third parties. For third parties in the open market, the Group intends to sell the parking spaces through the existing real estate brokerage agency business unit, and leverage on the Group's sales team to continuously expand its clientele and promote the sales of the Settlement Properties. Upon the completion of Acquisition, the Group will formulate feasible and effective sales strategies and sales plans, and carry out the sales of the Settlement Properties through the team and sales channels of its existing real estate brokerage agency business unit to generate cash proceeds. The entering into the Debts Settlement Agreements would allow Chengdu Desun to recover the Receivables, and that Settlement Properties were valued by an independent valuer with the valuation amount of RMB137,259,000, which is more than the debt settlement amount of RMB51,640,000 under the Debts Settlement Agreements. The transactions contemplated under the Debts Settlement Agreement would enable the Group to sell out the Settlement Properties in future which will bring cashflow to the Group. This is conducive to resolving 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 whose view is expressed in the letter from the Independent Board Committee after considering the advice from the Independent Financial Adviser) consider that, despite the Debts Settlement Agreements are not entered into during the ordinary and usual course of business of the Group, the terms of the Debts Settlement Agreements 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.

4. INFORMATION ON THE PARTIES

The Group

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

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.

The Debtors

Please refer to the paragraph headed “Parties” in this section above for details.

The Vendors

Please refer to the paragraph headed “Parties” in this section above for details.

5. LISTING RULES IMPLICATIONS

As the Debts Settlement Agreements are the repayment arrangement in respect of the debts owed by the connected persons to the Group, accordingly, the transactions contemplated under the Debts Settlement Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Debts Settlement Agreements, when aggregated, are more than 5%, the transactions contemplated under the Debts Settlement Agreements constitute connected transactions of the Company subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Debts Settlement Agreements are more than 5% but are all less than 25%, the transactions contemplated under the Debts Settlement Agreements constitute discloseable transactions of the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

Mr. Zou Kang (a non-executive Director) had abstained from voting on the Board resolutions approving the Debts Settlement Agreements and the transactions contemplated thereunder. Save and except for the aforesaid, none of the other Directors has any material interest in the Debts Settlement Agreements and was required to abstain from voting on the Board resolutions in relation to the Debts Settlement Agreements.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the transactions contemplated under the Debts Settlement Agreements. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the same. Mr. Zou Kang and his associates will abstain from voting on the ordinary resolution(s) approving the transactions contemplated under the Debts Settlement Agreements at the EGM to be held by the Company.

6. EGM

A notice convening the EGM is set out on pages 76 to 80 of this circular, at which ordinary resolutions will be proposed for the Independent Shareholders to consider and, if thought fit, to approve the terms under the Debts Settlement Agreements and the transactions contemplated thereunder. The EGM will be convened at 10:30 a.m. on Tuesday, 20 February 2024 at the Conference Room, 18th Floor, Block A, Desun International, No. 1480, North Section of Tianfu Avenue, High-tech Industrial Development Zone, Chengdu, the PRC.

Pursuant to Rule 14.70 of the Listing Rules, any connected person and any Shareholder and its associates with a material interest in the Debts Settlement Agreements shall be required to abstain from voting on the relevant resolutions in respect of the Debts Settlement Agreements and the transactions contemplated thereunder at the EGM. On 11 May 2021, Mr. Zou Kang and Ms. Zou Jian entered into a concert parties confirmatory deed (the “**Concert Parties Confirmatory Deed**”), pursuant to which they reaffirmed that they had been acting in concert as shareholders of the Group before the date of the Concert Parties Confirmatory Deed, and shall continue the same thereafter. As such, pursuant to the parties-acting-in-concert arrangement, as at the Latest Practicable Date, each of Sky Donna (being wholly owned by Mr. Zou Kang), Mr. Zou Kang, Pengna Holding (being wholly owned by Ms. Zou Jian) and Ms. Zou Jian, is deemed to be interested in 389,673,000 Shares of the Company amounting to approximately 62.82% of the total issued share capital of the Company. Accordingly, each of Mr. Zou Kang and his associates (including Sky Donna, Pengna Holding and Ms. Zou Jian) is required to abstain from voting on the resolutions in relation to the Debts Settlement Agreements and the transactions contemplated thereunder at the EGM.

Save as disclosed above, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Debts Settlement Agreements and the transactions contemplated thereunder and therefore no other Shareholder is required to abstain from voting at the EGM for the relevant resolutions.

LETTER FROM THE BOARD

For the purpose of determining the entitlement of the Shareholders for attending and voting at the EGM, the register of members of the Company will be closed from Thursday, 15 February 2024 to Tuesday, 20 February 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order to be qualified for attending and voting at the EGM, all transfers of Shares accompanied by the relevant share certificates must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 14 February 2024.

A form of proxy for use at the EGM is enclosed to this circular and such form of proxy is also published on websites of the HKEXnews (<http://www.hkexnews.hk>) and the Company (<http://www.desunhui.com>). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

According to Rule 13.39(4) of the Listing Rules, all votes of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolution put to the vote at the EGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

7. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 19 to 20 of this circular; (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 21 to 36 of this circular in connection with the Debts Settlement Agreements and the transaction thereunder, and the principal factors and reasons considered by the Independent Financial Adviser in arriving at such advice.

In considering the fairness and reasonableness of the valuation report, the Directors took into account the adoption of the direct comparison approach and assumptions adopted by the independent valuer in the valuation of the Settlement Properties. The Directors understand that the independent valuer had provided appropriate guidance in selecting bases for valuations and determining the values of the Settlement Properties, and the appraisal team is well-versed in the economic background of transactions outlined in the Debts Settlement Agreements, as well as the characteristics of the Settlement Properties.

LETTER FROM THE BOARD

Having considered the aforementioned factors, the Directors agreed with the independent valuer's view that the valuation methodology adopted in the valuation is appropriate under the current circumstance.

Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolutions in respect of the Debts Settlement Agreements at the EGM.

8. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

* *For identification purpose only*



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)

31 January 2024

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
IN RELATION TO THE DEBTS SETTLEMENT AGREEMENTS**

We refer to the circular of the Company dated 31 January 2024 (the “**Circular**”) of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to consider and advise the Independent Shareholders in respect of the Debts Settlement Agreements, details of which are set out in the Circular. Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to (i) the letter from the Board, as set out on pages 7 to 18 of the Circular; (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its opinion in respect of the Debts Settlement Agreement, as set out on pages 21 to 36 of the Circular; and (iii) the valuation report set out on pages 44 to 75 of the Circular in relation to the Settlement Properties.

Having considered, amongst other matters, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that (i) the terms of the Debts Settlement Agreements are on normal commercial terms or better and are fair and reasonable, and (ii) the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM in respect of the Debts Settlement Agreements.

Yours faithfully,
Independent Board Committee

Mr. Fang Liqiang

Mr. Chen Di

Mr. Yan Hong

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from Somerley Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

31 January 2024

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE DEBTS SETTLEMENT AGREEMENTS

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in respect of the Debt Settlement Agreements, details of which are set out in the letter from the Board ("**Letter from the Board**") of the circular of the Company dated 31 January 2024 (the "**Circular**"), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 22 December 2023 (after trading hour), Chengdu Desun, a wholly owned subsidiary of the Company, entered into the Debts Settlement Agreements with the respective Debtors and Vendors, pursuant to which the Company agreed to acquire, and the Vendors agreed to sell the Settlement Properties at an aggregate consideration of RMB51,640,000 which shall be offset against the Receivables on a dollar-for-dollar basis.

As the Debt Settlement Agreements are the repayment arrangement in respect of the debts owed by the connected persons to the Group, accordingly, the transactions contemplated under the Debts Settlement Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Debt Settlement Agreements, when aggregated, are more than 5%, the transactions contemplated under the Debt Settlement Agreements constitute connected transactions of the Company subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Fang Liqiang, Mr. Chen Di and Mr. Yan Hong, has been established to advise the Independent Shareholders in respect of the Debts Settlement Agreements. We, Somerley Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regard.

We are not associated with the Company, each of the Debtors and Vendors or their respective core connected persons or associates. In the past two years prior to this appointment, saved for our engagement as the independent financial adviser to the independent board committee and the independent shareholders of the Company regarding (i) major and connected transactions in relation to the Yujing Lease Agreements as defined and disclosed in the circular of the Company dated 3 March 2023 and (ii) continuing connected transaction in relation to the Property Services Framework Agreement as defined and disclosed in the circular of the Company dated 4 January 2024, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, each of the Debtors and Vendors or their respective core connected persons or associates. Accordingly, we are considered eligible to give independent advice on the Debts Settlement Agreements.

In formulating our opinion and advice, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company, which we have assumed to be true, accurate and complete in all material aspects. We have reviewed the information of the Company, among other things, (i) the annual reports of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”) and 2022 (the “**2022 Annual Report**”) and the interim report of the Company for the six months ended 30 June 2023 (the “**2023 Interim Report**”); (ii) the Announcement of the Company dated 26 December 2023 in relation to, among others, the discloseable and connected transaction in relation to the Debt Settlement Agreements; (iii) the Debts Settlement Agreements; and (iv) other information contained in the Circular. We have also discussed with Jones Lang LaSalle Corporate Appraisal and Advisory Limited (the “**Valuer**”), an independent valuer, the bases and assumptions for their valuation report of the market value regarding the Settlement Properties (the “**Valuation Report**”) details of which are set out in Appendix II of the Circular.

We also have sought and received confirmation from the Company that no material facts have been omitted from the information supplied and opinions expressed to us were not misleading in any material aspects. We consider that the information we have received is sufficient for us to reach our opinion and give our advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Company, each of the Debtors and Vendors or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied. We have also assumed that all

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

representations contained or referred to in the Circular were true at the time they were made and at the date of the Circular and will continue to be true up to the time of the EGM, and Shareholders will be informed of any material change as soon as possible.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Information of the parties

1.1. Information of the Group and Chengdu Desun

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, 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.

Set out below is the summary of the financial information of the Group for the years ended 31 December 2021 and 2022 and the six months ended 30 June 2022 and 2023 as extracted from the 2022 Annual Report and the 2023 Interim Report:

	For the six months ended		For the year ended	
	30 June		31 December	
	2023	2022	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenue	148,750	126,008	267,270	253,296
Gross profit	45,186	44,382	94,671	103,430
Profit for the year/ period attributable to owners of the parent	17,860	25,796	33,596	33,440

For the two years ended 31 December 2021 and 2022

For the years ended 31 December 2021 and 2022, the Group recorded a revenue of approximately RMB253.3 million and RMB267.3 million respectively, representing an increase of approximately 5.5%, mainly attributable to the increase of property management services in residential properties, with the increase in the total GFA under property management as a result of business expansion from approximately 2.5 million square meters as at 31 December 2021 to approximately 4.9 million square meters as at 31 December 2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's gross profit for the year ended 31 December 2021 and 2022 amounted to approximately RMB103.4 million and RMB94.7 million respectively, representing a decrease of approximately 8.4%. As disclosed in the 2022 Annual Report, the gross margin in 2022 was approximately 35.4%, down by about 5.4 percentage point from 2021, mainly due to the increase of subcontracting costs and material procurement costs in property management services and value-added services.

The Group's profit attributable to Shareholders for the year ended 31 December 2021 and 2022 remained relatively stable, amounted to approximately RMB33.4 million and RMB33.6 million respectively. Such increase was mainly attributable to (i) the increase in net gain on exchange differences due to fluctuation of exchange rate of Hong Kong Dollar against RMB during the year; (ii) the decrease of administrative expenses due to decrease in listing expense and equity-settled share option expense; and (iii) the decrease of income tax expenses, and partially offset by the decrease of gross profit and increase of provision for impairment losses on trade receivables.

For the six months ended 30 June 2022 and 2023

For the six months ended 30 June 2022 and 2023, the Group recorded a revenue of approximately RMB126.0 million and RMB148.8 million respectively, representing an increase of approximately 18.1%. As disclosed in the 2023 Interim Report, the increase in revenue is mainly attributable to the (i) launch of the office building and community operation and management business segment, which contributed additional revenue of RMB12.6 million during the six months ended 30 June 2023 and (ii) the increase of revenue contribution from home furnishing and decoration services. The revenue generated from property services remained stable, amounted to RMB100.3 million and RMB104.3 million during the six months ended 30 June 2022 and 2023 respectively. As at 30 June 2023, the Company have contracted to manage 92 properties in the PRC with a total GFA under management of approximately 8.4 million square meters, representing an increase of approximately 35.5% as compared to approximately 6.2 million square meters for the corresponding period in 2022.

The Group's gross profit for the six months ended 30 June 2022 and 2023 amounted to approximately RMB44.4 million and RMB45.2 million respectively, representing an increase of approximately 1.8%. The gross margin in the first half of 2023 was approximately 30.4%, down by about 4.8 percentage point from the same period in 2022, mainly due to (i) the active narrowing down of the coverage of value-added services for non-property owners periodically; (ii) the increasing of costs and expenses in the early stage of operation for office building and community operation and management; and (iii) the increasing of costs for enhancing service quality as disclosed in the 2023 Interim Report.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's profit attributable to Shareholders for the six months ended 30 June 2022 and 2023 amounted to approximately RMB25.8 million and RMB17.9 million respectively, representing a decrease of approximately 30.6%. Such decrease was mainly attributable to (i) the increase of provision for impairment losses on trade receivables as impacted by the overall economic situation and the real estate market downturn; and (ii) the increase of interest expenses due to the increase of lease liabilities during the six months ended 30 June 2023 for carrying out the office building and community operation and management business.

Set out below is the summary of the financial position of the Group as at 31 December 2021, 2022 and 30 June 2023 as extracted from the 2022 Annual Report and the 2023 Interim Report:

	As at 30 June 2023	As at 31 December	
	<i>RMB'000</i>	2022	2021
	(Unaudited)	<i>RMB'000</i>	<i>RMB'000</i>
		(Audited)	(Audited)
Total assets	772,916	450,123	372,886
Total liabilities	484,032	151,476	123,643
Net assets	288,884	298,647	249,243

As at 30 June 2023, the Group's total assets amounted to approximately RMB772.9 million, mainly comprised of (i) investment properties of approximately RMB261.4 million; (ii) cash and cash equivalents of approximately RMB206.5 million; and (iii) trade receivables of approximately RMB147.2 million. As at 30 June 2023, the Group's total liabilities amounted to approximately RMB484.0 million, mainly comprised of (i) lease liabilities of approximately RMB257.6 million; (ii) other payables and accruals of approximately RMB114.2 million; and (iii) contract liabilities of approximately RMB44.1 million. The significant increase of total assets and total liabilities as at 30 June 2023 compared to 31 December 2022 was mainly attributable to the Company has entered into various of lease agreements to commence the office building and community operation and management business segments which resulted in significant increase of investment properties and lease liabilities accordingly.

As at 30 June 2023 and 31 December 2022, the Group's net assets amounted remained relatively stable at approximately RMB288.9 million and RMB298.6 million.

In our view, based on the above analysis, the Group has financed its growth prudently and retained a satisfactory financial position.

1.2. Information of the Debtors and Vendors

Each of the Debtors and Vendors, namely Yong Hong Real Estate, Rong He Real Estate, Gao Xin Real Estate, Jia Tai Real Estate, DJXY, Ding Chuang Real Estate, Bo Lang Real Estate, Dekunda Real Estate and De Qian Real Estate, and Desun Da is a limited liability company established in the PRC and is principally engaged in real estate development. As at the Latest Practicable Date, except for Desun Da, each of the Vendors and the Debtors is ultimately controlled by Mr. Zou Kang (a non-executive Director and a controlling shareholder of the Company) through a number of intermediates. As at the date of this announcement, Desun Da is owned as to 50% by Mr. Ni Guofang (倪國舫先生) and 50% by Mr. Gao Baiyi (高柏義先生). To the best knowledge, information and belief of the Directors, having made all reasonable enquires, Mr. Ni Guofang (倪國舫先生) and Mr. Gao Baiyi (高柏義先生) are third parties independent of the Company and connected persons of the Company (as defined in the Listing Rules). Desun Da was disposed of by Chengdu Desun Real Estate Co. Ltd.* (成都德商置業有限公司) (a connected person of the Company) to Mr. Ni Guofang and Mr. Gao Baiyi in August 2022.

2. Reasons for and benefits of entering into the Debts Settlement Agreements

As mentioned in the Letter from the Board, the Group has been providing, among others, property management services and onsite services to the Debtors and/or their respective subsidiaries. In order to mitigate the risk caused by the possible liquidity issues faced by the Debtors, the Debtors made debts settlement proposals to its creditors including the Group, according to which the Debtors proposed to sell the Settlement Properties to Chengdu Desun and the consideration of the Acquisition shall be offset against the Receivables on a dollar-for-dollar basis. Before entering into the Debts Settlement Agreements, Chengdu Desun conducted financial due diligence and valuation on the Settlement Properties. With continuous efforts, the Company had finally reached agreements with the Debtors and/or their respective subsidiaries to enter into the Debts Settlement Agreements for the relevant debt offset and settlement arrangement. Upon completion of the Debts Settlement Agreements, the Group will gradually sell the Settlement Properties either to the owners or tenants of the Group's properties under management or by identifying suitable third parties in the open market. With the rising number of automobile ownership volume in the PRC while relatively low ratio of parking spaces to cars, there is a development potential in the parking space market in the PRC, and the launching of measures such as the adjustment by various local governments in the PRC of the restriction policy on sales and loans in the property market, it is expected to bring favourable factors to the sales of parking spaces. In respect of the owners and tenants of the Group's properties under its management, the Group is able to utilise its information, service and technological advantages to prioritize and effectively access to the customers, and is able to promote the sales of parking spaces to the owners and tenants of the properties under its management in a more effective manner as compared to other third parties. For third parties in the open market, the Group intends to sell the parking spaces through the existing real estate brokerage agency business unit, and leverage on the Group's sales team to continuously expand its clientele and promote the sales of the Settlement Properties. Upon the completion of Acquisition, the Group will formulate feasible and

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effective sales strategies and sales plans, and carry out the sales of the Settlement Properties through the team and sales channels of its existing real estate brokerage agency business unit to generate cash proceeds. The entering into the Debts Settlement Agreements would allow Chengdu Desun to recover the Receivables, and that Settlement Properties were valued by an independent valuer with the valuation amount of RMB137,259,000, which is more than the debt settlement amount of RMB51,640,000 under the Debts Settlement Agreements. The transactions contemplated under the Debts Settlement Agreement would enable the Group to sell out the Settlement Properties in future which will bring cashflow to the Group. This is conducive to resolving the Group's receivables risk and is in the interests of the Shareholders.

Based on our discussion with the management of the Company, as a result of the recent liquidity risks faced by property developers in the PRC, the collection of trade receivables from customers of the Company, including the Debtors, has been slowing down. The following table sets forth the ageing analysis of the Group's trade receivables as at 31 December 2022 and 30 June 2023 as extracted from the 2023 Interim Report:

	As at 30 June 2023		As at 31 December 2022	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Within 1 year	104,207	70.8	73,834	64.8
1 to 2 years	37,984	25.8	38,324	33.6
2 to 3 years	4,142	2.8	1,395	1.2
Over 3 years	<u>872</u>	<u>0.6</u>	<u>347</u>	<u>0.3</u>
Total	<u>147,205</u>	<u>100.0</u>	<u>113,900</u>	<u>100.0</u>

As illustrated above, the Group's trade receivables due over two years increased from approximately 1.5% of the total trade receivables as at 31 December 2022 to approximately 3.4% of the total trade receivables as at 30 June 2023. As set out in the 2023 Interim Report, as at 30 June 2023, approximately RMB98.1 million of trade receivables were due from related parties. Furthermore, as at 30 June 2023, the provision for impairment loss in the amount of approximately RMB33.4 million in aggregate has been made for trade receivables in accordance with the accounting policies of the Group. As such, we concur with the management of the Company that the settlement of the Receivables pursuant to the Debt Settlement Agreements will reduce the Group's exposure to credit risks associated with the outstanding receivables from the Debtors.

As mentioned above, the Group intends to gradually sell the Settlement Properties upon completion of the Debts Settlement Agreements. According to the website of the China Real Estate Association (中國房地產業協會), in 2023, the property market continued to bottom out amid the relaxing of the restrictive measures in the property market in various cities of the PRC. Looking forward to 2024, supportive policies are expected to be enacted including the financial supports for construction and to the supply side, and the lowering of housing transaction taxes and fees. According to the China Association of Automobile Manufacturers, as at the end of September 2023, the number of motor vehicles in the PRC reaches 430 million. For the first three quarters in 2023, approximately 18.2

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million cars were newly registered nationwide, representing a year-on-year increase of approximately 4.4%. In terms of car parking spaces, based on the report published in July 2023 by Zhiyan Consulting (智研諮詢), a PRC research house established in 2008, the number of car parking spaces in the PRC has grown rapidly in recent years reaching approximately 180.6 million in 2022. The Company expects the relatively low ratio of parking spaces to number of vehicles will lead to potential upside in the resale value of the Settlement Properties. As discussed with the management of the Company, taking into account (i) the recent stimulating government policies in the property market; (ii) the rising number of automobile ownership volume in the PRC with relatively low ratio of parking spaces to cars; and (iii) the discount of the consideration to the appraised market value of the Settlement Properties, the Company considers that selling instead of leasing the Settlement Properties would maximise the Group's return.

Based on the above, although the entering into of the Debt Settlement Agreements is not conducted in the ordinary and usual course of business of the Group, taking into account the above and the fact that (i) the principal terms of the Debts Settlement Agreements are on normal commercial terms (as discussed in the section headed “3. *Principal terms of the Debts Settlement Agreements*” below); (ii) the Valuation Report is an appropriate reference in determining the consideration to be offset against the Receivables on a dollar-for-dollar basis (as discussed in the section headed “4. *The valuation of the Settlement Properties*” below); (iii) the reduction of the Group's exposure to credit risks associated with the outstanding receivables from the Debtors; and (iv) the fact that the consideration represents a significant discount to the market value of the Settlement Properties as appraised by the Valuer, we concur with the Directors that the Debt Settlement Agreements are in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Debts Settlement Agreements

The following table sets forth the principal terms of the Debts Settlement Agreements. Detailed terms of the Debts Settlement Agreements are set out in the section headed “2. *DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE DEBTS SETTLEMENT AGREEMENTS*” in the Letter from the Board.

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The Debt Settlement Agreement I **The Debt Settlement Agreement II** **The Debt Settlement Agreement III** **The Debt Settlement Agreement IV** **The Debt Settlement Agreement V** **The Debt Settlement Agreement VI** **The Debt Settlement Agreement VII** **The Debt Settlement Agreement VIII** **The Debt Settlement Agreement IX** **The Debt Settlement Agreement X**

Date: 22 December 2023

Purchaser: Chengdu Desun

Vendor: Yong Hong Real Estate Jia Tai Real Estate Jia Tai Real Estate Jia Tai Real Estate Jia Tai Real Estate Dekunda Real Estate Dekunda Real Estate Dekunda Real Estate Desun Da Desun Da

Debtor: Rong He Real Estate Gao Xin Real Estate DJXY Ding Chuang Real Estate Bo Lang Real Estate Bo Lang Real Estate Dekunda Real Estate De Qian Real Estate Dekunda Real Estate Desun Da

Subject matter: Chengdu Desun agreed to acquire, and the respective Vendors agreed to sell the respective Settlement Properties.

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

Following the three working days after signing of the Debts Settlement Agreements, the respective Vendors and Chengdu Desun shall enter into respective sales and purchase agreement and relevant ancillary documents for the purpose of, among other things, transferring the property ownership rights of the respective Settlement Properties to Chengdu Desun.

Information on the Settlement Properties:

The Settlement Properties I comprise 382 parking spaces located at Wuhou District of Chengdu, Sichuan Province, the PRC.	The Settlement Properties II comprise 78 parking spaces located at Wuhou District of Chengdu, Sichuan Province, the PRC.	The Settlement Properties III comprise 32 parking spaces located at Qingyang District of Chengdu, Sichuan Province, the PRC.	The Settlement Properties IV comprise 184 parking spaces located at Qingyang District of Chengdu, Sichuan Province, the PRC.	The Settlement Properties V comprise 24 parking spaces located at Qingyang District of Chengdu, Sichuan Province, the PRC.	The Settlement Properties VI comprise 292 parking spaces located at Wenjiang District of Chengdu, Sichuan Province, the PRC.	The Settlement Properties VII comprise 79 parking spaces located at Wenjiang District of Chengdu, Sichuan Province, the PRC.	The Settlement Properties VIII comprise 129 parking spaces located at Wenjiang District of Chengdu, Sichuan Province, the PRC.	The Settlement Properties IX comprise 101 parking spaces located at Tianfu New District of Chengdu, Sichuan Province, the PRC.	The Settlement Properties X comprise 211 parking spaces located at Tianfu New District of Chengdu, Sichuan Province, the PRC.
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The Settlement Properties were developed by the respective Debtors so that there were no original acquisition costs of the Settlement Properties to the respective Debtors. Based on the total car-parking space area developed, the development costs of the Settlement Properties were estimated at approximately RMB148 million.

Consideration: RMB15,280,000 RMB3,120,000 RMB1,600,000 RMB9,200,000 RMB1,200,000 RMB8,760,000 RMB2,370,000 RMB3,870,000 RMB2,020,000 RMB4,220,000

Basis of determination of the consideration: The consideration for the Acquisition was determined after arm's length negotiations among the parties to the Debts Settlement Agreements with reference to, among other things, the valuation of the Settlement Properties as at 30 November 2023 in the aggregate amount of RMB137,259,000, which was conducted by an independent valuer using direct comparison approach.

Payment terms: It is agreed by the parties to the Debts Settlement Agreements that the consideration for the acquisition of respective Settlement Properties payable by Chengdu Desun shall be offset against the respective Receivables on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to the respective Vendors.

Effectiveness: The Debts Settlement Agreements shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the Independent Shareholders at a general meeting of the Company.

If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties due to the respective Vendors, Chengdu Desun is entitled to request the respective Vendors to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties or the Debts Settlement Agreements.

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The Receivables offset contemplated under the Debts Settlement Agreements will be implemented correspondingly upon the Shareholders' approval for the transactions contemplated thereunder and the receipt of the invoices issued by Chengdu Desun to the respective Debtors. As of 30 June 2023, the total outstanding receivables due from Mr. Zou Kang and his associates amounted to approximately RMB147.21 million, which consisted of approximately RMB72.45 million due from the Debtors and approximately RMB74.76 million due from Mr. Zou and his associates other than the Debtors. The Debts Settlement Agreements were entered into in order to address receivables due from the Debtors in a total amount of approximately RMB65.42 million. Pursuant to the terms of the Debts Settlement Agreements, a total of RMB51.64 million was offset. Upon the completion of the Debts Settlement Agreements, the remaining receivables due from the Debtors, as a result of the Debts Settlement Agreements, stand at approximately RMB13.78 million. Accordingly, together with the amount of approximately RMB7.03 million due from the Debtors which were not included in the Debts Settlement Agreements, the outstanding receivables due from the Debtors totaled approximately RMB20.81 million upon the completion of the Debts Settlement Agreements. As at the Latest Practicable Date, except for the amount of RMB51.64 million which will be offset under the Debts Settlement Agreements, Mr. Zou Kang and his associates have settled outstanding receivables in the amount of approximately RMB11.20 million by way of cash. Shareholders should note that the actual outstanding receivables due from Mr. Zou Kang and his associates (including the Debtors) as at 31 December 2023 will be reflected in the consolidated financial statements of the Company for the year ended 31 December 2023 and is subject to audit by the auditors of the Company. The Company will actively engage in discussions with the Debtors concerning the outstanding receivables due from the Debtors. This proactive approach reflects the Company's dedication to finding mutually agreeable solutions for the outstanding receivables. Additionally, the Company will persist in negotiating the offset plans, which involves exploring options to offset outstanding receivables with available assets or funds from the Debtors. Simultaneously, the Company will carefully assess the reasonable necessity of initiating legal proceedings. This evaluation is crucial to determining whether legal actions are warranted in situations where negotiations and alternative settlement arrangements have not yielded satisfactory results. This comprehensive approach underscores the Company's commitment to managing and resolving outstanding receivables due from the Debtors in a strategic and judicious manner.

As set out in the Letter from the Board, the entering into of the Debts Settlement Agreements was to mitigate the risk caused by the possible liquidity issues faced by the Debtors. We have discussed with the management of the Company and noted that the terms of the Debts Settlement Agreements were arrived at after arm's length negotiation between the Company and the respective Debtors and Vendors.

Taking into account (i) the consideration of the Settlement Properties was determined after arm's length negotiations among the parties to the Debts Settlement Agreements with reference to, among other things, the Valuation Report, being an appropriate reference as discussed in our analysis in the section headed "4. *The valuation of the Settlement Properties*" below; and (ii) in the event the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties or the Debts Settlement

Agreements, we concur with the Directors' view that the terms of the Debts Settlement Agreements are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

4. The valuation of the Settlement Properties

Jones Lang LaSalle Corporate Appraisal and Advisory Limited (the “**Valuer**”) has been appointed to appraise the market value of the Settlement Properties as at 30 November 2023. In their opinion, the market value of the Settlement Properties as at 30 November 2023 is RMB137,259,000. The full Valuation Report is contained in Appendix II to the Circular.

4.1. Suitability and qualification of the Valuer

We have reviewed the engagement letter of the Valuer, in particular its scope of work, for the valuation of the Settlement Properties. We are satisfied that the scope of work performed by the Valuer is appropriate to form the opinion on the market value of the Settlement Properties. We are not aware of any limitation on the scope of work which might have a negative impact on the degree of assurance given by the Valuer.

We have also interviewed the Valuer regarding its experience and expertise, and understand that the Valuer is an established independent property valuer certified with the relevant professional qualifications required to perform the valuation of the Settlement Properties with a large number of completed assignments acting for listed Real Estate Investment Trusts (REITs) and property developers in Hong Kong. We also note that Mr. Eddie T. W. Yiu, the valuer-in-charge of the Valuation Report, is a Chartered Surveyor and has 30 years of experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region. The Valuer has confirmed that it is independent from the Company, the counterparties of the Debts Settlement Agreements or their respective connected persons or associates. We also note that the Valuer mainly relied on public information obtained through its own research as well as the information provided by the Company.

In light of the above, we are not aware of any matters that would cause us to question the Valuer's competence and independence and we consider that the Valuer has sufficient expertise to perform the valuation on the market value of the Settlement Properties.

4.2. Valuation bases and assumptions

According to the Valuation Report, the valuation of each of the Settlement Properties represents its market value which in accordance with the HKIS Valuation Standards 2020 issued by the Hong Kong Institute of Surveyors is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have also reviewed the assumptions as set out in the Valuation Report. The valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests. No allowance has been made in our report for any charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values. We have enquired with the Valuer on the applicability of the adopted assumptions and understood that the assumptions are generally and consistently adopted in other property valuation exercises and are in line with the market practices. As such, we are of the view that the assumptions adopted in formulating the Valuation Report are reasonable.

4.3. Valuation methodology

As set out in the Valuation Report, the Valuer has adopted the direct comparison approach by assuming sales of the Settlement Properties in their existing state by making reference to comparable sales transactions as available in the relevant market. We understand from the Valuer that the direct comparison approach is a commonly adopted valuation method for property valuation and is in line with the market practice. We also understand that the valuation of the Settlement Properties was carried out in accordance with all requirements contained in Chapter 5 and Practice Note 12 of the Listing Rules; the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

As advised by the Valuer, other commonly adopted valuation methodologies include cost approach and income approach. As explained by the Valuer, cost approach is usually adopted for property with specific nature and lack of sales transactions of properties of the same characteristics in the vicinity. As such, cost approach was considered not suitable for the purpose of the valuation of the Settlement Properties as sale transactions of similar properties are available in the market. Income approach is also considered to be not suitable for the purpose of the valuation of the Settlement Properties as it provides an indication of value by converting future cash flow to a single current value. However, as set out in the Letter from the Board, the Group will gradually sell the Settlement Properties upon completion of the Debts Settlement Agreements, the income approach is therefore not considered as an appropriate methodology. While according to the valuation standard, market approach should be applied the subject asset or substantially similar assets are actively publicly traded, and/or there are frequent and/or recent observable transactions in substantially similar assets. As such, market approach is adopted for the valuation of the Settlement Properties.

Based on the above, we are not aware of any major factors which would lead us to cast doubt on the fairness and reasonableness of the valuation methodology adopted in arriving at the valuation of the Settlement Properties.

4.4. Comparable selections and adjustment factors

Based on the direct comparison approach, the Valuer has identified three comparable properties for each of the Settlement Properties within the locality of the Settlement Properties with similar characteristics. We have reviewed the list of comparable properties to each of the Settlement Properties and noted that each of the comparable properties are (i) car parking spaces attached to residential properties; (ii) in the vicinity of the respective Settlement Properties; and (iii) sourced from property agents and the Valuer's internal database. As discussed with the Valuer, the comparable properties selected were the comparable properties within the locality as each of the Settlement Properties based on information available. As the Settlement Properties are all car parking spaces attached residential development properties in Chengdu, we consider the selection factors of the comparable properties used by the Valuer appropriate.

We have obtained from the Valuer the underlying workings in deriving the appraised market value of the Settlement Properties, which includes details of the adjustments made to each of the comparable properties and the rationale in adopting different market value for different types of car parking spaces of the Settlement Properties. We understand appropriate adjustments and analysis are considered by the Valuer to the differences in several aspects including transaction date, nature of comparables, location and accessibility, building age and other characters between the comparable properties and the Settlement Properties to arrive at the market value. The general basis of adjustment is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. The adjustment range for each factor is -9% to 10%, positive adjustment factors were applied for comparable properties which have older transaction date, poorer location and accessibility, and older building age while negative adjustment factors were applied for comparable properties which have better location and accessibility, we also noted that a negative 3% adjustment factor was applied for each of the comparable properties to adjust the relatively higher potential market price and the Valuer summed up the adjustment factors to reach the total adjustment, which ranged from -9% to 9%. The Valuer has then adopted different market price for different types of carparking spaces of the Settlement Properties based on its characteristics including (i) size, (ii) availability of charging pile, and (iii) floor, which were made by reference to the car parking pricing systems of the comparable properties and empirical data from real estate marketers and agents as consulted by the Valuer. From our review of the underlying workings of the Valuer, each adjustment made to the market price of the Settlement Properties represents a downward adjustment of approximately -16.7% to an upward adjustment of approximately 8.3% to the benchmark market price concluded from the comparable properties. Taking into account the view of the Valuer that such adjustment range for different types of car parking spaces is common

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in the area where the Settlement Properties are located, we consider such range of adjustment reasonable. As discussed with the Valuer, the aforementioned adjustments were made in accordance with relevant valuation standards and requirement and are common market practice in conducting valuation of car parking spaces. Based on the aforementioned, we consider the adjustments made appropriate.

4.5. Our view

Based on the above and having considered that (i) the Valuer is independent, qualified and experienced with sufficient knowledge, skills and understanding necessary to prepare the Valuation Report competently; and (ii) the bases, assumptions and methodologies applied in the Valuation are fair and reasonable, we concur with the view of the management of the Company that the Valuation Report is an appropriate reference in determining the consideration of the Settlement Properties under the Debts Settlement Agreements.

5. Consideration of the Settlement Properties

The aggregate consideration of the Settlement Properties of RMB51,640,000, arrived on the basis of arm's length negotiations after taking into account the Valuation Report, represents an approximately 62.4% discount to the appraised market value, the following table sets forth the consideration and the appraised market value of each Settlement Properties:

	Appraised market value as at 30 November 2023 (RMB'000)	Consideration (RMB'000)	Discounts to market value (%)
The Settlement Properties I	45,876	15,280	66.7
The Settlement Properties II	8,990	3,120	65.3
The Settlement Properties III	4,800	1,600	66.7
The Settlement Properties IV	26,784	9,200	65.7
The Settlement Properties V	3,380	1,200	64.5
The Settlement Properties VI	17,745	8,760	50.6
The Settlement Properties VII	4,845	2,370	51.1
The Settlement Properties VIII	7,744	3,870	50.0
The Settlement Properties IX	5,775	2,020	65.0
The Settlement Properties X	11,320	4,220	62.7
Total	137,259	51,640	62.4

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In assessing the fairness and reasonableness of the consideration of the Settlement Properties, we have conducted research on the website of the Stock Exchange and identified three comparable transactions which (i) involves the settlement of debts by transfer of properties by entities related to companies listed on the Stock Exchange; (ii) the valuation of the properties being transferred are disclosed in the relevant announcements; and (iii) were announced during the period from 1 January 2023 to 22 December 2023 (i.e. the date of the Debts Settlement Agreements) (the “**Comparable Transactions**”). The following table sets forth the details of the Comparable Transactions:

Announcement date	Stock code	Company name	Assets being transferred	Valuation	Consideration	Premium/discount	Connected transaction
6-Dec-23	9978	Fineland Living Services Group Limited	11 commercial properties	RMB16.1 million	RMB15.8 million	-1.9%	Yes
16-Nov-23	2146	Roiserv Lifestyle Services Co., Ltd.	10,870 parking spaces and 332 residential, office and retail units	Approximately RMB576.2 million	Approximately RMB567.9 million	-1.4%	Yes
21-Jun-23	9978	Fineland Living Services Group Limited	23 first-hand residential properties	RMB20.0 million	RMB20.0 million	0.0%	No

Given the fact that the Comparable Transactions (i) took place within one year prior to the date of the Debts Settlement Agreements; (ii) have similar nature with the Debt Settlement Agreements involving the settlement of debts by transfer of properties; and (iii) involved listed companies which are principally engaged in the provision of property management services, we are of the view that the Comparable Transactions are fair and representative in assessing the fairness and reasonableness of the consideration of the Settlement Properties, in particular to the discount represented by the consideration to the appraised market value of the Settlement Properties.

As illustrated above, the consideration of the assets being transferred for each of the Comparable Transactions represents minimal or no discounts to the respective valuation of such assets. The significant discounts of approximately 50.0% to 66.7% of the consideration of the Settlement Properties to their appraised market value are more favorable to the Group as compared to the Comparable Transactions.

As discussed in the section headed “2. *Reasons for and benefits of entering into the Debts Settlement Agreements*” above, the Group intends to gradually sell the Settlement Properties upon completion of the Debts Settlement Agreements. According to the website of the China Real Estate Association (中國房地產業協會), in 2023, the property market continued to bottom out amid the relaxing of the restrictive measures in the property market in various cities of the PRC. Looking forward to 2024, supportive policies are expected to be enacted including the financial supports for construction and to the supply side, and the lowering of housing transaction taxes and fees. According to the China Association of Automobile Manufacturers, as at the end of September 2023, the number of motor vehicles in the PRC reaches 430 million. For the first three quarters in 2023, approximately 18.2 million cars were newly registered nationwide, representing a year-on-year increase of approximately 4.4%. In terms of car parking spaces, based on

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the report published in July 2023 by Zhiyan Consulting (智研諮詢), a PRC research house established in 2008, the number of car parking spaces in the PRC has grown rapidly in recent years reaching approximately 180.6 million in 2022. The Company expects the relatively low ratio of parking spaces to number of vehicles will lead to potential upside in the resale value of the Settlement Properties. Taking into account (i) the recent stimulating government policies in the property market; and (ii) the rising number of automobile ownership volume in the PRC with relatively low ratio of parking spaces to cars, we are of the view that the consideration of the Acquisition, which represents a significant discount to the appraised market value of the Settlement Properties, justified.

6. Possible financial impact on the Group

As set out in the Letter from the Board, the aggregate consideration of the Settlement Properties is RMB51,640,000 which shall be offset against the Receivables on a dollar-for-dollar basis. Upon the offset under the Debts Settlement Agreements, the Receivables will be derecognised and the outstanding receivables due from the Debtors will be amounted to approximately RMB20.81 million. Also, each of the Settlement Properties will be recognised as inventories on the respective completion date and the impact from the subsequent sales of the Settlement Properties will be reflected in the profit or loss in the future. As discussed with the Company, it is expected there will be no material adverse impact on (a) the financial position and earnings, and (b) the business and operation of the Group associated with the transactions pursuant to Debt Settlement Agreements.

OPINION AND RECOMMENDATIONS

Having taken into account the above principal factors and reasons, we are of the view that (i) although the entering into of the Debts Settlement Agreements is not conducted in the ordinary and usual course of business of the Group, the terms of the Debts Settlement Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Debts Settlement Agreements are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolutions in relation to the Debts Settlement Agreements to be proposed at the EGM.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Calvin Leung
Director

Mr. Calvin Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over 19 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in the Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Interests in Shares and underlying Shares of the Company

Name of Director	Capacity/ Nature of Interest	Total number of Shares/underlying Shares held ⁽¹⁾	Approximate percentage of shareholding interest in the Company as at the Latest Practicable Date (%) ⁽¹⁾
Mr. Zou Kang	Interest in controlled corporation; interest held jointly with another person ^{(2) & (3)}	389,673,000 (L)	62.82%
Mr. Zhang Zhicheng	Interest in controlled corporation ⁽⁴⁾	22,500,000 (L)	3.63%
Ms. Xiong Jianqiu	Beneficial owner ⁽⁵⁾	1,059,000 (L)	0.17%
Ms. Wan Hong	Beneficial owner ⁽⁶⁾	3,540,037 (L)	0.57%
Mr. Shao Jiazhen	Beneficial owner ⁽⁷⁾	6,128,155 (L)	0.99%
Mr. Liu Jun	Beneficial owner ⁽⁸⁾	6,128,155 (L)	0.99%

Notes:

- (1) As at the Latest Practicable Date, the Company had issued 620,259,200 Shares in total. The letter “L” denotes the person’s long position in the Shares.
- (2) On 11 May 2021, Mr. Zou Kang and Ms. Zou Jian entered into the Concert Parties Confirmatory Deed, pursuant to which they reaffirmed that they had been acting in concert as shareholders of the Group before the date of the Concert Parties Confirmatory Deed, and shall continue the same

thereafter. For further details, please refer to the paragraph headed “History, Reorganisation and Corporate Structure — Acting-in-concert arrangement” in the Prospectus. As such, pursuant to the parties-acting-in-concert arrangement, as at the Latest Practicable Date, each of Sky Donna (being wholly owned by Mr. Zou Kang), Mr. Zou Kang, Pengna Holding (being wholly owned by Ms. Zou Jian) and Ms. Zou Jian, is deemed to be interested in 62.82% of the issued share capital of the Company.

- (3) These 389,673,000 Shares in which Mr. Zou Kang is interested consist of (i) 372,393,000 Shares held by Sky Donna, a company wholly-owned by Mr. Zou Kang, in which Mr. Zou Kang is deemed to be interested under the SFO; and (ii) 17,280,000 Shares in which Mr. Zou Kang is deemed to be interested as a result of being a party acting-in-concert with Ms. Zou Jian pursuant to the Concert Parties Confirmatory Deed.
- (4) These 22,500,000 Shares are held by Zhiyu Holding Limited, the issued shares of which are wholly owned by Mr. Zhang Zhicheng. Under the SFO, Mr. Zhang Zhicheng will be taken to be interested in the Shares held by Zhiyu Holding Limited.
- (5) Ms. Xiong Jianqiu is interested in 1,059,000 Shares held by her.
- (6) Ms. Wan Hong is interested in 3,540,037 Shares, including 1,059,000 Shares held by her and 2,481,037 awarded Shares granted to her which are subject to a vesting period of three years from the date of grant.
- (7) Mr. Shao Jiazhen is interested in 6,128,155 Shares, including 2,406,600 Shares held by him and 3,721,555 awarded Shares granted to him which are subject to a vesting period of three years from the date of grant.
- (8) Mr. Liu Jun is interested in 6,128,155 Shares, including 2,406,600 Shares held by him and 3,721,555 awarded Shares granted to him which are subject to a vesting period of three years from the date of grant.

Interests in shares and underlying shares of the Company’s associated corporation

Name of Director	Capacity/ Nature of Interest	Associated corporation	Total number of shares/underlying shares held (Note)	Approximate percentage of interest in the associated corporation as at the Latest Practicable Date (%)
Mr. Zou Kang	Beneficial owner	Sky Donna	1 (L)	100%

Note: The letter “L” denotes the person’s long position in the share(s) of the associated corporation.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

3. DISCLOSURE OF INTEREST OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors were aware, as of the Latest Practicable Date, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Name of Substantial Shareholder	Capacity/ Nature of Interest	Total number of Shares/underlying Shares held ⁽¹⁾	Approximate percentage of shareholding interest in the Company as at the Latest Practicable Date (%) ⁽¹⁾
Sky Donna	Beneficial owners; interest held jointly with another person ⁽²⁾ & ⁽³⁾	389,673,000 (L)	62.82%
Ms. Zou Jian	Interest of corporation controlled by you; interest held jointly with another person ⁽⁴⁾	389,673,000 (L)	62.82%
Pengna Holding	Beneficial owner; interest held jointly with another person ⁽⁴⁾	389,673,000 (L)	62.82%

Notes:

- (1) As at the Latest Practicable Date, the Company had issued 620,259,200 Shares in total. The letter “L” denotes the person’s long position in the Shares.
- (2) On 11 May 2021, Mr. Zou Kang and Ms. Zou Jian entered into the Concert Parties Confirmatory Deed, pursuant to which they reaffirmed that they had been acting in concert as shareholders of the Group before the date of the Concert Parties Confirmatory Deed, and shall continue the same thereafter. For further details, please refer to the paragraph headed “History, Reorganisation and Corporate Structure — Acting-in-concert arrangement” in the Prospectus. As such, pursuant to the parties-acting-in-concert arrangement, as at the Latest Practicable Date, each of Sky Donna (being wholly owned by Mr. Zou Kang), Mr. Zou Kang, Pengna Holding (being wholly owned by Ms. Zou Jian) and Ms. Zou Jian, is deemed to be interested in 62.82% of the issued share capital of the Company.
- (3) These 389,673,000 Shares in which Sky Donna (a company wholly-owned by Mr. Zou Kang) is interested consist of (i) 372,393,000 Shares held by Sky Donna; and (ii) 17,280,000 Shares in which Sky Donna is deemed to be interested as a result of the Concert Parties Confirmatory Deed entered into between Mr. Zou Kang and Ms. Zou Jian.
- (4) These 389,673,000 Shares in which Ms. Zou Jian is interested consist of (i) 17,280,000 Shares held by Pengna Holding, a company wholly-owned by Ms. Zou Jian, in which Ms. Zou Jian is deemed to be interested under the SFO; and (ii) 372,393,000 Shares of Sky Donna in which Ms. Zou Jian is deemed to be interested as a result of being a party acting-in-concert with Mr. Zou Kang pursuant to the Concert Parties Confirmatory Deed.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any other persons (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

4. NO MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors confirm that there were no material adverse changes in the financial or trading position of the Group since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group have been made up).

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing or proposed service contract between any of the Directors and any member of the Group other than service contracts that are expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

6. DIRECTOR'S INTERESTS IN ASSETS

Save for the transactions disclosed in the paragraph headed "7. Directors' interests in assets and contracts or arrangements" below, as at the Latest Practicable Date, to the best knowledge and information of the Directors, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made up.

7. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OR ARRANGEMENTS

Save for the interests of the Directors in:

- (i) the property services framework agreement dated 7 December 2023 entered into between the Company, Mr. Zou Kang and Ms. Zou Jian, pursuant to which the Group agreed to provide a range of property management services and other related services to companies in which Mr. Zou Kang and/or Ms. Zou Jian can exercise or control the exercise of 30% or more of the voting power at their general meetings and their subsidiaries for the term of three years, commencing from 1 January 2024 to 31 December 2026; and
- (ii) the Debts Settlement Agreements.

As at the Latest Practicable Date, none of the Directors was materially interested in any contracts or arrangements subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group and no Director was interested in any assets which have been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2022 (being the date of which the latest published audited financial statements of the Group were made up).

8. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or any of their close associates had interests in any business which competes or was likely to compete, either directly or indirectly, with the business of the Group, or had or might have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

9. QUALIFICATION OF EXPERTS AND CONSENT

The following are the qualifications of the professional advisers who have provided their opinion or advice, which are contained in this circular:

Name	Qualification
Somerley Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent property valuer

The above mentioned experts are Independent Third Parties of the Company and its connected persons and are referred to as the "Experts" hereinafter.

As at the Latest Practicable Date, the Experts have given and have not withdrawn their respective written consent to the issue of this circular with the inclusion of the text of their letter and/or report and references to their respective names, logos, qualifications and/or their respective advice in the forms and context in which they respectively appear herein.

As at the Latest Practicable Date, each of the Experts did not have any direct or indirect shareholdings in the Company or any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the Experts did not have any direct or indirect interests in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group, since 31 December 2022, being the date to which the latest published audited financial statements of the Company were made up.

The letter, the report and/or recommendation from the Experts are given as of the date of this circular for incorporation herein.

10. MISCELLANEOUS

- (a) The registered office of the Company is situated at 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.
- (c) The Company's Hong Kong branch share registrar and transfer office is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The joint company secretaries of the Company are (i) Ms. Wan Hong; and (ii) Ms. Ng Ka Man, an associate member of both of the Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- (e) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published and displayed on the websites of the HKEXnews (<http://www.hkexnews.hk>) and the Company (<http://www.desunhui.com>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the Debts Settlement Agreements;
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 19 to 20 of this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 21 to 36 of this circular;
- (d) the valuation report from the independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the text of which is set out on pages 44 to 75 of this circular;
- (e) the written consent referred to in the section headed “9. Qualification of Experts and Consent” in this appendix; and
- (f) this circular.

The following is the text of a letter and valuation certificates, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its opinion of market values of the properties as at 30 November 2023.



仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
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tel +852 2846 5000 fax +852 2169 6001
Company Licence No.: C-030171

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公司牌照號碼：C-030171

31 January 2024

The Board of Directors
Desun Real Estate Investment Services Group Co., Ltd.
Room 1803, Block A,
Desun International,
No. 1480 North Section of Tianfu Avenue,
High-tech Industrial Development Zone,
Chengdu,
Sichuan Province,
the PRC

Dear Sirs,

On 22 December 2023, Chengdu Desun Property Service Co., Ltd (成都德商產投物業服務有限公司, “**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 and an indirect wholly owned subsidiary of Desun Real Estate Investment Services Group Co., Ltd. (德商產投服務集團有限公司, the “**Company**”) entered into ten debts settlement agreements with the respective debtors and vendors, pursuant to which Chengdu Desun agreed to acquire and the vendors agreed to sell a total of 1,512 carparking spaces at an aggregate consideration of RMB51,640,000 which shall be offset against the ten receivables due by the debtors to Chengdu Desun on a dollar-for-dollar basis.

In accordance with your instructions to value the property interests held by Chengdu Desun Yong Hong Real Estate Co. Ltd. (成都德商永鴻置業有限公司, “**Yong Hong Real Estate**”), Chengdu Desun Jia Tai Real Estate Co., Ltd. (成都德商嘉泰置業有限公司, “**Jia Tai Real Estate**”), Chengdu Desun Da Real Estate Co., Ltd. (成都德商達置業有限公司, “**Desun Da**”) and Chengdu Dekunda Real Estate Co., Ltd. (成都德坤達置業有限公司, “**Dekunda Real Estate**”) (collectively referred to as the “**Vendors**”) in the People’s Republic of China (the “**PRC**”) for disclosure purpose, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interests as at 30 November 2023 (the “**valuation date**”).

Our valuation is carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have adopted the direct comparison approach in our valuation by assuming sale of the property interests in their existing state by making reference to comparable sales transactions as available in the relevant market.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and its subsidiaries (hereinafter together referred to as the “**Group**”) and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, and other relevant matters.

We have been shown copies of title documents including Real Estate Title Certificates, Real Estate Surveying and Mapping Reports, Registrations of Commodity Property for Sale in Chengdu, Chengdu Commodity Property Pre-sale Permits and other title documents relating to the property interests and have made relevant enquiries. However, we have not examined the original documents and assumed that the copies of the documents obtained are consistent with their originals. We have relied considerably on the advice given by the Company’s PRC legal advisers — Jingtian & Gongcheng Law Firm, concerning the validity of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the documents and official site plans handed to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties were carried out on 14 December 2023 by Ms. Irene Wen who has more than 2 years' experience in the valuation of properties in the PRC.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our summary of values and valuation certificates are attached below for your attention.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T. W. Yiu
MRICS MHKIS RPS (GP)
Senior Director

Note: Eddie T.W. Yiu is a Chartered Surveyor who has 30 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

SUMMARY OF VALUES

Property interests held by the Vendors in the PRC

No.	Property	No. of carparking spaces	Gross Floor Area as at 30 November 2023 (sq.m.)	Market value in existing state as at 30 November 2023 RMB
1.	460 carparking spaces of Chunhe Tianjiao Huayuan (春和天驕花園) located at No. 300 Yexing North Road, Wuhou District, Chengdu, Sichuan Province, The PRC	460	14,721.34	54,866,000
2.	240 carparking spaces of Yunmen Tianxi Huayuan (雲門天璽花園) located at Zhongba Group 2, Supo Street, Qingyang District, Chengdu, Sichuan Province, The PRC	240	8,258.57	34,964,000
3.	312 carparking spaces of Desun Yufu Tianjiao (East Zone) (德商御府天驕(東區)) located at No.155 Ruixiang West Street, Tianfu New District, Chengdu, Sichuan Province, The PRC	312	8,310.93	17,095,000
4.	209 carparking spaces of Desun Hanlin Tianjiao City (德商翰林天驕城) located at No. 33 Huahuan Road, Wenjiang District, Chengdu, Sichuan Province, The PRC	209	6,931.54	12,701,000
5.	60 carparking spaces of Desun Huadu Tianjiao City (德商花都天驕城) located at No. 56 Hualang Road, Wenjiang District, Chengdu, Sichuan Province, The PRC	60	1,868.31	3,641,000
6.	231 carparking spaces of Desun Xuefu Tianjiao City (德商學府天驕城) located at No. 99 Huahuan Road, Wenjiang District, Chengdu, Sichuan Province, The PRC	231	7,227.99	13,992,000
	Total:	1,512	47,318.68	137,259,000

VALUATION CERTIFICATE

Property interests held by the Vendors in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2023 RMB
1.	460 carparking spaces of Chunhe Tianjiao Huayuan (春和天驕花園) located at No. 300 Yexing North Road, Wuhou District, Chengdu, Sichuan Province, the PRC	<p>The property comprises 460 carparking spaces in a residential development named Chunhe Tianjiao Huayuan with a total gross floor area (“GFA”) of approximately 14,721.34 sq.m., of which 423 carparking spaces are located on basement level 1, and 37 carparking spaces are located on basement level 2. The property consists of Settlement Properties I and Settlement Properties II (see notes 4 and 5 for details).</p> <p>The classification, number of carparking spaces and gross floor area of the property are set out in note 6.</p> <p>Chunhe Tianjiao Huayuan (inclusive of the property) was completed in 2023 with a total GFA of approximately 111,141.58 sq.m. It is located at Jitouqiao Community of Wuhou District, Chengdu and near Jitouqiao Station, the intersection of Metro Line 9 and Line 17 and the surroundings are mainly residential developments. It is well served by public transportation and various public facilities.</p> <p>The land use rights of the property have been granted with the expiry date on 23 February 2091 for urban residential use.</p>	As at the valuation date, the property was vacant.	54,866,000

Notes:

- Pursuant to a Real Estate Title Certificate — Chuan (2021) Cheng Du Shi Bu Dong Chan Quan Di No. 0227421, the land use rights of a parcel of land with a site area of approximately 35,170.83 sq.m. (including the land use rights of the property) have been granted to Chengdu Desun Yong Hong Real Estate Co. Ltd. (成都德商永鴻置業有限公司, “Yong Hong Real Estate”) with the expiry date on 23 February 2091 for urban residential use.

2. Pursuant to a Real Estate Surveying and Mapping Report (actual measurement) — No. 2021005 Fang 01B (2023), the total GFA of Chunhe Tianjiao Huayuan is approximately 111,141.58 sq.m., of which the GFA of the property is approximately 14,721.34 sq.m.
3. Pursuant to a Chengdu Commodity Property Pre-sale Permit — Rong Yu Shou Zi Di No. 510107202257718, Yong Hong Real Estate is entitled to sell portions of the carparking spaces of Chunhe Tianjiao Huayuan (representing a total gross floor area of approximately 22,086.90 sq.m.) (including the property) to purchasers.
4. Pursuant to a debts settlement agreement dated 22 December 2023 entered into between Yong Hong Real Estate (as vendor of the debts settlement agreement), Chengdu Desun Rong He Real Estate Co. Ltd. (成都德商榮和置業有限公司, “**Rong He Real Estate**”) (as debtor of the debts settlement agreement) and Chengdu Desun (as purchaser of the debts settlement agreement) (the “**Debts Settlement Agreement I**”), Chengdu Desun agreed to acquire, and Yong Hong Real Estate agreed to sell a total of 382 carparking spaces of Chunhe Tianjiao Huayuan (the “**Settlement Properties I**”). The acquisition of the Settlement Properties I pursuant to the Debts Settlement Agreement I will be carried out by way of a direct transfer of the property ownership rights. The aggregate consideration for the acquisition of Settlement Properties I is RMB15,280,000. It is agreed by the parties to the Debts Settlement Agreement I that the consideration for the acquisition of Settlement Properties I payable by Chengdu Desun shall be offset against the receivables due by Rong He Real Estate to Chengdu Desun in the amount of RMB15,280,000 on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Yong Hong Real Estate. The Debts Settlement Agreement I shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the independent shareholders at a general meeting of the Company. If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties I due to Yong Hong Real Estate, Chengdu Desun is entitled to request Yong Hong Real Estate to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties I. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties I or the Debts Settlement Agreement I.
5. Pursuant to a debts settlement agreement dated 22 December 2023 entered into between Yong Hong Real Estate (as vendor of the debts settlement agreement), Chengdu Desun Gao Xin Real Estate Co., Ltd. (成都德商高欣置業有限公司, “**Gao Xin Real Estate**”) (as debtor of the debts settlement agreement) and Chengdu Desun (as purchaser of the debts settlement agreement) (the “**Debts Settlement Agreement II**”), Chengdu Desun agreed to acquire, and Yong Hong Real Estate agreed to sell a total of 78 carparking spaces of Chunhe Tianjiao Huayuan (the “**Settlement Properties II**”). The acquisition of the Settlement Properties II pursuant to the Debts Settlement Agreement II will be carried out by way of a direct transfer of the property ownership rights. The aggregate consideration for the acquisition of Settlement Properties II is RMB3,120,000. It is agreed by the parties to the Debts Settlement Agreement II that the consideration for the acquisition of Settlement Properties II payable by Chengdu Desun shall be offset against the receivables due by Gao Xin Real Estate to Chengdu Desun in the amount of RMB3,120,000 on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Yong Hong Real Estate. The Debts Settlement Agreement II shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the independent shareholders at a general meeting of the Company. If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties II due to Yong Hong Real Estate, Chengdu Desun is entitled to request Yong Hong Real Estate to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties II. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties II or the Debts Settlement Agreement II.

6. According to the information provided by the Group, the property comprises different types of carparking spaces, which are set out as below:

Type	With or without charging pile	Floor	No. of carparking spaces	GFA (sq.m.)
Standard carparking space	without	B1	262	8,504.52
	without	B2	37	1,201.02
	with	B1	136	4,414.56
Mini carparking space	without	B1	18	432.26
	with	B1	<u>7</u>	<u>168.98</u>
Total:			<u>460</u>	<u>14,721.34</u>

7. We have identified and analyzed various relevant sales evidences of carparking spaces within the locality which have the similar characteristics as the property, and selected three comparable properties listed in the past 3 months. The sale price of these comparables ranges from RMB108,000 to RMB120,000 per space for standard carparking spaces without charging pile. Appropriate adjustments and analysis are considered to the differences in several aspects including nature of comparables, location and accessibility, building age and other characters between the comparables and the property to arrive at the market value. The adjustment range for each factor is -3% to 10%, and we summed up the adjustment factors to reach the total adjustment. The general basis of adjustment is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Details of the three comparables and adjustments are set out as below, the list of the comparables is exhaustive based on the above selection criteria as at the time we performed the valuation of the property.

Comparable	Comparable A	Comparable B	Comparable C
Project	Zhongtie Qishi Gongguan (中鐵騎士公館)	Wuhai Zhonghua Jinxiu (武海中華錦繡)	Heneng Zhenbao Jinnan (合能珍寶金楠)
Location	No. 622 Section 1, Fujin Road, Wuhou District, Chengdu, Sichuan Province	Intersection of Chaoyin Road and Wuqing East Fourth Road, Wuhou District, Chengdu, Sichuan Province	No. 298 Jinyan Road, Wuhou District, Chengdu, Sichuan Province
Usage	Standard carparking space without charging pile	Standard carparking space without charging pile	Standard carparking space without charging pile
Year of Completion	2010	2010	2017
Floor	B1	B1	B1
Unit Rate Before Adjustments (RMB/space)	110,000	120,000	108,000

Comparable	Comparable A	Comparable B	Comparable C
Adjustment factors:			
Time	0%	0%	0%
Asking Price	-3%	-3%	-3%
Location and Accessibility	9%	0%	10%
Building Age and Maintenance Condition	3%	3%	2%
Total Adjustments	9%	0%	9%
Unit Rate After Adjustments (<i>RMB/space</i>)	119,900	120,000	117,720

Based on the analysis of the three comparables, the adjusted average unit rate of the three comparables is RMB120,000 per space.

8. Based on our analysis of the property market of the carparking spaces within the locality, we have adopted different market value for different types of carparking spaces. The general basis of adjustment is that the mini carparking space is inferior to the standard carparking space, a downward adjustment of RMB10,000 is made. The carparking space with charging pile is superior to the carparking space without charging pile, an upward adjustment of RMB2,000 is made. The carparking space located on basement level 1 is superior to the carparking space located on basement level 2, an upward adjustment of RMB10,000 is made. These value adjustments are made by reference to the carparking pricing systems of comparables, as well as empirical data from real estate marketers and agents we consulted. Details of the adjustments are set out below:

Type	With or without charging pile	Floor	No. of carparking spaces	GFA (<i>sq.m.</i>)	Market value (<i>RMB/space</i>)	Market value in existing state as at 30 November 2023 (<i>RMB</i>)
Standard carparking space	without	B1	262	8,504.52	120,000	31,440,000
	without	B2	37	1,201.02	110,000	4,070,000
	with	B1	136	4,414.56	122,000	16,592,000
Mini carparking space	without	B1	18	432.26	110,000	1,980,000
	with	B1	7	168.98	112,000	784,000
Total:			460	14,721.34		54,866,000

9. Settlement Properties I and Settlement Properties II together constitute the property. The market value of the Settlements Properties I in existing state as at 30 November 2023 is RMB45,876,000. The market value of the Settlement Properties II in existing state as at 30 November 2023 is RMB8,990,000.

10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. Yong Hong Real Estate is the owner of the state-owned construction land use rights mentioned above and has obtained the Chengdu Commodity Property Pre-sale Permit; and
 - b. Yong Hong Real Estate has the rights to sell the property according to the Chengdu Commodity Property Pre-sale Permit in accordance with the requirements of the Commercial Housing Sales Management Measures, the Urban Real Estate Management Law of the People's Republic of China and the Civil Code of the People's Republic of China.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2023 RMB
2.	240 carparking spaces of Yunmen Tianxi Huayuan (雲門天璽花園) located at Zhongba Group 2, Supo Street, Qingyang District, Chengdu, Sichuan Province, the PRC	<p>The property comprises 240 carparking spaces in a residential development named Yunmen Tianxi Huayuan with a total gross floor area (“GFA”) of approximately 8,258.57 sq.m., of which 128 carparking spaces are located on basement level 1, and 112 carparking spaces are located on basement level 2. The property consists of Settlement Properties III, Settlement Properties IV and Settlement Properties V (see notes 4, 5 and 6 for details).</p> <p>The classification, number of carparking spaces and gross floor area of the property are set out in note 7.</p> <p>Yunmen Tianxi Huayuan (inclusive of the property) was completed in 2022 with a total GFA of approximately 66,568.58 sq.m. It is located at Supo Community of Qingyang District, Chengdu and near Chengduxi Railway Station and the surroundings are mainly residential developments. It is well served by public transportation and various public facilities.</p> <p>The land use rights of the property have been granted with the expiry date on 17 February 2091 for urban residential use.</p>	As at the valuation date, the property was vacant.	34,964,000

Notes:

- Pursuant to a Real Estate Title Certificate — Chuan (2021) Cheng Du Shi Bu Dong Chan Quan Di No. 0269195, the land use rights of a parcel of land with a site area of approximately 22,004.66 sq.m. (including the land use rights of the property) have been granted to Chengdu Desun Jia Tai Real Estate Co., Ltd. (成都德商嘉泰置業有限公司, “**Jia Tai Real Estate**”) with the expiry date on 17 February 2091 for urban residential use.
- Pursuant to a Real Estate Surveying and Mapping Report (actual measurement) — No. 2021062 Fang 01B (2022), the total GFA of Yunmen Tianxi Huayuan is approximately 66,568.58 sq.m., of which the GFA of the property is approximately 8,258.57 sq.m.

3. Pursuant to a Chengdu Commodity Property Pre-sale Permit — Rong Yu Shou Zi Di No. 510105202255112, Jia Tai Real Estate is entitled to sell portions of the carparking spaces of Yunmen Tianxi Huayuan (representing a total gross floor area of approximately 14,456.90 sq.m.) (including the property) to purchasers.
4. Pursuant to a debts settlement agreement dated 22 December 2023 entered into between Jia Tai Real Estate (as vendor of the debts settlement agreement), Chengdu Dijing Xingye Real Estate Development Co., Ltd. (成都帝景興業房地產開發有限公司, “DJXY”) (as debtor of the debts settlement agreement) and Chengdu Desun (as purchaser of the debts settlement agreement) (the “**Debts Settlement Agreement III**”), Chengdu Desun agreed to acquire, and Jia Tai Real Estate agreed to sell a total of 32 carparking spaces of Yunmen Tianxi Huayuan (the “**Settlement Properties III**”). The acquisition of the Settlement Properties III pursuant to the Debts Settlement Agreement III will be carried out by way of a direct transfer of the property ownership rights. The aggregate consideration for the acquisition of Settlement Properties III is RMB1,600,000. It is agreed by the parties to the Debts Settlement Agreement III that the consideration for the acquisition of Settlement Properties III payable by Chengdu Desun shall be offset against the receivables due by DJXY to Chengdu Desun in the amount of RMB1,600,000 on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Jia Tai Real Estate. The Debts Settlement Agreement III shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the independent shareholders at a general meeting of the Company. If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties III due to Jia Tai Real Estate, Chengdu Desun is entitled to request Jia Tai Real Estate to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties III. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties III or the Debts Settlement Agreement III.
5. Pursuant to a debts settlement agreement dated 22 December 2023 entered into between Jia Tai Real Estate (as vendor of the debts settlement agreement), Chengdu Desun Ding Chuang Real Estate Co., Ltd. (成都德商鼎創置業有限公司, “**Ding Chuang Real Estate**”) (as debtor of the debts settlement agreement) and Chengdu Desun (as purchaser of the debts settlement agreement) (the “**Debts Settlement Agreement IV**”), Chengdu Desun agreed to acquire, and Jia Tai Real Estate agreed to sell a total of 184 carparking spaces of Yunmen Tianxi Huayuan (the “**Settlement Properties IV**”). The acquisition of the Settlement Properties IV pursuant to the Debts Settlement Agreement IV will be carried out by way of a direct transfer of the property ownership rights. The aggregate consideration for the acquisition of Settlement Properties IV is RMB9,200,000. It is agreed by the parties to the Debts Settlement Agreement IV that the consideration for the acquisition of Settlement Properties IV payable by Chengdu Desun shall be offset against the receivables due by Ding Chuang Real Estate to Chengdu Desun in the amount of RMB9,200,000 on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Jia Tai Real Estate. The Debts Settlement Agreement IV shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the independent shareholders at a general meeting of the Company. If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties IV due to Jia Tai Real Estate, Chengdu Desun is entitled to request Jia Tai Real Estate to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties IV. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties IV or the Debts Settlement Agreement IV.

6. Pursuant to a debts settlement agreement dated 22 December 2023 entered into between Jia Tai Real Estate (as vendor of the debts settlement agreement), Chongzhou De Shang Bolang Real Estate Co., Ltd. (崇州德商博朗置業有限公司, “**Bo Lang Real Estate**”) (as debtor of the debts settlement agreement) and Chengdu Desun (as purchaser of the debts settlement agreement) (the “**Debts Settlement Agreement V**”), Chengdu Desun agreed to acquire, and Jia Tai Real Estate agreed to sell a total of 24 carparking spaces of Yunmen Tianxi Huayuan (the “**Settlement Properties V**”). The acquisition of the Settlement Properties V pursuant to the Debts Settlement Agreement V will be carried out by way of a direct transfer of the property ownership rights. The aggregate consideration for the acquisition of Settlement Properties V is RMB1,200,000. It is agreed by the parties to the Debts Settlement Agreement V that the consideration for the acquisition of Settlement Properties V payable by Chengdu Desun shall be offset against the receivables due by Bo Lang Real Estate to Chengdu Desun in the amount of RMB1,200,000 on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Jia Tai Real Estate. The Debts Settlement Agreement V shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the independent shareholders at a general meeting of the Company. If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties V due to Jia Tai Real Estate, Chengdu Desun is entitled to request Jia Tai Real Estate to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties V. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties V or the Debts Settlement Agreement V.
7. According to the information provided by the Group, the property comprises different types of carparking spaces, which are set out as below:

Type	With or without charging pile	Floor	No. of carparking spaces	GFA (sq.m.)
Standard carparking space	without	B1	125	4,333.75
	without	B2	34	1,178.78
	with	B2	74	2,565.58
Mini carparking space	without	B1	3	77.34
	without	B2	1	25.78
	with	B2	3	77.34
Total:			240	8,258.57

8. We have identified and analyzed various relevant sales evidences of carparking spaces within the locality which have the similar characteristics as the property, and selected three comparable properties listed in the past 3 months. The sale price of these comparables ranges from RMB138,000 to RMB150,000 per space for standard carparking spaces without charging pile. Appropriate adjustments and analysis are considered to the differences in several aspects including nature of comparables, location and accessibility, building age and other characters between the comparables and the property to arrive at the market value. The adjustment range for each factor is -3% to 8%, and we summed up the adjustment factors to reach the total adjustment. The general basis of adjustment is that if the comparable property is superior to the

property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Details of the three comparables and adjustments are set out as below, the list of the comparables is exhaustive based on the above selection criteria as at the time we performed the valuation of the property.

Comparable	Comparable A	Comparable B	Comparable C
Project	Longfor Cuiwei Qingbo Zone B (龍湖翠微清波B區)	Jinxiu Guanghua (錦繡光華)	Jiangjiao Tingyuan (江郊庭院)
Location	No. 428 Jinfu Road, Qingyang District, Chengdu, Sichuan Province	No. 29 Zhongba Street, Qingyang District, Chengdu, Sichuan Province	No. 46 Dongpo North Second Road, Qingyang District, Chengdu, Sichuan Province
Usage	Standard carparking space without charging pile	Standard carparking space without charging pile	Standard carparking space without charging pile
Year of Completion	2009	2012	2008
Floor	B1	B1	B1
Unit Rate Before Adjustments (<i>RMB/space</i>)	145,000	138,000	150,000
Adjustment factors:			
Time	0%	0%	0%
Asking Price	-3%	-3%	-3%
Location and Accessibility	3%	8%	0%
Building Age and Maintenance Condition	3%	3%	3%
Total Adjustments	3%	8%	0%
Unit Rate After Adjustments (<i>RMB/space</i>)	149,350	149,040	150,000

Based on the analysis of the three comparables, the adjusted average unit rate of the three comparables is RMB150,000 per space.

9. Based on our analysis of the property market of the carparking spaces within the locality, we have adopted different market value for different types of carparking spaces. The general basis of adjustment is that the mini carparking space is inferior to the standard carparking space, a downward adjustment of RMB10,000 is made. The carparking space with charging pile is superior to the carparking space without charging pile, an upward adjustment of RMB2,000 is made. The carparking space located on basement level 1 is superior to the carparking space located on basement level 2, an upward adjustment of RMB10,000 is made. These value adjustments are made by reference to the carparking pricing systems of comparables, as well as empirical data from real estate marketers and agents we consulted. Details of the adjustments are set out below:

Type	With or without charging pile	Floor	No. of carparking spaces	GFA (sq.m.)	Market value (RMB/ space)	Market value in existing state as at 30 November 2023 (RMB)
Standard carparking space	without	B1	125	4,333.75	150,000	18,750,000
	without	B2	34	1,178.78	140,000	4,760,000
	with	B2	74	2,565.58	142,000	10,508,000
Mini carparking space	without	B1	3	77.34	140,000	420,000
	without	B2	1	25.78	130,000	130,000
	with	B2	3	77.34	132,000	396,000
Total:			240	8,258.57		34,964,000

10. Settlement Properties III, Settlement Properties IV and Settlement Properties V together constitute the property. The market value of the Settlements Properties III in existing state as at 30 November 2023 is RMB4,800,000. The market value of the Settlement Properties IV in existing state as at 30 November 2023 is RMB26,784,000. The market value of the Settlement Properties V in existing state as at 30 November 2023 is RMB3,380,000.
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
- Jia Tai Real Estate is the owner of the state-owned construction land use rights mentioned above and has obtained the Chengdu Commodity Property Pre-sale Permit; and
 - Jia Tai Real Estate has the rights to sell the property according to the Chengdu Commodity Property Pre-sale Permit in accordance with the requirements of the Commercial Housing Sales Management Measures, the Urban Real Estate Management Law of the People's Republic of China and the Civil Code of the People's Republic of China.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2023 RMB
3.	312 carparking spaces of Desun Yufu Tianjiao (East Zone) (德商御府天驕(東區)) located at No.155 Ruixiang West Street, Tianfu New District, Chengdu, Sichuan Province, the PRC	<p>The property comprises 312 carparking spaces in a residential development named Desun Yufu Tianjiao (East Zone) with a total gross floor area (“GFA”) of approximately 8,310.93 sq.m., of which 95 carparking spaces are located on basement level 1, and 217 carparking spaces are located on basement level 2. The property consists of Settlement Properties IX and Settlement Properties X (see notes 3 and 4 for details).</p> <p>The classification, number of carparking spaces and gross floor area of the property are set out in note 5.</p> <p>Desun Yufu Tianjiao (East Zone) (inclusive of the property) was completed in 2019 with a total GFA of approximately 293,563.27 sq.m. It is located at Huayang Community of Tianfu New District, Chengdu and near Nanhulijiao Station of Metro Line 5 and the surroundings are mainly residential developments. It is well served by public transportation and various public facilities.</p> <p>The land use rights of the property have been granted with the expiry date on 9 March 2086 for urban residential use.</p>	As at the valuation date, the property was vacant.	17,095,000

Notes:

- Pursuant to a Real Estate Title Certificate — Chuan (2022) Cheng Tian Bu Dong Chan Quan Di No. 0010107, the land use rights of a parcel of land with a site area of approximately 47,940.96 sq.m., on which Desun Yufu Tianjiao (East Zone) is erected thereon, have been granted to Chengdu Desun Da Real Estate Co., Ltd. (成都德商達置業有限公司, “Desun Da”) with the expiry date on 9 March 2086 for urban residential use, and the buildings with a total GFA of approximately 47,196.48 sq.m. (including the property) are owned by Desun Da for carparking use.

2. Pursuant to 3 Real Estate Surveying and Mapping Reports (actual measurement) — Nos. 2016033 Fang 01B (2018)-3, 2016033 Fang 01B-4 (2019), 2016033 Fang 01B-5 (2019), the total GFA of Desun Yufu Tianjiao (East Zone) is approximately 293,563.27 sq.m., of which the GFA of the property is approximately 8,310.93 sq.m.
3. Pursuant to a debts settlement agreement dated 22 December 2023 entered into between Desun Da (as vendor of the debts settlement agreement), Chengdu Dekunda Real Estate Co., Ltd. (成都德坤達置業有限公司, “**Dekunda Real Estate**”) (as debtor of the debts settlement agreement) and Chengdu Desun (as purchaser of the debts settlement agreement) (the “**Debts Settlement Agreement IX**”), Chengdu Desun agreed to acquire, and Desun Da agreed to sell a total of 101 carparking spaces of Desun Yufu Tianjiao (East Zone) (the “**Settlement Properties IX**”). The acquisition of the Settlement Properties IX pursuant to the Debts Settlement Agreement IX will be carried out by way of a direct transfer of the property ownership rights. The aggregate consideration for the acquisition of Settlement Properties IX is RMB2,020,000. It is agreed by the parties to the Debts Settlement Agreement IX that the consideration for the acquisition of Settlement Properties IX payable by Chengdu Desun shall be offset against the receivables due by Dekunda Real Estate to Chengdu Desun in the amount of RMB2,020,000 on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Desun Da. The Debts Settlement Agreement IX shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the independent shareholders at a general meeting of the Company. If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties IX due to Desun Da, Chengdu Desun is entitled to request Desun Da to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties IX. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties IX or the Debts Settlement Agreement IX.
4. Pursuant to a debts settlement agreement dated 22 December 2023 entered into between Desun Da (as vendor and debtor of the debts settlement agreement) and Chengdu Desun (as purchaser of the debts settlement agreement) (the “**Debts Settlement Agreement X**”), Chengdu Desun agreed to acquire, and Desun Da agreed to sell a total of 211 carparking spaces of Desun Yufu Tianjiao (East Zone) (the “**Settlement Properties X**”). The acquisition of the Settlement Properties X pursuant to the Debts Settlement Agreement X will be carried out by way of a direct transfer of the property ownership rights. The aggregate consideration for the acquisition of Settlement Properties X is RMB4,220,000. It is agreed by the parties to the Debts Settlement Agreement X that the consideration for the acquisition of Settlement Properties X payable by Chengdu Desun shall be offset against the receivables due by Desun Da to Chengdu Desun in the amount of RMB4,220,000 on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Desun Da. The Debts Settlement Agreement X shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the independent shareholders at a general meeting of the Company. If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties X due to Desun Da, Chengdu Desun is entitled to request Desun Da to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties X. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties X or the Debts Settlement Agreement X.

5. According to the information provided by the Group, the property comprises different types of carparking spaces, which are set out as below:

Type	With or without charging pile	Floor	No. of carparking spaces	GFA (sq.m.)
Standard carparking space	without	B1	34	989.26
	without	B2	152	4,404.00
Mini carparking space	without	B1	56	1,184.87
	without	B2	61	1,282.93
Large carparking space	without	B1	5	235.10
	without	B2	4	214.77
Total:			312	8,310.93

6. We have identified and analyzed various relevant sales evidences of carparking spaces within the locality which have the similar characteristics as the property, and selected three comparable properties listed in the past 3 months. The sale price of these comparables ranges from RMB60,000 to RMB65,000 per space for standard carparking spaces without charging pile. Appropriate adjustments and analysis are considered to the differences in several aspects including nature of comparables, location and accessibility, building age and other characters between the comparables and the property to arrive at the market value. The adjustment range for each factor is -7% to 3%, and we summed up the adjustment factors to reach the total adjustment. The general basis of adjustment is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Details of the three comparables and adjustments are set out as below, the list of the comparables is exhaustive based on the above selection criteria as at the time we performed the valuation of the property.

Comparable	Comparable A	Comparable B	Comparable C
Project	Poly Yeyu (保利葉語)	Zhongxing City • Zuoan (中信城 • 左岸)	Helen Spring (海倫春天)
Location	No. 1099 Section 3, Huafu Avenue, Shuangliu District, Chengdu, Sichuan Province	No. 66 Section 1, Mei'an Road, Tianfu New District, Chengdu, Sichuan Province	No. 1789 Section 3, Muhua Road, Tianfu New District, Chengdu, Sichuan Province
Usage	Standard carparking space without charging pile	Standard carparking space without charging pile	Standard carparking space without charging pile
Year of Completion	2012	2017	2019
Floor	B1	B1	B1
Unit Rate Before Adjustments (RMB/space)	60,000	65,000	60,000

Comparable	Comparable A	Comparable B	Comparable C
Adjustment factors:			
Time	0%	0%	0%
Asking Price	-3%	-3%	-3%
Location and Accessibility	1%	-7%	2%
Building Age and Maintenance Condition	3%	1%	1%
Total Adjustments	1%	-9%	0%
Unit Rate After Adjustments (<i>RMB/space</i>)	60,600	59,150	60,000

Based on the analysis of the three comparables, the adjusted average unit rate of the three comparables is RMB60,000 per space.

7. Based on our analysis of the property market of the carparking spaces within the locality, we have adopted different market value for different types of carparking spaces. The general basis of adjustment is that the mini carparking space is inferior to the standard carparking space, a downward adjustment of RMB5,000 is made. Alternatively, the standard carparking space is inferior to the large carparking space, a downward adjustment of RMB5,000 is made. The carparking space located on basement level 1 is superior to the carparking space located on basement level 2, an upward adjustment of RMB5,000 is made. These value adjustments are made by reference to the carparking pricing systems of comparables, as well as empirical data from real estate marketers and agents we consulted. Details of the adjustments are set out below:

Type	With or without charging pile	Floor	No. of carparking spaces	GFA (<i>sq.m.</i>)	Market value (<i>RMB/space</i>)	Market value in existing state as at 30 November 2023 (<i>RMB</i>)
Standard carparking space	without	B1	34	989.26	60,000	2,040,000
	without	B2	152	4,404.00	55,000	8,360,000
Mini carparking space	without	B1	56	1,184.87	55,000	3,080,000
	without	B2	61	1,282.93	50,000	3,050,000
Large carparking space	without	B1	5	235.10	65,000	325,000
	without	B2	4	214.77	60,000	240,000
Total:			312	8,310.93		17,095,000

8. Settlement Properties IX and Settlement Properties X together constitute the property. The market value of the Settlement Properties IX in existing state as at 30 November 2023 is RMB5,775,000. The market value of the Settlement Properties X in existing state as at 30 November 2023 is RMB11,320,000.

9. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. Desun Da is the owner of the property and the owner of the corresponding state-owned construction land use rights of the property as stated in the above-mentioned Real Estate Title Certificate, which is recognized and protected by the Chinese law; and
 - b. Desun Da can sell the property according to the usage of the building and the use of land specified on the title certificate in accordance with the relevant laws and regulations such as the Civil Code of the People's Republic of China.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2023 RMB
4.	209 carparking spaces of Desun Hanlin Tianjiao City (德商翰林天驕城) located at No. 33 Huahuan Road, Wenjiang District, Chengdu, Sichuan Province, the PRC	<p>The property comprises 209 carparking spaces in a residential development named Desun Hanlin Tianjiao City with a total gross floor area (“GFA”) of approximately 6,931.54 sq.m., of which 180 carparking spaces are located on basement level 1, and 29 carparking spaces are located on basement level 2. The property consists of portions of Settlement Properties VI (see note 4 for details).</p> <p>The classification, number of carparking spaces and gross floor area of the property are set out in note 6.</p> <p>Desun Hanlin Tianjiao City (inclusive of the property) was completed in 2021 with a total GFA of approximately 94,329.61 sq.m. It is located at Gongping Community of Wenjiang District, Chengdu and near Chengming Expressway and the surroundings are mainly residential developments. It is well served by public transportation and various public facilities.</p> <p>The land use rights of the property have been granted with the expiry date on 20 November 2089 for urban residential use.</p>	As at the valuation date, portions of the property were temporarily leased to the residents of Desun Hanlin Tianjiao City, whilst the remaining portions of the property were vacant.	12,701,000

Notes:

1. Pursuant to a Real Estate Title Certificate — Chuan (2020) Wen Jiang Qu Bu Dong Chan Quan Di No. 0001577, the land use rights of a parcel of land with a site area of approximately 22,062.74 sq.m. (including the land use rights of the property) have been granted to Chengdu Dekunda Real Estate Co., Ltd. (成都德坤達置業有限公司, “**Dekunda Real Estate**”) with the expiry date on 20 November 2089 for urban residential use.
2. Pursuant to a Real Estate Surveying and Mapping Report (actual measurement) — Yi Ce Zi Zi No. 5112147, the total GFA of Desun Hanlin Tianjiao City is approximately 94,329.61 sq.m., of which the GFA of the property is approximately 6,931.54 sq.m.

3. Pursuant to a Registration of Commodity Property for Sale in Chengdu — Rong Xian Shou Zi Di No. 510115202259213, Dekunda Real Estate is entitled to sell portions of the carparking spaces of Desun Hanlin Tianjiao City (representing a total gross floor area of approximately 18,595.14 sq.m.) (including the property) to purchasers.
4. Pursuant to a debts settlement agreement dated 22 December 2023 entered into between Dekunda Real Estate (as vendor and debtor of the debts settlement agreement) and Chengdu Desun (as purchaser of the debts settlement agreement) (the “**Debts Settlement Agreement VI**”), Chengdu Desun agreed to acquire, and Dekunda Real Estate agreed to sell a total of 209 carparking spaces of Desun Hanlin Tianjiao City, 60 carparking spaces of Desun Huadu Tianjiao City and 23 carparking spaces of Desun Xuefu Tianjiao City (the “**Settlement Properties VI**”). The acquisition of the Settlement Properties VI pursuant to the Debts Settlement Agreement VI will be carried out by way of a direct transfer of the property ownership rights. The aggregate consideration for the acquisition of Settlement Properties VI is RMB8,760,000. It is agreed by the parties to the Debts Settlement Agreement VI that the consideration for the acquisition of Settlement Properties VI payable by the Chengdu Desun shall be offset against the receivables due by Dekunda Real Estate to Chengdu Desun in the amount of RMB8,760,000 on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Dekunda Real Estate. The Debts Settlement Agreement VI shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the independent shareholders at a general meeting of the Company. If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties VI due to Dekunda Real Estate, Chengdu Desun is entitled to request Dekunda Real Estate to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties VI. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties VI or the Debts Settlement Agreement VI.
5. As introduced by the Company, as at the valuation date, 7 carparking spaces of the property were temporarily leased to the residents of Desun Hanlin Tianjiao City and the term of the leases is one year, and the rent is paid by month. The monthly rent is RMB320 per space (exclusive of management fee and inclusive of 9% value-added tax). As introduced by the Company, the leases will be terminated once the lessees fail to pay rent within 5 days of the designated payment date.
6. According to the information provided by the Group, the property comprises different types of carparking spaces, which are set out as below:

Type	With or without charging pile	Floor	No. of carparking spaces	GFA (sq.m.)
Standard carparking space	without	B1	156	5,140.20
	without	B2	21	691.95
	with	B1	21	691.95
Large carparking space	without	B1	3	111.12
	without	B2	8	296.32
Total:			209	6,931.54

7. We have identified and analyzed various relevant sales evidences of carparking spaces within the locality which have the similar characteristics as the property, and selected three comparable properties listed in the past 3 months. The sale price of these comparables ranges from RMB60,000 to RMB67,000 per space for standard carparking spaces without charging pile. Appropriate adjustments and analysis are considered to the differences in several aspects including nature of comparables, location and accessibility, building age and other characters between the comparables and the property to arrive at the market value. The adjustment range for each factor is -9% to 4%, and we summed up the adjustment factors to reach the total adjustment. The general basis of adjustment is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Details of the three comparables and adjustments are set out as below, the list of the comparables is exhaustive based on the above selection criteria as at the time we performed the valuation of the property.

Comparable	Comparable A	Comparable B	Comparable C
Project	Jiazhaoye Lijing Gongguan (佳兆業麗晶公館)	Jiazhaoye Lijing Gang (佳兆業麗晶港)	Shiji Guanghua (世紀光華)
Location	No. 99 Chengxin Road, Gongping Street, Wenjiang District, Chengdu, Sichuan Province	No. 88 Tongxing East Road, Wenjiang District, Chengdu, Sichuan Province	No. 888 Nanxun Avenue, Wenjiang District, Chengdu, Sichuan Province
Usage	Standard carparking space without charging pile	Standard carparking space without charging pile	Standard carparking space without charging pile
Year of Completion	2017	2013	2011
Floor	B1	B1	B1
Unit Rate Before Adjustments (<i>RMB/space</i>)	60,000	67,000	60,000
Adjustment factors:			
Time	0%	0%	0%
Asking Price	-3%	-3%	-3%
Location and Accessibility	4%	-9%	2%
Building Age and Maintenance Condition	1%	3%	3%
Total Adjustments	2%	-9%	2%
Unit Rate After Adjustments (<i>RMB/space</i>)	61,200	60,970	61,200

Based on the analysis of the three comparables, the adjusted average unit rate of the three comparables is RMB61,000 per space.

8. Based on our analysis of the property market of the carparking spaces within the locality, we have adopted different market value for different types of carparking spaces. The general basis of adjustment is that the standard carparking space is inferior to the large carparking space, a downward adjustment of RMB5,000 is made. The carparking space with charging pile is superior to the carparking space without charging pile, an upward adjustment of RMB2,000 is made. The carparking space located on basement level 1 is superior to the carparking space located on basement level 2, an upward adjustment of RMB5,000 is made. These value adjustments are made by reference to the carparking pricing systems of comparables, as well as empirical data from real estate marketers and agents we consulted. Details of the adjustments are set out below:

Type	With or without charging pile	Floor	No. of carparking spaces	GFA (sq.m.)	Market value (RMB/ space)	Market value
						in existing state as at 30 November 2023 (RMB)
Standard carparking space	without	B1	156	5,140.20	61,000	9,516,000
	without	B2	21	691.95	56,000	1,176,000
	with	B1	21	691.95	63,000	1,323,000
Large carparking space	without	B1	3	111.12	66,000	198,000
	without	B2	8	296.32	61,000	488,000
Total:			209	6,931.54		12,701,000

9. Portions of the Settlement Properties VI constitute the property. The market value of the 209 carparking spaces of Desun Hanlin Tianjiao City of the Settlement Properties VI in existing state as at 30 November 2023 is RMB12,701,000.
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
- Dekunda Real Estate is the owner of the state-owned construction land use rights mentioned above and has obtained the Registration of Commodity Property for Sale in Chengdu; and
 - Dekunda Real Estate has the rights to sell the property according to the Registration of Commodity Property for Sale in Chengdu in accordance with the requirements of the Commercial Housing Sales Management Measures, the Urban Real Estate Management Law of the People's Republic of China and the Civil Code of the People's Republic of China.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2023 RMB
5.	60 carparking spaces of Desun Huadu Tianjiao City (德商花都天驕城) located at No. 56 Hualang Road, Wenjiang District, Chengdu, Sichuan Province, the PRC	<p>The property comprises 60 carparking spaces in a residential development named Desun Huadu Tianjiao City with a total gross floor area (“GFA”) of approximately 1,868.31 sq.m., of which 46 carparking spaces are located on basement level 1, and 14 carparking spaces are located on basement level 2. The property consists of portions of Settlement Properties VI (see note 4 for details).</p> <p>The classification, number of carparking spaces and gross floor area of the property are set out in note 6.</p> <p>Desun Huadu Tianjiao City (inclusive of the property) was completed in 2021 with a total GFA of approximately 66,477.15 sq.m. It is located at Gongping Community of Wenjiang District, Chengdu and near Chengming expressway and the surroundings are mainly residential developments. It is well served by public transportation and various public facilities.</p> <p>The land use rights of the property have been granted with the expiry date on 20 November 2089 for urban residential use.</p>	As at the valuation date, portions of the property were temporarily leased to the residents of Desun Hadu Tianjiao City, whilst the remaining portions of the property were vacant.	3,641,000

Notes:

1. Pursuant to a Real Estate Title Certificate — Chuan (2020) Wen Jiang Qu Bu Dong Chan Quan Di No. 0001579, the land use rights of a parcel of land with a site area of approximately 18,834.86 sq.m. (including the land use rights of the property) have been granted to Chengdu Dekunda Real Estate Co., Ltd. (成都德坤達置業有限公司, “**Dekunda Real Estate**”) with the expiry date on 20 November 2089 for urban residential use.
2. Pursuant to a Real Estate Surveying and Mapping Report (actual measurement) — Yi Ce Zi Zi No. 51501171, the total GFA of Desun Huadu Tianjiao City is approximately 66,477.15 sq.m., of which the GFA of the property is approximately 1,868.31 sq.m.

3. Pursuant to a Chengdu Commodity Property Pre-sale Permit — Rong Yu Shou Zi Di No. 510115202255311, Dekunda Real Estate is entitled to sell portions of the carparking spaces of Desun Huadu Tianjiao City (representing a total gross floor area of approximately 12,669.5 sq.m.) (including the property) to purchasers.
4. Pursuant to a debts settlement agreement dated 22 December 2023 entered into between Dekunda Real Estate (as vendor and debtor of the debts settlement agreement) and Chengdu Desun (as purchaser of the debts settlement agreement) (the “**Debts Settlement Agreement VI**”), Chengdu Desun agreed to acquire, and Dekunda Real Estate agreed to sell a total of 209 carparking spaces of Desun Hanlin Tianjiao City, 60 carparking spaces of Desun Huadu Tianjiao City and 23 carparking spaces of Desun Xuefu Tianjiao City (the “**Settlement Properties VI**”). The acquisition of the Settlement Properties VI pursuant to the Debts Settlement Agreement VI will be carried out by way of a direct transfer of the property ownership rights. The aggregate consideration for the acquisition of Settlement Properties VI is RMB8,760,000. It is agreed by the parties to the Debts Settlement Agreement VI that the consideration for the acquisition of Settlement Properties VI payable by the Chengdu Desun shall be offset against the receivables due by Dekunda Real Estate to Chengdu Desun in the amount of RMB8,760,000 on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Dekunda Real Estate. The Debts Settlement Agreement VI shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the independent shareholders at a general meeting of the Company. If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties VI due to Dekunda Real Estate, Chengdu Desun is entitled to request Dekunda Real Estate to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties VI. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties VI or the Debts Settlement Agreement VI.
5. As introduced by the Company, as at the valuation date, 2 carparking spaces of the property were temporarily leased to the residents of Desun Huadu Tianjiao City and the term of the leases is one year, and the rent is paid by month. The monthly rent is RMB400 per space (exclusive of management fee and inclusive of 9% value-added tax). As introduced by the Company, the leases will be terminated once the lessees fail to pay rent within 5 days of the designated payment date.
6. According to the information provided by the Group, the property comprises different types of carparking spaces, which are set out as below:

Type	With or without charging pile	Floor	No. of carparking spaces	GFA (sq.m.)
Standard carparking space	without	B1	40	1,222.80
	without	B2	8	244.56
	with	B1	3	91.71
Large carparking space	without	B1	3	103.08
	without	B2	6	206.16
Total:			60	1,868.31

7. We have identified and analyzed various relevant sales evidences of carparking spaces within the locality which have the similar characteristics as the property, and selected three comparable properties listed in the past 3 months. The sale price of these comparables ranges from RMB60,000 to RMB67,000 per space for standard carparking spaces without charging pile. Appropriate adjustments and analysis are considered to the differences in several aspects including nature of comparables, location and accessibility, building age and other characters between the comparables and the property to arrive at the market value. The adjustment range for each factor is -9% to 4%, and we summed up the adjustment factors to reach the total adjustment. The general basis of adjustment is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Details of the three comparables and adjustments are set out as below, the list of the comparables is exhaustive based on the above selection criteria as at the time we performed the valuation of the property.

Comparable	Comparable A	Comparable B	Comparable C
Project	Jiazhaoye Lijing Gongguan (佳兆業麗晶公館)	Jiazhaoye Lijing Gang (佳兆業麗晶港)	Shiji Guanghua (世紀光華)
Location	No. 99 Chengxin Road, Gongping Street, Wenjiang District, Chengdu, Sichuan Province	No. 88 Tongxing East Road, Wenjiang District, Chengdu, Sichuan Province	No. 888 Nanxun Avenue, Wenjiang District, Chengdu, Sichuan Province
Usage	Standard carparking space without charging pile	Standard carparking space without charging pile	Standard carparking space without charging pile
Year of Completion	2017	2013	2011
Floor	B1	B1	B1
Unit Rate Before Adjustments (<i>RMB/space</i>)	60,000	67,000	60,000
Adjustment factors:			
Time	0%	0%	0%
Asking Price	-3%	-3%	-3%
Location and Accessibility	4%	-9%	2%
Building Age and Maintenance Condition	1%	3%	3%
Total Adjustments	2%	-9%	2%
Unit Rate After Adjustments (<i>RMB/space</i>)	61,200	60,970	61,200

Based on the analysis of the three comparables, the adjusted average unit rate of the three comparables is RMB61,000 per space.

8. Based on our analysis of the property market of the carparking spaces within the locality, we have adopted different market value for different types of carparking spaces. The general basis of adjustment is that the standard carparking space is inferior to the large carparking space, a downward adjustment of RMB5,000 is made. The carparking space with charging pile is superior to the carparking space without charging pile, an upward adjustment of RMB2,000 is made. The carparking space located on basement level 1 is superior to the carparking space located on basement level 2, an upward adjustment of RMB5,000 is made. These value adjustments are made by reference to the carparking pricing systems of comparables, as well as empirical data from real estate marketers and agents we consulted. Details of the adjustments are set out below:

Type	With or without charging pile	Floor	No. of carparking spaces	GFA (sq.m.)	Market value (RMB/ space)	Market value
						in existing state as at 30 November 2023 (RMB)
Standard carparking space	without	B1	40	1,222.80	61,000	2,440,000
	without	B2	8	244.56	56,000	448,000
	with	B1	3	91.71	63,000	189,000
Large carparking space	without	B1	3	103.08	66,000	198,000
	without	B2	<u>6</u>	<u>206.16</u>	61,000	<u>366,000</u>
Total:			<u>60</u>	<u>1,868.31</u>		<u>3,641,000</u>

9. Portions of the Settlement Properties VI constitute the property. The market value of the 60 carparking spaces of Desun Huadu Tianjiao City of the Settlement Properties VI in existing state as at 30 November 2023 is RMB3,641,000.
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
- Dekunda Real Estate is the owner of the state-owned construction land use rights mentioned above and has obtained the Chengdu Commodity Property Pre-sale Permit; and
 - Dekunda Real Estate has the rights to sell the property according to the Chengdu Commodity Property Pre-sale Permit in accordance with the requirements of the Commercial Housing Sales Management Measures, the Urban Real Estate Management Law of the People's Republic of China and the Civil Code of the People's Republic of China.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2023 RMB
6.	231 carparking spaces of Desun Xuefu Tianjiao City (德商學府天驕城) located at No. 99 Huahuan Road, Wenjiang District, Chengdu, Sichuan Province, the PRC	<p>The property comprises 231 carparking spaces in a residential development named Desun Xuefu Tianjiao City with a total gross floor area (“GFA”) of approximately 7,227.99 sq.m., of which 200 carparking spaces are located on basement level 1, and 31 carparking spaces are located on basement level 2. The property consists of Settlement Properties VI, Settlement Properties VII and Settlement Properties VIII (see notes 4, 5 and 6).</p> <p>The classification, number of carparking spaces and gross floor area of the property are set out in note 8.</p> <p>Desun Xuefu Tianjiao City (inclusive of the property) was completed in 2021 with a total GFA of approximately 97,111.70 sq.m. It is located at Gongping Community of Wenjiang District, Chengdu and near Chengming Expressway and the surroundings are mainly residential developments. It is well served by public transportation and various public facilities.</p> <p>The land use rights of the property have been granted with the expiry date on 20 November 2089 for urban residential use.</p>	As at the valuation date, portions of the property were temporarily leased to the residents of Desun Xuefu Tianjiao City, whilst the remaining portions of the property were vacant.	13,992,000

Notes:

- Pursuant to a Real Estate Title Certificate — Chuan (2020) Wen Jiang Qu Bu Dong Chan Quan Di No. 0001580, the land use rights of a parcel of land with a site area of approximately 27,371.75 sq.m. (including the land use rights of the property) have been granted to Chengdu Dekunda Real Estate Co., Ltd. (成都德坤達置業有限公司, “**Dekunda Real Estate**”) with the expiry date on 20 November 2089 for urban residential use.
- Pursuant to a Real Estate Surveying and Mapping Report (actual measurement) — Yi Ce Zi Zi No. 5112147, the total GFA of Desun Xuefu Tianjiao City is approximately 97,111.70 sq.m., of which the GFA of the property is approximately 7,227.99 sq.m.

3. Pursuant to a Registration of Commodity Property for Sale in Chengdu — Rong Xian Shou Zi Di No. 510115202254818, Dekunda Real Estate is entitled to sell portions of the carparking spaces of Desun Xuefu Tianjiao City (representing a total gross floor area of approximately 19,700.33 sq.m.) (including the property) to purchasers.
4. Pursuant to a debts settlement agreement dated 22 December 2023 entered into between Dekunda Real Estate (as vendor and debtor of the debts settlement agreement) and Chengdu Desun (as purchaser of the debts settlement agreement) (the “**Debts Settlement Agreement VI**”), Chengdu Desun agreed to acquire, and Dekunda Real Estate agreed to sell a total of 209 carparking spaces of Desun Hanlin Tianjiao City, 60 carparking spaces of Desun Huadu Tianjiao City and 23 carparking spaces of Desun Xuefu Tianjiao City (the “**Settlement Properties VI**”). The acquisition of the Settlement Properties VI pursuant to the Debts Settlement Agreement VI will be carried out by way of a direct transfer of the property ownership rights. The aggregate consideration for the acquisition of Settlement Properties VI is RMB8,760,000. It is agreed by the parties to the Debts Settlement Agreement VI that the consideration for the acquisition of Settlement Properties VI payable by the Chengdu Desun shall be offset against the receivables due by Dekunda Real Estate to Chengdu Desun in the amount of RMB8,760,000 on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Dekunda Real Estate. The Debts Settlement Agreement VI shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the independent shareholders at a general meeting of the Company. If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties VI due to Dekunda Real Estate, Chengdu Desun is entitled to request Dekunda Real Estate to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties VI. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties VI or the Debts Settlement Agreement VI.
5. Pursuant to a debts settlement agreement dated 22 December 2023 entered into between Dekunda Real Estate (as vendor of the debts settlement agreement), Chongzhou De Shang Bolang Real Estate Co., Ltd.* (崇州德商博朗置業有限公司, “**Bo Lang Real Estate**”) (as debtor of the debts settlement agreement) and Chengdu Desun (as purchaser of the debts settlement agreement) (the “**Debts Settlement Agreement VII**”), Chengdu Desun agreed to acquire, and Dekunda Real Estate agreed to sell a total of 79 carparking spaces of Desun Xuefu Tianjiao City (the “**Settlement Properties VII**”). The acquisition of the Settlement Properties VII pursuant to the Debts Settlement Agreement VII will be carried out by way of a direct transfer of the property ownership rights. The aggregate consideration for the acquisition of Settlement Properties VII is RMB2,370,000. It is agreed by the parties to the Debts Settlement Agreement VII that the consideration for the acquisition of Settlement Properties VII payable by the Chengdu Desun shall be offset against the receivables due by Bo Lang Real Estate to Chengdu Desun in the amount of RMB2,370,000 on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Dekunda Real Estate. The Debts Settlement Agreement VII shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the independent shareholders at a general meeting of the Company. If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties VII due to Dekunda Real Estate, Chengdu Desun is entitled to request Dekunda Real Estate to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties VII. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties VII or the Debts Settlement Agreement VII.

6. Pursuant to a debts settlement agreement dated 22 December 2023 entered into between Dekunda Real Estate (as vendor of the debts settlement agreement), Chengdu De Qian Real Estate Co., Ltd. (成都德乾置業有限公司, "De Qian Real Estate") (as debtor of the debts settlement agreement) and Chengdu Desun (as purchaser of the debts settlement agreement) (the "Debts Settlement Agreement VIII"), Chengdu Desun agreed to acquire, and Dekunda Real Estate agreed to sell a total of 129 carparking spaces of Desun Xuefu Tianjiao City (the "Settlement Properties VIII"). The acquisition of the Settlement Properties VIII pursuant to the Debts Settlement Agreement VIII will be carried out by way of a direct transfer of the property ownership rights. The aggregate consideration for the acquisition of Settlement Properties VIII is RMB3,870,000. It is agreed by the parties to the Debts Settlement Agreement VIII that the consideration for the acquisition of Settlement Properties VIII payable by the Chengdu Desun shall be offset against the receivables due by De Qian Real Estate to Chengdu Desun in the amount of RMB3,870,000 on a dollar-for-dollar basis, and thus no separate cash payment will be made by Chengdu Desun to Dekunda Real Estate. The Debts Settlement Agreement VIII shall take effect after being signed and sealed by the parties and the transactions contemplated thereunder are approved by the independent shareholders at a general meeting of the Company. If Chengdu Desun is unable to carry out the registration and ownership transfer procedures in respect of the Settlement Properties VIII due to Dekunda Real Estate, Chengdu Desun is entitled to request Dekunda Real Estate to continue to fulfill the registration and ownership transfer procedures in respect of the Settlement Properties VIII. If the whole or part of the sales and purchase agreement cannot be performed, Chengdu Desun is entitled to choose to terminate the sales and purchase agreement in respect of the Settlement Properties VIII or the Debts Settlement Agreement VIII.
7. As introduced by the Company, as at the valuation date, 9 carparking spaces of the property were temporarily leased to the residents of Desun Xuefu Tianjiao City and the term of the leases is one year, and the rent is paid by month. The monthly rent is RMB320 per space (exclusive of management fee and inclusive of 9% value-added tax). As introduced by the Company, the leases will be terminated once the lessees fail to pay rent within 5 days of the designated payment date.
8. According to the information provided by the Group, the property comprises different types of carparking spaces, which are set out as below:

Type	With or without charging pile	Floor	No. of carparking spaces	GFA (sq.m.)
Standard carparking space	without	B1	187	5,851.23
	without	B2	16	500.64
	with	B1	13	406.77
	with	B2	15	469.35
Total:			231	7,227.99

9. We have identified and analyzed various relevant sales evidences of carparking spaces within the locality which have the similar characteristics as the property, and selected three comparable properties listed in the past 3 months. The sale price of these comparables ranges from RMB60,000 to RMB67,000 per space for standard carparking spaces without charging pile. Appropriate adjustments and analysis are considered to the differences in several aspects including nature of comparables, location and accessibility, building age and other characters between the comparables and the property to arrive at the market value. The adjustment range for each factor is -9% to 4%, and we summed up the adjustment factors to reach the total adjustment. The general basis of adjustment is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Details of the three comparables and adjustments are set out as below, the list of the comparables is exhaustive based on the above selection criteria as at the time we performed the valuation of the property.

Comparable	Comparable A	Comparable B	Comparable C
Project	Jiazhaoye Lijing Gongguan (佳兆業麗晶公館)	Jiazhaoye Lijing Gang (佳兆業麗晶港)	Shiji Guanghua (世紀光華)
Location	No. 99 Chengxin Road, Gongping Street, Wenjiang District, Chengdu, Sichuan Province	No. 88 Tongxing East Road, Wenjiang District, Chengdu, Sichuan Province	No. 888 Nanxun Avenue, Wenjiang District, Chengdu, Sichuan Province
Usage	Standard carparking space without charging pile	Standard carparking space without charging pile	Standard carparking space without charging pile
Year of Completion	2017	2013	2011
Floor	B1	B1	B1
Unit Rate Before Adjustments (<i>RMB/space</i>)	60,000	67,000	60,000
Adjustment factors:			
Time	0%	0%	0%
Asking Price	-3%	-3%	-3%
Location and Accessibility	4%	-9%	2%
Building Age and Maintenance Condition	1%	3%	3%
Total Adjustments	2%	-9%	2%
Unit Rate After Adjustments (<i>RMB/space</i>)	61,200	60,970	61,200

Based on the analysis of the three comparables, the adjusted average unit rate of the three comparables is RMB61,000 per space.

10. Based on our analysis of the property market of the carparking spaces within the locality, we have adopted different market value for different types of carparking spaces. The general basis of adjustment is that the carparking space with charging pile is superior to the carparking space without charging pile, an upward adjustment of RMB2,000 is made. The carparking space located on basement level 1 is superior to the carparking space located on basement level 2, an upward adjustment of RMB5,000 is made. These value adjustments are made by reference to the carparking pricing systems of comparables, as well as empirical data from real estate marketers and agents we consulted. Details of the adjustments are set out below:

Type	With or without charging pile	Floor	No. of carparking spaces	GFA (sq.m.)	Market value (RMB/ space)	Market value
						in existing state as at 30 November 2023 (RMB)
Standard carparking space	without	B1	187	5,851.23	61,000	11,407,000
	without	B2	16	500.64	56,000	896,000
	with	B1	13	406.77	63,000	819,000
	with	B2	<u>15</u>	<u>469.35</u>	58,000	<u>870,000</u>
Total:			<u>231</u>	<u>7,227.99</u>		<u>13,992,000</u>

11. Settlement Properties VII, Settlement Properties VIII and portions of Settlement Properties VI together constitute the property. The market value of the 23 carparking spaces of Desun Xuefu Tianjiao City of Settlement Properties VI in existing state as at 30 November 2023 is RMB1,403,000. The market value of the Settlement Properties VII in existing state as at 30 November 2023 is RMB4,845,000. The market value of Settlement Properties VIII in existing state as at 30 November 2023 is RMB7,744,000.
12. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
- Dekunda Real Estate is the owner of the state-owned construction land use rights mentioned above and has obtained the Registration of Commodity Property for Sale in Chengdu; and
 - Dekunda Real Estate has the rights to sell the property according to the Registration of Commodity Property for Sale in Chengdu in accordance with the requirements of the Commercial Housing Sales Management Measures, the Urban Real Estate Management Law of the People's Republic of China and the Civil Code of the People's Republic of China.

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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Desun Real Estate Investment Services Group Co., Ltd. (the “Company”) will be held at the Conference Room, 18th Floor, Block A, Desun International, No. 1480, North Section of Tianfu Avenue, High-tech Industrial Development Zone, Chengdu, China on Tuesday, 20 February 2024 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise defined, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated 31 January 2024:

ORDINARY RESOLUTIONS

1. **“THAT:**

1. To approve the entering into of the Debts Settlement Agreements by Chengdu Desun with the respective Debtors and Vendors and the transactions contemplated thereunder.

- 1.01 The Debts Settlement Agreement I dated 22 December 2023 entered into among Yong Hong Real Estate as a Vendor, Rong He Real Estate as a Debtor and Chengdu Desun as a purchaser and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified, and authorize the Board or any executive director of the Company to do all such acts and things and execute all such documents and to take all such steps as it considers necessary or expedient or desirable in connection with or to give effect to the agreement.

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- 1.02 The Debts Settlement Agreement II dated 22 December 2023 entered into among Yong Hong Real Estate as a Vendor, Gao Xin Real Estate as a Debtor and Chengdu Desun as a purchaser and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified, and authorize the Board or any executive director of the Company to do all such acts and things and execute all such documents and to take all such steps as it considers necessary or expedient or desirable in connection with or to give effect to the agreement.
- 1.03 The Debts Settlement Agreement III dated 22 December 2023 entered into among Jia Tai Real Estate as a Vendor, DJXY as a Debtor and Chengdu Desun as a purchaser and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified, and authorize the Board or any executive director of the Company to do all such acts and things and execute all such documents and to take all such steps as it considers necessary or expedient or desirable in connection with or to give effect to the agreement.
- 1.04 The Debts Settlement Agreement IV dated 22 December 2023 entered into among Jia Tai Real Estate as a Vendor, Ding Chuang Real Estate as a Debtor and Chengdu Desun as a purchaser and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified, and authorize the Board or any executive director of the Company to do all such acts and things and execute all such documents and to take all such steps as it considers necessary or expedient or desirable in connection with or to give effect to the agreement.
- 1.05 The Debts Settlement Agreement V dated 22 December 2023 entered into among Jia Tai Real Estate as a Vendor, Bo Lang Real Estate as a Debtor and Chengdu Desun as a purchaser and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified, and authorize the Board or any executive director of the Company to do all such acts and things and execute all such documents and to take all such steps as it considers necessary or expedient or desirable in connection with or to give effect to the agreement.
- 1.06 The Debts Settlement Agreement VI dated 22 December 2023 entered into between Dekunda Real Estate as a Vendor and a Debtor and Chengdu Desun as a purchaser and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified, and authorize the Board or any executive director of the Company to do all such acts and things and execute all such documents and to take all such steps as it considers necessary or expedient or desirable in connection with or to give effect to the agreement.

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- 1.07 The Debts Settlement Agreement VII dated 22 December 2023 entered into among Dekunda Real Estate as a Vendor, Bo Lang Real Estate as a Debtor and Chengdu Desun as a purchaser and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified, and authorize the Board or any executive director of the Company to do all such acts and things and execute all such documents and to take all such steps as it considers necessary or expedient or desirable in connection with or to give effect to the agreement.
- 1.08 The Debts Settlement Agreement VIII dated 22 December 2023 entered into among Dekunda Real Estate as a Vendor, De Qian Real Estate as a Debtor and Chengdu Desun as a purchaser and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified, and authorize the Board or any executive director of the Company to do all such acts and things and execute all such documents and to take all such steps as it considers necessary or expedient or desirable in connection with or to give effect to the agreement.
- 1.09 The Debts Settlement Agreement IX dated 22 December 2023 entered into among Desun Da as a Vendor, Dekunda Real Estate as a Debtor and Chengdu Desun as a purchaser and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified, and authorize the Board or any executive director of the Company to do all such acts and things and execute all such documents and to take all such steps as it considers necessary or expedient or desirable in connection with or to give effect to the agreement.
- 1.10 The Debts Settlement Agreement X dated 22 December 2023 entered into between Desun Da as a Vendor and a Debtor and Chengdu Desun as a purchaser and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified, and authorize the Board or any executive director of the Company to do all such acts and things and execute all such documents and to take all such steps as it considers necessary or expedient or desirable in connection with or to give effect to the agreement.”

Yours faithfully
For and on behalf of the Board
Desun Real Estate Investment Services Group Co., Ltd.
Zhang Zhicheng
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 31 January 2024

NOTICE OF EGM

Registered office:

190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

Principal place of business in Hong Kong:

31/F., Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

*Head office and principal place of
business in the PRC:*

Room 1803, Block A
Desun International
No. 1480 North Section of
Tianfu Avenue High-tech
Industrial Development Zone
Chengdu
China

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the Memorandum of Association and Articles of Association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
2. Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
3. Whether or not you intend to attend the EGM in person, you are encouraged to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he/she/it so wish. In such event, the instrument appointing such a proxy shall be deemed to be revoked.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same.
5. In order to be valid, the proxy form, together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the EGM (i.e. before 10:30 a.m. on Sunday, 18 February 2024) or any adjournment thereof (as the case may be).
6. Completion and return of a proxy form shall not preclude a member from attending and voting in person at the EGM or any adjournment thereof (as the case may be) and, in such event, the proxy form appointing a proxy shall be deemed to be revoked.

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7. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Thursday, 15 February 2024 to Tuesday, 20 February 2024 (both dates inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 14 February 2024.
8. Pursuant to Rule 13.39(4) of the Listing Rules, voting for the resolutions set out in this notice will be taken by poll at the above meeting.

As at the date of this notice, 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.