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Xinyuan Property Management Service (Cayman) Ltd.

鑫苑物業服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1895)

CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 16 October 2023. As disclosed in the aforesaid announcement, on 13 October 2023, the Hong Kong International Arbitration Centre issued a final and legally binding arbitral award whereby Xinyuan (China) was liable to pay Xinyuan Science and Technology and the Company the loss suffered and costs and expenses incurred and Xinyuan (China) was required to transfer to the Group certain non-cash assets in satisfaction of such liability. On 31 October 2023, as partial settlement of the arbitral award, Xinyuan (China) transferred the entire equity interest in Beijing Xinyuan Hongsheng, which owns 100% interest in each of the Lessees, to the Company.

Prior to the Equity Transfer, the Lessees had entered into the Agreements with the Lessors pursuant to which the Lessees leased from the Lessors the Leased Properties, operated such projects for the Lessors and shared the income derived from the projects with the Lessors. For the period from 31 October 2023, the date on which the Lessees became subsidiaries of the Company, up to 31 December 2023, the Lessees has paid or will pay to the Lessors an aggregate rental payment in the amount of RMB3,370,000.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Lessors are indirect wholly-owned subsidiaries of Xinyuan Real Estate, the controlling shareholder of the Company indirectly holding 52.86% of the issued share capital of the Company. Therefore, the Lessors are associates of a connected person of the Company and are also connected persons of the Company under Chapter 14A of the Listing Rules. Upon the Equity Transfer, the Lessees became the subsidiaries of the Company, and the transactions with the Lessors contemplated under the Agreements have become continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements under Chapter 14A of the Listing Rules, including publication of an announcement and annual reporting in respect of the Agreements. The Company will comply with all applicable requirements under Chapter 14A if the Agreements are renewed or if their respective terms are varied.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

THE AGREEMENTS

Reference is made to the announcement of the Company dated 16 October 2023. As disclosed in the aforesaid announcement, on 13 October 2023, the Hong Kong International Arbitration Centre issued a final and legally binding arbitral award whereby Xinyuan (China) was liable to pay Xinyuan Science and Technology and the Company the loss suffered and costs and expenses incurred and Xinyuan (China) was required to transfer to the Group certain non-cash assets in satisfaction of such liability. On 31 October 2023, as partial settlement of the arbitral award, Xinyuan (China) transferred the entire equity interest in Beijing Xinyuan Hongsheng, which owns 100% interest in each of the Lessees, to the Company.

Prior to the Equity Transfer, the Lessees had entered into the Agreements with the Lessors pursuant to which the Lessees leased from the Lessors the Leased Properties, operated such projects for the Lessors and shared the income derived from the projects with the Lessors. For the period from 31 October 2023, the date on which the Lessees became subsidiaries of the Company, up to 31 December 2023, the Lessees has paid or will pay to the Lessors an aggregate rental payment in the amount of RMB3,370,000.

A summary of the principal terms of the Agreements are set out below.

1. Agreement I

Date

29 February 2023

Parties

- (1) Henan Xinyuan Yousheng as lessee
- (2) Zhengzhou Jiasheng as lessor

Subject matter

Zhengzhou Jiasheng agreed to lease “Xinyuan Duhui Plaza* 鑫苑都匯廣場” located at Southwest corner of South Fourth Ring Road, Daxue Road, Erqi District, Zhengzhou City, the PRC with a total gross floor area of 35,863.14 square metres to Henan Xinyuan Yousheng and to entrust the operation and management of the aforesaid project with Henan Xinyuan Yousheng, including the provision of the Management Services.

Term

The term is three years commencing on 1 January 2023 and expiring on 31 December 2025.

Rental payment

Henan Xinyuan Yousheng shall pay rent representing 50% of the total rental income from the project to Zhengzhou Jiasheng on a quarterly basis, which was determined with reference to market practice and the project’s own circumstances. The remaining income from the project would be retained by Henan Xinyuan Yousheng as service fee for its operation and management services.

As at the date of this announcement, the outstanding amount of rent payable by Henan Xinyuan Yousheng to Zhengzhou Jiasheng is RMB290,000.

2. Agreement II

Date

31 January 2023

Parties

- (1) Guangzhou Xinyuan as lessee
- (2) Guangzhou Huanglong as lessor

Subject matter

Guangzhou Huanglong agreed to lease certain properties of “Global Dream Project* 環球夢項目” located at No. 283, Fangyuan Road, Haizhu District, Guangzhou, the PRC with a total gross floor area of 38,911.3985 square metres to Guangzhou Xinyuan and to entrust the operation and management of the aforesaid project with Guangzhou Xinyuan, including the provision of the Management Services.

Term

The term is one year commencing on 1 January 2023 and expiring on 31 December 2023.

Rental payment

Guangzhou Xinyuan shall pay rent representing 60% of the total rental income from the project to Guangzhou Huanglong on a monthly basis, which was determined with reference to market practice and the project’s own circumstances. The remaining income from the project would be retained by Guangzhou Xinyuan as service fee for its operation and management services.

As at the date of this announcement, the outstanding amount of rent payable by Guangzhou Xinyuan to Guangzhou Huanglong is RMB1,050,000.

3. Agreement III

Date

31 March 2023

Parties

- (1) Henan Xinyuan Hongsheng as lessee
- (2) Zhengzhou Xinzhenlin as lessor

Subject matter

Zhengzhou Xinzhenlin agreed to lease “Zhengzhou Xinyuan • International Centre* 鄭州鑫苑•國際中心” located at No. 26, Business Outer Ring Road, Jinshui District, Zhengzhou City, the PRC with a total gross floor area of 79,053 square metres to Henan Xinyuan Hongsheng and to entrust the operation and management of the aforesaid project with Henan Xinyuan Hongsheng, including the provision of the Management Services.

Term

The term is one year commencing on 1 January 2023 and expiring on 31 December 2023.

Rental payment

Henan Xinyuan Hongsheng shall pay rent representing 60% of the total rental income from the project to Zhengzhou Xinzhenlin on a quarterly basis, which was determined with reference to market practice and the project’s own circumstances. The remaining income from the project would be retained by Henan Xinyuan Hongsheng as service fee for its operation and management services.

As at the date of this announcement, the outstanding amount of rent payable by Henan Xinyuan Hongsheng to Zhengzhou Xinzhenlin is RMB890,000.

4. Agreement IV

Date

15 January 2023

Parties

- (1) Henan Xinyuan Yousheng as lessee
- (2) Xingyang Xinyuan as lessor

Subject matter

Xingyang Xinyuan agreed to lease “Xingyang Xinyuan • Xinduhui Project* 滎陽鑫苑• 鑫都匯項目” located at Southwest corner of Zhengshang Road and Guangwu Road, the PRC with a total gross floor area of 25,527.74 square metres to Henan Xinyuan Yousheng and to entrust the operation and management of the aforesaid project with Henan Xinyuan Yousheng, including the provision of the Management Services.

Term

The term is three years commencing on 1 January 2023 and expiring on 31 December 2025.

Rental payment

Henan Xinyuan Yousheng shall pay rent representing 60% of the total rental income from the project to Xingyang Xinyuan on a quarterly basis, which was determined with reference to market practice and the project’s own circumstances. The remaining rental income from the project would be retained by Henan Xinyuan Yousheng as service fee for its operation and management services.

As at the date of this announcement, the outstanding amount of rent payable by Henan Xinyuan Yousheng to Xingyang Xinyuan is RMB320,000.

5. Agreement V

Date

31 January 2023

Parties

- (1) Hunan Yinghuai as lessee
- (2) Changsha Xinyuan as lessor

Rental payment

Changsha Xinyuan agreed to lease certain properties of “Changsha Xinyuan Xinduhui Project* 長沙鑫苑鑫都匯項目” located at No. 369, Dongfanghong Road, Meixi Lake, Yuelu District, Changsha City, the PRC with a total gross floor area of 12,187.38 square metres to Hunan Yinghuai and to entrust the operation and management of the aforesaid project with Hunan Yinghuai, including the provision of the Management Services.

Term

The term is three years commencing on 1 January 2023 and expiring on 31 December 2025.

Rental payment

Hunan Yinghuai shall pay a monthly rent of RMB67,274.34 out of the total rental income from the project to Changsha Xinyuan (payable on a quarterly basis), which was determined with reference to market practice and the project’s own circumstances. The remaining rental income from the project would be retained by Hunan Yinghuai as service fee for its operation and management services.

As at the date of this announcement, the outstanding amount of rent payable by Hunan Yinghuai to Changsha Xinyuan is RMB820,000.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Lessors are indirect wholly-owned subsidiaries of Xinyuan Real Estate, the controlling shareholder of the Company indirectly holding 52.86% of the issued share capital of the Company. Therefore, the Lessors are associates of a connected person of the Company and are also connected persons of the Company under Chapter 14A of the Listing Rules. Upon the Equity Transfer, the Lessees became the subsidiaries of the Company, and the transactions with the Lessors contemplated under the Agreements have become continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements under Chapter 14A of the Listing Rules, including publication of an announcement and annual reporting in respect of the Agreements. The Company will comply with all applicable requirements under Chapter 14A if the Agreements are renewed or if their respective terms are varied.

The Directors consider that the Agreements were entered into on normal commercial terms and the terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Since Mr. LI Yifan, an independent non-executive Director, is also an independent non-executive director of Xinyuan (China) (the direct holding company of the Lessors), he had abstained from voting on the Board resolutions approving the payment of the outstanding amount under the Agreements to the Lessors. Save as disclosed above, none of the Directors had a material interest in the Agreements and the transactions contemplated thereunder and no Director was required under the Listing Rules to abstain from voting on the relevant Board resolutions.

INFORMATION ON THE GROUP

As one of the comprehensive property management services providers in the PRC, the Group offers a wide range of services covering pre-delivery and post-delivery phases to property developers, property owners and property occupants for their enjoyment of community life, which can be categorised in three main business lines, namely, (i) property management services; (ii) value-added services; and (iii) pre-delivery and consulting services.

INFORMATION ON PARTIES TO THE AGREEMENTS

Each of the Lessees is a company established in the PRC with limited liability and an indirect wholly owned subsidiary of the Company, principally engaged in the provision of marketing services, information services, consumer retail services, and operation and management services for commercial real estate, etc.

Each of the Lessors is a company established in the PRC with limited liability and is principally engaged in real estate development, operation and consultation. As at the date of this announcement, each of the Lessors is wholly and indirectly owned by Xinyuan Real Estate. Xinyuan Real Estate is a company incorporated with limited liability in the Cayman Islands and the shares of which are listed on the New York Stock Exchange (stock code: XIN). It is principally engaged in real estate development.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 16 November 2022 and will remain suspended, pending fulfilment of the resumption guidance issued by the Stock Exchange.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

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| “Agreement I” | the lease agreement dated 29 February 2023 made between Henan Xinyuan Yousheng as lessee and Zhengzhou Jiasheng as lessor |
| “Agreement II” | the lease agreement dated 31 January 2023 made between Guangzhou Xinyuan as lessee and Guangzhou Huanglong as lessor |
| “Agreement III” | the lease agreement dated 31 March 2023 made between Henan Xinyuan Hongsheng as lessee and Zhengzhou Xinzhenlin as lessor |
| “Agreement IV” | the lease agreement dated 15 January 2023 made between Henan Xinyuan Yousheng as lessee and Xingyang Xinyuan as lessor |
| “Agreement V” | the lease agreement dated 31 January 2023 made between Hunan Yinghuai as lessee and Changsha Xinyuan as lessor |
| “Agreements” | collectively, the Agreement I, the Agreement II, the Agreement III, the Agreement IV and the Agreement V |
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |

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| “Beijing Xinyuan Hongsheng” | 北京鑫苑弘晟商業管理有限公司 (Beijing Xinyuan Hongsheng Commercial Management Co., Ltd.*), a limited liability company established in the PRC and the holding company of the Lessees |
| “Board” | the board of Directors |
| “Changsha Xinyuan” | 長沙鑫苑萬卓置業有限公司 (Changsha Xinyuan Wanzhuo Real Estate Co., Ltd.*), a limited liability company established in the PRC |
| “Company” | Xinyuan Property Management Service (Cayman) Ltd. (鑫苑物業服務集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1895) |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “controlling shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Equity Transfer” | the transfer of all the equity interest in the Lessees by Xinyuan (China) to the Company which completed on 31 October 2023 |
| “Group” | the Company and its subsidiaries |
| “Guangzhou Huanglong” | 廣州黃龍信息科技有限公司 (Guangzhou Huanglong Information Technology Co., Ltd.*), a limited liability company established in the PRC |
| “Guangzhou Xinyuan” | 廣州鑫苑弘晟商業管理有限公司 (Guangzhou Xinyuan Hongsheng Commercial Management Co., Ltd.*), a limited liability company established in the PRC |
| “Henan Xinyuan Hongsheng” | 河南鑫苑弘晟商業管理有限公司 (Henan Xinyuan Hongsheng Commercial Management Co., Ltd.*), a limited liability company established in the PRC |
| “Henan Xinyuan Yousheng” | 河南鑫苑優晟商業管理有限公司 (Henan Xinyuan Yousheng Commercial Management Co., Ltd.*), a limited liability company established in the PRC |

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| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hunan Yinghuai” | 湖南盈懷商業管理有限公司 (Hunan Yinghuai Commercial Management Co., Ltd.*), a limited liability company established in the PRC |
| “Leased Properties” | the properties leased by the Lessors to the Lessees under the Agreements |
| “Lessees” | collectively, Henan Xinyuan Yousheng, Henan Xinyuan Hongsheng, Guangzhou Xinyuan and Hunan Yinghuai |
| “Lessors” | collectively, Zhengzhou Jiasheng, Guangzhou Huanglong, Zhengzhou Xinzhenlin, Xingyang Xinyuan and Changsha Xinyuan |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Management Services” | management services including marketing and promotion services, the handling of sales and leases of shops, the liaising with tenants of the shops and the provision of other operation management and property services |
| “PRC” | the People’s Republic of China |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Xingyang Xinyuan” | 滎陽鑫苑置業有限公司 (Xingyang Xinyuan Real Estate Co., Ltd.*), a limited liability company established in the PRC |
| “Xinyuan (China)” | 鑫苑 (中國) 置業有限公司 (Xinyuan (China) Real Estate Co., Ltd*), a limited liability company established in the PRC and a wholly-owned subsidiary of Xinyuan Real Estate as at the date of this announcement |
| “Xinyuan Real Estate” | Xinyuan Real Estate Co., Ltd. (鑫苑地產控股有限公司), a company incorporated with limited liability in the Cayman Islands on 26 March 2007, the shares of which are listed on the New York Stock Exchange (Stock Code: XIN), and a controlling shareholder of the Company |

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| “Xinyuan Science and Technology” | 鑫苑科技服務集團有限公司 (Xinyuan Science and Technology Service Group Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company |
| “Zhengzhou Jiasheng” | 鄭州嘉晟置業有限公司 (Zhengzhou Jiasheng Real Estate Co., Ltd.*), a limited liability company established in the PRC |
| “Zhengzhou Xinzhenlin” | 鄭州鑫振麟置業有限公司 (Zhengzhou Xinzhenlin Real Estate Co., Ltd.*), a limited liability company established in the PRC |
| “%” | per cent. |

By order of the Board
Xinyuan Property Management Service (Cayman) Ltd.
SHEN Yuan-Ching
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 26 December 2023

As at the date of this announcement, the Board comprises Mr. SHEN Yuan-Ching, Mr. FENG Bo and Mr. WANG Yong as executive directors; Mr. TIAN Wenzhi as non-executive director; and Mr. LI Yifan, Mr. LAN Ye, and Mr. LING Chenkai as independent non-executive directors.

* *English translations in this announcement, where indicated, are included for identification purposes only*