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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)**

### **VOLUNTARY ANNOUNCEMENT**

References are made to (i) the announcements of Xinyuan Property Management Service (Cayman) Ltd. (the “**Company**”) dated 17 September 2020, 23 December 2021 and 16 May 2022 (the “**Announcements**”); and (ii) the circular of the Company dated 30 October 2020, in relation to the Car Parking Space Exclusive Sales Cooperation Agreement (and the relevant supplemental agreements) and the transactions contemplated thereunder. Unless otherwise stated, capitalised terms used in this announcement have the same meanings defined in the Announcements.

#### **THE OFFSET AGREEMENT**

As disclosed in the Announcements, pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement entered into by Xinyuan Real Estate Holdings and the Company on 17 September 2020, the Group paid Xinyuan Real Estate Group a refundable Earnest Money of RMB206,783,200 as the deposit for being the exclusive sales partner of Xinyuan Real Estate Group in respect of the Target Car Parking Spaces and holding the exclusive sales right in respect of such Target Car Parking Spaces.

As at the date of this announcement, the outstanding amount of Earnest Money due to be refunded by Xinyuan Real Estate Holdings to the Company is RMB197,552,187. For the purpose of settling the outstanding amount of Earnest Money, on 22 March 2024, the Company and Xinyuan Real Estate Holdings entered into an agreement (the “**Offset Agreement**”) pursuant to which the parties agreed that all the cash sales proceeds of 2,181 car parking spaces (the “**Car Parking Spaces**”) owned by Xinyuan Real Estate Group and currently managed by the Group or held by the Group for sale on behalf of Xinyuan Real Estate Group, if sold, will be retained by the Group and applied to settle an equivalent amount of the outstanding Earnest Money. For the avoidance of doubt, the Group will not acquire ownership of the Car Parking Spaces under the Offset Agreement. If the sales proceeds are insufficient to settle the entire amount of the outstanding Earnest Money, the shortfall will be payable by Xinyuan Real Estate Holdings to the Company in cash within ten working days after completion of sales of all Car Parking Spaces. If the sales proceeds exceed the amount of the outstanding Earnest Money, the amount in excess will be retained by the Company.

## **INFORMATION ON THE CAR PARKING SPACES**

The Car Parking Spaces are owned by Xinyuan Real Estate Group and comprise (i) 355 car parking spaces within the property management area of the Group at the Xinyuan Duhui Plaza Project in Erqi District, Zhengzhou City, the PRC; and (ii) 1,826 car parking spaces currently being sold by the Group on behalf of Xinyuan Real Estate Group, which are located at the residential properties developed by Xinyuan Real Estate Group in several cities in the PRC within the property management area of the Group.

The market value of the Car Parking Spaces as at 31 December 2023 was appraised to be RMB197,600,000, pursuant to the valuation report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent qualified valuer by making reference to comparable sales transactions in the market.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE OFFSET AGREEMENT**

The Company and Xinyuan Real Estate Holdings entered into the Offset Agreement to enable the Group to recover the Earnest Money due to be refunded by Xinyuan Real Estate Holdings. Considering the liquidity issues faced by Xinyuan Real Estate Holdings, it is unlikely that Xinyuan Real Estate Holdings will be able to repay the entire outstanding amount of the Earnest Money in cash to the Group within a short period of time. The Board believes that the arrangement under the Offset Agreement is in the best interest of the Company under the circumstances as (i) the market value of the Car Parking Spaces appraised by the independent valuer is higher than the outstanding amount of the Earnest Money; (ii) the Board believes that the Car Parking Spaces are marketable, and the Group can leverage on the market information (including but not limited to the demands of property owners and occupants towards the Car Parking Spaces) obtained from the information technology platform established for the Group's management of the residential properties to sell the Car Parking Spaces; and (iii) Xinyuan Real Estate Holdings will refund any shortfall between the sales proceeds of the Car Parking Spaces and the amount of outstanding Earnest Money to the Group.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Offset Agreement and the transactions contemplated thereunder are on normal commercial terms, are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 22 March 2024

*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.*