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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

1. Total revenue for the six months ended 30 June 2024 increased by approximately 21.1% from approximately RMB334.8 million for the six months ended 30 June 2023 to approximately RMB405.4 million.
2. Gross profit for the six months ended 30 June 2024 was approximately RMB132.2 million, representing an increase of approximately 4.7% as compared to approximately RMB126.3 million for the six months ended 30 June 2023.
3. Profit attributable to owners of the Company for the six months ended 30 June 2024 increased by approximately 25.1% to approximately RMB50.9 million, from approximately RMB40.7 million for the six months ended 30 June 2023.
4. The Board recommends payment of an interim dividend of HK5.52 cents per ordinary share in respect of the six months ended 30 June 2024.

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Xinyuan Property Management Service (Cayman) Ltd. (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Period**”) together with the comparative figures for the corresponding period in 2023 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	4	405,409	334,836
Cost of sales		<u>(273,182)</u>	<u>(208,545)</u>
Gross profit		132,227	126,291
Other income and gains		32,753	3,202
Administrative expenses		(54,242)	(42,331)
Provision for impairment on financial assets and contract assets (other than related parties), net		(65,373)	(18,687)
Reversal of provision for impairment on financial assets, contract assets and prepayments (related parties), net		30,414	17,030
Other operating expenses, net		(1,690)	(1,776)
Interest on lease liabilities		(189)	(93)
Changes in fair value of financial assets at fair value through profit or loss (“ FVTPL ”)		258	(20,830)
Share of losses of investments in associates		<u>(14)</u>	<u>(56)</u>
Profit before tax	5	74,144	62,750
Income tax expense	6	<u>(21,483)</u>	<u>(20,868)</u>
Profit and total comprehensive income for the period		<u>52,661</u>	<u>41,882</u>
Attributable to:			
Equity holders of the Company		50,850	40,725
Non-controlling interests		<u>1,811</u>	<u>1,157</u>
		<u>52,661</u>	<u>41,882</u>
		<i>RMB cents</i>	<i>RMB cents</i>
Earnings per share attributable to equity holders of the Company	8		
Basic		<u>8.96</u>	<u>7.18</u>
Diluted		<u>8.96</u>	<u>7.18</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

		As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Non-current assets			
Property, plant and equipment		13,523	10,105
Goodwill		3,090	3,090
Right-of-use assets		19,361	11,419
Other intangible assets		111,925	3,022
Investments in associates		603	476
Prepayments to a related party	9	74,129	74,812
Financial assets at fair value through other comprehensive income (“FVTOCI”)		4,000	–
Deferred tax assets		<u>40,630</u>	<u>27,090</u>
Total non-current assets		<u>267,261</u>	<u>130,014</u>
Current assets			
Payments to related parties	9	102,018	102,324
Inventories		53,672	53,600
Trade and bills receivables	10	277,987	228,614
Contract assets		44,809	46,525
Deposits, prepayments and other receivables	9	251,921	245,298
Financial assets at FVTPL		10,359	10,101
Cash and cash equivalents		<u>234,383</u>	<u>258,957</u>
Total current assets		<u>975,149</u>	<u>945,419</u>
Current liabilities			
Trade payables	11	127,555	106,683
Other payables and accruals		270,393	214,370
Contract liabilities		155,386	106,502
Lease liabilities		2,753	3,611
Tax payable		<u>98,718</u>	<u>89,584</u>
Total current liabilities		<u>654,805</u>	<u>520,750</u>
Net current assets		<u>320,344</u>	<u>424,669</u>
Total assets less current liabilities		<u>587,605</u>	<u>554,683</u>

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Non-current liabilities		
Lease liabilities	4,230	7,613
Deferred tax liabilities	8,959	5,344
	<hr/>	<hr/>
Total non-current liabilities	13,189	12,957
	<hr/>	<hr/>
Net assets	574,416	541,726
	<hr/> <hr/>	<hr/> <hr/>
Equity		
Share capital	5	5
Reserves	569,505	538,627
	<hr/>	<hr/>
Equity attributable to owners of the Company	569,510	538,632
Non-controlling interests	4,906	3,094
	<hr/>	<hr/>
Total equity	574,416	541,726
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated on 13 December 2018 in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at the offices of P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business is located at Unit B, 17/F., United Centre, 95 Queensway, Admiralty, Hong Kong.

The Company is an investment holding company. During the period, the Company’s subsidiaries were involved in the following principal activities:

- Property management services
- Value-added services
- Pre-delivery and consulting services
- Property engineering services

The ultimate holding company of the Company is Xinyuan Real Estate Co., Ltd. (the “**Ultimate Holding Company**” or “**Xinyuan Real Estate**”), a company established in the Cayman Islands and its shares are listed on the New York Stock Exchange.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, and the International Accounting Standard (“**IAS**”) 34 Interim Financial Reporting, issued by the International Accounting Standards Board (“**IASB**”).

The preparation of the interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023 which have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by IASB, and any public announcements made by the Company during the interim reporting period.

The interim condensed consolidated financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair values. As the Group mainly operates in the People’s Republic of China (the “**PRC**”), Renminbi (“**RMB**”) is used as the presentation currency of the interim condensed consolidated financial information and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies and method of computation adopted in the preparation of these interim condensed consolidated financial statements were consistent with those adopted in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023 other than changes in accounting policies resulting from adoption of the new or amendments to IFRSs for the first time for the current period's financial information.

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments")
Amendments to IAS 1	Non-current Liabilities with Covenants (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The adoption of these new or amendments to IFRSs has had no significant effect on the Group's interim condensed consolidated financial statements and/or the disclosure set out in the interim condensed consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not adopted any other new or amendments to IFRSs which are issued but not yet effective for the current interim period. The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial adoption. So far the directors of the Company have concluded that the adoption of them is unlikely to have a significant financial effect on the interim condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the chief executive of the Company.

During the period, the Group is principally engaged in the provision of property management services, value-added services, pre-delivery and consulting services and property engineering services to customers in the PRC. Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the chief operating decision maker of the Company regards that there is only one segment which is used to make strategic decisions.

The major operating entities of the Group are domiciled in the PRC. Accordingly, all the Group's revenue was derived in the PRC during the period. As at 30 June 2024, all the non-current assets were in the PRC.

4. REVENUE

Revenue mainly represents consideration to which the Group expects to be entitled for the property management services, value-added services, pre-delivery and consulting services and property engineering services rendered to customers, net of value added tax and surcharges, and allowances for discounts. An analysis of the Group's revenue by category is as follows:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue from contract with customers within the scope of IFRS 15, types of goods or services		
Property management services	278,610	252,134
Value-added services	83,051	53,068
Pre-delivery and consulting services	6,991	10,980
Property engineering services	36,757	18,654
	<u>405,409</u>	<u>334,836</u>

For the six months ended 30 June 2024, revenue from entities controlled by the Ultimate Holding Company accounted for RMB28,883,000 and 7% (six months ended 30 June 2023: RMB22,495,000 and 7%) of the Group's total revenue. Other than the entities controlled by the Ultimate Holding Company, the Group had a large number of customers and none of whom contributed 10% or more to the Group's revenue for the period (six months ended 30 June 2023 (unaudited): Same).

The following table shows the revenue recognised in the current reporting period relating to carried-forward contract liabilities:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue recognised that was included in the contract liability balance at the beginning of the period	<u>106,502</u>	<u>106,251</u>

Performance obligations

For property management services, pre-delivery and consulting services and property engineering services, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date.

The majority of the property management service contracts do not have a fixed term. The terms of the contracts for pre-delivery and consulting services (except for construction services) are generally set to expire when the counterparties notify the Group that the services are no longer required.

The Group has elected the practical expedient in paragraph 121 of IFRS 15 for the value-added services and property engineering services contracts that regarding the performance obligation that has an original expected duration of one year or less, the Group does not make disclosure in accordance with paragraph 120 of IFRS 15, that is the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period and an explanation of when the Group expects to recognise as revenue.

5. PROFIT BEFORE TAX

The Group's profit before income tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of services provided	<u>273,182</u>	<u>208,545</u>
Employee benefit expense (including director's and chief executive's remuneration):		
– Wages and salaries	107,101	80,190
– Pension scheme contributions	<u>10,030</u>	<u>8,733</u>
	<u>117,131</u>	<u>88,923</u>
Depreciation and amortisation:		
Depreciation of property, plant and equipment	1,812	1,218
Depreciation of right-of-use assets	2,156	1,200
Amortisation of intangible assets	<u>2,706</u>	<u>138</u>
	<u>6,674</u>	<u>2,556</u>
Loss on disposal of property, plant and equipment	36	28
Lease payments not included in the measurement of lease liabilities	8,071	458
Changes in fair value of financial assets at FVTPL	<u>(258)</u>	<u>20,830</u>
Provision for impairment of financial assets at amortised cost, contract assets and prepayments:		
– Third parties		
Provision for impairment of trade receivables	48,450	13,145
Provision/(reversal of provision) for impairment of contract assets	1,772	(1,654)
Provision for impairment of other receivables	<u>15,151</u>	<u>7,196</u>
	<u>65,373</u>	<u>18,687</u>
– Related parties		
(Reversal of provision)/provision for impairment of trade receivables	(20,620)	1,768
Reversal of provision for impairment of contract assets	(1,556)	(481)
Provision/(reversal of provision) for impairment of prepayments and payments	371	(1,141)
Reversal of provision for impairment of receivables related to incidents of pledged deposits	(41,771)	–
Provision for impairment of other receivables	33,162	7,824
Reversal of provision for impairment of loan to a related party	<u>–</u>	<u>(25,000)</u>
	<u>(30,414)</u>	<u>(17,030)</u>

Costs of sales dealt with the condensed consolidated financial statements represented cost of services provided by the Group.

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax expense – PRC	31,408	23,747
Deferred tax expense – PRC	(9,925)	(2,879)
Total tax charge for the period	<u>21,483</u>	<u>20,868</u>

(a) Cayman Islands income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and is exempted from Cayman Islands income tax (six months ended 30 June 2023 (unaudited): Same).

(b) British Virgin Islands (“BVI”) income tax

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI (six months ended 30 June 2023 (unaudited): Same).

(c) Hong Kong profits tax

No provision for Hong Kong profits tax was made as the Group did not have any assessable income subject to Hong Kong profits tax for the six months ended 30 June 2024 (six months ended 30 June 2023 (unaudited): Same).

(d) PRC Corporate Income

Under the relevant PRC income tax law, the PRC entities of the Group are subject to corporate income tax at a rate of 25% on their respective taxable income (six months ended 30 June 2023 (unaudited): Same).

7. DIVIDENDS

On 29 August 2024, the Board recommended the payment of an interim dividend of HK5.52 cents per ordinary share, amounting to approximately HK\$32,778,000 (equivalent to approximately RMB30,000,000) in aggregate in respect of the six months ended 30 June 2024. This interim condensed consolidated financial information has not reflected this dividend payable.

A special dividend in respect of the six months ended 30 June 2023 of HK3.8 cents per ordinary share, amounting to approximately HK\$21,565,000 (equivalent to RMB19,971,000) in aggregate has been recommended by the board of directors on 12 March 2024 and has been paid in April 2024.

8. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

For the six months ended 30 June 2024 and 30 June 2023, the basic earnings per share were calculated by dividing the earnings for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares of 567,500,000 in issue during the period. There were no differences between the basic and diluted earnings per share as there were no potential dilutive ordinary shares outstanding during the period.

9. PREPAYMENTS TO A RELATED PARTY, PAYMENTS TO RELATED PARTIES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Non-current		
Prepayments		
– A related party (<i>Note (i)</i>)	89,073	89,073
Less: provision for impairment of prepayments	<u>(14,944)</u>	<u>(14,261)</u>
	74,129	74,812
Current		
Payments		
– Related parties (<i>Note (ii)</i>)	206,030	206,646
Less: provision for impairment of payments	<u>(104,012)</u>	<u>(104,322)</u>
	102,018	102,324
Prepayments		
– Related parties	645	593
– Third parties	<u>5,687</u>	<u>11,751</u>
	6,332	12,344
Deposits		
– Third parties	30,440	22,758
Less: provision for impairment of deposit	<u>(8,876)</u>	<u>(4,180)</u>
	21,564	18,578
Other receivables		
– Related parties	81,818	16,129
– Related parties – receivables related to incidents of pledged deposits (<i>Note (iii)</i>)	316,110	398,847
– Third parties	<u>32,221</u>	<u>7,809</u>
	430,149	422,785
Less: provision for impairment of other receivables		
– other receivables on related party	(38,043)	(4,881)
– receivables related to incidents of pledged deposits	(159,584)	(201,355)
– other receivables on third party	<u>(8,497)</u>	<u>(2,173)</u>
	224,025	214,376
	251,921	245,298

Notes:

- (i) Balance represented the payment of entire consideration in advance in accordance with the sale and purchase contract entered into with the Ultimate Holding Company in 2018, for the purchase of 342 units of Xinyuan Mingcheng, the property development project located in Henan Province.

As at 30 June 2024, the construction of the properties had been completed but the relevant certificate of handed over was yet to be provided to the Group so that the balance is classified as prepayment as at 30 June 2024.

The directors of the Company considered that there was RMB14,944,000 impairment provision provided as at 30 June 2024 (31 December 2023: RMB14,261,000) as the recoverable amount of the prepayment (i.e. fair value less costs of disposal of properties) was assessed to be lower than its carrying amount.

- (ii) Balance of RMB194,803,000 (31 December 2023: RMB195,419,000) represented payments to certain subsidiaries of the Ultimate Holding Company for exclusive sales right of car parking spaces. In September 2020, the Group and Ultimate Holding Company entered into the Car Parking Space Exclusive Sales Cooperation Agreement (the “**Agreement**”) pursuant to which, Ultimate Holding Company agreed to designate the Group as the exclusive sales partner of a total of 4,066 car parking spaces and the Group agreed to pay the refundable payments in cash of RMB206,783,000, representing the total car parking spaces reserve price as the deposits for being such exclusive sales partner. The Agreement became effective upon the fulfillment of conditions and the approval by shareholders other than the controlling shareholder at an extraordinary general meeting in 2020.

The payments would be refunded to the Group by instalments in accordance with the agreed sales milestones of car parking spaces.

Instalments	Sales mile stone	Amounts to be refunded
First instalment	40% of total car parking spaces	40% of payments for exclusive sales right
Second instalment	70% of total car parking spaces	30% of payments for exclusive sales right
Third instalment	90% of total car parking spaces	30% of payments for exclusive sales right

On 23 December 2021, the Group and Ultimate Holding Company entered into the supplemental agreement (the “**Supplemental Agreement**”) pursuant to which, both parties agreed to postpone the cooperation period to 31 December 2023. Such Supplemental Agreement became effective upon approval by shareholders other than the controlling shareholder at an extraordinary general meeting in 2022.

On 16 May 2022, the Group and the Ultimate Holding Company entered into the second supplemental agreement (the “**Supplemental Agreement II**”), pursuant to which, both parties agreed that, all the amount generated from the sales of designated car parking spaces will be received by the Group on behalf of subsidiaries of the Ultimate Holding Company and such amount will be directly applied as refund of the payments made until the payments are fully refunded. The Ultimate Holding Company will refund the above specified amount (after netting off the payment received on behalf by the Group so far) when the Group achieved the milestone and settle the remaining outstanding payments at the expiration of the Agreement. Such Supplemental Agreement II became effective upon approval by shareholders other than the controlling shareholder at an extraordinary general meeting in 2022.

During the year ended 31 December 2023, the Group has conducted certain sales activities under the aforementioned agreements. However, up to 31 December 2023, the Group did not achieve the first sales milestones, and the sales of designated car parking spaces amounted to RMB6,582,000 during the year and an amount of RMB4,789,000 has been offset against the payments pursuant to the Supplemental Agreement II. During the year ended 31 December 2023, the Group generated the corresponding Pre-delivery and consulting service fee income of RMB1,793,000 which were included in pre-delivery and consulting service fee income. Pursuant to the Agreement, if the Ultimate Holding Company fails to duly refund the payments, interest shall be payable to the Group at the 1-year loan prime rate announced by the People's Bank of China for the same period (from the date on which the Group actually pays the relevant payments up to the date on which the deposit is actually refunded by the Ultimate Holding Company).

On 22 March 2024, the Company and Xinyuan Real Estate 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 and currently managed by the Group or held by the Group for sale on behalf of Xinyuan Real Estate, if sold, will be retained by the Group and applied to settle an equivalent amount of the outstanding refundable payment. 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 refundable payment, the shortfall will be payable by Xinyuan Real Estate to the Company in cash within ten working days after completion of sales of all Car Parking Spaces.

The directors of the Company assessed the provision for impairment of the payments and RMB98,344,000 was provided as at 30 June 2024 (31 December 2023: RMB98,655,000).

As at 30 June 2024, balance also includes another arrangement with a subsidiary of the Ultimate Holding Company of RMB11,227,000 (31 December 2023: RMB11,227,000). On 22 July 2022, Zhengzhou Shengdao Real Estate Co., Ltd. (“**Zhengzhou Shengdao**”, an indirect wholly-owned subsidiary of Ultimate Holding Company) entered into a previous agreement (“**Previous Agreement**”), pursuant to which an independent third party, which is engaged in providing property management, parking space management, and agency services etc., agreed to assist Zhengzhou Shengdao to sell a total of 862 car parking spaces for a period commencing from 22 July 2022 until the sales of all car parking spaces are completed.

On 22 September 2023, Zhengzhou Shengdao, the independent third party and the Group entered into a tripartite agreement, pursuant to which (i) Zhengzhou Shengdao and the independent third party agreed to terminate the Previous Agreement; (ii) Zhengzhou Shengdao agreed to pay the termination fee to the independent third party; and (iii) the Group agreed to cooperate with Zhengzhou Shengdao to sell the remaining 798 unsold car parking spaces (“**Designated Car Parking Spaces**”) and pay the termination fee of RMB9,416,000 to the independent third party on behalf of Zhengzhou Shengdao.

On 22 September 2023, the Group and Zhengzhou Shengdao entered into an agreement, pursuant to which Zhengzhou Shengdao agreed to designate the Group as the exclusive sales partner of a total of 798 Designated Car Parking Spaces for the co-operation period commencing from 22 September 2023 up to 21 September 2028. Under the agreement, the Group will be responsible for carrying out the work, including the initial sales planning and promotion of the Designated Car Parking Spaces and the provision of required services to the buyers in the course of the sale and purchase of the Designated Car Parking Spaces, including and not limited to assisting the buyers in executing the relevant agreements and delivering the Designated Car Parking Spaces. Pursuant to the agreement, the Group shall pay Zhengzhou Shengdao a refundable earnest money of RMB11,227,000, which is the minimum total sum of the Designated Car Park Spaces, in instalments as the deposit. The first and second installments of the earnest money were RMB9,417,000 and RMB1,810,000, respectively, being the termination fee under the tripartite agreement to the independent third party

and the remaining amount of the earnest money to Zhengzhou Shengdao. The termination fee of RMB9,417,000 consisted of the unsold 718 car parking spaces of RMB8,022,000, 80 car parking spaces originally agreed to be owned by itself of RMB894,174 and the termination compensation of RMB1,000,000 having deducted by the deposits of RMB500,000 which the independent third party had not paid.

Pursuant to the agreement, both parties agreed that, all the amount generated from the sales of Designated Car Parking Spaces will be received by the Group on behalf of Zhengzhou Shengdao and such amount will be directly applied as refund of the payments made until the payments are fully refunded. As at 30 June 2024, no car parking spaces were sold out successfully. The directors of the Company assessed the provision for impairment of the payments and RMB5,667,000 was provided as at 30 June 2024 (31 December 2023: RMB5,667,000).

- (iii) Balance mainly represented the unauthorised pledged bank deposits for the bank borrowings obtained by the borrowers and deducted by the bankers in relation to the failure of repayment by the borrowers to the bankers. During the year ended 31 December 2022, the Ultimate Holding Company has confirmed that these balances were due from them and it will be responsible for settling the balances.

The directors of the Company assessed the provision for impairment of the receivables related to unauthorised pledged bank deposits for bank borrowing and RMB159,584,000 was provided as at 30 June 2024 (31 December 2023: RMB201,355,000).

10. TRADE AND BILLS RECEIVABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade receivables (<i>Note (a)</i>)		
– Related parties	222,367	265,222
– Third parties	281,977	161,343
	<u>504,344</u>	<u>426,565</u>
Less: provision for impairment of trade receivables	<u>(227,839)</u>	<u>(200,212)</u>
	276,505	226,353
Bills receivable (<i>Note (b)</i>)	<u>1,482</u>	<u>2,261</u>
	<u><u>277,987</u></u>	<u><u>228,614</u></u>

Notes:

- (a) For trade receivables from property management services, the Group charges property management fees on a monthly or quarterly basis and the payment is generally due upon the issuance of demand notes. No credit period is granted (31 December 2023: Same).

Receivables from value-added services and pre-delivery services are due for payments in accordance with the terms of the relevant services agreements with property developers, which is normally within 30 to 90 days (31 December 2023: 30 to 90 days) from the issue of demand note.

The amounts due from related parties are repayable on credit terms similar to those offered to other major customers of the Group.

- (b) The balance represented certain bank acceptance bills. The directors of the Company considered that expected credit loss for these bills is immaterial in view of no history of default and good repayment history of these customers.

An ageing analysis of the trade receivables, based on the invoice date and net of impairment, is as follows:

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Within 1 year	118,225	122,148
1 to 2 years	72,681	40,032
2 to 3 years	41,393	57,374
3 to 4 years	43,438	6,799
4 to 5 years	768	–
Total	276,505	226,353

11. TRADE PAYABLES

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Trade payables		
– Related parties	57,002	1,040
– Third parties	70,553	105,643
	127,555	106,683

The trade payables are non-interest-bearing and have a normal credit term of 30 to 90 days (31 December 2023: 30 to 90 days).

The ageing analysis of trade payables based on the invoice date was as follows:

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Within 1 year	57,256	84,692
1 to 2 years	56,194	10,745
2 to 3 years	4,949	10,657
Over 3 years	9,156	589
	127,555	106,683

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL PERFORMANCE

Total revenue for the six months ended 30 June 2024 increased by 21.1% to approximately RMB405.4 million from approximately RMB334.8 million for the six months ended 30 June 2023.

Net profit for the six months ended 30 June 2024 was approximately RMB52.7 million, representing an increase of 25.8% as compared to approximately RMB41.9 million for the six months ended 30 June 2023.

BUSINESS REVIEW

Overview

The Group is a comprehensive property management service provider with extensive influence and robust operations. We are committed to offering a pleasant lifestyle as a metaverse-augmented service provider within the larger property management sector. In the first half of 2024, the Group continued to focus its efforts on driving growth through three key areas: the scale expansion of management services, the ecological development of scenario services, and the value enhancement of scenario technology. Guided by scale expansion, driven by business innovation, and powered by technological integration, the Group achieved steady growth during the first half of the year.

In management services, the emphasis was on scaling growth while ensuring that development quality remained strong. In the first half of 2024, the Group successfully integrated its commercial management business, building on the solid foundation of its property management operations. Employing a “localised deep cultivation + comprehensive expansion” strategy and a “one city, one strategy” approach to property management market expansion, the Group achieved significant breakthroughs in regional presence and diversified business types, expanding from residential properties into other sectors. There was also notable progress in marketisation expansion within commercial property management, with three new commercial projects secured in the first half of the year. As at 30 June 2024, the Group offered services across 64 cities in the PRC. For the first half of the year, newly contracted gross floor area (“GFA”) was 8.2 million sq.m. and newly managed GFA was 3.2 million sq.m..

In scenario services, data-driven operations have enabled close integration of business innovation with technology empowerment to create smart data platform services. The Group is committed to providing property owners with a comprehensive and diverse service experience. Focusing on new demands arising from everyday community scenarios, and building on traditional community space services, the Group has introduced innovative and diversified value-added community services such as rental and sales services, home improvement services, retail services, purified water services and doorstep services, and further developed product data visualisation platforms for Xin Smart Parking (鑫智停), Xin Water Machine (鑫水機), Xin Home (鑫一家), and Xin Charging (鑫充電), replacing reliance on human judgement with data insights, thereby achieving true data-driven operations.

In scenario technology, the focus was on the Xin Meta platform empowered by large models and the metaverse, leveraging digital twin and Internet of Things (IoT) collaboration to further integrate artificial intelligence (AI) large models and digital human technologies and achieve deep fusion of the physical and digital worlds, allowing us to create six key application scenarios: new butler, new cleaning, new maintenance, new economy, new showroom, and new platform. The Group has established comprehensive service capabilities for the broader real estate and property management sectors as well as IoT, while also extending its capabilities from internal empowerment to broader industry services.

The Group remained committed to the party-building driven model of high quality corporate development and has developed its own distinctive smart party-building model in practice with various party organisations acting as strongholds, leading to notable successes in organisational development, government-enterprise joint initiatives and excellence evaluations. In the first half of 2024, the Group received several recognitions including the 2023 “Strengthening Property Management to Build a Better Home” exemplary case from the Ministry of Housing and Urban-Rural Development, “Red Property” demonstration point from the Social Work Department of the Henan Provincial Committee and the Department of Housing and Urban-Rural Development of Henan Province, and 2023 “Strengthening Property Management to Build a Better Home” residential community exemplary case from the Department of Housing and Urban-Rural Development of Henan Province, among a total of 12 honours. Additionally, the Group welcomed 43 visits from various government bodies and organisations.

In the first half of 2024, the Group’s brand influence continued to increase. Our numerous honours include “Top 100 Chinese Property Service Companies for Customer Satisfaction in 2024” awarded by Leju Finance; “TOP15 of Top 100 Chinese Property Service Companies in 2024” awarded by the China Index Academy; “Top 100 Chinese Property Service Companies in Service Capability in 2024”, “Top 100 Chinese Property Service Companies in Brand Value in 2024”, “TOP20 Chinese High-end Property Service Capability in 2024”, “Leading Chinese Property Service Company in Quality in 2024” and “Leading ESG Sustainable Development Chinese Property Service Company in 2024” awarded by CRIC; and “Top 100 Chinese Property Companies for High-Quality Service in 2024”, “Leading Chinese Red Property Service Companies in 2024”, “TOP10 Chinese Commercial Property Service Companies in 2024” awarded by CPM Think Tank.

Property Management Services

Commitment to quality development

The Group is committed to a strategy of robust and quality growth. With a focus on its expansion model with joint venture partnerships, market-oriented tenders, comprehensive expansion and localised deep cultivation as four wheels, the Group implemented its expansion approach of “one city, one strategy”, and achieved breakthroughs in terms of both regional presence and business types while further expanding from residential types to diverse business types.

In the first half of 2024, the Group built on its core traditional expansion model of comprehensive engagement for residential types and simultaneously targeted the markets for stock assets and non-residential types, achieving significant breakthroughs in comprehensive engagement expansion in regions such as Hebei and Fujian, as well as new progress in commercial offices and public venues. In the first half of the year, GFA signed was 8.2 million sq.m. in aggregate, of which 5.5 million sq.m. was residential types and 2.7 million sq.m. was non-residential types. The proportion of non-residential types has further increased.

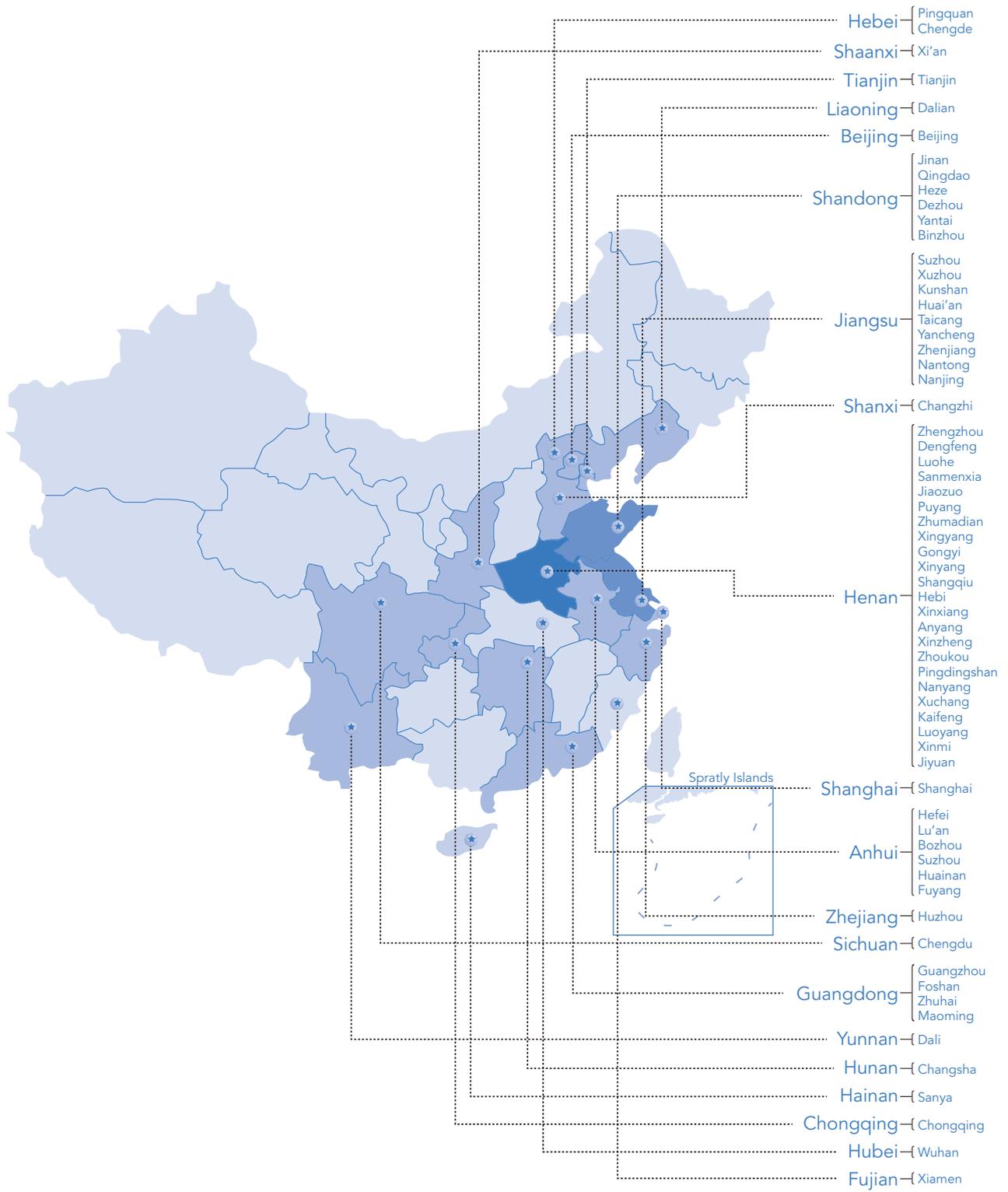
As at 30 June 2024, we provided property management services and value-added services in 64 cities across China. Contracted GFA was approximately 60.9 million sq.m. from a total of 342 contracted properties, while GFA under management amounted to approximately 35.7 million sq.m. from a total of 240 properties under management.

The following table sets out our contracted GFA, GFA under management and number of properties as at the dates indicated:

	As at 30 June	
	2024	2023
GFA under contract ('000 sq.m.)	60,924	52,805
No. of contracted properties	342	264
GFA under management ('000 sq.m.)	35,718	32,558
No. of properties under management	240	201

Our geographical coverage

In the first half of 2024, we implemented our “1+4+N” strategy to establish our presence across China, with deep cultivation of the Central China region and significant advancement in the Bohai Economic Rim, Yangtze River Delta, Pearl River Delta and Southwest China regions. As at 30 June 2024, our geographical coverage has expanded to 64 cities across the PRC.



The following table sets out the breakdown of the respective GFA, revenue and percentage by geographic location as at the dates indicated:

	As at 30 June					
	2024			2023		
	GFA	Revenue	Percentage	GFA	Revenue	Percentage
	'000 sq.m.	'000	(%)	'000 sq.m.	'000	(%)
Central China ⁽¹⁾	20,759	153,441	55.1	18,083	132,718	52.6
Eastern China ⁽²⁾	6,516	62,234	22.3	6,146	63,229	25.1
Western China ⁽³⁾	7,117	40,648	14.6	7,526	32,564	12.9
Northern China ⁽⁴⁾	776	11,908	4.3	494	7,900	3.1
Southern China ⁽⁵⁾	550	10,379	3.7	309	15,723	6.3
Total	35,718	278,610	100.0	32,558	252,134	100.0

Notes:

- (1) Includes cities located in Henan, Hunan and Hubei provinces.
- (2) Includes cities located in Jiangsu, Anhui, Shandong and Zhejiang provinces and Shanghai municipality.
- (3) Includes cities located in Sichuan, Yunnan and Shaanxi provinces and Chongqing municipality.
- (4) Includes cities located in Liaoning and Hebei provinces, Beijing and Tianjin municipalities.
- (5) Includes cities located in Hainan, Fujian and Guangdong provinces.

Robust growth of scale

The Group has always been committed to a strategy of robust and quality growth for scale. In the first half of 2024, the Group maintained its “single core, twin wings” expansion model with market-oriented development as the core body supported by quality services and informatisation as two wings. Strict controls were enforced to ensure that development quality was upheld while the growth in scale was accelerated.

Regarding our expansion approach, the enhancement of the coordinated mechanism between the headquarters’ investment and development centre and the property management division enabled the establishment of an integrated control model and supporting systems. Based on a four-wheeled model of “joint venture partnerships, market-oriented tenders, comprehensive expansion and localised deep cultivation,” the Group fully engaged in four major zones: Central China, Southern China, Eastern China, and Northern China. Successful management of benchmark projects has contributed to a strong reputation and brand influence within the regional service industry, while enhanced cooperation with ancillary resources has yielded positive outcomes. As of 30 June 2024, among the Group’s GFA under management and contracted GFA, properties developed by third parties accounted for 55% and 64% of the total GFA under management and the total contracted GFA, respectively.

The Group's GFA under management and share of revenue from property management services of third parties in the first half of 2024 is as follows:

	For the six months ended 30 June/As at 30 June											
	2024					2023						
	Revenue		GFA		No. of		Revenue		GFA		No. of	
	(RMB'000)	%	(sq.m.'000)	%	properties	(RMB'000)	%	(sq.m.'000)	%	properties	(RMB'000)	%
Xinyuan Real Estate and its subsidiaries (collectively, "Xinyuan Real Estate Group") ⁽¹⁾	188,446	67.6	16,175	45.3	104	192,769	76.5	15,051	46.2	90		
Independent third parties ⁽²⁾	90,164	32.4	19,543	54.7	136	59,365	23.5	17,507	53.8	111		
Total	278,610	100.0	35,718	100.0	240	252,134	100.0	32,558	100.0	201		

Notes:

- (1) Includes properties solely developed by Xinyuan Real Estate Group.
- (2) Refers to properties of independent third parties.

Diversified property management portfolio

The Group's management portfolio includes both residential properties and non-residential properties. Currently, our non-residential properties under management span from offices, commercial complexes, industrial parks, business parks, schools to public buildings. While revenue from residential properties accounted for and will continue to account for a large portion of our revenue, we strive to diversify our services to cover properties of different types.

During the first half of 2024, the Group expanded to a diverse range of business types for non-residential properties, including Zhoukou Xiangcheng Ruiyuan International Plaza* (周口項城瑞元國際廣場), Nantong Wonderful Farm* (南通奇妙農場), Zhengzhou Grand Canal Digital Cultural and Creative Industries Park* (鄭州大運河數字文創產業園), Xinxiang Plain Affairs Center* (新鄉平原政務中心), Qingdao Transfar Logistics Port* (青島傳化物流港), Binzhou City Lantian Zhanhua Agricultural Products Expo Park* (濱州市藍田沾化農產品博覽園), etc., thus further optimising the structure of our operating format.

A breakdown of our revenue generated from property management services of developed properties by property type for the six months ended 30 June 2024 and 2023 is as follows:

	For the six months ended 30 June/As at 30 June									
	2024					2023				
	Revenue		GFA		No. of	Revenue		GFA		No. of
	(RMB'000)	%	under	%	properties	(RMB'000)	%	under	%	properties
			management		under			management		under
			(sq.m.'000)		management			(sq.m.'000)		management
Residential properties	223,144	80.1	25,562	71.6	163	194,680	77.2	22,818	70.1	142
Non-residential properties	55,466	19.9	10,156	28.4	77	57,454	22.8	9,740	29.9	59
Total	278,610	100.0	35,718	100.0	240	252,134	100.0	32,558	100.0	201

Value-added services

During the first half of 2024, the Group provided property owners with comprehensive community life services by focusing on the full lifecycle of property ownership and all community lifestyle scenarios. Leveraging its proximity advantage and community traffic, the Group continuously enhanced business innovation, increased business scale, and accelerated marketisation.

In the community retail business, the Group established a community network retail system using an online miniapp “Xiaoxin Best Choice Mall” and offline “street-level economy” scenarios created with “Xin’s Fairs”. Starting from the real needs of users, the Group integrated and reorganised resources to open up the community’s “last mile” in the ecological circle of life services. This allowed owners to purchase a wide range of commodities, experience a convenient shopping model and benefit from efficient delivery services. Operational income in the first half of the year increased by 343% year-on-year.

House beautification services focused on lifestyle products, interior furnishing, hardware renovation for new homes, the renewal of old homes and the remodelling of homes with elderly-friendly facilities. These were delivered through five service systems: personalised customisation, main material selection and matching, rich soft furnishings, standardised construction and worry-free after-sales service. This created a new retail model for home improvement and established the Group as a one-stop comprehensive home service provider.

Leasing and sales services catered to the diverse needs of owners of houses, apartments, commercial premises, and other ancillary facilities. The Group provided customers with leasing and sales information on various types of high-quality properties, along with professional housing appraisal and transaction advisory services, addressing both residential and commercial needs. Operational income in the first half of the year increased by 351% year-on-year.

Purified water services based on an online-to-offline business model and using IoT related technology were offered to homeowners, who can enjoy customisable bottled water as well as high efficiency and secure smart direct drinking water. Operational income in the first half of the year increased by 166% year-on-year.

With the support of the Xinyi Better Life brand and the online operation of “Xiaoxin Best Choice Mall”, the Group established a comprehensive, professional, standardised, and efficient ecosystem for the entire home services industry chain. The Group remains committed to providing one-stop services such as home cleaning, care services, chef services, and home appliance repairs. These efforts led to business breakthroughs and significant progress in the first half of the year.

The following table sets out a breakdown of revenue from community value-added services for the six months ended 30 June 2024 and 2023:

Value-added services	For the six months ended 30 June			
	2024		2023	
	RMB'000	%	RMB'000	%
Third party services revenue ⁽¹⁾	10,659	12.8	10,441	19.7
Space resources management ⁽²⁾	42,834	51.6	24,588	46.3
Domestic living services ⁽³⁾	29,558	35.6	18,039	34.0
Total	83,051	100.0	53,068	100.0

Notes:

- (1) Profit is derived from paid utilities using the cost-plus method.
- (2) We collect a pre-agreed fee for public space resource management.
- (3) We provide products and services aimed at generating revenue and profit from our community living services. These include community retailing, house beautification, purified water, leasing and sales, and delivery services, all centred around the living needs of property owners.

Pre-delivery and consulting services

Leveraging on the Group’s professional property management experience of 26 years, we offer tailored pre-delivery and consulting services to property developers to help enhance the competitiveness of the property development.

Pre-delivery services include providing sales assistance services, for instance (i) property sales venue management services; and (ii) property sales venue warm-up services to property developers at the pre-delivery stage of the relevant property or when the property is put onto the market for sale. Consulting services include (i) advising property developers at the early and construction stages of a property on project planning, design management and construction management to enhance its functionality, comfort and convenience; and (ii) intermediary and management services provided to property developers for unsold properties.

The following table sets out a breakdown of revenue from pre-delivery and consulting services as of 30 June 2024 and 2023.

Pre-delivery and consulting services	For the six months ended 30 June			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Xinyuan Real Estate Group	3,969	56.8	4,208	38.3
Third party property developers	3,022	43.2	6,772	61.7
Total	6,991	100.0	10,980	100.0

Property engineering services

Property engineering services include the provision of firefighting, intelligent engineering, landscaping engineering and preliminary smart neighbourhood planning engineering and construction services, as well as additional installation of elevators, remaking facade and other renewal and remaking engineering services for stock properties. At the same time, the Group also participated in government old town reconstruction projects and the rejuvenation of old communities.

The following table sets out a breakdown of revenue from property engineering services for the six months ended 30 June 2024 and 2023:

Property engineering services	For the six months ended 30 June			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Xinyuan Real Estate Group	24,844	67.6	14,587	78.2
Other partners	11,913	32.4	4,067	21.8
Total	36,757	100.0	18,654	100.0

PROSPECTS

The Group is committed to offering a pleasant lifestyle as a metaverse-augmented service provider within the larger property management sector. In growing our businesses, we will continue to focus on this sector, with data-driven operations enabling the deep integration of technology and business. The use of digital twins will create new scenarios for digitally empowered properties. Our goal remains to drive growth and to upgrade through three key areas: management services, scenario services and scenario technology. We will enhance the features we have developed to achieve sustained growth in both operational efficiency and business scale.

I. Management Services

Our management services are rooted in scalability. Starting with property services, we aim to expand from residential properties to non-residential types and urban services. This gradual extension from property services to commercial management and asset management services will allow us to continuously broaden the scope of our property services, ensuring steady growth in management and scale.

In terms of scale development, market-oriented growth will remain central. We will continue optimising our development model and innovating diverse modes of cooperation, expanding from growth to stock, and from residential to non-residential, urban and professional services. Our strategy involves a multi-wheel drive model for expansion, while deepening our efforts in areas we are cultivating and strengthening our resource integration advantages in these areas.

Regarding basic service capabilities, we will use data to drive management efficiency, fortifying our service foundation and enhancing the service experience to continually improve our reputation and brand. We will also enrich the scope of our services, improve multi-industry and multi-disciplinary service standards, and strengthen our management and service capabilities with a focus on refinement and differentiation. This will lead to higher operational and management efficiency.

II. Scenario Services

For scenario services, we aim to progressively build a service ecosystem. The residential sector will be empowered by community lifestyle service scenarios. We will develop a comprehensive strategy based on three aspects: “assets + space + people”. The shift from traditional business models to data-driven models, particularly in lifestyle services, will enable the transformation from “customers searching for products” to “products being proactively offered to customers”.

In asset management, our focus will be on managing stock assets and optimising destocking capabilities. We will innovate business models to consolidate internal and external resources, with a view to ensuring that our assets will maintain their premium and realise their value.

In space management, we will leverage digital technology to enhance spatial asset revitalisation, consolidation and utilisation efficiency. We will continue to build on traditional space management while innovating business models to improve the use to resource.

In providing services for people, we will focus on the demand for community services across the full term of ownership, offering private, customised services tailored to different customer groups. Key areas will include community elderly care, household services, lifestyle services, retail, dining and vehicle charging, with the goal of establishing a comprehensive ecosystem of community services.

For non-residential business types, we will focus on major customers' logistics needs, continuously optimising our professional service capabilities to achieve long-term, mutually beneficial partnerships.

III. Scenario Technology

We will extend our empowerment from internal to external, exploring a new integration model that combines technology with larger property management businesses. As we empower internal businesses, we will rapidly build industry-wide empowerment capabilities, transitioning from an internal solution provider to an industry solution provider.

Building on traditional goals of cost reduction and efficiency improvement, we will focus on combining specific community scenarios with technology. By leveraging technology empowerment, we will analyse complex data to uncover new demands and scenarios, satisfying the diverse needs of owners and enhancing both basic and community lifestyle services.

As part of this empowerment process, we will develop our own unique approach to industry development. Our comprehensive business strategy will focus on a broad spectrum of real estate products, a metaverse for the community services industry, IoT equipment, urban services, and industrial services. While consolidating our own resources and capabilities, we will actively collaborate with leading companies in niche fields to jointly expand into new business markets.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2024, the Group recorded revenue of approximately RMB405.4 million (corresponding period in 2023: approximately RMB334.8 million), representing an increase of approximately 21.1% as compared to the corresponding period in 2023.

The Group's revenue was derived from four major business lines, (i) property management services; (ii) value-added services; (iii) pre-delivery and consulting services; and (iv) property engineering services.

	For the six months ended 30 June			
	2024		2023	
	Revenue <i>RMB'000</i>	Percentage %	Revenue <i>RMB'000</i>	Percentage %
Property management services	278,610	68.7	252,134	75.3
Value-added services	83,051	20.5	53,068	15.8
Pre-delivery and consulting services	6,991	1.7	10,980	3.3
Property engineering services	36,757	9.1	18,654	5.6
Total	405,409	100.0	334,836	100.0

Gross profit and gross profit margin

The following table sets forth a breakdown of gross profit and gross profit margin by business lines for the periods indicated:

Business line	For the six months ended 30 June			
	2024		2023	
	RMB'000	%	RMB'000	%
Property management services	84,211	30.2	89,439	35.5
Value-added services	39,417	47.5	32,509	61.3
Pre-delivery and consulting services	2,514	36.0	1,444	13.2
Property engineering services	6,085	16.6	2,899	15.5
Total	132,227	32.6	126,291	37.7

The Group's gross profit for the six months ended 30 June 2024 amounted to RMB132.2 million, representing an increase of 4.7% over RMB126.3 million in 2023. Gross profit margin decreased to 32.6% from approximately 37.7% in 2023.

Gross profit margin of property management services was 30.2%, representing a decrease of 5.3 percentage points as compared to 35.5% in 2023. The decrease in gross profit margin for property management services was mainly due to the lower margins for property management services of public buildings which were newly added.

Gross profit margin of value-added services was 47.5%, representing a decrease of approximately 13.8 percentage points as compared to 61.3% in 2023, mainly due the increase of marketing and staff costs of home living services.

Gross profit margin for pre-delivery and consulting services was 36.0%, representing an increase of approximately 22.8 percentage points as compared to 13.2% in 2023, mainly due to the improvement of management efficiency and effective cost control.

Gross profit margin for property engineering services was 16.6%, representing an increase of approximately 1.1 percentage points as compared to 15.5% for 2023, mainly due to the effective control of property engineering service costs.

Administrative expenses

The Group's administrative expenses for the six months ended 30 June 2024 amounted to RMB54.2 million, representing an increase of 28.1% as compared to RMB42.3 million in 2023, also representing 13.4% of revenue (2023: representing 12.6% of revenue). The increase was mainly due to the increase in staff costs arising from the business growth.

Other income

The Group's other income and gains for the six months ended 30 June 2024 was RMB32.8 million, representing an increase of 925.0% as compared to RMB3.2 million in 2023, mainly due to addition of interest income receivable from Xinyuan (China) Real Estate Co., Ltd* (鑫苑(中國)置業有限公司) pursuant to the final and legally binding arbitral award issued by the Hong Kong International Arbitration Centre.

Income tax

The Group's income tax expense for the six months ended 30 June 2024 was RMB21.5 million. The income tax rate was 29.0%(the corresponding period in 2023: 33.3%). The decrease in income tax rate for the six months ended 30 June 2024 was mainly due to an increase in deferred tax assets recognised in the current period.

Profit

For the six months ended 30 June 2024, the Group's net profit was RMB52.7 million, mainly due to business growth arising from the growth in the Group's GFA under management.

Profit attributable to the Company's shareholders (the "Shareholders") for the six months ended 30 June 2024 amounted to RMB50.9 million, representing an increase of 25.1% as compared to RMB40.7 million in the corresponding period last year. Basic earnings per share was RMB8.96 cents (the corresponding period in 2023: RMB7.18 cents).

Current assets, reserves and capital structure

The Group maintained a sound financial position during the six months ended 30 June 2024. As at 30 June 2024, current assets amounted to RMB975.1 million, representing a growth of 3.1% as compared to RMB945.4 million as at 31 December 2023.

As at 30 June 2024, the Group's total equity was RMB574.4 million, representing a growth of RMB32.7 million or 6.0% as compared to RMB541.7 million as at 31 December 2023, mainly contributed by the profit for the period offsetting by the payment of dividend.

Property, plant and equipment

As at 30 June 2024, the Group's net property, plant and equipment amounted to RMB13.5 million, representing a growth of 33.7% as compared to RMB10.1 million as at 31 December 2023, mainly due to the addition of office equipment and machinery equipment to cope with the Group's expansion of scale in 2024.

Other intangible assets

As at 30 June 2024, the carrying value of the Group's other intangible assets was RMB111.9 million, representing an increase of 3,630.0 % as compared to RMB3.0 million as at 31 December 2023, mainly due to (i) the addition of operating rights to six clubhouses of RMB43.2 million; and (ii) operating rights to certain premises of RMB65.9 million arising from the merger of Beijing Xinyuan Hongsheng Commercial Management Co., Ltd.* (北京鑫苑弘晟商業管理有限公司). The Group's intangible assets mainly comprise (i) the Xinyuan Property Integrated Management Platform System; (ii) the Xinyuan Property Call Centre System; (iii) the electronic invoice tax control invoicing system; (iv) FineReport software; (v) cost management system; and (vi) operating rights.

Trade receivables

As at 30 June 2024, trade receivables amounted to RMB278.0 million, representing a growth of 21.6% as compared to RMB228.6 million as at 31 December 2023, mainly due to business growth arising from the growth in the Group's GFA under management.

Prepayments and other receivables

Our prepayments and other receivables mainly comprised (i) prepayments to a related party; (ii) prepayments to a third party; and (iii) other receivables. As of 30 June 2024, the Group's prepayments and other receivables was approximately RMB428.1 million, representing an increase of approximately RMB5.7 million as compared to approximately RMB422.4 million as at 31 December 2023, mainly due to an increase in deposits receivable and advances paid on behalf of property owners.

Trade payables

As at 30 June 2024, trade payables amounted to RMB127.6 million, representing an increase of 19.6% as compared to RMB106.7 million as at 31 December 2023. The increase was mainly attributable to the outstanding payables for goods during the Period.

Other payables and accruals

The Group's other payables and accruals mainly comprised (i) non-trade payables to related parties; (ii) deposits and temporary receipts from property owners; and (iii) payroll payables and other taxes payable. As of 30 June 2024, the Group's other payables and accruals (other than contract liabilities) amounted to approximately RMB270.4 million, representing an increase of approximately 26.1% as compared to approximately RMB214.4 million as at 31 December 2023. Such increase was mainly attributable to the Group's business growth during the Period.

Contract liabilities

The Group's contract liabilities mainly resulted from the advance payments received from customers while the underlying services are yet to be provided. As of 30 June 2024, our contract liabilities was approximately RMB155.4 million, representing an increase of 45.9% as compared to approximately RMB106.5 million as at 31 December 2023, mainly due to the increase in the Group's GFA under management and the number of customers during the Period.

Borrowings

As of 30 June 2024, the Group had no borrowings or bank loans.

Gearing ratio

Gearing ratio is calculated by dividing total borrowings by total equity, based on the sum of long-term and short-term interest-bearing bank loans and other borrowings as at the corresponding date divided by the total equity on the same date. As at 30 June 2024, gearing ratio was nil.

Pledged assets

As at 30 June 2024, the Group had no pledged assets.

Material acquisition

The Group had no material acquisition during the six months ended 30 June 2024.

Material disposal

The Group had no material disposal of subsidiaries and associates during the six months ended 30 June 2024.

Significant investment

The Company did not make any material investments during the six months ended 30 June 2024.

Save as disclosed in this announcement, the Group did not have any specific plans for material investments or acquisition of capital assets during the Period.

Contingent liabilities

As at 30 June 2024, the Group had no significant contingent liabilities.

Exchange rate risk

The Group's principal business is conducted in the PRC and the Group's revenue and expenses are substantially denominated in RMB. Accordingly, save for certain bank balances that were denominated in Hong Kong dollars, the Group was not exposed to material risk directly related to foreign exchange rate fluctuation. Currently, the Group has not entered into any forward contracts to hedge its exchange rate risk, although management will continue to monitor foreign exchange risk and adopt prudent measures to minimise foreign exchange risk.

Employment and remuneration policy

As of 30 June 2024, the Group had approximately 2,104 employees (30 June 2023: approximately 1,603 employees). The Group adopts a remuneration policy similar to its peers in the industry. The remuneration payable to our employees is determined with reference to their duties and the prevailing local market rates. Employees are paid discretionary performance bonuses upon review as reward for their contribution. The Group participates in different social welfare plans for its employees in accordance with applicable statutory requirements in the PRC and existing requirements of the local government. In addition, the Group adopted a post-IPO share option scheme (the "**Share Option Scheme**") on 16 September 2019 which enables the Directors to grant share options to the Group's employees

in order to retain elite personnel and to provide reward and incentive for their contribution to the Group. No share option thereof was granted pursuant to the Share Option Scheme during the Period. The Termination of the Share Option Scheme was approved by the Shareholders on 7 August 2024.

Use of Proceeds from the Listing

On 11 October 2019, the shares of the Company were successfully listed (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). After deducting underwriting fees and related expenses, net proceeds from the Listing was approximately RMB197.2 million (the “**Listing Net Proceeds**”).

Up to 23 June 2022, the Group utilised approximately RMB79.3 million of the Listing Net Proceeds, with approximately RMB117.9 million of which remained unutilised (the “**Unutilised Listing Net Proceeds**”). Details of the use of the Listing Net Proceeds were as follows:

Use of Listing Net Proceeds	Planned use of Listing Net Proceeds to be used <i>RMB million</i>	Actual use of Listing Net Proceeds from the Listing Date to 31 December 2021 <i>RMB million</i>	Unutilised Listing Net Proceeds up to 31 December 2021 <i>RMB million</i>	Actual use of Listing Net Proceeds from 1 January 2022 to 23 June 2022 <i>RMB million</i>	Unutilised Listing Net Proceeds up to 23 June 2022 <i>RMB million</i>
To expand our property management services, seek strategic acquisition and investment opportunities	118.3	22.2	96.1	0.8	95.3
To expand the types of services offered in our value-added services business line	29.6	22.8	6.8	2.0	4.8
To upgrade and develop our own information technology and smart systems	29.6	6.6	23	5.2	17.8
Funding our working capital needs and other general corporate purposes	19.7	19.7	–	–	–
Total	<u>197.2</u>	<u>71.3</u>	<u>125.9</u>	<u>8.0</u>	<u>117.9</u>

Use of Proceeds from the 2020 Placing

Reference is made to the Company's announcements dated 3 July 2020 and 15 July 2020 (collectively, the "**2020 Placing Announcements**"). On 3 July 2020, the Company entered into a placing agreement (the "**Placing Agreement**") with Guotai Junan Securities (Hong Kong) Limited and Valuable Capital Limited (the "**2020 Placing Agents**"), pursuant to which, the 2020 Placing Agents (each on a several but not joint nor joint and several basis) conditionally agreed to procure, as agents of the Company, not less than six (6) placees (the "**2020 Placees**") on a best effort basis for up to an aggregate of 50,000,000 ordinary shares at the placing price of HK\$2.60 per placing share on the terms and subject to the conditions set out in the Placing Agreement (the "**2020 Placing**"). The maximum aggregate nominal value of the placing shares under the 2020 Placing was HK\$500. The market price of the placing shares was HK\$2.86 per share as quoted on the Stock Exchange on 3 July 2020, being the date of the Placing Agreement. The net price of the placing shares was approximately HK\$2.54 per share.

The Directors considered that the 2020 Placing would strengthen the Group's financial position, broaden the Company's shareholder base and was in the interests of the Company and the Shareholders as a whole.

Completion of the 2020 Placing took place on 15 July 2020, a total of 50,000,000 placing shares were placed by the 2020 Placing Agents to the 2020 Placees at the placing price of HK\$2.60 per placing share.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the 2020 Placees and their respective ultimate beneficial owner(s), as applicable, were parties independent of the Company and not acting in concert with the connected persons of the Company and were not parties acting in concert with each of the other 2020 Placees procured by the 2020 Placing Agents under the Placing Agreement.

The net proceeds from the 2020 Placing amounted to RMB115.0 million (the “**2020 Placing Net Proceeds**”). Up to 23 June 2022, approximately RMB11.5 million of the 2020 Placing Net Proceeds had been utilised by the Group and approximately RMB103.5 million of the 2020 Placing Net Proceeds remained unutilised (the “**Unutilised 2020 Placing Net Proceeds**”). Details of the use of the 2020 Placing Net Proceeds were as follows:

Use of 2020 Placing Net Proceeds	Planned amount of 2020 Placing Net Proceeds to be used <i>RMB million</i>	Actual use	Unutilised	Actual use	Unutilised
		of 2020 Placing Net Proceeds up to 31 December 2021 <i>RMB million</i>	amount of 2020 Placing Net Proceeds up to 31 December 2021 <i>RMB million</i>	of 2020 Placing Net Proceeds from 1 January 2022 to 23 June 2022 <i>RMB million</i>	amount of 2020 Placing Net Proceeds up to 23 June 2022 <i>RMB million</i>
Business development, which mainly relates to (a) diversifying the types of services offered to the customers and (b) upgrading and developing the Group’s smart systems	69.0	–	69.0	–	69.0
Strategic investment in businesses or targets that are related to the Group’s principal businesses	34.5	–	34.5	–	34.5
General working capital	11.5	11.5	–	–	–
Total	<u>115.0</u>	<u>11.5</u>	<u>103.5</u>	<u>–</u>	<u>103.5</u>

Use of Proceeds from the Subscription

Reference is made to the Company’s announcements dated 25 January 2021 and 8 February 2021 (collectively, the “**2021 Placing and Subscription Announcements**”). On 25 January 2021, the Company entered into the placing and subscription agreement (the “**2021 Placing and Subscription Agreement**”) with Xinyuan Real Estate, Ltd. (the “**Vendor**”) and Guotai Junan Securities (Hong Kong) Limited (the “**2021 Placing Agent**”), pursuant to which (i) the Vendor agreed to appoint the 2021 Placing Agent, and the 2021 Placing Agent agreed to act as an agent of the Vendor to procure not less than six (6) placees, on a best effort basis, to purchase up to 18,000,000 ordinary shares in the Company (the “**Placing Shares**”) at the price of HK\$2.10 per Placing Share (the “**2021 Placing**”); and (ii) the Vendor agreed to subscribe for, and the Company agreed to allot and issue to the Vendor, up to 18,000,000 new ordinary shares in the Company (the “**Subscription Shares**”) at the price of HK\$2.06 per Subscription Share (the “**Subscription**”). The maximum aggregate nominal value of the Subscription

Shares was HK\$180. The market price of the shares of the Company was HK\$2.28 per share as quoted on the Stock Exchange on 25 January 2021, being the date of the 2021 Placing and Subscription Agreement.

The 2021 Placing and the Subscription were conducted by the Company as the Directors were of the view that (i) they would provide a good opportunity to raise additional funds to enable the Group to actively pursue acquisition or investment opportunities and enhance its development in the property management services industry in the PRC; and (ii) they would also strengthen the financial position and broaden the shareholder base and capital base of the Group.

Completion of the 2021 Placing took place on 27 January 2021 and completion of the Subscription took place on 8 February 2021. A total of 18,000,000 Placing Shares have been successfully placed by the 2021 Placing Agent to the placees. A total of 18,000,000 Subscription Shares had been allotted and issued to the Vendor pursuant to the general mandate granted to the Directors at the Company's annual general meeting held on 29 May 2020.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the placees of the 2021 Placing were individual, professional or institutional investors that were independent of and not connected with the Company and its connected persons, not a party acting in concert with the Vendor. None of such placees had become a substantial shareholder of the Company immediately after completion of the 2021 Placing.

The net proceeds from the Subscription were approximately HK\$31.2 million (the “**Subscription Net Proceeds**”). The net price per 2021 Subscription Shares amounted to approximately HK\$2.06. Up to 23 June 2022, (i) approximately RMB7.8 million of the Subscription Net Proceeds had been utilised in the manner in line with that were set out in the 2021 Placing and Subscription Announcements; and (ii) approximately RMB23.4 million of the Subscription Net Proceeds remained unutilised (the “**Unutilised Subscription Net Proceeds**”). Details of the use of the Subscription Net Proceeds were as follows:

Use of Subscription Net Proceeds	Planned amount of Subscription Net Proceeds to be used <i>RMB million</i>	Actual use of Subscription Net Proceeds up to 31 December 2021 <i>RMB million</i>	Unutilised amount of Subscription Net Proceeds up to 31 December 2021 <i>RMB million</i>	Actual use	Unutilised amount of Subscription Net Proceeds up to 23 June 2022 <i>RMB million</i>
				of Subscription Net Proceeds From 1 January 2022 to 23 June 2022 <i>RMB million</i>	
Approximately 75% strategic investment in businesses or targets that are related to property management services	23.4	–	23.4	–	23.4
Approximately 25% for general working capital of the Group	7.8	7.8	–	–	–
Total	<u>31.2</u>	<u>7.8</u>	<u>23.4</u>	<u>–</u>	<u>23.4</u>

Change of Use of Proceeds

Reference is made to the announcement of the Company dated 23 June 2022. On 23 June 2022, the Board resolved to revise the use of the Unutilised Listing Net Proceeds, the Unutilised 2020 Placing Net Proceeds and the Unutilised Subscription Net Proceeds, which in aggregate amounted to approximately RMB244.8 million (the “**Total Unutilised Proceeds**”), in a combined manner as set out in the Company’s announcement dated 23 June 2022 (the “**Revised Use of Total Unutilised Proceeds**”). Up to 30 June 2024, the Group utilised approximately RMB102.6 million of the Total Unutilised Proceeds pursuant to the Revised Use of Total Unutilised Proceeds. Details of the use of Total Unutilised Proceeds pursuant to the Revised Use of Total Unutilised Proceeds up to 30 June 2024 were as follows:

	Allocated percentage of Total Unutilised Proceeds	Allocated Total Unutilised Proceeds as at 23 June 2022	Allocated Total Unutilised Proceeds as at 31 December 2022	Actual use of	Actual use of	Unused amount of Total Unutilised Proceeds from 1 January 2024 to 30 June 2024	Unused amount of Total Unutilised Proceeds up to 30 June 2024	Expected timeline for the use of Total Unutilised Proceeds
				Total Unutilised Proceeds from 1 January 2023 to 31 December 2023	Total Unutilised Proceeds up to 31 December 2023			
	%	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	
To pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances and expand the scale of the Group’s property management, value-added services and property engineering businesses, which include acquiring or investing in companies engaged in businesses related to property management, value-added services or property engineering, or forming joint ventures with such companies, and investing in related industrial funds with business collaborative partners	30	73.4	73.4	-	73.4	0.8	72.6	30 September 2025

Revised use of Total Unutilised Proceeds	Allocated percentage of Total Unutilised Proceeds	Allocated Total Unutilised Proceeds as at 23 June 2022	Allocated Total Unutilised Proceeds as at 31 December 2022	Actual use of Total Unutilised Proceeds from 1 January 2023 to 31 December 2023	Unused amount of Total Unutilised Proceeds up to 31 December 2023	Actual use of Total Unutilised Proceeds from 1 January 2024 to 30 June 2024	Unused amount of Total Unutilised Proceeds up to 30 June 2024	Expected timeline for the use of Total Unutilised Proceeds
				RMB million	RMB million	RMB million	RMB million	
To further develop the Group's value-added services, which include the development of value-added products and services related to service scenarios such as communities, commercial offices and urban management, as well as assets, the upgrading of software and hardware and the development of smart community and commercial facilities operation services, and the development of value-added services related to commercial operations such as office buildings and industrial parks	20	49.0	46.5	5.0	41.5	13.7	27.8	30 September 2025
To upgrade the Group's systems of digitisation and smart management, which include the purchase, upgrade and research and development of software, hardware and related services for building smart terminals and Internet of Things platforms, the construction and development of information sharing platforms and databases, the recruitment and development of professional and technical staff and information management teams, the investment in companies engaged in businesses related to technological industries, and the commencement of research and development for innovative applications related to the Group's business	30	73.4	70.2	15.6	54.6	12.8	41.8	30 September 2025

	Allocated percentage of Total Unutilised Proceeds	Allocated Total Unutilised Proceeds as at 23 June 2022 RMB million	Allocated Total Unutilised Proceeds as at 31 December 2022 RMB million	Actual use of	Actual use of	Unused amount of Total Unutilised Proceeds up to 31 December 2023 RMB million	Unused amount of Total Unutilised Proceeds up to 30 June 2024 RMB million	Expected timeline for the use of Total Unutilised Proceeds
				Total Unutilised Proceeds from 1 January 2023 to 31 December 2023 RMB million	Total Unutilised Proceeds from 1 January 2024 to 30 June 2024 RMB million			
Working capital and general corporate purpose	20	49.0	-	-	-	-	-	-
Total	100	244.8	190.1	20.6	169.5	27.3	142.2	

As at 30 June 2024, the unused portion of the Total Unutilised Proceeds were placed at a licensed bank in the PRC. The Directors are not aware of, and do not anticipate any material delay or change in the use of proceeds from the Revised Use of Total Unutilised Proceeds, and will continue to assess the plans in relation to the planned allocation of the unused portion of the Total Unutilised Proceeds. The Directors may modify or amend the relevant plans as necessary in order to address the changing market conditions, and strive for the Group to achieve better business performance.

EVENTS AFTER THE PERIOD

Continuing connected transactions in relation to the Commercial Assets Entrusted Operation Framework Agreement and the Assets Sales Agency and Operation Services Framework Agreement

Reference is made to the announcements of the Company dated 21 June 2024 and 7 August 2024 and the circular of the Company dated 22 July 2024.

On 21 June 2024, the Company and Xinyuan Real Estate (together with its subsidiaries, “**Xinyuan Real Estate Group**”) entered into a framework agreement (the “**Commercial Assets Entrusted Operation Framework Agreement**”), pursuant to which the Group was entrusted by Xinyuan Real Estate Group to provide operation services in respect of certain commercial assets including development and operation planning and management, solicitation agency, leasing, advertising and promotion, property services and parking space management. The Group and Xinyuan Real Estate Group will enter into individual agreements setting out specific terms of each individual entrusted operation agreement in respect of the commercial assets.

The term commenced from the date of approval at the extraordinary general meeting of the Company (the “EGM”), i.e. 7 August 2024, until 31 December 2026 (both dates inclusive).

The proposed annual caps for the rent to be allocated by the Group to Xinyuan Real Estate Group under the Commercial Assets Entrusted Operation Framework Agreement for each of the three years ending 31 December 2026 were RMB40,000,000 for year 2024, RMB46,000,000 for year 2025 and RMB52,000,000 for year 2026, respectively.

On 21 June 2024, the Company and Xinyuan Real Estate entered into a framework agreement, (the “**Assets Sales Agency and Operation Services Framework Agreement**”), pursuant to which, the Group agreed to provide Xinyuan Real Estate Group with (i) sales agency services in respect of assets such as clubhouses, parking spaces and basements owned by Xinyuan Real Estate Group and/or its associates; and (ii) operation services in respect of assets such as clubhouses, parking spaces and basements to which Xinyuan Real Estate Group and/or its associates have the right to income (collectively, the “**Assets Sales Agency and Operation Services**”). The Group and Xinyuan Real Estate Group will enter into individual agreements setting out specific terms of each transaction under the Assets Sales Agency and Operation Services Framework Agreement.

The term commenced from the date of approval at the EGM, i.e. 7 August 2024, until 31 December 2026 (both dates inclusive).

The proposed annual caps for the rent to be allocated by the Group to Xinyuan Real Estate Group under the Commercial Assets Entrusted Operation Framework Agreement for each of the three years ending 31 December 2026 were RMB16,500,000 for year 2024, RMB21,000,000 for year 2025 and RMB26,000,000 for year 2026, respectively.

One-off Restricted Share Incentive Scheme

Reference is made to the announcements of the Company dated 8 July 2024 and 7 August 2024 and the circular of the Company dated 22 July 2024.

A one-off share scheme for the purpose of the grant of 17,025,000 new Shares to Mr. SHEN Yuan-Ching, the chairman, executive director and chief executive officer of the Company; and the grant of 8,512,500 new Shares to Mr. WANG Yong, the executive director and chief financial officer of the Company, has been approved. Immediately upon issue of the awarded Shares on 13 August 2024, the total number of issue Shares increased from 567,500,000 to 593,037,500.

The termination of the existing share option scheme of the Company adopted by the Shareholders on 16 September 2019 has been approved by the Shareholders on an extraordinary general meeting of the Company held on 7 August 2024.

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of HK5.52 cents per share for the six months ended 30 June 2024 to the Shareholders. The interim dividend will be payable on 25 September 2024 (Wednesday), to Shareholders whose names appear on the Register of Members of the Company on 16 September 2024 (Monday).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the proposed interim dividend, the Register of Members of the Company will be closed from 13 September 2024 (Friday) to 16 September 2024 (Monday), both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 12 September 2024 (Thursday).

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continuing growth of the Group and for safeguarding and maximising shareholders' interests.

The Company adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange as its own code of corporate governance. Throughout the period from 1 January 2024 to 30 June 2024, the Company complied with all the code provisions as set out in the CG Code save for the following:

Pursuant to code provision C.2.1 of the CG Code, the role of chairman and the chief executive officer should be segregated and should not be performed by the same individual. Notwithstanding the deviation from the relevant code provision of the CG Code, the Board is of the view that Mr. Shen Yuan-Ching is familiar with the Company's business operation, thus vesting the roles of both the chairman and the chief executive officer in the same person has the benefit of ensuring the execution of the Group's business strategies, improving the efficiency of its operations, and enhancing the effectiveness of the Company's overall strategic planning. Under the supervision of the Board, it ensures that the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") contained in Appendix C3 to the Listing Rules.

Specific enquiries have been made to all Directors and all Directors have confirmed that they have complied with the Model Code throughout the period from 1 January 2024 to 30 June 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange throughout the period from 1 January 2024 to 30 June 2024 (including treasury shares, as defined under the Listing Rules). As at 30 June 2024, the Company did not hold any treasury shares.

REVIEW OF UNAUDITED FINANCIAL STATEMENTS

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the unaudited interim results of the Group for the six months ended 30 June 2024 together with the management.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Company at www.xypm.hk and the Stock Exchange at www.hkexnews.hk. The 2024 interim report containing all the information required by the Listing Rules will be dispatched to the Shareholders (upon request) and published on the above websites in due course.

By order of the Board

Xinyuan Property Management Service (Cayman) Ltd.

SHEN Yuan-Ching

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 29 August 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, Mr. LING Chenkai and Ms. ZHAO Xia as independent non-executive directors.

* *For identification purposes only*