
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Xinyuan Property Management Service (Cayman) Ltd., you should at once hand this circular and accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

(I) DISCLOSEABLE AND CONNECTED TRANSACTION; AND (II) NOTICE OF THE EGM

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



Capitalised terms used on this cover page shall have the same meanings as defined in this circular.

A letter from the Board is set out on pages 8 to 24 of this circular. A letter of recommendation from the Independent Board Committee is set out on pages 25 to 26 of this circular. A letter of advice from Rainbow Capital (HK) Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, is set out on pages 27 to 52 of this circular. A notice convening the EGM to be held at Small Meeting Room, 2/F., International Living Clubhouse, 18 Xinyuan Road, Jinshui District, Zhengzhou, Henan Province, PRC, on Tuesday, 7 June 2022 at 3:00 p.m. or any adjournment thereof is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.xypm.hk>).

Whether or not you are able to attend the EGM or any adjournment thereof, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM or any adjournment thereof should they so wish and in such event, the form of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE EGM

Please refer to page 1 of this circular for the measures to be implemented at the EGM by the Company against the pandemic to protect the attendees from the risk of infection of the Novel Coronavirus ("COVID-19"), including:

- **compulsory body temperature check**
- **compulsory wearing of surgical face mask**
- **no distribution of corporate gifts and no serving of refreshments**

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue. The Company wishes to advise Shareholders that you may appoint the Chairman of the meeting as your proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

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PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement necessary preventive measures at the EGM to protect attending Shareholders, proxy and other attendees from the risk of infection, including:

- (i) compulsory body temperature check will be conducted on every Shareholder, proxy and other attendees at the entrance of the EGM venue. Any person with a body temperature of over 37.2 degrees Celsius may be denied entry into the EGM venue or be required to leave the EGM venue.
- (ii) each attendee is required to prepare his/her own surgical face masks and wear the same inside the EGM venue at all times, and to maintain a safe distance between seats.
- (iii) no corporate gifts will be distributed and no refreshments will be served.

To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure safety of the attendees at the EGM.

In the interest of all attendees' health and safety, the Company wishes to advise all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using forms of proxy with voting instructions duly completed, Shareholders may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person.

The form of proxy, which can also be downloaded from the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.xypm.hk>), is enclosed to this circular. In order to be valid, the signed and completed form of proxy must be deposited at the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or the adjourned meeting (as the case may be). If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodian or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of proxy.

DEFINITIONS

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

“2020 Circular”	the circular of the Company dated 30 October 2020 in relation to the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder
“2021 Henan Floods”	has the meaning ascribed to it in the sub-section headed “Reasons For and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular
“2022–2023 Average Margin”	has the meaning ascribed to it in the sub-section headed “Reasons For and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular
“2022–2023 Designated Car Parking Spaces”	has the meaning ascribed to it in the sub-section headed “Reasons For and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Car Parking Space(s)”	the title of a car parking space or the right to occupy, use, lease and profit from a car parking space until the expiry of the land use rights of the relevant properties
“Car Parking Space Exclusive Sales Cooperation Agreement”	the car parking space exclusive sales cooperation agreement (prior to the amendment and supplement proposed under the Supplemental Agreements) dated 17 September 2020 and entered into between Xinyuan Real Estate Holdings and the Company
“Car Parking Space Reserve Price”	has the meaning ascribed to it in the sub-section headed “Car Parking Space Exclusive Sales Cooperation Agreement – Exclusive Sales Cooperation” in the “Letter from the Board” section of this circular

DEFINITIONS

“Company”	Xinyuan Property Management Service (Cayman) Ltd. (鑫苑物業服務集團有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1895)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Period”	has the meaning ascribed to it in the sub-section headed “Car Parking Space Exclusive Sales Cooperation Agreement – Conditions Precedent” in the “Letter from the Board” section in the 2020 Circular
“Co-Sales Value Added Service Fees”	has the meaning ascribed to it in the sub-section headed “Car Parking Space Exclusive Sales Cooperation Agreement – Exclusive Sales Cooperation” in the “Letter from the Board” section of this circular
“Co-Sales Value Added Service Fees Adjustment”	has the meaning ascribed to it in the sub-section headed “Car Parking Space Exclusive Sales Cooperation Agreement – Exclusive Sales Cooperation” in the “Letter from the Board” section of this circular
“CP (Supplemental Agreements)”	has the meaning ascribed to it in the sub-section headed “Supplemental Agreements – Condition Precedent” in the “Letter from the Board” section of this circular
“Designated Car Parking Spaces”	the Car Parking Spaces on which the Exclusive Sales Cooperation was carried out by the parties under the Car Parking Space Exclusive Sales Cooperation Agreement, detail of which is set out in the 2020 Circular
“Director(s)”	the director(s) of the Company
“Early Refund Amounts”	the aggregate of the “ 1st Early Refund Amount ”, the “ 2nd Early Refund Amount ” and the “ 3rd Early Refund Amount ”, each of which has the meaning ascribed to it in the sub-section headed “Car Parking Space Exclusive Sales Cooperation Agreement – Earnest Money” in the “Letter from the Board” section in this circular

DEFINITIONS

“Early Refund Mechanism”	has the meaning ascribed to it in the sub-section headed “Car Parking Space Exclusive Sales Cooperation Agreement – Earnest Money” in the “Letter from the Board” section in this circular
“Earnest Money”	has the meaning ascribed to it in the sub-section headed “Car Parking Space Exclusive Sales Cooperation Agreement – Earnest Money” in the “Letter from the Board” section in this circular
“EGM”	the extraordinary general meeting to be convened by the Company for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Supplemental Agreements and the transactions contemplated thereunder
“Excluded Directors”	has the meaning ascribed to it in the sub-section headed “Listing Rules Implications” in the “Letter from the Board” section of this circular
“Exclusive Sales Cooperation”	The sales cooperation arrangement between the parties in relation to the Designated Car Parking Spaces as set out in the Car Parking Space Exclusive Sales Cooperation Agreement, detail of which is set out in the 2020 Circular
“Exclusive Sales Rights”	has the meaning ascribed to it in the sub-section headed “Car Parking Space Exclusive Sales Cooperation Agreement – Exclusive Sales Right” in the “Letter from the Board” section in this circular
“Expected Maximum Margin”	has the meaning ascribed to it in the sub-section headed “Reasons for and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular
“Expected Return”	has the meaning ascribed to it in the sub-section headed “Reasons for and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular
“Extended Cooperation Period”	the period of the Cooperation Period to be extended until 31 December 2023 pursuant to the terms and conditions of the Supplemental Agreements
“GFA”	gross floor area

DEFINITIONS

“Group”	the Company and its subsidiaries
“Historical Margin”	has the meaning ascribed to it in the sub-section headed “Reasons For and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, consisting of all independent non-executive Directors who are not the directors of Xinyuan Real Estate Holdings, established to provide advice to Independent Shareholders in respect of the Supplemental Agreements and the transactions contemplated thereunder
“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Agreements and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders of the Company, excluding Xinyuan Real Estate Holdings, Mr. Zhang Yong, Ms. Yang Yuyan and their respective associates
“Independent Third Party(ies)”	independent third party(ies) not connected with the Company or its connected persons
“Independent Valuer”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, our property valuer and an Independent Third Party
“Latest Practicable Date”	13 May 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular

DEFINITIONS

“Latest Valuation Price”	has the meaning ascribed to it in the sub-section headed “Reasons for and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular
“Listing Date”	11 October 2019, on which the Shares were listed and dealings in the Shares first commenced on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, Macau and Taiwan
“Prospectus”	the prospectus of the Company dated 25 September 2019 in relation to the listing of the Shares on the Stock Exchange
“Reference Annual Bank Interest Rates”	has the meaning ascribed to it in the sub-section headed “Reasons For and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular
“Remaining Car Parking Space Reserve Price”	has the meaning ascribed to it in the sub-section headed “Reasons for and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular
“Residential Properties”	has the meaning ascribed to it under the sub-section headed “Information on the Designated Car Parking Spaces” in the “Letter from the Board” section in the 2020 Circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.00001 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement-1”	the supplemental agreement to the Car Parking Space Exclusive Sales Cooperation Agreement dated 23 December 2021 entered into between the Company (for its own and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for its own and on behalf of its subsidiaries and associates, excluding the Group)
“Supplemental Agreement-2”	the supplemental agreement to the Supplemental Agreement-1 dated 16 May 2022 entered into between the Company (for its own and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for its own and on behalf of its subsidiaries and associates, excluding the Group)
“Supplemental Agreements”	the Supplemental Agreement-1 and Supplemental Agreement-2, and each a “ Supplemental Agreement ”
“Total Car Parking Space Reserve Price”	has the meaning ascribed to it in the sub-section headed “Car Parking Space Exclusive Sales Cooperation Agreement – Earnest Money” in the “Letter from the Board” section in this circular
“Total Sale Amount”	has the meaning ascribed to it in the sub-section headed “Reasons for and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular
“Xinyuan Real Estate Group”	Xinyuan Real Estate Holdings and its subsidiaries, including the Group
“Xinyuan Real Estate Holdings”	Xinyuan Real Estate Co., Ltd. (鑫苑地產控股有限公司), a company incorporated with limited liability in the Cayman Islands, the shares of which are listed on the New York Stock Exchange (stock code: XIN), and one of the controlling shareholders of the Company
“%”	per cent.

LETTER FROM THE BOARD

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)

Executive Director:

Ms. WANG Yanbo (*Chief Executive Officer*)

Non-executive Directors:

Mr. ZHANG Yong (*Chairman*)

Ms. YANG Yuyan

Independent Non-executive Directors:

Mr. LUO Ji

Mr. LI Yifan

Mr. SHEN Yuan-Ching

Registered Office:

PO Box 309, Uglan House

Grand Cayman, KY1-1104

Cayman Islands

Corporate Headquarters:

3/F., International Living Clubhouse

18 Xinyuan Road

Jinshui District

Zhengzhou

Henan Province

PRC

Principal Place of Business

in Hong Kong:

9/F, Wah Yuen Building

149 Queen's Road Central

Hong Kong

17 May 2022

To the Shareholders

Dear Sir or Madam,

(I) DISCLOSEABLE AND CONNECTED TRANSACTION;

AND

(II) NOTICE OF THE EGM

INTRODUCTION

Reference is made to the announcement of the Company dated 17 September 2020, 2020 Circular and the announcements of the Company dated 23 December 2021, 13 January 2022, 24 February 2022, 12 April 2022, 29 April 2022 and 16 May 2022 in relation to the Car Parking Space Exclusive Sales Cooperation Agreement, the Supplemental Agreements and the transactions contemplated thereunder.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) details of the Supplemental Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM, together with a form of proxy.

CAR PARKING SPACE EXCLUSIVE SALES COOPERATION AGREEMENT

Reference is made to the announcement dated 17 September 2020 and the 2020 Circular.

On 17 September 2020 (after trading hours), the Company (for its own and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for its own and on behalf of its subsidiaries and associates, excluding the Group) entered into the Car Parking Space Exclusive Sales Cooperation Agreement. Below set forth the major terms of the Car Parking Space Exclusive Sales Cooperation Agreement and the basis of the determination of the Earnest Money arrangement when the Car Parking Space Exclusive Sales Cooperation Agreement was entered into on 17 September 2020 (for the major terms of the Supplemental Agreements and the reasons for and benefits of entering into the Supplemental Agreements, please refer to the subsection “Supplemental Agreements” and “Reasons for and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular):

Exclusive Sales Cooperation

Pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, Xinyuan Real Estate Group agreed to designate the Group as the exclusive sales partner of a total of 4,066 Designated Car Parking Spaces during the Cooperation Period, under which the Group was responsible for carrying out the relevant work in relation to the Exclusive Sales Cooperation, including (a) the sales planning and promotion of the Designated Car Parking Spaces; (b) 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, delivering the Designated Car Parking Spaces and applying for relevant loans; and (c) the provision of security, cleaning, maintenance and other related services in the course of the sale and purchase of the Designated Car Parking Spaces.

Regarding the sales of the Designated Car Parking Spaces, Xinyuan Real Estate Group and the Group agreed to adopt a sales cooperation model involving reserve prices, pursuant to which Xinyuan Real Estate Group shall, at the request of the Group, transfer any number of the Designated Car Parking Space(s) to any independent third party buyer(s) designated by the Group at the agreed reserve price of such Designated Car Parking Space(s) (and such price shall not be higher than the valuation of the relevant Designated Car Parking Space(s) provided by the Independent Valuer, the full text of such valuation is set out in Appendix I to the 2020 Circular) (the “**Car Parking Space Reserve Price**”).

LETTER FROM THE BOARD

Under such model, for each sale and purchase of a Designated Car Parking Space, Xinyuan Real Estate Group shall enter into a transfer agreement with the relevant buyer; while such buyer shall also separately enter into a service agreement with the Group, pursuant to which the Group shall directly charge such buyer the service fees in respect of the services provided during the sale and purchase of the Designated Car Parking Space (the “**Co-Sales Value-Added Service Fees**”). The Group may determine the basis for charging and the amount of the Co-Sales Value-Added Service Fees based on prevailing market conditions. The Co-Sales Value-Added Service Fees shall belong to the Group entirely. The Group shall act on its own benefits to carry out the Exclusive Sales Cooperation and not as an agent of Xinyuan Real Estate Group. Pursuant to the arrangement under the Exclusive Sales Cooperation, the Group shall not provide any services or charge any relevant service fees to Xinyuan Real Estate Group.

Pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, during the Cooperation Period, Xinyuan Real Estate Group shall not enter into any arrangement or agreement involving the sale or disposal of the Designated Car Parking Spaces with any third party without the prior written consent of the Group.

As the Cooperation Period expired on 31 December 2021, since 1 January 2022, no transactions have been conducted pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement.

Exclusive Sales Right

To ensure the implementation of the arrangement under the Exclusive Sales Cooperation, pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, Xinyuan Real Estate Group granted an irrevocable exclusive right to the Group to request Xinyuan Real Estate Group to transfer the Designated Car Parking Space(s) to any independent third party buyer(s) designated by the Group at the Car Parking Space Reserve Price as permitted by the PRC laws at any time during the Cooperation Period in accordance with the arrangement agreed in the Car Parking Space Exclusive Sales Cooperation Agreement (the “**Exclusive Sales Right**”). During the Cooperation Period, the Group had the absolute discretion to decide whether it would exercise its Exclusive Sales Right, as well as the specific time, manner and frequency of exercising its Exclusive Sales Right, provided that the buyer(s) designated by the Group must be an independent third party or else the Group shall not exercise its Exclusive Sales Right.

The Exclusive Sales Right was an exclusive right enjoyed by the Group. Xinyuan Real Estate Group shall not sell, offer to sell, transfer, gift, pledge or otherwise dispose of any of the Designated Car Parking Spaces to any third party, unless with the prior written consent of the Group.

LETTER FROM THE BOARD

Earnest Money

Pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, the Group shall pay Xinyuan Real Estate Group the refundable earnest money in the amount of RMB206,783,200 (the “**Earnest Money**”) in instalments as the deposit for being the exclusive sales partner of the Designated Car Parking Spaces and holding the Exclusive Sales Right, which is the total sum of the Car Parking Space Reserve Price for all of the Designated Car Parking Spaces (the “**Total Car Parking Space Reserve Price**”). As subsequently agreed between the Group and Xinyuan Real Estate Group, RMB205,461,491.4 but not the full amount of the Earnest Money has been paid by the Group to Xinyuan Real Estate Group as Earnest Money and it shall be regarded as sufficient to fulfil the Earnest Money requirement under the Car Parking Space Exclusive Sales Cooperation Agreement.

The Total Car Parking Space Reserve Price was determined by the parties after arm’s length negotiations taking into account the valuation of the Designated Car Parking Spaces by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the Independent Valuer, which amounted to approximately RMB340,800,000 as of 31 July 2020 (the “**2020 Valuation Price**”). The full text of the relevant valuation report is set out in Appendix I to the 2020 Circular.

Pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, (i) Xinyuan Real Estate Group shall, within 7 working days from the date of the Group meeting 40%, 70% and 90% of the sales rate of the Designated Car Parking Spaces, refund RMB82,713,280 (the “**1st Early Refund Amount**”), RMB62,034,960 (the “**2nd Early Refund Amount**”) and RMB62,034,960 (the “**3rd Early Refund Amount**”, and together with the 1st Early Refund Amount and the 2nd Early Refund Amount, the “**Early Refund Amounts**”), respectively, of the Earnest Money (the “**Early Refund Mechanism**”); and (ii) within 7 working days after the expiry date of the Cooperation Period or the rescission or termination of the Car Parking Space Exclusive Sales Cooperation Agreement for any reason (whichever occurs first), Xinyuan Real Estate Group shall refund all the outstanding Earnest Money in one lump sum. While the Cooperation Period expired on 31 December 2021, as at the date of this circular, the Company has not yet collected any of the paid Earnest Money from Xinyuan Real Estate Group primarily because (i) the sales rate of the Designated Car Parking Spaces has not reached the relevant agreed rate which require the refund of any Early Refund Amounts; and (ii), as detailed in the section headed “Reasons for and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular, the Company intends to extend the Cooperation Period pursuant to the terms under the Supplemental Agreements and sees the transactions contemplated therein as in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Basis of Determination of the Earnest Money Arrangement at the Time when the Car Parking Space Exclusive Sales Cooperation Agreement was Entered into in 2020

Reference is made to the 2020 Circular in respect of, among others, the basis of determination of the Earnest Money Arrangement when the Car Parking Space Exclusive Sales Cooperation Agreement was entered into on 17 September 2020. For the reasons for and benefits of entering into the Supplemental Agreements, please refer to the subsection “Reasons for and Benefits of Entering into the Supplemental Agreements” in the “Letter from the Board” section of this circular.

When the Group determined the deposit of the Earnest Money as the consideration for the arrangements under the Exclusive Sales Cooperation (including but not limited to the Exclusive Sales Right) and its fairness and reasonableness before entering into the Car Parking Space Exclusive Sales Cooperation Agreement, the Board first considered the Group’s potential return generated from the provision of the value-added services under the Exclusive Sales Cooperation together with the associated risks. Under the Exclusive Sales Cooperation, the purchase of a Designated Car Parking Space and the Group’s value-added services in relation thereto shall be a packaged offer such that the relevant buyer shall engage the Group to provide the relevant value-added services in order to proceed with and complete the purchase of the Designated Car Parking Space. Such packaged offer shall be priced with reference to the valuation price of the subject Designated Car Parking Space. Given that the Total Car Parking Space Reserve Price amounted to approximately 61% of the 2020 Valuation Price, it was expected that the difference between the 2020 Valuation Price and the Total Car Parking Space Reserve Price of approximately 39% shall represent the estimated maximum margin that the relevant buyers shall be willing to spend on and payable for the provision of the value-added services under the Exclusive Sales Cooperation and therefore the potential return that the Group may capture by charging the Co-Sales Value-Added Service Fees during the Cooperation Period^(Note 1).

In addition, when determining the Co-Sales Value-Added Services Fees, the Group shall take into account the anticipated labour and operation costs, the prevailing market price for similar services in the market and the demand of the subject Designated Car Parking Space. Based on the then business plan of the Group and the information available at that time, the management of the Company expected that for the sale of a single Designated Car Parking Space, the Co-Sales Value-Added Service Fees to be charged by the Group would amount to at least 20% of the market valuation of such Designated Car Parking Space. As (i) all the Designated Car Parking Spaces are located at the Residential Properties under the Group’s management and the Group would be in possession of the relevant market information and community resources for their sales; and (ii) a substantial discount would be offered in the sales of the Designated Car Parking Spaces, it was expected that the Group would succeed in stimulating the demand for the Designated Car Parking Spaces together with the Group’s value-added services in relation thereto and the potential return from the provision of the value-added services under the Exclusive Sales Cooperation would be considerable.

LETTER FROM THE BOARD

Furthermore, at the time when the Car Parking Space Exclusive Sales Cooperation Agreement was entered into, as the Earnest Money was considered fully refundable after the Cooperation Period which was termed to last for only one year and there would be no other substantial capital expenditures to be incurred, the major risks to the Group under Exclusive Sales Cooperation were considered to be (i) the liquidity risk that the Group might face after depositing the Earnest Money to Xinyuan Real Estate Group; and (ii) the risk of Xinyuan Real Estate Group's failure in refunding the Earnest Money. As at 30 June 2020, the Group had net cash of approximately RMB712.8 million and had no interest-bearing borrowings. Despite the interest-free nature of the deposit of the Earnest Money, considering that (i) the probability of the Group generating considerable return from the provision of the value-added services under the Exclusive Sales Cooperation was sound as explained above and (ii) the deposit interest rates were generally low and decreasing in the PRC at that time, the Board was of the view that (i) the potential return from the provision of the value-added services under the Exclusive Sales Cooperation would outweigh the potential interest income that might arise from depositing the Earnest Money at banks or other financial institutions^(Note 2); and (ii) the deposit of the Earnest Money for the Cooperation Period of approximately one year would not have any significant adverse impact on the working capital position and liquidity of the Group.

Also, at the time when the Car Parking Space Exclusive Sales Cooperation Agreement was entered into, it was considered that the Group had maintained a mutual business cooperation relationship with Xinyuan Real Estate Group. The shares in Xinyuan Real Estate Holdings have been listed on the New York Stock Exchange (stock code: XIN) for trading since December 2007. As disclosed in the annual report of Xinyuan Real Estate Holdings for the year ended 31 December 2019, the net current asset and net asset of Xinyuan Real Estates Group amounted to approximately US\$1,160.5 million (or equivalent to approximately RMB8,104.9 million) and approximately US\$690.3 million (or equivalent to approximately RMB4,821.1 million) as at 31 December 2019, respectively. Given the listing status and the said financial position of Xinyuan Real Estate Group, the Board considered that Xinyuan Real Estate Group's default risk was low and thus the major risks to the Group under the Exclusive Sales Cooperation were limited.

Although it was the first time for the Group to carry out the Exclusive Sales Cooperation, the Board reviewed the comparable contracts between Xinyuan Real Estate Group and the independent third parties (including but not limited to property management companies, car parking operating companies and real estate agency companies), and from which, the Board noted that (i) those comparable contracts cover 4,974 Car Parking Spaces located at 14 residential properties in several cities in the PRC (including but not limited to Changsha City, Hefei City, Suzhou City and Wuhan City) and the total earnest money under which amounted to approximately RMB263 million, representing 100% of the aggregate selling price of those Car Parking Spaces; and (ii) Xinyuan Real Estate Group has carried out a similar sales cooperation model for selling the Car Parking Spaces with those independent third parties, under which the earnest money paid by the respective independent third parties was also interest free, equals to the full amount of the selling price of the relevant Car Parking Spaces with no titles passed to such independent third

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parties upon payment of such earnest money, but unlike the Exclusive Sales Cooperation, the paid earnest money was not fully refundable. Also, upon review of certain sample contracts between the developers and private car parking operating companies in relation to selling the Car Parking Spaces in the PRC, the Board noted that those companies had adopted similar sales cooperation model for selling the Car Parking Spaces that required the deposit of a substantial earnest money amounting up to the full amount of the selling price of the relevant Car Parking Spaces. To the best knowledge of the Directors, regarding the sale of a Car Parking Space with a market valuation not exceeding RMB100,000, the market rate for the aggregate service fees charged in relation thereto under such sales cooperation model in the cities at which the Designated Car Parking Spaces located was approximately RMB20,000 to RMB30,000. The Board further noted from announcements of other listed issuers that some of them made bulk purchases of the Car Parking Spaces from the developers from time to time for the purpose of resale or renting out in the PRC, under which the considerations paid were not refundable; and was of the view that compared to such practice, the Exclusive Sales Cooperation was more favourable than the risks of holding unsold and vacant Car Parking Spaces would not be shifted to the Group thereunder.

In light of the above grounds, particularly that (i) the Group's potential return generated from the provision of the value-added services under the Exclusive Sales Cooperation was considered as considerable and only with limited risks; (ii) the Earnest Money was considered fully refundable after the Cooperation Period which was termed to last for approximately one year; and (iii) given the nature of exclusivity, it was considered by the Company when the Car Parking Space Exclusive Sales Cooperation Agreement was entered into on 17 September 2020 that the deposit of the Earnest Money was in line with the commercial practices and compared to Xinyuan Real Estate Group's existing sales cooperations with independent third parties. It was considered by the Company that the terms of Exclusive Sales Cooperation were not less favourable than terms available to the independent third parties, the Board was of the view that the deposit of the Earnest Money was fair and reasonable and on normal commercial terms.

Notes:

- (1) For illustration purpose, assuming that the valuation price of a Designated Car Parking Space amounted to RMB100,000 and the relevant Car Parking Space Reserve Price amounts to RMB61,000 (representing 61% of the said valuation price), it was expected that (i) the packaged offer of such Designated Car Parking Space and the Group's value-added services in relation thereto would be priced at more or less the same as the said valuation price of such Designated Car Parking Space (i.e. RMB100,000); and thus (ii) the difference between the said valuation price and the relevant Car Parking Space Reserve Price of RMB39,000 (representing 39% of the said valuation price) would be the estimated maximum return that the Group might capture through its provision of the value-added services during the sale and purchase of such Designated Car Parking Space.
- (2) For illustration purpose, with reference to the one-year benchmark deposit rate of 1.5% announced by the People's Bank of China as at the date of the 2020 Circular, it was expected that the potential interest income that might arise from depositing the Earnest Money at banks or other financial institutions in the PRC for the Cooperation Period of approximately one year would be approximately RMB3.1 million. Considering that (i) the 2020 Valuation Price of RMB340,800,000 was expected as the maximum selling price of all the packaged offer contemplated under the Exclusive Sales Cooperation during the Cooperation

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Period and (ii) the difference between the 2020 Valuation Price and the Total Car Parking Space Reserve Price of approximately 39% represented the estimated maximum return generated from the Group's provision of the value-added services under the Exclusive Sales Cooperation during the Cooperation Period as explained above, even assuming that the sales rate of the Designated Car Parking Spaces to be 10% only, the expected maximum return that the Group might capture through its provision of the value-added services in relation thereto would be approximately RMB13 million (i.e. RMB340,800,000 x 39% x 10%), which would still outweigh the said potential interest income.

Default and Termination

Pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, in the event of a breach of any of the obligations or undertakings of Xinyuan Real Estate Group under the Car Parking Space Exclusive Sales Cooperation Agreement, or in the reasonable opinion of the Group, Xinyuan Real Estate Group is unable to continue to fulfil its obligations under the Car Parking Space Exclusive Sales Cooperation Agreement, the Group shall have the right to rescind and terminate the Car Parking Space Exclusive Sales Cooperation Agreement immediately. Pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, if Xinyuan Real Estate Group fails to duly refund the Earnest Money, a default 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 (the interest period of the aforementioned interest rate shall be calculated from the date on which the Group actually pays the relevant Earnest Money up to the date on which such Earnest Money is actually refunded by Xinyuan Real Estate Group). If the payment of the relevant refund is overdue for more than 15 working days, the Group shall have the right to rescind the Car Parking Space Exclusive Sales Cooperation Agreement immediately and require Xinyuan Real Estate Group to refund all the outstanding Earnest Money and pay all default interest arising therefrom within 7 working days after the issue of written notice of termination.

The Cooperation Period under the Car Parking Space Exclusive Sales Cooperation Agreement expired on 31 December 2021. As the Company intends to extend the Cooperation Period pursuant to the terms under the Supplemental Agreements, no default of Xinyuan Real Estate Group has been declared by the Group and thus no default interest has been charged by the Group as at the date of this circular. In the event that the Supplemental Agreements are not approved by the Independent Shareholders at the EGM, the Company shall continue to have the contractual rights under the Car Parking Space Exclusive Sales Cooperation Agreement to demand for the immediate return of all paid Earnest Money and to charge default interest.

SUPPLEMENTAL AGREEMENTS

Extension of the Cooperation Period

On 23 December 2021 (after trading hours), the Company (for its own and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for its own and on behalf of its subsidiaries and associates, excluding the Group) entered into the Supplemental Agreement-1 to the Car Parking Space Exclusive Sales Cooperation Agreement, pursuant to which, subject to the fulfilment of the CP (Supplemental Agreements), the Company and Xinyuan Real Estate

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Holdings agreed that the ending date of the Cooperation Period shall be extended from 31 December 2021 to 31 December 2023.

On 16 May 2022 (after trading hours), the Company (for its own and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for its own and on behalf of its subsidiaries and associates, excluding the Group) entered into the Supplemental Agreement-2, pursuant to which, subject to the fulfilment of the CP (Supplemental Agreements),

- (i) the Company and Xinyuan Real Estate Holdings agreed that all amount of the Car Parking Space Reserve Price (a) received by the Group on behalf of Xinyuan Real Estate Group from the sales of the Designated Car Parking Spaces which has not yet been returned to Xinyuan Real Estate Group; and (b) to be received by the Group on behalf of Xinyuan Real Estate Group from the sales of the Designated Car Parking Spaces during the Extended Cooperation Period shall be directly applied as refund of the Earnest Money from Xinyuan Real Estate Group to the Group until all paid Earnest Money is fully refunded;
- (ii) All proceeds of the Car Parking Space Reserve Price generated from the sales of the Designated Car Parking Spaces can only be collected by the Group until all Earnest Money paid by the Group to Xinyuan Real Estate Group is fully refunded; and
- (iii) In respect of the Early Refund Mechanism, the 1st Early Refund Amount and the 2nd Early Refund Amount shall remain unchanged, and the 3rd Early Refund Amount shall be adjusted as the total amount of outstanding paid Earnest Money yet to be refunded to the Group by Xinyuan Real Estate Group.

Condition Precedent

The transactions contemplated under each of the Supplemental Agreements are subject to the approval of both of the Supplemental Agreements and the transactions contemplated thereunder by the Independent Shareholders at the EGM (the “**CP (Supplemental Agreements)**”).

The terms of the Supplemental Agreements were determined between the parties after arm’s length negotiations. Save as disclosed above, all other terms and provisions of the Car Parking Space Exclusive Sales Cooperation Agreement as disclosed in the 2020 Circular shall remain the same.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENTS

Pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, Xinyuan Real Estate Group agreed to designate the Group as the exclusive sales partner of a total of 4,066 Designated Car Parking Spaces by 31 December 2021. As of 31 December 2021 which was the ending date of the Cooperation Period, (i) the Group had sold 548 out of the 4,066 Designated

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Car Parking Spaces; and (ii) the aggregate amount of the packaged prices (after tax) of the Designated Car Parking Spaces sold to the relevant buyers during the Cooperation Period (the “**Total Sale Amount**”) amounted to approximately RMB39.8 million, of which approximately RMB24.2 million represented the aggregate amount of the Car Parking Space Reserve Price received by the Group on behalf of Xinyuan Real Estate Group and approximately RMB15.6 million represented the aggregate amount of Co-Sales Value Added Service Fees received by the Group. Accordingly, based on the Designated Car Parking Spaces sold, the Co-Sales Value Added Service Fees received by the Group amounted to approximately 39.2% of the Total Sale Amount (the “**Historical Margin**”).

Pursuant to the valuation performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the Independent Valuer, the market value of the remaining 3,518 Designated Car Parking Spaces amounted to approximately RMB286.8 million as at 28 February 2022 (the “**Latest Valuation Price**”). The full text of the relevant valuation report is set out in Appendix II to this circular. As the aggregated Car Parking Space Reserve Price (as adjusted between the Group and Xinyuan Real Estate Group during the Cooperation Period) for the remaining 3,518 Designated Car Parking Spaces amounts to approximately RMB169.2 million (the “**Remaining Car Parking Space Reserve Price**”), the difference between the Latest Valuation Price and the Remaining Car Parking Space Reserve Price of approximately RMB117.6 million shall constitute approximately 41.0% of the Latest Valuation Price. In this regard, the estimated maximum margin that the Group shall be able to charge as Co-Sales Value-Added Service Fees for the sales of the remaining 3,518 Designated Car Parking Spaces shall be approximately 39.6% (after tax) (the “**Expected Maximum Margin**”), which is similar to the Historical Margin which the Directors consider as satisfactory. Considering that, among others, the estimated maximum proportion of the aggregated selling prices of the remaining 3,518 Designated Car Parking Spaces that the Company would be able to charge as Co-Sales Value-Added Service Fees (i.e. the Expected Maximum Margin determined with reference to the Latest Valuation Price) is similar to the proportion of aggregated selling prices of the sold Designated Car Parking Spaces which the Company charged as Co-Sales Value-Added Service Fees during the Cooperation Period (i.e. the Historical Margin), the Directors are satisfied with the Latest Valuation Price. The Expected Maximum Margin has not taken into account the Co-Sales Value-Added Service Fees Adjustment, and as further explained below, as part of the Company’s sales-enhancement measures, the Company shall adjust the Co-Sales Value-Added Service Fees by the Co-Sales Value-Added Service Fees Adjustment in order to maximize its revenue receivables from the Exclusive Sales Cooperation during the Extended Cooperation Period.

Despite that the Historical Margin was at a satisfactory rate, the Company is of the view that the sale rate of the Designated Car Parking Spaces was lower than expected. Such low sale rate was mainly due to the severe floods in Henan province occurred in July 2021 (the “**2021 Henan Floods**”), which caused severe losses in cities like Zhengzhou and paralyzed a number of cities in Henan province. Primarily due to the 2021 Henan Floods, (i) a number of Company’s promotional campaigns and events in the affected areas in relation to the sales of Designated Car Parking Spaces had not been able to put in place in the way as originally planned; (ii) transportations in Zhengzhou had been disrupted for several months which negatively affected the demands of the Designated Car Parking Spaces in the affected areas; (iii) the economy and

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thus the purchasing powers of individuals in Zhengzhou had been temporarily affected; and (iv) the sales performance of the Designated Car Parking Spaces had thus been severely impacted that, in particular, only one Designated Car Parking Space was sold in Zhengzhou since the occurrence of 2021 Henan Floods in July 2021 until the end of September 2021.

As at the date of this circular, it had been approximately ten months since the occurrence of the 2021 Henan Floods. As set out in the “Work program to accelerate the resumption of work and production to promote the smooth economic operation in Zhengzhou” (鄭州市加快市場經營主體復工復產促進經濟平穩運行工作方案) issued by Zhengzhou Municipal People’s Government in September 2021, 33 measures were proposed to accelerate the resumption of work and production in the affected areas, and it was expected that Zhengzhou’s industrial economic development would be restored to the pre-flood level within three months. In addition, as stated in the “Master plan on extrardentary heavy rainfall and flood recovery and reconstruction in Zhengzhou Henan and other cities” (河南鄭州等地特大暴雨洪澇災害災後恢復重建總體規劃) issued by Henan Province People’s Government in January 2022, the affected cities in Henan province have basically completed the post-flood repairment and reconstruction of damaged houses and restoration of transportation, energy, communications, infrastructure and education and health services to pre-flood levels, which is in line with the Directors’ observation. Primarily based on the above, the Directors consider that cities in Henan province have substantially recovered from the 2021 Henan Floods.

In this regard, the Company has decided to implement the following sales-enhancement measures during the Extended Cooperation Period:

- (i) The Company has decided to reduce the level of Co-Sales Value-Added Service Fees to be charged by the Company by approximately 20% during the Extended Cooperation Period (the “**Co-Sales Value-Added Service Fees Adjustment**”); and
- (ii) The Company shall revise its internal sales incentive policy, which shall increase the sales bonus to be paid to the front-line sales personnel by 280% from RMB500 to RMB1,900 per successful sale of the Designated Car Parking Spaces during the Extended Cooperation Period.

It is estimated by the Directors that the aforementioned measures shall likely have the effect of maximizing its revenue receivables from the Exclusive Sales Cooperation during the Extended Cooperation Period. As at the date of this circular, the Group has accumulated approximately five hundreds formally registered potential clients for the sales of Designated Car Parking Spaces. Since such approximately five hundred formally registered potential customers have indicated by way of registration their intention to purchase the relevant Designated Car Parking Spaces, the Group’s relevant sales teams have on a continuous basis been maintaining regular communications with them in order to keep them engaged and to retain their purchasing interests. As at the Latest Practicable Date, the Group has not seen any material changes in their purchasing intention. The Directors estimate that approximately 80% of such formally registered potential customers shall be converted into sales during the Extended Cooperation Period, which is in line with the Group’s historical sales record.

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Taking into account the Group's current progress of client solicitation, the proposed sales-enhancement measures as stated above, the Latest Valuation Price and the Expected Maximum Margin (and the adjustment thereto per the Co-Sales Value-Added Service Fees Adjustment), the Directors are of the view that, assuming that the extension of the Cooperation Period will be approved in the EGM on or before 7 June 2022, an estimate of 1,040 and 1,259 Designated Car Parking Spaces can be sold for the years ending 31 December 2022 and 31 December 2023, respectively, realizing approximately RMB26.6 million and approximately RMB32.1 million (both after tax) of Co-Sales Value Added Service Fees for the years ending 31 December 2022 and 31 December 2023, respectively (in aggregate, the "**Expected Return**"). The rate of return (calculated by dividing the portion of Expected Return to be received throughout the relevant year by the amount of paid Earnest Money (i.e. RMB205,461,491.4)) is estimated to be 12.9% and 15.6% in 2022 and 2023, respectively. Considering (i) the fact that cities in Henan Province such as Zhengzhou have substantially recovered from the 2021 Henan Floods; (ii) the aforementioned sales-enhancement measures to be adopted by the Group during the Extended Cooperation Period; and (iii) the Latest Valuation Price and the Expected Maximum Margin (and the adjustment thereto per the Co-Sales Value-Added Service Fees Adjustment), the Company is confident that the sale rate of the Designated Car Parking Spaces will grow at a faster pace going forward and thus the Company shall be able to achieve the realization of the Expected Return.

Taking into account the Co-Sales Value-Added Service Fees Adjustment, the average expected margin of the Designated Car Parking Spaces expected to be sold during the Extended Cooperation Period (the "**2022–2023 Designated Car Parking Spaces**") is estimated to be 34.3% (the "**2022–2023 Average Margin**"). The expected margins for the sales of approximately 67.6% of the 2022–2023 Designated Car Parking Spaces (in terms of aggregated expected selling prices of the 2022–2023 Designated Car Parking Spaces) are expected not to deviate from the 2022–2023 Average Margin by more than 6%. It is estimated that the expected margins for the sales of approximately 22.7% of the 2022–2023 Designated Car Parking Spaces (in terms of aggregated expected selling prices of the 2022–2023 Designated Car Parking Spaces) shall exceed the 2022–2023 Average Margin by more than 6%. While the Company's sales effort will form part of the contribution, such relatively high expected margin from the sales of 22.7% of the 2022–2023 Designated Car Parking Spaces (in terms of aggregated expected selling prices of the 2022–2023 Designated Car Parking Spaces) is primarily contributed by the relatively high demand of such car parking spaces driven by the relatively high occupancy rate of the nearby residential estates.

Further, with reference to the approximately RMB15.6 million Co-Sales Value-Added Service Fees received by the Group during the Cooperation Period, the Co-Sales Value-Added Service Fees-to-paid Earnest Money ratio amounted to approximately 7.6%, while the annual demand deposit interest rate and annual fixed deposit interest rate in Renminbi recently offered by banks to the Group amounted to merely approximately 0.3% and 2%–4%, respectively (the "**Reference Annual Bank Interest Rates**"). In this regard, the Directors see the benefits of the Exclusive Sales Cooperation so far as the rate of annual return from the Exclusive Sales Cooperation exceeds the Reference Annual Bank Interest Rates. Considering that the Cooperation Period lasted for approximately 13 months from 19 November 2020 to 31 December

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2021, the Directors are of the view that it is reasonable to regard that the approximate 13 months' return of approximately 7.6% from the Exclusive Sales Cooperation has outperformed the Reference Annual Bank Interest Rates.

According to the Company's annual report for the year ended 31 December 2021, the cash and cash equivalent of the Group amounted to approximately RMB321.7 million as at 31 December 2021. However, as at the date of this circular, the Company has not identified any suitable investment targets or business opportunities to pursue for the abundant cash on hand. Given the abundant cash resources as demonstrated above, the Directors are of the view that the extension of the Cooperation Period in return for securing the exclusive sales partnership of the Designated Car Parking Spaces may enable the Group to keep the return on investment of surplus cash whilst maintain financial flexibility, as compared to other alternatives such as depositing the cash resources in the banks for the Reference Annual Bank Interest Rates.

As at the date of this circular, the full amount of approximately RMB24.2 million of the Car Parking Space Reserve Price received by the Group on behalf of Xinyuan Real Estate Group during the Cooperation Period has yet to be returned to Xinyuan Real Estate Group. In this regard, upon the effective date of the Supplemental Agreements, (i) such approximately RMB24.2 million shall be applied directly by the Group as refund of part of the paid Earnest Money from Xinyuan Real Estate Group to the Group; and (ii) the outstanding Earnest Money yet to be refunded to the Group by Xinyuan Real Estate Group shall amount to approximately RMB181.3 million. As the Company is expecting a higher sales rate of the Designated Car Parking Spaces during the Extended Cooperation Period for reasons explained above, with the Car Parking Space Reserve Price to be received by the Group on behalf of Xinyuan Real Estate Group during the Extended Cooperation Period being directly applied as refund of the paid Earnest Money and considering also the Company's estimation that, assuming that the Supplemental Agreements are approved in the EGM on or before 7 June 2021, the sales rate of the Designated Car Parking Spaces shall reach 70% during the Extended Cooperation Period thereby enabling the early refund of the 1st Early Refund Amount and the 2nd Early Refund Amount, the Company expects that the arrangement under the Supplemental Agreements shall effectively enhance the recovery of the paid Earnest Money and that the remaining RMB181.3 million outstanding to-be-refunded Earnest Money shall be fully refunded by December 2023.

While the Company agrees that, as the estimated sales rate of the Designated Car Parking Spaces shall only reach 70% during the Extended Cooperation Period, requesting for immediate return of 30% of the paid Earnest Money before the extension of the Cooperation Period would be in the best interest of the Company and its Independent Shareholders, during the course of negotiation of the terms under the Supplemental Agreements, Xinyuan Real Estate Group was clear that such sales estimation represents only an estimation that the Company could make at the moment, which may at the end deviate favorably or unfavorably from the future actual sales performance. Given the Company's desire to capture the benefits of the extension of Cooperation Period and Xinyuan Real Estate Group's reluctance of immediately returning 30% of the paid Earnest Money, the Company reached an agreement with Xinyuan Real Estate Group in respect of the current terms of Supplemental Agreements as result of best effort of negotiation.

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In determining whether to extend the Cooperation Period, the Company has also considered the liquidity and financial position of Xinyuan Real Estate Group by applying the “Three Red Lines” tests generally applied by PRC regulators for the assessment of the liquidity and financial position of PRC property developers, namely, to assess whether (i) the liability-to-asset ratio (excluding advance receipts) of Xinyuan Real Estate Group is less than 70%; (ii) the net gearing ratio of Xinyuan Real Estate Group is less than 100%; and (iii) the cash-to-short-term debt ratio of Xinyuan Real Estate Group is more than 1. According to the unaudited financial information of Xinyuan Real Estate Group as at 30 September 2021 which are the latest financial information obtainable by the Group from Xinyuan Real Estate Group as at the date of this circular, the liability-to-asset ratio (excluding advance receipts), the net gearing ratio and the cash-to-short-term debt ratio of Xinyuan Real Estate Group was approximately 77%, 71% and 1.21, respectively. Although the liability-to-asset ratio (excluding advance receipt) of Xinyuan Real Estate Group exceeded 70% as at 30 September 2021, according to recent communications with Xinyuan Real Estate Group, despite that Xinyuan Real Estate Group has experienced minor financial liquidity problem previously, such problem no longer exists and that the financial and business operation status of Xinyuan Real Estate Group has returned normal.

Also, considering that (i) the sale of a Designated Car Parking Space is a packaged offer comprising of the Car Parking Space Reserve Price and the Co-Sales Value-Added Services Fee; and (ii) during the Extended Cooperation Period, the Car Parking Space Reserve Price to be received by the Group on behalf of Xinyuan Real Estate Group shall be directly applied as refund of the paid Earnest Money, the Directors are of the view that, before the full refund of paid Earnest Money, any adjustment of the Car Parking Space Reserve Price would only represent an adjustment between the amount of to-be-refunded Earnest Money and the amount of to-be-charged Co-Sales Value-Added Services Fee. The receipt of any of which should be in the interest to the Company and its Independent Shareholders as a whole. In this regard, the Company has not negotiated with Xinyuan Real Estate Group for any adjustment of the Remaining Car Parking Space Reserve Price.

Taking into account the above, the Board (including the independent non-executive Directors) is of the view that the terms and conditions of the Supplemental Agreements are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group

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

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As at the Latest Practicable Date, Xinyuan Real Estate Holdings is indirectly interested in approximately 52.86% of the issued Shares in the Company, and is one of the Controlling Shareholders of the Company.

The Xinyuan Real Estate Group

Xinyuan Real Estate Group is a property developer founded by Mr. Zhang Yong, the chairman of the Board and one of the non-executive Directors, in 1997 and has been dedicated to developing real estate properties with quality and innovative technology. Xinyuan Real Estate Group has been primarily focusing its businesses in the PRC and currently operates in 20 cities over the PRC. Xinyuan Real Estate Group focuses on developing large scale quality residential projects with the aim of providing middle-class consumers with a comfortable and convenient community life. In addition to the residential projects, Xinyuan Real Estate Group has also developed and is operating and managing several shopping malls in the PRC. In addition to the PRC market, Xinyuan Real Estate Group also keeps exploring opportunities globally to expand its operation to overseas markets (including several cities in the United States, the United Kingdom and Malaysia). The shares in Xinyuan Real Estate Holdings have been listed on the New York Stock Exchange (stock code: XIN) for trading since December 2007.

As at the Latest Practicable Date, Mr. Zhang Yong is beneficially interested in approximately 29.51% of the share capital of Xinyuan Real Estate Holdings, and Ms. Yang Yuyan, one of the non-executive Directors, may be deemed to be beneficially interested in all the shares of Xinyuan Real Estate Holdings held directly or indirectly by The Spectacular Stage Trust (equivalent to 26.36% of the issued shares of Xinyuan Real Estate Holdings).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transactions contemplated under the Car Parking Space Exclusive Sales Cooperation Agreement (as supplemented and amended by the Supplemental Agreements) is more than 5% but less than 25%, the transactions contemplated under the Car Parking Space Exclusive Sales Cooperation Agreement (as supplemented and amended by the Supplemental Agreements) constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are therefore subject to the reporting and announcement requirements under the Listing Rules.

As at the Latest Practicable Date, Xinyuan Real Estate Holdings is indirectly interested in 52.86% of the issued Shares in the Company, and is the controlling shareholder of the Company. Therefore, Xinyuan Real Estate Holdings and its associates are connected persons of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the Car Parking Space Exclusive Sales Cooperation Agreement (as supplemented and amended by the Supplemental Agreements) constitute a connected transaction of the Company.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Car Parking Space Exclusive Sales Cooperation Agreement (as supplemented and amended by the Supplemental Agreements) is more than 5%, the transactions contemplated under the Car

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Parking Space Exclusive Sales Cooperation Agreement (as supplemented and amended by the Supplemental Agreements) are therefore subject to the requirements for reporting, announcement and approval by the Independent Shareholders under Chapter 14A of the Listing Rules.

As Mr. Zhang Yong, Ms. Yang Yuyan, Mr. Li Yifan and Mr. Shen Yuan-Ching (collectively, the “**Excluded Directors**”) are also the directors of Xinyuan Real Estate Holdings, they have abstained from voting on the resolutions in respect of the Supplemental Agreements and the transactions contemplated thereunder at the relevant Board meeting. Save as disclosed above, none of the other Directors has any material interest in the Supplemental Agreements and the transactions contemplated thereunder and none of them were required to abstain from voting on the resolutions thereof at the relevant Board meeting.

EGM

A notice convening the EGM to held at Small Meeting Room, 2/F., International Living Clubhouse, 18 Xinyuan Road, Jinshui District, Zhengzhou, Henan Province, PRC on 7 June 2022 at 3:00 p.m. is set out on pages EGM-1 to EGM-3 of this circular for the purpose of the Independent Shareholders considering and, if thought fit, approving, among other things, the Supplemental Agreements and the transactions contemplated thereunder.

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

As at the Latest Practicable Date, (i) Xinyuan Real Estate Holdings’ associate Xinyuan Real Estate, Ltd. (a company wholly owned by Xinyuan Real Estate Holdings) directly and beneficially held 300,000,000 Shares, representing approximately 52.86% of the total number of issued Shares in the Company; (ii) Mr. Zhang Yong was a shareholder, a director and the chairman of Xinyuan Real Estate Holdings, while his associate Victory Destiny Holdings Limited (a company wholly owned by Mr. Zhang Yong) directly and beneficially held 15,000,000 Shares, representing approximately 2.64% of the total number of issued Shares in the Company; and (iii) Ms. Yang Yuyan was a shareholder and a director of Xinyuan Real Estate Holdings, while her associate Grace Hope Holdings Limited (a company wholly owned by Ms. Yang Yuyan) directly and beneficially held 15,000,000 Shares, representing approximately 2.64% of the total number of issued Shares in the Company. Xinyuan Real Estate, Ltd., Victory Destiny Holdings Limited and Grace Hope Holdings Limited will be required to abstain from voting in respect of the resolutions to approve the Supplemental Agreements and the transactions contemplated thereunder. Save as disclosed above, as at the Latest Practicable Date, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, no other Shareholder had any material interest in the Supplemental Agreements and the transactions contemplated thereunder, and no other Shareholder was required to abstain from voting at the EGM in respect of the Supplemental Agreement and the transactions contemplated thereunder.

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For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 2 June 2022 to 7 June 2022, both dates inclusive, during which period no transfer of Shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 1 June 2022.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser but excluding the Excluded Directors) consider that the terms of the Supplemental Agreements are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser but excluding the Excluded Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM in relation to the Supplemental Agreements and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 25 to 26 of this circular, the letter from the Independent Financial Adviser set out on pages 27 to 52 of this circular and the additional information set out in the appendices to this circular.

Yours faithfully

By order of the Board

Xinyuan Property Management Service (Cayman) Ltd.

WANG Yanbo

Executive Director and Chief Executive Officer

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)

17 May 2022

To the Independent Shareholders

Dear Sir or Madam,

**(I) DISCLOSEABLE AND CONNECTED TRANSACTION;
AND
(II) NOTICE OF THE EGM**

I refer to the circular dated 17 May 2022 issued by the Company to the Shareholders (the “**Circular**”) of which this letter forms part. Terms used in this letter shall bear the same meanings as defined in the Circular unless the context otherwise requires.

I have been authorised by the Board to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in its opinion, the terms of the Supplemental Agreements are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Rainbow Capital (HK) Limited, the Independent Financial Adviser, has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreements and the transactions contemplated thereunder.

I wish to draw your attention to the letter from the Board set out on pages 8 to 24 of the Circular and the letter of advice from Rainbow Capital (HK) Limited, the Independent Financial Adviser, as set out on pages 27 to 52 of the Circular, both of which provide details of the Supplemental Agreements and the transactions contemplated thereunder.

Having considered, among other matters, the Supplemental Agreements and the transactions contemplated thereunder, the advice of the Independent Financial Adviser, and the relevant information contained in the letter from the Board, I am of the opinion that the terms of the Supplemental Agreements are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, I recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM in relation to the Supplemental Agreements and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
The Independent Board Committee of
Xinyuan Property Management Service (Cayman) Ltd.

Mr. LUO Ji
Independent Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Rainbow Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



RAINBOW CAPITAL (HK) LIMITED
宏博資本有限公司

17 May 2022

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Group's proposed extension of the Cooperation Period of the exclusive rights to sell car parking spaces of Xinyuan Real Estate Group pursuant to the Supplemental Agreements to the Car Parking Space Exclusive Sales Cooperation Agreement. Details of the Supplemental Agreements and the transactions contemplated thereunder (the "**Proposed Transaction**") are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated 17 May 2022 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As at the Latest Practicable Date, Xinyuan Real Estate Holdings is indirectly interested in approximately 52.86% of the issued shares of the Company, and is the controlling Shareholder of the Company. Therefore, Xinyuan Real Estate Holdings and its associates are connected persons of the Company and the Proposed Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Transaction exceeds 5%, the Proposed Transaction is subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As at the Latest Practicable Date, (i) Xinyuan Real Estate Holdings' associate Xinyuan Real Estate, Ltd. (a company wholly owned by Xinyuan Real Estate Holdings) directly and beneficially held 300,000,000 Shares, representing approximately 52.86% of the total number of issued Shares in the Company; (ii) Mr. Zhang Yong was a shareholder, a director and the chairman of Xinyuan

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Real Estate Holdings, while his associate Victory Destiny Holdings Limited (a company wholly owned by Mr. Zhang Yong) directly and beneficially held 15,000,000 Shares, representing approximately 2.64% of the total number of issued Shares in the Company; and (iii) Ms. Yang Yuyan was a shareholder and a director of Xinyuan Real Estate Holdings, while her associate Grace Hope Holdings Limited (a company wholly owned by Ms. Yang Yuyan) directly and beneficially held 15,000,000 Shares, representing approximately 2.64% of the total number of issued Shares in the Company. Xinyuan Real Estate, Ltd., Victory Destiny Holdings Limited and Grace Hope Holdings Limited will be required to abstain from voting in respect of the resolutions to approve the Supplemental Agreements and the Proposed Transaction. Save as disclosed above, as at the Latest Practicable Date, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, no other Shareholder had any material interest in the Supplemental Agreements and the Proposed Transaction, and no other Shareholder was required to abstain from voting at the EGM in respect of the Supplemental Agreements and the Proposed Transaction.

The Independent Board Committee, comprising all the independent non-executive Directors who are not the directors of Xinyuan Real Estate Holdings, namely Mr. Luo Ji, Mr. Li Yifan and Mr. Shen Yuan-Ching, has been formed to advise the Independent Shareholders in respect of the Supplemental Agreements and the Proposed Transaction. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group, or Xinyuan Real Estate Holdings that could reasonably be regarded as relevant to our independence. We have acted as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to (i) the proposed grant of the exclusive rights to sell car parking spaces, details of which are set out in the circular of the Company dated 30 October 2020; and (ii) the renewal of existing continuing connected transactions and entering into of new continuing connected transaction, details of which are set out in the circular of the Company dated 14 December 2021. Other than that, there was no engagement between the Group and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group or Xinyuan Real Estate Holdings. Accordingly, we are qualified to give independent advice in respect of the Supplemental Agreements and the Proposed Transaction.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or any of its respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the Supplemental Agreements and the Proposed Transaction are fair and reasonable in so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

1. Background to and reasons for entering into the Supplemental Agreements

1.1 Business and financial performance of the Group

Since the establishment in 1998, the Group is principally engaged in the provision of property management services, value-added services and pre-delivery and consulting services to property developers, property owners and property occupants. Over the years, the Group manages various types of properties, including residential properties, integrated properties, office buildings, industrial park etc. It has consistently been ranked among the top 100 property management companies of China over the years and was recognised by the China Index Academy as one of China's top 100 property service enterprises in 2021. The Shares have been listed on the Stock Exchange on 11 October 2019 (the "**Listing**").

The Group is one of the fast-growing property management companies amongst the top 100 property management companies in terms of revenue growth rate in the PRC. As at 31 December 2021, the Group had a total of 275 contracted property projects covering 52 cities in the PRC, with contracted gross floor area ("**GFA**")

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amounting to approximately 63.0 million sq.m. and GFA under management amounting to approximately 37.4 million sq.m. For the year ended 31 December 2021, the Group recorded revenue of approximately RMB770.2 million and profit attributable to the Shareholders of approximately RMB122.6 million, respectively, representing an increase of approximately 17.8% and a decrease of approximately 6.5% as compared to that in 2020, respectively.

Set out below is a summary of the consolidated financial information of the Group for the three years ended 31 December 2021 as extracted from the annual reports of the Company for the years ended 31 December 2020 and 2021 (the “**2021 Annual Report**”), respectively:

(i) *Financial performance*

	For the years ended 31 December		
	2019	2020	2021
	<i>RMB'000</i> (audited)	<i>RMB'000</i> (audited)	<i>RMB'000</i> (audited)
Revenue	533,954	653,702	770,176
– Property management services	314,185	379,860	446,031
– Value-added services	129,042	131,990	148,392
– Pre-delivery and consulting services	90,727	141,852	175,753
Gross profit	201,789	257,672	266,157
Profit before tax	127,233	192,319	175,488
Profit for the year attributable to the Shareholders	81,319	131,152	122,570

For the years ended 31 December 2019 and 2020

The Group’s revenue increased by approximately 22.4% from approximately RMB534.0 million for the year ended 31 December 2019 to approximately RMB653.7 million for the year ended 31 December 2020. Such increase was mainly attributable to the increase in revenue generated

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from (a) the property management services segment by approximately 20.9% from approximately RMB314.2 million for the year ended 31 December 2019 to approximately RMB379.9 million for the year ended 31 December 2020, primarily due to the increase in the number of properties under management from 120 to 176 in the PRC and the corresponding increase in the GFA of properties under management from approximately 20.1 million sq.m. to approximately 34.7 million sq.m. as a result of the Group's scale expansion strategy; (b) the value-added services segment by approximately 2.3% from approximately RMB129.0 million for the year ended 31 December 2019 to approximately RMB132.0 million for the year ended 31 December 2020, as a result of expansion of the coverage of value-added services in 2020 such as housekeeping services, facilities and equipment maintenance for houses, facilities and equipment renovation for old houses, renovation for new houses and serviced apartments, and green energy services; and (c) the pre-delivery and consulting services segment by approximately 56.4% from approximately RMB90.7 million for the year ended 31 December 2019 to approximately RMB141.9 million for the year ended 31 December 2020, primarily attributable to the significant growth in construction work and assets sales assistance services provided by the Group.

For the year ended 31 December 2020, the profit attributable to the Shareholders was approximately RMB131.2 million, representing an increase of approximately 61.3% as compared with that of approximately RMB81.3 million in the previous year, primarily attributable to (a) the significant increase in Group's revenue as mentioned above; and (b) the increase in the gross profit margins as a result of Group's improved operation and management efficiency and the effective cost control measures. However, such increase was partially offset by the increases in (a) the impairment losses on financial and contract assets by approximately RMB4.2 million; and (b) other expenses by approximately RMB7.1 million.

For the years ended 31 December 2020 and 2021

The Group's revenue increased by approximately 17.8% from approximately RMB653.7 million for the year ended 31 December 2020 to approximately RMB770.2 million for the year ended 31 December 2021. Such increase was mainly attributable to the increase in revenue generated from (a) the property management services segment by approximately 17.4% from approximately RMB379.9 million for the year ended 31 December 2020 to approximately RMB446.0 million for the year ended 31 December 2021, primarily due to the increase in the number of properties under management from 176 to 196 in the PRC and the corresponding increase in the GFA of properties under management from approximately 34.7 million sq.m. to approximately 37.4 million sq.m. as a result of the

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Group's business expansion strategy; (b) the value-added services segment by approximately 12.4% from approximately RMB132.0 million for the year ended 31 December 2020 to approximately RMB148.4 million for the year ended 31 December 2021, primarily attributable to increase in the scope of services and the integration of online service platform with offline service scenarios; and (c) the pre-delivery and consulting services segment by approximately 23.9% from approximately RMB141.9 million for the year ended 31 December 2020 to approximately RMB175.8 million for the year ended 31 December 2021, primarily attributable to the increase in the scale of construction business and the development of asset underwriting business.

For the year ended 31 December 2021, the profit attributable to the Shareholders was approximately RMB122.6 million, representing a decrease of approximately 6.5% as compared with that of RMB131.2 million in the prior year, primarily attributable to (a) the decrease in overall gross profit margin by approximately 4.8% mainly due to the initial fund and relatively higher costs arising from expansion in the range and scale of the Group's pre-delivery and consulting services, particularly maintenance and smart construction services; (b) the increase in administrative expenses by approximately RMB16.4 million mainly due to the absence of social security reductions and waivers which was granted in the first half of 2020 as a result of the COVID-19 outbreak, and the increase in professional service expenses such as lawyers' fees for the resumption of listing of the Company; and (c) the increase in provision ratio of impairment of financial and contractual assets of the Company. Such decrease was partially offset by the increase in the Group's revenue as mentioned above.

(ii) *Financial performance*

	As at 31 December		
	2019	2020	2021
	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)
Non-current assets	106,792	116,234	350,983
Current assets	797,534	1,134,473	1,141,792
Current liabilities	338,041	442,563	567,085
Non-current liabilities	3,198	10,257	10,798
Net current assets	459,493	691,910	574,707
Equity attributable to the Shareholders	561,936	796,033	911,538

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As at 31 December 2021, total assets of the Group amounted to approximately RMB1,492.8 million, representing an increase of approximately 19.4% as compared to that as at 31 December 2020. Total assets mainly included (a) payments to related parties of approximately RMB191.5 million; (b) cash and cash equivalents of approximately RMB321.7 million; (c) term deposits of approximately RMB397.3 million; and (d) trade and bills receivables of approximately RMB258.2 million, which in aggregate accounted for approximately 78.3% of total assets of the Group.

As at 31 December 2021, total liabilities of the Group amounted to approximately RMB577.9 million, which mainly included (a) trade payables of approximately RMB102.9 million; and (b) other payables and accruals of approximately RMB388.7 million, which in aggregate accounted for approximately 85.1% of total liabilities of the Group.

As at 31 December 2021, equity attributable to the Shareholders amounted to approximately RMB911.5 million. The general increase in the equity attributable to the Shareholders during the years under review was primarily due to the combined effects of (a) the increase in the Group's total GFA under management leading to an increase in trade receivables and prepayments and deposits to suppliers and subcontractors from property management services; (b) business expansion of pre-delivery and consulting services leading to an increase in trade receivables from property developers; and (c) the Group's sustained increase in operating cash inflows.

The Group is financially healthy given its net current asset position. As at 31 December 2021, the Group had net current assets of approximately RMB574.7 million and has no interest-bearing borrowings, with cash and cash equivalents of approximately RMB321.7 million.

(iii) Overall comment

The Group's business operation has been generally demonstrating a growth, as seen from the continual increase in the total revenue for the years under review, as well as a solid financial position with the majority of its assets comprising of liquid assets, substantial amount of cash and cash equivalents and zero interest-bearing borrowings.

As mentioned in the 2021 Annual Report, the Group has strengthened its planning and upgrading of its own development model and carried out internal management upgrading and improving of the system around the three dimensions, namely strategic upgrading, organisational upgrading and service upgrading. As a result, its business performance recorded a noticeable growth for the year ended 31 December 2021. The Group will focus on realising quality growth through key measures such as quality operations, expansion of scale in terms of both regional

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density and national coverage, optimisation of business types coverages, organisation innovation, technological development and enhancement of capability.

1.2 Information of Xinyuan Real Estate Group

Listed on 12 December 2007, Xinyuan Real Estate Co., Ltd. and its subsidiaries was the first real estate developer in the PRC to become listed on the New York Stock Exchange. Xinyuan Real Estate Group has been primarily focusing its businesses in the PRC and currently operates in 20 cities over the PRC. Xinyuan Real Estate Group focuses on developing large scale quality residential projects with the aim of providing middle-class consumers with a comfortable and convenient community life. In addition to the residential projects, Xinyuan Real Estate Group has also developed and is operating and managing several shopping malls in the PRC. In addition to the PRC market, Xinyuan Real Estate Group also keeps exploring opportunities globally to expand its operation to overseas markets (including several cities in the United States, the United Kingdom and Malaysia).

Xinyuan Real Estate Group has been the controlling Shareholder since the Listing. The Group has been maintaining a mutually complementary business corporation relationship with Xinyuan Real Estate Group. As disclosed in the 2021 Annual Report, the Group managed properties of approximately 14.3 million sq.m. which were developed by Xinyuan Real Estate Group, representing approximately 38.2% of the total GFA under the management of the Group for the year ended 31 December 2021. While the Group actively expands towards the independent third parties markets, the Group is also benefitted from the robust real estate development business of Xinyuan Real Estate Group.

As disclosed in the annual report of Xinyuan Real Estate Holdings for the year ended 31 December 2020, Xinyuan Real Estate Group recorded revenue of approximately US\$1,745.8 million (equivalent to approximately RMB11,120.7 million) and net loss attributable to the shareholders of approximately US\$81.0 million (equivalent to approximately RMB516.0 million). As at 31 December 2020, total assets of Xinyuan Real Estate Holdings amounted to approximately US\$7,669.3 million (equivalent to approximately RMB48,853.4 million), which principally comprised of real estate property under development, cash and cash equivalent, long-term investment and real estate properties held for lease. The net current assets, net assets and cash and cash equivalents of Xinyuan Real Estate Holdings amounted to approximately US\$1,064.6 million (equivalent to approximately RMB6,781.5 million), approximately US\$665.5 million (equivalent to approximately RMB4,239.2 million) and approximately US\$926.8 million (equivalent to approximately RMB5,903.7 million) as at 31 December 2020, respectively. Based on our independent public search (including negative news search on the Internet) and discussion with the Directors, we noted that Xinyuan Real Estate Group previously faced financial liquidity problem given that (i) it has completed an exchange offer (the “**Exchange**

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Offer”) to exchange its 14.2% senior notes due 15 October 2021 in the aggregate principal amount of approximately US\$229 million to new notes in the aggregate principal amount of approximately US\$205.4 million due September 2023 and US\$19.1 million in cash; and (ii) Fitch Ratings, a credit rating agency, has downgraded its Long-Term Foreign-Currency Issuer Default Rating from “C” on the completion of the Exchange Offer to “CC” due to Xinyuan Real Estate Group’s tight liquidity situation, weak funding access and large offshore bond maturities in the next twelve months. As disclosed in the Letter from the Board, as at 30 September 2021, the liability-to-asset ratio (excluding advance receipts) of Xinyuan Real Estate Group exceeded 70%, which is considered to exceed one of the indicators of the “Three Red Lines” tests for assessing the financial strength of the property developers in the PRC.

Despite Xinyuan Real Estate Group previously faced cash liquidity issues, having considered that (i) the net asset value of Xinyuan Real Estate Holdings is significantly higher than the amount of the Earnest Money, which means that Xinyuan Real Estate Group will be able to refund and compensate the Earnest Money to the Group by realising its net assets in the event of default; and (ii) pursuant to the Supplemental Agreement-2, all sales proceeds to be received by the Group on behalf of Xinyuan Real Estate Group from the sales of the Designated Car Parking Spaces during the Extended Cooperation Period shall be directly applied as refund of the Earnest Money, we concur with the view of the Directors that the Earnest Money will be recovered by the end of the Extended Cooperation Period.

1.3 Outlook of the car parking industry in the PRC

The PRC car parking market is relatively consolidated and is seen to have room for development potential, as a result of the combined impact of significant growth in car ownership and relatively low vehicle-to-parking space ratios in the PRC in recent years. According to the statistics from the Ministry of Public Security of the PRC (中華人民共和國公安部), as at 31 December 2021, there were approximately 395 million registered motor vehicles in the PRC, among which approximately 302 million are cars, representing an increase of approximately 21 million of cars or 7.5% compared to that at 31 December 2020. In addition, the number of newly registered motor vehicles in the PRC amounted to approximately 36.7 million during 2021, representing an increase of approximately 3.5 million or 10.4% compared to the previous year.

As set out in the Urban Parking Facilities Planning Guidelines (城市停車設施規劃導則) issued by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部), the proper vehicle-to-parking space ratios should be between 1.1 and 1.3 for cities with population over 0.5 million and between 1.1 and 1.5 for cities with population below 0.5 million. However, according to the Development and Reform Commission of Shenzhen (深圳市發展和改革委員會), the actual vehicle-to-parking space ratios for major cities and medium-small cities in 2017 were approximately 0.8 and 0.5, respectively, showing a shortage of car parking spaces in the PRC. In May 2021, National Development and Reform Commission,

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together with three other government authorities, jointly issued the “Opinions on Promoting Car Parking Facilities Development in Cities” (關於推動城市停車設施發展的意見), which states the issues of supply shortage, weak administration and delayed marketisation in the PRC’s car parking facilities and emphasises the measures to promote car parking facilities development in cities and fulfil the citizens’ car parking needs.

As mentioned above, it can be seen that the potential demand of car parking spaces outweighs the relevant supply in major cities in the PRC. Such trends are expected to continue which is expected to facilitate growth and economic value for the car parking industry in the PRC. As such, we are of the view that the above outlook and trends would continue to have a positive effect on the prospects of the PRC car parking industry in the foreseeable future.

1.4 Reasons for and benefits of entering into the Supplemental Agreements

On 17 September 2020 (after trading hours), the Company and Xinyuan Real Estate Holdings entered into the Car Parking Space Exclusive Sales Cooperation Agreement pursuant to which, Xinyuan Real Estate Group agreed to designate the Group as the exclusive sales partner of a total of 4,066 Designated Car Parking Spaces by 31 December 2021.

As disclosed in the Letter from the Board, as at 31 December 2021, (i) the Group has sold 548 out of the 4,066 Designated Car Parking Spaces; and (ii) the aggregate amount of the packaged prices (after tax) of the Designated Car Parking Spaces sold to the relevant buyers (the “**Total Sale Amount**”) was approximately RMB39.8 million, of which approximately RMB24.2 million is the aggregate amount of the Car Parking Space Reserve Price received by the Group on behalf of Xinyuan Real Estate Group and approximately RMB15.6 million is the aggregate Co-Sales Value Added Service Fees received by the Group. Accordingly, based on the Designated Car Parking Spaces sold, the Co-Sales Value Added Service Fees received by the Group is approximately 39.2% of the Total Sale Amount (the “**Historical Margin**”). As disclosed in the Letter from the Board, it was expected that the difference between the 2020 Valuation Price and the Total Car Parking Space Reserve Price of approximately 39% shall represent the estimated maximum margin that the relevant buyers shall be willing to spend on and pay for the provision of the value-added services under the Exclusive Sales Cooperation and therefore the potential return that the Group may capture by charging the Co-Sales Value Added Service Fees during the Cooperation Period. As such, the Historical Margin actually achieved by the Group during the Cooperation Period is close to the maximum margin estimated by the Group before entering into the Car Parking Space Exclusive Sales Cooperation Agreement.

The sale rate is lower than that expected by the Group and was primarily attributable to the severe floods in Henan province occurred in July 2021, which caused severe losses in cities like Zhengzhou and paralysed a number of cities in

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Henan province. We have discussed with the management of the Group and reviewed the sale information of the 548 Designated Car Parking Spaces. Based on our review, we noted that the Group has sold 56 Designated Car Parking Spaces in Zhengzhou before 2021 while only 1 Designated Car Parking Space was sold in Zhengzhou in July 2021 until the end of September 2021. As cities in Henan province such as Zhengzhou are recovering from the floods, together with the sales-enhancement measures to be adopted by the Group during the Extended Cooperation Period, the management of the Group is confident that the sale rate of the Designated Car Parking Spaces would grow at a faster pace in 2022 and going forward. As the Company is of the view that it is in the interest of the Group to continue to capture the Historical Margin, the Company is desirous to enter into the Supplemental Agreements to extend the Cooperation Period to 31 December 2023.

As set out in the “Work program to accelerate the resumption of work and production to promote the smooth economic operation in Zhengzhou” (鄭州市加快市場經營主體復工復產促進經濟平穩運行工作方案) issued by Zhengzhou Municipal People’s Government in September 2021, it has proposed 33 measures to accelerate the resumption of work and production and was expected that Zhengzhou’s industrial economic development would be restored to the pre-flood level within three months. In addition, as stated in the “Master plan on extradentary heavy rainfall and flood recovery and reconstruction in Zhengzhou, Henan and other cities” (河南鄭州等地特大暴雨洪澇災害災後恢復重建總體規劃) issued by Henan Province People’s Government in January 2022, these cities in Henan province have basically completed the post-flood repairment and reconstruction of damaged houses and restoration of transportation, energy, communications, infrastructure, education and health services to pre-flood levels. Based on the above, we consider that cities in Henan province are recovering from the 2021 Henan Floods.

According to “Special projects on strengthening the construction of public parking lots in Zhengzhou” (加強鄭州市公共停車場建設工作實施專案) issued by the General Office of Zhengzhou Government in April 2021, in order to gradually alleviate the problem of parking difficulties in the city, the government of Zhengzhou plans to increase more than 50,000 public car parking spaces in Zhengzhou every year and encourages the construction of public car parking spaces by social capital investment. Given the existence of parking difficulties and supply shortage in Zhengzhou, the car parking industry is expected to continue to be positive after the Henan floods in July 2021. In addition, we have discussed with the management of the Company regarding the number of temporary cars which normally traffic in and out by paying for temporary parking spaces, potential customers and saleable car parking spaces in each property pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, as well as the specific measures the Group will adopt to enhance the sales. We have been provided the number of temporary cars within one month, potential customers who have verbally enquired about or registered their purchase intentions and saleable car parking spaces in each community where the Designated Car Parking Spaces are located and noted that in each community, the

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number of temporary cars and potential customers is greater than the number of Designated Car Parking Spaces the Company expected to sell in 2022 and 2023. Based on the above, we concur with the management of the Group that the sale rate of the Designated Car Parking Spaces would grow at a faster pace in 2022 and 2023. Given that the existing Car Parking Space Exclusive Sales Cooperation Agreement ends on 31 December 2021, the Company has not conducted any sales under the Car Parking Space Exclusive Sales Cooperation Agreement in 2022.

Although the Earnest Money of approximately RMB206.8 million is required, considering (i) the annual demand deposit interest rate and annual fixed deposit interest rate in Renminbi recently offered by banks to the Group amounted to merely approximately 0.3% and 2%–4%, respectively (the “**Reference Annual Bank Interest Rates**”). On the other hand, the Co-Sales Value Added Service Fees (after tax)-to-paid Earnest Money (i.e. approximately RMB205.5 million) ratio was approximately 7.6% for approximately 13 months from 19 November 2020 to 31 December 2021, which outperformed the Reference Annual Bank Interest Rates; (ii) the cost of offering the services by the Group under the Car Parking Space Exclusive Sales Cooperation Agreement mainly includes sales staff costs, which are considered insignificant; (iii) as advised by the management of the Group, the Group has no arrangement similar to that under the Car Parking Space Exclusive Sales Cooperation Agreement with any independent third parties to the Group; (iv) the Group had cash and cash equivalents of approximately RMB321.7 million as at 31 December 2021; and (v) as at the Latest Practicable Date, the Company has not identified any suitable investment targets or business opportunities to pursue for the abundant cash on hand, it is still beneficial for the Group to obtain the exclusive rights to sell the Designated Car Parking Spaces and enjoy a relatively high rate of commission (i.e. the Historical Margin of approximately 39.2%), thereby broadening the income base of the Group and bringing potential valuable returns to the Shareholders. Taking into account sales-enhancement measures to be adopted by the Group during the Extended Cooperation Period and number of Designated Car Parking Spaces the Company expected to sell in 2022 and 2023, the Co-Sales Value Added Service Fees (after tax)-to-paid Earnest Money ratio is approximately 12.9% and 15.6% in 2022 and 2023, respectively.

In addition, in order to enhance recoverability of the Earnest Money, pursuant to the Supplemental Agreement-2, all amount of the Car Parking Space Reserve Price (i) received by the Group on behalf of Xinyuan Real Estate Group from the sales of the Designated Car Parking Spaces which has not yet been returned to Xinyuan Real Estate Group; and (ii) to be received by the Group on behalf of Xinyuan Real Estate Group from the sales of the Designated Car Parking Spaces during the Extended Cooperation Period shall be directly applied as refund of the Earnest Money from Xinyuan Real Estate Group to the Group until all Earnest Money has been refunded. In other words, as long as the Earnest Money is not fully repaid by Xinyuan Real Estate Group, the Company will be eligible to collect the sales proceeds from the end customers after each sale is made.

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As disclosed in the Letter from Board, while the Company agrees that, as the estimated sales rate of the Designated Car Parking Spaces shall only reach 70% during the Extended Cooperation Period, requesting for immediate return of 30% of the paid Earnest Money before the extension of the Cooperation Period would be in the best interest of the Company and its Independent Shareholders, during the course of negotiation of the terms under the Supplemental Agreements, Xinyuan Real Estate Group was clear that such sales estimation represents only an estimation that the Company could make at the moment, which may at the end deviate favourably or unfavourably from the future actual sales performance. Taking into account (i) Company's desire to capture the benefits of the extension of Cooperation Period; (ii) Xinyuan Real Estate Group's reluctance of immediately returning 30% of the paid Earnest Money; and (iii) that all sales proceeds to be received by the Group on behalf of Xinyuan Real Estate Group from the sales of the Designated Car Parking Spaces during the Extended Cooperation Period shall be directly applied as refund of the Earnest Money to enhance its recoverability, we concur with the management of the Company that the Company resorted to the current terms of Supplemental Agreements as result of best effort of negotiation.

As disclosed in the interim report of the Company for the six months ended 30 June 2021, the Group focused on asset sales in 2020, which has continued to develop and mature in 2021. The Group commenced assets sales assistance services and established an integrated asset destocking system comprising early stage planning, marketing and promotion, sales agency and late stage management, based on internal and external cooperation with developers on resources such as stocked parking spaces and underground spaces. This is reflected by the Group's focus towards the development and expansion of the pre-delivery and consulting services segment, as demonstrated by the increasing revenue contribution from the pre-delivery and consulting services from approximately 17.0% for the year ended 31 December 2019 to approximately 22.8% for the year ended 31 December 2021. In this context, we concur with the Company's view that the Proposed Transaction is in line with the business strategies and promotes the ongoing development of the Group.

Taking into account that (i) the positive outlook and trends of the car parking industry in the PRC as mentioned in the sub-section above headed "1.3 Outlook of the car parking industry in the PRC" and cities in Henan province are recovering from the 2021 Henan Floods; (ii) the Historical Margin brought by the 548 Designated Car Parking Spaces sold by the Group is close to the maximum margin estimated by the Group before entering into the Car Parking Space Exclusive Sales Cooperation Agreement; (iii) the Group's promising business performance and solid financial position as mentioned in the sub-section above headed "1.1 Business and financial performance of the Group" and the fact the Company has not identified any suitable investment targets or business opportunities to pursue for the abundant cash on hand as at the Latest Practicable Date; (iv) the Supplemental Agreements can broaden the income base of the Group and bring potential valuable returns to the Shareholders; (v) the net asset value of Xinyuan Real Estate Holdings as at 31 December 2020, which is

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significantly higher than the amount of the Earnest Money; (vi) all sales proceeds to be received by the Group on behalf of Xinyuan Real Estate Group from the sales of the Designated Car Parking Spaces during the Extended Cooperation Period shall be directly applied as refund of the Earnest Money to enhance its recoverability; and (vii) the entering into the Supplemental Agreements is in line with the business strategies of the Group and serve to complement the existing principal businesses of the Group, we are of the view that the Supplemental Agreements and the Proposed Transaction are justifiable and fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Supplemental Agreements

For details of the terms of the Supplemental Agreements, please refer to the section headed “Supplemental Agreements” in the Letter from the Board. Set out below are the principal terms of the Supplemental Agreements:

2.1 Extension of the Cooperation Period

On 23 December 2021 (after trading hours), subject to the fulfillment of the CP (Supplemental Agreements), the Company and Xinyuan Real Estate Holdings agreed that the Cooperation Period shall be ending on 31 December 2023 instead of 31 December 2021 through the entering into of the Supplement Agreement-1.

In addition, on 16 May 2022 (after trading hours), subject to the fulfillment of the CP (Supplemental Agreements), the Company and Xinyuan Real Estate Holdings agreed that:

- (i) all amount of the Car Parking Space Reserve Price (a) received by the Group on behalf of Xinyuan Real Estate Group from the sales of the Designated Car Parking Spaces which has not yet been returned to Xinyuan Real Estate Group; and (b) to be received by the Group on behalf of Xinyuan Real Estate Group from the sales of the Designated Car Parking Spaces during the Extended Cooperation Period shall be directly applied as refund of the Earnest Money from Xinyuan Real Estate Group to the Group until all paid Earnest Money fully is refunded;
- (ii) all proceeds of the Car Parking Space Reserve Price generated from the sales of the Designated Car Parking Spaces can only be collected by the Group until all Earnest Money paid by the Group to Xinyuan Real Estate Group is fully refunded; and

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- (iii) in respect of the Early Refund Mechanism, the 1st Early Refund Amount and the 2nd Early Refund Amount shall remain unchanged, and the 3rd Early Refund Amount shall be adjusted as the total amount of outstanding paid Earnest Money yet to be refunded to the Group by Xinyuan Real Estate Group.

2.2 Conditions Precedent

The transactions contemplated under each of the Supplemental Agreements are subject to the fulfillment of the passing of the necessary resolution(s) by the Independent Shareholders at the EGM to be convened by the Company for the Independent Shareholders to consider and, if thought fit, approve, amongst other things, the Supplemental Agreements and the Proposed Transaction (the “**CP (Supplemental Agreements)**”).

Save as disclosed above, all other terms and provisions of the Car Parking Space Exclusive Sales Cooperation Agreement shall remain the same.

3. Assessment of the principal terms of the Supplemental Agreements

3.1 Earnest Money and the Remaining Car Parking Space Reserve Price

As disclosed in the circular of the Company dated 20 October 2020, the Total Car Parking Space Reserve Price (i.e. the Earnest Money) in the amount of approximately RMB206.8 million of a total of 4,066 Designated Car Parking Spaces under the Car Parking Space Exclusive Sales Cooperation Agreement was determined after arm’s length negotiations with reference to the valuation of the Designated Car Parking Spaces conducted by the Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer (the “**Independent Valuer**”) as at 31 July 2020 (the “**2020 Valuation Price**”), and the Earnest Money shall not be higher than such 2020 Valuation Price. The Earnest Money is arrived as the sum of the unit reserve price of car parking spaces under different properties involved multiplies by the number of car parking spaces for each property.

As of 31 December 2021 which was the ending date of the Cooperation Period, the Group has sold 548 out of the 4,066 Designated Car Parking Spaces. In assessing the fairness and reasonableness of the Remaining Car Parking Space Reserve Price of approximately RMB169.2 million, we have made reference to the independent valuation of the remaining 3,518 Designated Car Parking Spaces (the “**Remaining Designated Car Parking Spaces**”) of approximately RMB286.8 million conducted by the Independent Valuer as at 28 February 2022. Please refer to the sub-section below headed “4.1 Analysis of the independent valuation” for our detailed assessment.

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In addition, we have obtained and reviewed the list of 548 Designated Car Parking Spaces sold by the Group under the Car Parking Space Exclusive Sales Cooperation Agreement. Based on our independent review, we noted that all the Designated Car Parking Spaces sold are not less than the respective unit reserve prices as mutually agreed by the Group and Xinyuan Real Estate Group, especially for those sold in the fourth quarter of 2021, of which the actual selling prices were at least 30% higher than the respective unit reserve prices.

In view of (i) the benefits of the Proposed Transaction including the potential broadening of the Group's income base as discussed in the sub-section above headed "1.4 Reasons for and benefits of entering into Supplemental Agreements", which will contribute positively to its future financial results; (ii) the recoverability of the Earnest Money as discussed in the sub-section above headed "1.2 Information of Xinyuan Real Estate Group"; (iii) it is a common practice for property management companies in the PRC to pay a refundable deposit of an amount up to the total minimum sales price of car parking spaces to be sold as discussed in the section below headed "5. Comparable Arrangements"; (iv) the Earnest Money is less than the market value of the Remaining Designated Car Parking Spaces of approximately RMB286.8 million as at 28 February 2022 as conducted by the Independent Valuer; and (v) pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, the Group had sold 548 Designated Car Parking Spaces at prices not less than the unit reserve prices, we consider the Earnest Money to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3.2 Extended Cooperation Period

By entering into the Supplemental Agreements, the Cooperation Period was extended for another two years which makes the overall term to be approximately 3.1 years. Although the term of approximately 3.1 years falls out of the range of the term of the Comparable Arrangements as discussed in the section below headed "5. Comparable Arrangements", given that five out of eight Comparable Arrangements may be renewed as the parties may mutually agree, we consider the Extended Cooperation Period is generally in line with the market practice. Taking into account (i) the expected future demand on the car parking and the promulgation of favourable government policies to support the growth of the car parking market in the PRC as mentioned in the sub-section above headed "1.3 Outlook of the car parking industry in the PRC"; (ii) that based on our independent research, the economy in Henan, Shandong, Sichuan and Hunan provinces, where more than 80% of the Designated Car Parking Spaces are located, generally demonstrated an upward trend in the near future; and (iii) the extension of the Cooperation Period provides an opportunity for the Group to further broaden its income base and bring potential valuable returns to the Shareholders, we are of the view that the extension of the Cooperation Period is justifiable.

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The table below sets out the actual GDP growth rate in 2021 and the first quarter of 2022 and target GDP growth rate in 2022 of Henan, Shandong, Sichuan and Hunan provinces, which shows that the economies in Henan, Shandong, Sichuan and Hunan provinces are expected to continue to grow in the near future.

	Actual GDP growth rate in 2021	Actual GDP growth rate in 2022 Q1	Target GDP growth rate in 2022
Henan province	6.3%	4.7%	7.0%
Shandong province	8.3%	5.2%	5.5%
Sichuan province	8.2%	5.3%	6.5%
Hunan province	7.7%	6.0%	6.5%

Source: CCTV news and Sina

4. Independent valuation of the Remaining Designated Car Parking Spaces and evaluation of the estimated maximum margin and expected sales thereof

4.1 Analysis of the independent valuation

As mentioned in the sub-section above headed “3.1 Earnest Money and the Remaining Car Parking Space Reserve Price”, in assessing the fairness and reasonableness of the Remaining Car Parking Space Reserve Price, our analysis is primarily based on the independent valuation of the Remaining Designated Car Parking Spaces, details of which are set out in Appendix II to the Circular. Given that (i) it is not uncommon to value the property interests of the Remaining Designated Car Parking Spaces by an independent valuation using the market approach based on our discussion with the Independent Valuer; and (ii) the independent valuation by market approach principally consists of objective benchmarks such as the comparison and reference with the current asking prices of car parking spaces with comparable size and location to the Remaining Designated Car Parking Space, we consider that the adoption of independent valuation by means of market approach is the most direct and accurate way in assessing the valuation of the Remaining Designated Car Parking Spaces.

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Based on our discussion with the Independent Valuer, we have not identified any major factors which cause us to doubt the fairness and reasonableness of the principal bases and assumptions used in arriving at the valuation of the Remaining Designated Car Parking Spaces. The Independent Valuer has carried out inspections, made relevant enquiries and searches for the purpose of the valuation of the Remaining Designated Car Parking Spaces. We have reviewed and discussed with the Independent Valuer the bases and assumptions adopted for the valuation of the Remaining Designated Car Parking Spaces. We consider that the assumptions adopted by the Independent Valuer are fair and reasonable and the bases used are normal ones for valuing the Remaining Designated Car Parking Spaces. We have also performed work as required under note (1)(d) to Rule 13.80 of the Listing Rules in relation to the Independent Valuer and its work as regards the valuation of the Remaining Designated Car Parking Spaces.

In valuing the Remaining Designated Car Parking Spaces, the Independent Valuer has adopted the market approach, by making reference to the comparable car parking spaces located near to the subject car parking spaces, which involved comparisons based on current asking prices of comparable car parking spaces. We have discussed with the Independent Valuer regarding its selection criteria and assessed the appropriateness of the comparable car parking spaces selected. According to the Independent Valuer, comparable car parking spaces of similar location, which include those in the same communities of the Remaining Designated Car Parking Spaces, are selected and then analysed. Based on our discussion with the Independent Valuer, car parking spaces are located in the vicinity of the same community and the prices of which are typically broadly comparable. As such, the comparable car parking spaces chosen are considered to be the most appropriate benchmark for direct assessment and comparison in coming up the valuation, and we consider the selection criteria in the valuation thereof is fair and reasonable.

According to the Independent Valuer, adjustments will be made if necessary on factors, which include, among others, time, location, building age/conditions, floor level, size, number of parking spaces and layout, in order to arrive at a market comparison of market value of the Remaining Designated Car Parking Spaces by the Independent Valuer. According to the Independent Valuer, amongst all the adjustment factors, location is generally considered to be the main factor in affecting the valuation of the car parking space. Given that (i) the comparable car parking spaces are located in close proximity to the Remaining Designated Car Parking Spaces; and (ii) the Remaining Designated Car Parking Spaces share similar size and conditions, in deriving the valuation of the Remaining Designated Car Parking Space, the Independent Valuer made reference to the average prices of the comparable car parking spaces and did not take account into any adjustments for the dissimilarities among the comparables.

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According to our discussion with the Independent Valuer, the valuation methodologies of completed properties can be broadly classified into three approaches, namely the cost approach, the market approach and the income approach.

As advised by the Independent Valuer, market approach is the most appropriate valuation methodology to value the property interests of the Remaining Designated Car Parking Spaces, primarily because (i) the comparable car parking spaces are located close to the subject car parking spaces and (ii) there are comparable evidences enable the use of market approach. We consider that the methodology used by the Independent Valuer is generally in line with market practice, which have taken into consideration of the recent prices of car parking spaces similar to that of the Remaining Designated Car Parking Spaces.

Regarding the income approach, we are advised by the Independent Valuer that it may not be appropriate to be applied in the valuation of the Remaining Designated Car Parking Spaces, since the derivation of which requires various assumptions and subject to uncertainties. We concur with the view of the Independent Valuer that income approach is less reliable, since it requires numerous assumptions and thus it is more difficult to predict the future economic value of the Remaining Designated Car Parking Spaces.

On the other hand, the Independent Valuer considers that the cost approach will normally only be considered when there is a lack of public market information available in relation to prices of properties or assets, and thus only historical costs data will be relied upon. Given that there is public market information available for the Remaining Designated Car Parking Spaces, we consider that adopting the cost approach is not appropriate for the valuation of the Remaining Designated Car Parking Spaces.

4.2 Evaluation of the estimated maximum margin of the Remaining Designated Car Parking Spaces

The aggregated Car Parking Space Reserve Price (as adjusted between the Group and Xinyuan Real Estate Group during the Cooperation Period) for the Remaining Designated Car Parking Spaces of approximately RMB169.2 million represents a discount of approximately RMB117.6 million (or approximately 41.0%) to the valuation of the Remaining Designated Car Parking Spaces of approximately RMB286.8 million. In this regard, the estimated maximum margin (the “**Expected Maximum Margin**”) that the Group shall be able to charge as Co-Sales Value Added Service Fees for the sale of the Remaining Designated Car Parking Spaces shall be approximately 39.6% (after tax), which is similar to the Historical Margin of approximately 39.2%. On the other hand, taking into account sales-enhancement measures to be adopted by the Group during the Extended Cooperation Period and number of Designated Car Parking Spaces the Company expected to sell in 2022 and 2023, the expected adjusted margins are approximately 34.8% and 33.9% in 2022 and

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2023, respectively. We consider that the expected adjusted margins are still comparable to the Historical Margin and the maximum margin of approximately 39% estimated by the Group before entering into the Car Parking Space Exclusive Sales Cooperation Agreement.

In view of that (i) the Expected Maximum Margin is broadly comparable to the Historical Margin of approximately 39.2% and the maximum margin of approximately 39% estimated by the Group before entering into the Car Parking Space Exclusive Sales Cooperation Agreement; (ii) there is no similar comparable transactions between the Group with other independent third parties; (iii) the Expected Maximum Margin is determined with reference to an independent valuation; and (iv) the aggregated Car Parking Space Reserve Price for the Remaining Designated Car Parking Spaces represents a discount to the independent valuation of the same as at 28 February 2022, we consider the Expected Maximum Margin to be justifiable.

4.3 Evaluation of the expected sales of Car Parking Spaces and Co-Sales Value Added Service Fees

As disclosed in the Letter from the Board, after implementing the sales-enhancement measures, the Company would be able to (i) sell 1,040 Designated Car Parking Spaces and generate aggregated Co-Sales Value Added Service Fees (after tax) of approximately RMB26.6 million in 2022 and (ii) sell 1,259 Designated Car Parking Spaces and generate aggregated Co-Sales Value Added Service Fees (after tax) of approximately RMB32.1 million in 2023. In assessing the reasonableness of the estimated number of Designated Car Parking Spaces sold, we have discussed with the management of the Group the basis and assumptions underlying the estimation and understood that the Directors have taken into account, among other things, (i) the sales-enhancement measures to be implemented; (ii) the Group's current progress of client solicitation regarding the Designated Car Parking Spaces; (iii) the number of temporary cars, potential customers and saleable car parking spaces in each community; and (iv) the fact that cities in Henan province such as Zhengzhou are recovering from the 2021 Henan Floods. Taking into account that (i) we have reviewed the estimated number of Designated Car Parking Spaces sold in each community and performed independent market search on the economy in Henan, Shandong, Sichuan and Hunan provinces, especially whether Zhengzhou has recovered from the 2021 Henan Floods; and (ii) as advised by the management of the Company, as at the Latest Practicable Date, the Group has accumulated approximately five hundreds formally registered potential clients for the sales of the Designated Car Parking Spaces, approximately 80% of which can be converted into sales during the Extended Cooperation Period according to the Company's estimation, we consider the Company's estimation on the number of Designated Car Parking Spaces sold in 2022 and 2023 is fair and reasonable.

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With regard to the Company's estimation on the aggregated Co-Sales Value Added Service Fees in 2022 and 2023, we are advised by the management of the Group that the fees are projected with reference to (i) the number of Designated Car Parking Spaces sold in 2022 and 2023; (ii) the unit reserve price of car parking spaces; (iii) the market value of the Remaining Designated Car Parking Spaces as determined by the Independent Valuer; and (iv) a discount of 20% to be applied on the Co-Sales Value Added Service Fees. We have also reviewed the calculations and consider that the Company's estimation on the aggregated Co-Sales Value Added Service Fees in 2022 and 2023 is fair and reasonable.

5. Comparable Arrangements

In evaluating the fairness and reasonableness of the principal terms of the Supplemental Agreements, we have, based on our search on the website of the Stock Exchange, identified an exhaustive list of companies (the "**Comparable Companies**") which (i) are principally engaged in the property management business in the PRC; (ii) have their shares listed on the Stock Exchange as at the Latest Practicable Date; and (iii) have entered into the existing arrangements similar to those under the Car Parking Space Exclusive Sales Cooperation Agreement in terms of nature and scope of the services provided, the deposits requirements and the pricing terms and mechanism (the "**Comparable Arrangements**"). Based on these criteria, we identified eight Comparable Arrangements. Although some of the Comparable Companies may not be a listed company as at the Latest Practicable Date, we consider that the Comparable Arrangements entered into by them could still serve as a reference to the market practice adopted by property management companies in the PRC.

The following table set out the details of the Comparable Arrangements:

Company name	Agreement	Nature of services provided		Deposit required	Service income (i.e. commission)	Term of the agreement (Approximate)	Renewable as	Source
		Type of properties					the parties mutually agree?	
							(Yes/No)	
New Hope Service Holdings Limited (3658.HK) ("New Hope")	Exclusive properties sales agency service framework agreement	Exclusive properties sales agency services	Shop, commercial office and parking lot	A refundable deposit up to the 30% of the total base price	the difference between the agreed price paid by the purchasers and the base price which is estimated to be not less than 20% of the agreed price	2.6 years (Note 1)	No	Announcement dated 10 May 2022
Kangqiao Service Group Limited (2205.HK)	Sales agency services framework agreement	Sales agency services	Unsold parking spaces	A refundable deposit equal to the sales reserve prices of the relevant parking spaces	the difference between the contract prices and the sales reserve price	2.5 years	Yes	Prospectus dated 29 June 2021 and the announcement dated 21 April 2022

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Company name	Agreement	Nature of services provided	Type of properties	Deposit required	Service income (i.e. commission)	Term of the agreement <i>(Approximate)</i>	Renewable as the parties mutually agree? <i>(Yes/No)</i>	Source
Jinmao Property Services Co., Limited (816.HK) (" Jinmao Property ")	Property agency services framework agreement	Property agency services	Car parking spaces and newly developed properties	A refundable deposit up to the total minimum sales price	the difference between the actual sales price paid by the purchaser and the pre-determined minimum sales price which is estimated to be 15% to 50% as a percentage of the estimated sales price of the relevant car park spaces	1.8 years	Yes	Prospectus dated 25 February 2022
Sunac Services Holdings Limited (1516.HK)	Property agency services framework agreement	Property agency services	Car parking spaces and tourism and vacation projects	A refundable deposit up to the total minimum sales price	the difference between the actual sales price paid by the purchasers and the pre-determined minimum sales price	2.1 years	Yes	Prospectus dated 9 November 2020
Poly Property Services Co., Ltd. (6049.HK)	Parking space leasing and sales agency services framework agreement	Exclusive parking spaces sales and leasing agency services	Car parking spaces	A refundable deposit of not exceeding 50% of the pre-determined minimum prices	the difference between the actual sales price paid by the purchasers and the pre-determined minimum prices	2.2 years	No	Circular dated 26 August 2021
Landsea Green Life Service Company Limited (1965.HK) (" Landsea ")	Exclusive sales agency agreements	Property agency services	Car parking spaces and commercial properties	A refundable security deposit equal to the pre-determined minimum prices	the difference between the actual sales price of the properties sold and the aggregate predetermined minimum prices of such properties sold (which is estimated to be not less than 20% of the estimated sales prices)	2.0 years	Yes	Circular dated 15 December 2021
C&D Property Management Group Co., Ltd (2156.HK) (" C&D Property ")	Inventory property underwriting agreement	Sole and exclusive rights for providing inventory property sales agency services	First-hand inventory residential properties and/or parking spaces	A refundable deposit equal to 100% of the determined prices of the inventory properties (which is not less than 50% of the selling price registered with the relevant local administrative department before the first sale of the property development)	the difference between the actual transaction price of the properties sold and the predetermined minimum prices of such properties sold	2.0 years	No	Circular dated 8 December 2021
Sino-Ocean Service Holding Limited (6677.HK) (" Sino-Ocean ")	Exclusive parking space sales agency services framework agreement	Exclusive sales agency services	Parking spaces	A refundable deposit equal to the base price for the sale of the relevant target parking spaces (which shall not exceed 80% of the average price of comparable parking spaces in the surrounding markets)	the difference between the actual sales price paid by third party purchaser(s) and the relevant base price with respect to the target parking spaces	1.0 year	Yes	Announcement dated 30 December 2021

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Company name	Agreement	Nature of services provided		Deposit required	Service income (i.e. commission)	Term of the agreement <i>(Approximate)</i>	Renewable as	Source
		Type of properties					the parties mutually agree?	
							<i>(Yes/No)</i>	
The Company (1895.HK)	Car parking space exclusive sales cooperation agreement (as supplemented and amended by the Supplemental Agreement)	Exclusive	Car parking spaces	A refundable deposit equal to 100% of the car parking reserve prices (i.e. minimum sales price, representing approximately 61% of the valuation of car parking spaces)	the difference between the actual sales price paid by the purchasers and the car parking space reserve prices	3.1 years	No	Announcement dated 23 December 2021

Note:

- The exclusive properties sales agency service framework agreement (the “**Framework Agreement**”) has a term commencing from the date of which the Framework Agreement has been approved on the extraordinary general meeting and ending on 31 December 2024. Given that the extraordinary general meeting of New Hope has not been held, the duration is estimated from the date of the Framework Agreement (i.e. 10 May 2022) to 31 December 2024, which is approximately 2.6 years.

As illustrated in the table above, among the eight Comparable Arrangements, six of them are required to pay a refundable deposit of an amount up to the total minimum sales price of car parking spaces to be sold, which we consider to be a common practice accordingly. In addition, two of eight Comparable Arrangements have quantitatively disclosed the determination of the minimum sales price, which is 50% of the selling price registered with the relevant local administrative department before the first sale of the property development by C&D Property and not exceeding 80% of the average price of comparable parking spaces in the surrounding markets by Sino-Ocean. Although the Group’s determination of deposit with reference to the valuation of the car parking spaces may be different, the quantitative consideration of 61% is within the range from 50% to 80%. As advised by the management of the Group, the Group did not have similar deposit arrangement with other independent customers/car park owners. In this regard, we consider the deposit of 61% of the valuation of the car parking spaces, is fair and reasonable and is in the interest of the Company and its independent shareholders as a whole.

In respect of the term, it is noted that the term of the Comparable Arrangements ranges from approximately 1 year to 2.6 years, and five out of eight Comparable Arrangements may be renewed as the parties may mutually agree.

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In respect of the service income, it is noted that the commission under all Comparable Arrangements is equal to the difference between the actual sales price paid by the purchasers and the minimum sales price which is the same as the commission adopted by the Group. However, given that no information as to the amount of actually received commissions from the provision of relevant property agency services was disclosed by the Comparable Companies, a direct quantitative comparison with the Group's Historical Margin is not feasible. Instead, three of eight Comparable Arrangements have quantitatively disclosed the estimated proportion of commission in the sales price, which is not less than 20% by New Hope, 15% to 50% by Jinmao Property and not less than 20% of the average price of comparable parking spaces in the surrounding markets by Landsea. The Group's Historical Margin of approximately 39.2% is within the range of the three Comparable Arrangements.

6. Financial effects of the Proposed Transaction

6.1 Earnings and net assets value

As advised by the management of the Group, the Group will receive Co-Sales Value Added Service Fees from independent third parties buyers. In this connection, the Proposed Transaction is expected to contribute positively to the future revenue and earnings of the Group.

As at 31 December 2021, the equity attributable to the Shareholders was approximately RMB911.5 million. As a substantial portion of approximately RMB205.5 million out of the Earnest Money of approximately RMB206.8 million has already been transferred by the Group to Xinyuan Real Estate Group, the Proposed Transaction would not have any material impact on the Group's net asset value.

6.2 Working capital and liquidity

As at 31 December 2021, the Group had cash and cash equivalents of approximately RMB321.7 million and no interest-bearing borrowings. Although the Earnest Money will be fully refundable after another two years until 31 December 2023, given the solid financial position of the Group as at 31 December 2021, the Proposed Transaction will not have any significant adverse impact on the working capital position and liquidity of the Group.

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OPINION AND RECOMMENDATION

In arriving at our opinion and recommendation in respect of the terms of the Supplemental Agreements to the Car Parking Space Exclusive Sales Cooperation Agreement and the Proposed Transaction, we have considered the principal factors and reasons as discussed above and in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

- The promising financial performance and solid financial position of the Group with cash and cash equivalents of approximately RMB321.7 million and no interest-bearing borrowings as at 31 December 2021;
- The positive outlook and trends of the car parking industry in the PRC as mentioned in the sub-section above headed “1.3 Outlook of the car parking industry in the PRC”;
- The financial benefits brought along by the Proposed Transaction, in particular the Historical Margin of approximately 39.2% which is close to the maximum margin estimated by the Group before entering into the Car Parking Space Exclusive Sales Cooperation Agreement, as explained in the sub-section above headed “1.4 Reasons and benefits for entering into the Supplemental Agreements”;
- The entering into of the Supplemental Agreements is in line with the business strategies of the Group and serve to complement the existing principal businesses of the Group;
- All sales proceeds to be received on behalf of Xinyuan Real Estate Group from the sales of the Designated Car Parking Spaces during the Extended Cooperation Period shall be directly applied as refund of the Earnest Money to enhance its recoverability;
- The aggregated Car Parking Space Reserve Price for the Remaining Designated Car Parking Spaces represents a discount to the independent valuation of the same as at 28 February 2022;
- The extension of the Cooperation Period is generally in line with the market practice and provides an opportunity for the Group to further broaden its income base and bring potential valuable returns to the Shareholders; and
- The Proposed Transaction will contribute positively to the future revenue and earnings of the Group, and do not have material adverse financial impact on the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the above, we consider that the Supplemental Agreements to the Car Parking Space Exclusive Sales Cooperation Agreement and the Proposed Transaction are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the entering into of the Supplemental Agreements is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the Supplemental Agreements and the Proposed Transaction.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Danny Leung
Managing Director

Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(i) Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

(a) Interest in the Company

Name of Directors and Chief Executive	Nature of interest (Note 1)	Number of Shares or underlying Shares	Approximate percentage of issued share capital (Note 4)
Ms. WANG Yanbo	Beneficial owner	11,250,000	1.98%
Mr. HUANG Bo (Note 5)	Beneficial owner	5,625,000	0.99%
Mr. ZHANG Yong	Interest of controlled corporation (Note 2)	15,000,000	2.64%
Ms. YANG Yuyan	Interest of controlled corporation (Note 3)	15,000,000	2.64%

Notes:

- All interests stated are long position.

2. Victory Destiny Holdings Limited is wholly-owned by Mr. Zhang Yong. By virtue of the SFO, Mr. Zhang Yong is deemed to be interested in the 15,000,000 Shares which are interested by Victory Destiny Holdings Limited.
3. Grace Hope Holdings Limited is wholly-owned by Ms. Yang Yuyan. By virtue of the SFO, Ms. Yang Yuyan is deemed to be interested in the 15,000,000 Shares which are interested by Grace Hope Holdings Limited.
4. The percentage of shareholding is calculated on the basis of the number of issued Shares as at the Latest Practicable Date being 567,500,000.
5. Mr. Huang Bo ceased to be our executive Director and chief financial officer by resignation with effect from 15 February 2022.

Interest in the Company's associated corporation – Xinyuan Real Estate Holdings

Name of Directors and Chief Executive	Nature of interest (Note 1)	Number of Shares or underlying Shares	Approximate percentage of issued share capital (Note 4)
Mr. ZHANG Yong	Beneficial Owner	28,400,000	30.20%
	Interest of controlled corporation (Note 2)	4,143,615	(Note 5)
Ms. YANG Yuyan	Founder of a discretionary trust (Note 3)	28,400,000 (Note 2)	26.36%

Notes:

1. All interests stated are long position.
2. Universal World Development Co. Ltd. is wholly-owned by Mr. ZHANG Yong. By virtue of the SFO, Mr. ZHANG Yong, a non-executive Director of the Company, is therefore deemed to be interested in 4,143,615 shares in Xinyuan Real Estate Holdings (which consists of 1,606,615 shares and 2,537,000 share options which entitle the holder thereof the right to acquire shares within 60 days) held by Universal World Development Co., Ltd.
3. Pursuant to the trust deed dated 24 November 2015 (the “**Trust Deed**”) entered into between Ms. Yang Yuyan (as settlor) and HSBC International Trustee Limited (as trustee) (the “**Trustee**”), The Spectacular Stage Trust (the “**Trust**”) was established as a discretionary trust and the beneficiaries under the Trust include the family members of Ms. Yang Yuyan. Pursuant to the terms of the Trust Deed, the Trustee is required to obtain the prior written consent of Ms. Yang Yuyan, as protector, before making any direct or indirect dispositions of any shares in Xinyuan Real Estate Holdings (the “**Common Shares**”) that constitute the assets of the Trust and to vote Common Shares held by the Trust and cause any entity owned by the Trust directly or indirectly that holds the Common Shares to vote such shares in accordance with instructions from Ms. Yang Yuyan. Accordingly, pursuant to Section 13(d) of the Securities Exchange Act of 1934 of the United States, as amended, Ms. Yang Yuyan may be deemed to beneficially own all of the Common Shares held directly or indirectly by the Trust.

4. The percentage is calculated based on the total number of shares in issue in Xinyuan Real Estate Holdings as at the Latest Practicable Date being 107,757,721.
5. The percentage would be 29.51% if it is calculated by the number of shares or underlying shares in Xinyuan Real Estate Holdings in which Mr. ZHANG Yong is interested (i.e. 32,543,615 shares) divided by 110,294,721 shares (being the sum of (i) 107,757,721 issued shares in Xinyuan Real Estate Co., Ltd. at the Latest Practicable Date; and (ii) share options which entitle the holder thereof the right to acquire 2,537,000 shares in Xinyuan Real Estate Holdings within 60 days).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company held any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(ii) Substantial Shareholders' interests and short positions in the shares, underlying shares and debentures of the Company

As at the Latest Practicable Date, according to the register kept by the Company under Section 336 of the SFO and so far as was known to the Directors, persons (other than the Directors) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of Shareholders	Nature of interest (Note 1)	Number of Shares or underlying Shares	Approximate percentage of issued share capital (Note 4)
Xinyuan Real Estate, Ltd. (Note 2)	Beneficial owner	300,000,000	52.86%
Xinyuan Real Estate Holdings (Notes 2, 3)	Interest of controlled corporation	300,000,000	52.86%
Galaxy Team Holdings Limited (Note 4)	Beneficial Owner	37,500,000	6.61%
Xingtai Capital Management Limited	Investment manager	77,000,000	13.57%
Xingtai China Master Fund	Beneficial Owner	34,000,000	5.99%

Notes:

1. All interests stated are long position.
2. Xinyuan Real Estate, Ltd. is wholly owned by Xinyuan Real Estate Holdings. By virtue of the SFO, Xinyuan Real Estate Holdings is therefore deemed to be interested in 300,000,000 Shares which are interested by Xinyuan Real Estate, Ltd.
3. As at the Latest Practicable Date, Mr. Zhang Yong is beneficially interested in approximately 29.51% of the share capital of Xinyuan Real Estate Holdings, and Ms. Yang Yuyan, one of the non-executive Directors, may be deemed to be beneficially interested in all the shares of Xinyuan Real Estate Holdings held directly or indirectly by The Spectacular Stage Trust (equivalent to 26.36% of the issued shares of Xinyuan Real Estate Holdings).
4. Galaxy Team Holdings Limited is owned as to 30%, 15%, 15%, 10%, 10%, 5%, 5%, 5% and 5% by Ms. WANG Yanbo, Mr. HUANG Bo, Mr. WANG Yantao, Ms. DU Xiangyan, Ms. ZHANG Rong, Mr. HUANG Jinfu, Mr. AN Guangfu, Mr. LYU Shaohui and Mr. ZHANG Xiaofei, respectively.

Save as disclosed above, as at the Latest Practicable Date, according to the register kept by the Company under Section 336 of the SFO and so far as was known to the Directors, there was no other person (other than the Directors) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' POSITIONS IN SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, save as disclosed below, none of the Directors or proposed Directors was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of Director	Name of company which had such discloseable interest or short position	Position within such company
Mr. ZHANG Yong	Xinyuan Real Estate Holdings	Chief executive officer, executive director and chairman
Ms. YANG Yuyan	Xinyuan Real Estate Holdings	Director
Mr. LI Yifan	Xinyuan Real Estate Holdings	Independent director
Mr. SHEN Yuan-Ching	Xinyuan Real Estate Holdings	Independent non-executive director

4. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, each of Mr. Zhang Yong and Ms. Yang Yuyan was a shareholder of Xinyuan Real Estate Holdings and was materially interested in the following connected transactions and continuing connected transactions entered into between the Group and the Xinyuan Real Estate Group which were significant in relation to the business of the Group:

- (a) the trademark licensing agreement dated 16 September 2019 entered into between the Company on one hand and Henan Xinyuan Property Services Co., Ltd. ("**Henan Xinyuan**") and Beijing Aijieli Technology Development Co., Ltd. ("**Beijing Aijieli**") (collectively the "**Licensors**") on other hand, pursuant to which the Licensors agreed to irrevocably and unconditionally grant the Company a non-transferable license to use certain trademarks registered in the names of the Licensors in the PRC for a perpetual term commencing from the date of the Trademark Licensing Agreement on a royalty-free basis. The Trademark Licensing Agreement is not unilaterally terminable by the Licensors. For details, please refer to section headed "Continuing Connected Transactions" in the Prospectus and the section headed "Connected Transactions" in the annual report of the Company for the year ended 31 December 2021.
- (b) the software licensing agreement dated 16 September 2019 (the "**Software Licensing Agreement**") entered into between the Company and Beijing Juzhouyun Technology Co., Ltd. ("**Beijing Juzhouyun**"), pursuant to which Beijing Juzhouyun agreed to irrevocably and unconditionally authorise the Company to use certain software registered in the name of Beijing Juzhouyun in the PRC (the "**Software**") for a term commencing from the Listing Date until 31 December 2021 on a royalty-free basis, renewable for a successive period of three years under the same conditions upon the expiry thereof. The Software Licensing Agreement was a continuing connected transaction fully exempted from the reporting, annual review, announcement and Independent Shareholders' approval requirements under the Listing Rules. The Group has renewed the Software Licensing Agreement with the same conditions for a successive period of three years. For details of the Software Licensing Agreement, please refer to section headed "Continuing Connected Transactions" in the Prospectus and the section headed "Connected Transactions" in the annual report of the Company for the year ended 31 December 2021.
- (c) the pre-delivery and consulting services framework agreement dated 9 November 2021 (the "**2022 Pre-delivery and Consulting Services Framework Agreement**") entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) in relation to the provision of pre-delivery and consulting services by the Group and/or its associates to the Xinyuan Real Estate Group (excluding the Group) and/or its associates. The maximum annual fee payable by the Xinyuan Real Estate Group (excluding the Group) and/or its associate to the Group and/or its associate under the 2022 Pre-delivery and Consulting Services Framework Agreement for each

of the three years ended 31 December 2024 shall not exceed RMB166,623,000, RMB190,182,000 and RMB218,711,000, respectively. For details, please refer to the circular of the Company dated 14 December 2021 and the section headed “Connected Transactions” in the annual report of the Company for the year ended 31 December 2021.

- (d) the property engineering services framework agreement dated 9 November 2021 (the “**2022 Property Engineering Services Framework Agreement**”) entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) in relation to the provision of property engineering services by the Group and/or its associates to the Xinyuan Real Estate Group (excluding the Group) and/or its associates. The maximum annual fee payable by the Xinyuan Real Estate Group (excluding the Group) and/or its associate to the Group and/or its associate under the 2022 Property Engineering Services Framework Agreement for each of the three years ended 31 December 2024 shall not exceed RMB178,242,000, RMB204,979,000 and RMB235,725,000, respectively. For details, please refer to the circular of the Company dated 14 December 2021 and the section headed “Connected Transactions” in the annual report of the Company for the year ended 31 December 2021.
- (e) the property management services framework agreement dated 9 November 2021 (the “**2022 Property Management Services Framework Agreement**”) entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) in relation to the provision of property management services by the Group and/or its associates to the Xinyuan Real Estate Group (excluding the Group) and/or its associates. The maximum annual fee payable by the Xinyuan Real Estate Group (excluding the Group) and/or its associate to the Group and/or its associate under the 2022 Property Management Services Framework Agreement for each of the three years ended 31 December 2024 shall not exceed RMB48,677,000, RMB63,872,000 and RMB85,222,000, respectively. For details, please refer to the circular of the Company dated 14 December 2021 and the section headed “Connected Transactions” in the annual report of the Company for the year ended 31 December 2021.
- (f) the value-added services framework agreement dated 9 November 2021 (the “**2022 Value-added Services Framework Agreement**”) entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) in relation to the provision of value-added services by the Group and/or its associates to the Xinyuan Real Estate Group (excluding the Group) and/or its associates. The maximum annual fee payable by the Xinyuan Real Estate Group (excluding the Group) and/or its associate to the Group and/or its associate under the 2022 Value-added Services Framework Agreement for each of the three years ended 31 December 2024 shall not exceed RMB44,900,000, RMB56,082,000 and RMB66,446,000, respectively. For details, please refer to the circular of the Company dated 14 December 2021 and the section headed “Connected Transactions” in the annual report of the Company for the year ended 31 December 2021.

- (g) the loan agreement dated 13 August 2021 entered into between Xinyuan Science and Technology Service Group Co., Ltd. (“**Xinyuan Science**”), an indirect wholly-owned subsidiary of the Company, and Henan Xinyuan Real Estate Co., Ltd. (“**Henan Xinyuan Real Estate**”, an indirect wholly-owned subsidiary of the Xinyuan Real Estate Holdings), pursuant to which, Xinyuan Science agreed to provide a loan up to RMB48 million (the “**Loan**”) to Henan Xinyuan Real Estate, and Xinyuan (China) (an indirect wholly-owned subsidiary of Xinyuan Real Estate Holdings) agreed to provide an irrevocable and unconditional guarantee for the Loan. Interest shall be accrued on the outstanding principal of the Loan at the rate of 8% per annum starting from 17 August 2021, being the date on which Xinyuan Science made a one-time disbursement to Henan Xinyuan Real Estate (the “**Disbursement Date**”) and ending on the date of full payment of the Loan. Henan Xinyuan Real Estate shall pay to Xinyuan Science the entire amount of outstanding interest incurred from the Loan on the interest payment date of each quarter. Unless otherwise agreed between the parties, the Loan and the accrued interest thereon shall be repaid in full on the second anniversary from the Disbursement Date (i.e. 16 August 2023). For details, please refer to the announcement of the Company dated 13 August 2021 and the section headed “Connected Transactions” in the annual report of the Company for the year ended 31 December 2021.

Save as disclosed above, there is no contract or arrangement subsisting at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

5. DIRECTORS’ INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors or proposed Directors had any direct or indirect interest in any assets which had been, since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract or a proposed service contract with any member of the Group which is not expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

7. COMPETING BUSINESS INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors, proposed Directors or their respective close associates (as if each of them were treated as a controlling Shareholder under Rule 8.10 of the Listing Rules) had any competing interests in a business which competes or is likely to compete with the business of the Group.

8. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited accounts of the Company were made up.

9. EXPERT'S QUALIFICATIONS AND CONSENT

- (a) The following are the qualifications of the expert who had given its opinion or advice which is contained in this circular:

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

- (b) As at the Latest Practicable Date, the expert above did not have any direct or indirect shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) The expert above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or report and/or reference (as the case may be) and references to its name in the form and context in which they are included.
- (d) As at the Latest Practicable Date, the expert above did not have any direct or indirect interest in any assets which have been, since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.
- (e) The letter from the Independent Financial Adviser is given as of the date of this circular for incorporation herein.

10. MISCELLANEOUS

- (a) The registered office of the Company is situated at P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The corporate headquarters is situated at 3/F., International Living Clubhouse, 18 Xinyuan Road, Jinshui District, Zhengzhou, Henan Province, PRC. The principal place of business in Hong Kong is situated at 9/F., Wah Yuen Building, 149 Queen's Road Central, Hong Kong.
- (b) The Hong Kong Branch Share Registrar of the Company is Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The English text of this circular and the accompanying form of proxy shall prevail over its Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business of the Company at 9/F, Wah Yuen Building, 149 Queen's Road Central, Central, Hong Kong for a period of 14 days from the date of this circular:

- (a) the Supplemental Agreement-1;
- (b) the Supplemental Agreement-2;
- (c) the Car Parking Space Exclusive Sales Cooperation Agreement;
- (d) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (e) the letter from the Independent Financial Adviser, the text of which is set out in this circular;
- (f) the property valuation report issued by the Independent Valuer as set out in Appendix II to this circular;
- (g) the written consent referred to in the section headed "Expert's Qualifications and Consent" in Appendix I of this circular; and
- (h) this circular.

The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 28 February 2022 of the property interests held by the Xinyuan Real Estate Group.



Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7/F One Taikoo Place 979 King's Road Hong Kong
Tel +852 2846 5000 Fax +852 2169 6001
Licence No.: C-030171

17 May 2022

The Board of Directors
Xinyuan Property Management Service (Cayman) Ltd.
9/F., Wah Yuen Building
149 Queen's Road Central
Hong Kong

Dear Sirs,

In accordance with the instructions of Xinyuan Property Management Service (Cayman) Ltd. (the "**Company**") to value various car parking spaces held by Xinyuan Real Estate Co., Ltd. ("**Xinyuan Real Estate Holdings**", one of the controlling shareholders of the Company) and its subsidiaries (hereinafter together referred to as "**Xinyuan Real Estate Group**") in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interests as at 28 February 2022 (the "**valuation date**") for disclosure purpose.

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

We have valued the property interests by the comparison approach assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

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

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

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

We have relied to a very considerable extent on the information given by the Company and Xinyuan Real Estate Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates, Real Estate Title Certificates and other official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC Legal Adviser – Beijing Chang An Law Firm, concerning the validity of the property interests in the PRC.

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

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

Inspection of the properties was carried out in March 2022 by Ms. Mia Lei. She has more than 4 years' experience in the valuation of properties in the PRC.

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

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

We are instructed to provide our opinion of values as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, the outbreak of the Novel Coronavirus (COVID-19) since declared Global Pandemic on 11 March 2020 has caused much disruption to economic activities around the world. As of the valuation date, China's economy has recovered and most business activities have been back to normal. We also note that market activity and market sentiment in this particular market sector remain stable. However, we remain cautious due to uncertainty for the pace of global economic recovery in the midst of the outbreak which may have future impact on the real estate market. Therefore, we recommend that you keep the valuation of these properties under frequent review.

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

Yours faithfully,

For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Eddie T. W. Yiu

MRICS MHKIS RPS (GP)

Senior Director

Note: Eddie T. W. Yiu is a Chartered Surveyor who has 28 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

SUMMARY OF VALUES

No. Property	Market value in existing state as at 28 February 2022 RMB
1. 213 car parking spaces of Xinyuan Shijidongcheng Xiyuan located at the southern side of Yongping Road and the western side of Kangping Road Guancheng Hui District Zhengzhou City Henan Province The PRC (鑫苑世紀東城西苑的213個車位)	19,800,000
2. 476 car parking spaces of Xinyuan Xincheng located at the southern side of Yongping Road and the eastern side of Kangping Road Guancheng Hui District Zhengzhou City Henan Province The PRC (鑫苑鑫城的476個車位)	44,300,000
3. 1,078 car parking spaces of Xinyuan Mingcheng located at the northern side of South Si Ring and the eastern side of South Songshan Road Erqi District Zhengzhou City Henan Province The PRC (鑫苑名城的1,078個車位)	80,900,000
4. 568 car parking spaces of Xinyuan Xinjia located at the northern side of Luzhuang Road and the western side of South Daxue Road Erqi District Zhengzhou City Henan Province The PRC (鑫苑鑫家的568個車位)	42,600,000

No. Property	Market value in existing state as at 28 February 2022 RMB
5. 386 car parking spaces of Xinyuan Xinja Xiyuan located at the northern side of 001 Country Road and the southern side of South Si Ring Erqi District Zhengzhou City Henan Province The PRC (鑫苑鑫家西苑的386個車位)	32,800,000
6. 89 car parking spaces of Zone II of Jinan Xinyuan Mingjia No. 85 North Lishan Road Tianqiao District Jinan City Shandong Province The PRC (濟南鑫苑名家的89個車位)	6,400,000
7. 99 car parking spaces of Xinyuan Jingyuan No. 30 Kuangshan Road Quanshan District Xuzhou City Jiangsu Province The PRC (鑫苑景園的99個車位)	7,900,000
8. 5 car parking spaces of Kunshan Xinyuan Xinduhui No. 99 Sijing Road Huaqiao Town Kunshan City Suzhou City Jiangsu Province The PRC (昆山鑫苑鑫都匯的5個車位)	400,000

No. Property	Market value in existing state as at 28 February 2022 RMB
9. 100 car parking spaces of Chengdu Xinyuan Mingjia No. 595 Mudan Street Jinjiang District Chengdu City Sichuan Province The PRC (成都鑫苑名家的100個車位)	9,600,000
10. 224 car parking spaces of Chengdu Xinyuan Xinduhui located at the northern side of Xianghe Er Street and the western side of Ruixiang Road Shuangliu District Chengdu City Sichuan Province The PRC (成都鑫苑鑫都匯的224個車位)	11,600,000
11. 280 car parking spaces of Xinyuan Mulianshijia located at the southern side of East Mulian Road and the western side of Guitang Road Yuhua District Changsha City Hunan Province The PRC (鑫苑木蓮世家的280個車位)	30,500,000
Total:	<hr/> <u><u>286,800,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2022 RMB
1.	213 car parking spaces of Xinyuan Shijidongcheng Xiyuan located at the southern side of Yongping Road and the western side of Kangping Road Guancheng Hui District Zhengzhou City Henan Province The PRC (鑫苑世紀東城西苑的213個車位)	The property comprises 213 underground car parking spaces within a residential development known as Xinyuan Shijidongcheng Xiyuan completed in 2014. As advised by the Company and Xinyuan Real Estate Group, all car parking spaces are non-air defense car parking spaces. The land use rights of the property have been granted for a term expiring on 29 November 2079 for residential use.	As at the valuation date, the property was vacant.	19,800,000

Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Zheng Guo Yong (2010) Di No. 0280, the land use rights of a parcel of land (including the land use rights of the property) with a site area of approximately 22,424.90 sq.m. have been granted to Henan Xinyuan Jiye Real Estate Co., Ltd. (河南鑫苑基業置業有限公司, “Henan Xinyuan Jiye”, a subsidiary of Xinyuan Real Estate Holdings) for a term expiring on 29 November 2079 for residential use.
- Pursuant to a Construction Work Planning Permit – (2010) Zheng Dong Gui Jian Guan (Xu) Zi Di (No. 0054) in favour of Henan Xinyuan Jiye, Xinyuan Shijidongcheng Xiyuan (including the property) with a gross floor area of approximately 112,618.09 sq.m. has been approved for construction.
- Pursuant to a Construction Work Commencement Permit – No. 410105201102180101 in favour of Henan Xinyuan Jiye, permission by the relevant local authority was given to commence the construction of Xinyuan Shijidongcheng Xiyuan (including the property) with a gross floor area of approximately 112,618.09 sq.m.
- Pursuant to a Construction Work Completion and Inspection Table in favour of Henan Xinyuan Jiye, the construction of underground car parking spaces of Xinyuan Shijidongcheng Xiyuan (including the property) with a gross floor area of approximately 25,832.68 sq.m. has been completed and passed the inspection acceptance.
- Our valuation has been made on the following basis and analysis:

We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB90,000 to RMB95,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:

Henan Xinyuan Jiye is the sole legal user of the property. Henan Xinyuan Jiye has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the right of use of the property in compliance with the regulations of PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2022 RMB
2.	476 car parking spaces of Xinyuan Xincheng located at the southern side of Yongping Road and the eastern side of Kangping Road Guancheng Hui District Zhengzhou City Henan Province The PRC (鑫苑鑫城的476個車位)	The property comprises 476 underground car parking spaces within a residential development known as Xinyuan Xincheng completed in 2016. As advised by the Company and Xinyuan Real Estate Group, all car parking spaces are non-air defense car parking spaces. The land use rights of the property have been granted for a term expiring on 29 April 2082 for residential use.	As at the valuation date, the property was vacant.	44,300,000

Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Zheng Guo Yong (2012) Di No. XQ1112, the land use rights of a parcel of land (including the land use rights of the property) with a site area of approximately 61,078.22 sq.m. have been granted to Henan Xinyuan Wanzhuo Real Estate Co., Ltd. (河南鑫苑萬卓置業有限公司, “Henan Xinyuan Wanzhuo”, a subsidiary of Xinyuan Real Estate Holdings) for a term expiring on 29 April 2082 for residential use.
- Pursuant to a Construction Work Planning Permit – Zheng Gui Jian (Jian Zhu) Zi Di No. 410100201339010 in favour of Henan Xinyuan Wanzhuo, Xinyuan Xincheng (including the property) with a gross floor area of approximately 297,268.34 sq.m. has been approved for construction.
- Pursuant to a Construction Work Commencement Permit – No. 410105201306210201 in favour of Henan Xinyuan Wanzhuo, permission by the relevant local authority was given to commence the construction of portions of Xinyuan Xincheng (including the property) with a gross floor area of approximately 270,946.68 sq.m.
- Pursuant to a Construction Work Completion and Inspection Table in favour of Henan Xinyuan Wanzhuo, the construction of underground car parking spaces of Xinyuan Xincheng (including the property) with a gross floor area of approximately 59,997.61 sq.m. has been completed and passed the inspection acceptance.
- Our valuation has been made on the following basis and analysis:

We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB90,000 to RMB95,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:

Henan Xinyuan Wanzhuo is the sole legal user of the property. Henan Xinyuan Wanzhuo has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the right of use of the property in compliance with the regulations of PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2022 RMB
3.	1,078 car parking spaces of Xinyuan Mingcheng located at the northern side of South Si Ring and the eastern side of South Songshan Road Erqi District Zhengzhou City Henan Province The PRC (鑫苑名城的1,078個車位)	The property comprises 1,078 underground car parking spaces within a residential development known as Xinyuan Mingcheng completed in 2018. As advised by the Company and Xinyuan Real Estate Group, all car parking spaces are non-air defense car parking spaces. The land use rights of the property have been granted for a term expiring on 13 April 2085 for residential use.	As at the valuation date, the property was vacant.	80,900,000

Notes:

- Pursuant to 2 State-owned Land Use Rights Certificates – Zheng Guo Yong (2015) Di Nos. 0255 and 0256, the land use rights of 2 parcels of land (including the land use rights of the property) with a total site area of approximately 50,655.35 sq.m. have been granted to Henan Xinyuan Quansheng Real Estate Co., Ltd. (河南鑫苑全晟置業有限公司, “Henan Xinyuan Quansheng”, a subsidiary of Xinyuan Real Estate Holdings) for a term expiring on 13 April 2085 for residential use.
- Pursuant to 2 Construction Work Planning Permits – Zheng Gui Jian (Jian Zhu) Zi Di Nos. 410100201509092 and 410100201509111 in favour of Henan Xinyuan Quansheng, Xinyuan Mingcheng (including the property) with a total gross floor area of approximately 226,082.14 sq.m. have been approved for construction.
- Pursuant to 2 Construction Work Commencement Permits – Nos. 410102201509150101 and 410102201510230201 in favour of Henan Xinyuan Quansheng, permissions by the relevant local authority were given to commence the construction of Xinyuan Mingcheng (including the property) with a total gross floor area of approximately 226,082.14 sq.m.
- Pursuant to 2 Construction Work Completion and Inspection Tables in favour of Henan Xinyuan Quansheng, the construction of underground car parking spaces of Xinyuan Mingcheng (including the property) with a total gross floor area of approximately 48,118.59 sq.m. has been completed and passed the inspection acceptance.
- Our valuation has been made on the following basis and analysis:

We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB70,000 to RMB80,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:

Henan Xinyuan Quansheng is the sole legal user of the property. Henan Xinyuan Quansheng has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the right of use of the property in compliance with the regulations of PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2022 RMB
4.	568 car parking spaces of Xinyuan Xinjia located at the northern side of Luzhuang Road and the western side of South Daxue Road Erqi District Zhengzhou City Henan Province The PRC (鑫苑鑫家的568個車位)	The property comprises 568 underground car parking spaces within a residential development known as Xinyuan Xinjia completed in 2016. As advised by the Company and Xinyuan Real Estate Group, all car parking spaces are non-air defense car parking spaces. The land use rights of the property have been granted for a term expiring on 14 January 2084 for residential use.	As at the valuation date, the property was vacant.	42,600,000

Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Zheng Guo Yong (2014) Di No. 0005, the land use rights of a parcel of land (including the land use rights of the property) with a site area of approximately 44,169.40 sq.m. have been granted to Zhengzhou Shengdao Real Estate Co., Ltd. (鄭州晟道置業有限公司, “Zhengzhou Shengdao”, a subsidiary of Xinyuan Real Estate Holdings) for a term expiring on 14 January 2084 for residential use.
- Pursuant to a Construction Work Planning Permit – Zheng Gui Jian (Jian Zhu) Zi Di No. 410100201409041 in favour of Zhengzhou Shengdao, Xinyuan Xinjia (including the property) with a gross floor area of approximately 191,552.74 sq.m. has been approved for construction.
- Pursuant to 2 Construction Work Commencement Permits – Nos. 410102201404290201 and 410102201406300201 in favour of Zhengzhou Shengdao, permissions by the relevant local authority were given to commence the construction of Xinyuan Xinjia (including the property) with a total gross floor area of approximately 191,552.78 sq.m.
- Pursuant to 2 Construction Work Completion and Inspection Tables in favour of Zhengzhou Shengdao, the construction of underground car parking spaces of Xinyuan Xinjia (including the property) with a total gross floor area of approximately 44,987.32 sq.m. has been completed and passed the inspection acceptance.
- Our valuation has been made on the following basis and analysis:

We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB70,000 to RMB80,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:

Zhengzhou Shengdao is the sole legal user of the property. Zhengzhou Shengdao has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the right of use of the property in compliance with the regulations of PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2022 RMB
5.	386 car parking spaces of Xinyuan Xinjia Xiyuan located at the northern side of 001 Country Road and the southern side of South Si Ring Erqi District Zhengzhou City Henan Province The PRC (鑫苑鑫家西苑的386個車位)	The property comprises 386 underground car parking spaces within a residential development known as Xinyuan Xinjia Xiyuan completed in 2018. As advised by the Company and Xinyuan Real Estate Group, all car parking spaces are non-air defense car parking spaces. The land use rights of the property have been granted for a term expiring on 13 April 2085 for residential use.	As at the valuation date, the property was vacant.	32,800,000

Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Zheng Guo Yong (2015) Di No. 0270, the land use rights of a parcel of land (including the land use rights of the property) with a site area of approximately 37,126 sq.m. have been granted to Zhengzhou Shengdao Real Estate Co., Ltd. (鄭州晟道置業有限公司, “Zhengzhou Shengdao”, a subsidiary of Xinyuan Real Estate Holdings) for a term expiring on 13 April 2085 for residential use.
- Pursuant to a Construction Work Planning Permit – Zheng Gui Jian (Jian Zhu) Zi Di No. 410100201609103 in favour of Zhengzhou Shengdao, Xinyuan Xinjia Xiyuan (including the property) with a gross floor area of approximately 153,405.48 sq.m. has been approved for construction.
- Pursuant to a Construction Work Commencement Permit – No. 410102201609290101 in favour of Zhengzhou Shengdao, permission by the relevant local authority was given to commence the construction of Xinyuan Xinjia Xiyuan (including the property) with a gross floor area of approximately 153,405.48 sq.m.
- Pursuant to a Construction Work Completion and Inspection Table in favour of Zhengzhou Shengdao, the construction of underground car parking spaces of Xinyuan Xinjia Xiyuan (including the property) with a gross floor area of approximately 33,528.48 sq.m. has been completed and passed the inspection acceptance.
- Our valuation has been made on the following basis and analysis:

We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB75,000 to RMB100,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:

Zhengzhou Shengdao is the sole legal user of the property. Zhengzhou Shengdao has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the right of use of the property in compliance with the regulations of PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2022 RMB
6.	89 car parking spaces of Zone II of Jinan Xinyuan Mingjia No. 85 North Lishan Road Tianqiao District Jinan City Shandong Province The PRC (濟南鑫苑名家的89個車位)	The property comprises 89 underground car parking spaces within a residential development known as Jinan Xinyuan Mingjia completed in 2016. As advised by the Company and Xinyuan Real Estate Group, all car parking spaces are non-air defense car parking spaces. The land use rights of the property have been granted for a term expiring on 6 May 2080 for residential use.	As at the valuation date, the property was vacant.	6,400,000

Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Tian Qiao Guo Yong (2010) Di No. 0400041, the land use rights of a parcel of land (including the land use rights of the property) with a site area of approximately 181,895 sq.m. have been granted to Shandong Xinyuan Real Estate Co., Ltd. (山東鑫苑置業有限公司, “Shandong Xinyuan”, a subsidiary of Xinyuan Real Estate Holdings) for a term expiring on 6 May 2080 for residential use.
- Pursuant to 2 Construction Work Planning Permits – Jian Zi Di Nos. 370105201000128 and 370105201000129 in favour of Shandong Xinyuan, Zone II of Jinan Xinyuan Mingjia (including the property) with a total gross floor area of approximately 615,673.57 sq.m. has been approved for construction.
- Pursuant to 3 Construction Work Commencement Permits – Nos. 20100210, 20100211 and 20120050 in favour of Shandong Xinyuan, permissions by the relevant local authority were given to commence the construction of Zone II of Jinan Xinyuan Mingjia (including the property) with a total gross floor area of approximately 621,771 sq.m.
- Pursuant to 5 Construction Work Completion and Inspection Tables in favour of Shandong Xinyuan, the construction of underground car parking spaces of Zone II of Jinan Xinyuan Mingjia (including the property) with a total gross floor area of approximately 91,782.34 sq.m. has been completed and passed the inspection acceptance.
- Our valuation has been made on the following basis and analysis:

We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB60,000 to RMB80,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:

Shandong Xinyuan is the sole legal user of the property. Shandong Xinyuan has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the right of use of the property in compliance with the regulations of PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2022 RMB
7.	99 car parking spaces of Xinyuan Jingyuan No. 30 Kuangshan Road Quanshan District Xuzhou City Jiangsu Province The PRC (鑫苑景園的99個車位)	The property comprises 99 underground car parking spaces within a residential development known as Xinyuan Jingyuan completed in 2012. As advised by the Company and Xinyuan Real Estate Group, all car parking spaces are air defense car parking spaces. The land use rights of the property have been granted for a term expiring on 24 January 2077 for residential use.	As at the valuation date, the property was vacant.	7,900,000

Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Su Guo Yong (2007) Di No. 04002785, the land use rights of a parcel of land (including the land use rights of the property) with a site area of approximately 41,364.60 sq.m. have been granted to Xuzhou Xinyuan Real Estate Co., Ltd. (徐州鑫苑置業有限公司, “Xuzhou Xinyuan”, a subsidiary of Xinyuan Real Estate Holdings) for a term expiring on 24 January 2077 for residential use.
- Pursuant to a Construction Work Planning Permit – Su Gui (2007) Min Zi Di No. 078 in favour of Xuzhou Xinyuan, Xinyuan Jingyuan (including the property) with a gross floor area of approximately 101,921.73 sq.m. has been approved for construction.
- Pursuant to 2 Construction Work Commencement Permits – Nos. 320501200706150401 and 320501200706180401 in favour of Xuzhou Xinyuan, permissions by the relevant local authority were given to commence the construction of Xinyuan Jingyuan (including the property) with a total gross floor area of approximately 102,116 sq.m.
- Pursuant to a Construction Work Completion and Inspection Table in favour of Xuzhou Xinyuan, the construction of portions of Xinyuan Jingyuan (including the property) with a gross floor area of approximately 71,933.61 sq.m. has been completed and passed the inspection acceptance.
- Our valuation has been made on the following basis and analysis:

We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB72,000 to RMB85,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:

Xuzhou Xinyuan is the legal user, manager and income earner (使用管理收益權人) of the property. Xuzhou Xinyuan has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the right of use, management and earning income (使用管理收益權) of the property in compliance with the regulations of PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2022 RMB
8.	5 car parking spaces of Kunshan Xinyuan Xinduhui No. 99 Sijing Road Huaqiao Town Kunshan City Suzhou City Jiangsu Province The PRC (昆山鑫苑鑫都匯的5個車位)	The property comprises 5 underground car parking spaces within a residential and commercial development known as Kunshan Xinyuan Xinduhui completed in 2018. As advised by the Company and Xinyuan Real Estate Group, all car parking spaces are non-air defense car parking spaces. The land use rights of the property have been granted for terms expiring on 7 May 2074 for residential use and 7 May 2044 for commercial use.	As at the valuation date, the property was vacant.	400,000

Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Kun Guo Yong (2016) Di No. DWB101, the land use rights of a parcel of land (including the land use rights of the property) with a site area of approximately 47,523.30 sq.m. have been granted to Kunshan Xinyuan Real Estate Co., Ltd. (昆山鑫苑置業有限公司, “Kunshan Xinyuan”, a subsidiary of Xinyuan Real Estate Holdings) for terms expiring on 7 May 2074 for residential use and 7 May 2044 for commercial use.
- Pursuant to 11 Construction Work Planning Permits – Jian Zi Di Nos. GJg2013-327 (b-1), GJg2013-328 (b-1), GJg2013-329 (b-1), GJg2013-330 (b-3), GJg2013-331 (b-2), GJg2013-332 (b-2), GJg2013-333 (b-2), GJg2013-335 (b-2), GJg2013-336 (b-1), GJg2013-337 (b-4)-1 and GJg2013-337 (b-4)-2 in favour of Kunshan Xinyuan, portions of Kunshan Xinyuan Xinduhui (including the property) with a total gross floor area of approximately 120,984.91 sq.m. have been approved for construction.
- Pursuant to a Construction Work Commencement Permit – No. 320583201607180101 in favour of Kunshan Xinyuan, permission by the relevant local authority was given to commence the construction of portions of Kunshan Xinyuan Xinduhui (including the property) with a gross floor area of approximately 114,213.21 sq.m.
- Pursuant to 2 Construction Work Completion and Inspection Tables in favour of Kunshan Xinyuan, the construction of portions of Kunshan Xinyuan Xinduhui (including the property) with a total gross floor area of approximately 120,961.10 sq.m. has been completed and passed the inspection acceptance.
- Our valuation has been made on the following basis and analysis:

We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB75,000 to RMB95,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:

Kunshan Xinyuan is the sole legal user of the property. Kunshan Xinyuan has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the right of use of the property in compliance with the regulations of PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2022 RMB
9.	100 car parking spaces of Chengdu Xinyuan Mingjia No. 595 Mudan Street Jinjiang District Chengdu City Sichuan Province The PRC (成都鑫苑名家的100個車位)	The property comprises 100 underground car parking spaces within a residential development known as Chengdu Xinyuan Mingjia completed in 2013. As advised by the Company and Xinyuan Real Estate Group, all car parking spaces are non-air defense car parking spaces. The land use rights of the property have been granted for terms expiring on 31 May 2077 for residential use and 31 May 2047 for commercial use.	As at the valuation date, the property was vacant.	9,600,000

Notes:

1. Pursuant to 2 State-owned Land Use Rights Certificates – Cheng Guo Yong (2007) Di No. 828 and Cheng Guo Yong (2008) Di No. 422, the land use rights of 2 parcels of land (including the land use rights of the property) with a total site area of approximately 64,503.72 sq.m. have been granted to Xinyuan Real Estate (Chengdu) Co., Ltd. (鑫苑置業(成都)有限公司, “Xinyuan (Chengdu)”, a subsidiary of Xinyuan Real Estate Holdings) for terms expiring on 31 May 2077 for residential use and 31 May 2047 for commercial use.

2. Pursuant to 2 Building Ownership Certificates – Cheng Fang Quan Zheng Jian Zheng Zi Di Nos. 3588707 and 3588708, the underground car parking spaces of Chengdu Xinyuan Mingjia (including the property) with a total gross floor area of approximately 37,788.22 sq.m. are owned by Xinyuan (Chengdu).

3. Our valuation has been made on the following basis and analysis:

We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB90,000 to RMB100,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.

4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:

Xinyuan (Chengdu) is the sole legal owner of the property. Xinyuan (Chengdu) has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the property in accordance with the relevant title documents and in compliance with the regulations of PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2022 RMB
10.	224 car parking spaces of Chengdu Xinyuan Xinduhui located at the northern side of Xianghe Er Street and the western side of Ruixiang Road Shuangliu District Chengdu City Sichuan Province The PRC (成都鑫苑鑫都匯的224個車位)	The property comprises 224 underground car parking spaces within a residential and commercial development known as Chengdu Xinyuan Xinduhui completed in 2017. As advised by the Company and Xinyuan Real Estate Group, all car parking spaces are non-air defense car parking spaces. The land use rights of the property have been granted for a term expiring on 9 March 2084 for residential use.	As at the valuation date, the property was vacant.	11,600,000

Notes:

- Pursuant to 2 Real Estate Title Certificates – Chuan (2017) Cheng Tian Bu Dong Chan Quan Di Nos. 0057507 and 0057509, the underground car parking spaces of Chengdu Xinyuan Xinduhui (including the property) with a total gross floor area of approximately 47,660.32 sq.m. are owned by Chengdu Xinyuan Wanzhuo Real Estate Co., Ltd. (成都鑫苑萬卓置業有限公司, “Chengdu Xinyuan Wanzhuo”, a subsidiary of Xinyuan Real Estate Holdings). The land use rights of a parcel of land with a site area of approximately 48,587.16 sq.m. have been granted to Chengdu Xinyuan Wanzhuo for a term expiring on 9 March 2084 for residential use.

- Our valuation has been made on the following basis and analysis:

We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB40,000 to RMB60,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.

- We have been provided with a legal opinion regarding the property interest by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:

Chengdu Xinyuan Wanzhuo is the sole legal owner of the property. Chengdu Xinyuan Wanzhuo has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the property in accordance with the relevant title documents and in compliance with the regulations of PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2022 RMB
11.	280 car parking spaces of Xinyuan Muliانشijia located at the southern side of East Muliان Road and the western side of Guitang Road Yuhua District Changsha City Hunan Province The PRC (鑫苑木蓮世家的280個車位)	The property comprises 280 underground car parking spaces within a residential development known as Xinyuan Muliانشijia completed in 2019. As advised by the Company and Xinyuan Real Estate Group, all car parking spaces are non-air defense car parking spaces. The land use rights of the property have been granted for terms expiring on 22 August 2086 for residential use and 22 August 2056 for commercial use.	As at the valuation date, the property was vacant.	30,500,000

Notes:

- Pursuant to a Real Estate Title Certificate – Xiang (2018) Chang Sha Shi Bu Dong Chan Quan Di No. 0257581, the land use rights of a parcel of land (including the land use rights of the property) with a site area of approximately 32,158.03 sq.m. have been granted to Hunan Erli Real Estate Co., Ltd. (湖南而立房地產開發有限公司, “Hunan Erli”, a subsidiary of Xinyuan Real Estate Holdings) for terms expiring on 22 August 2086 for residential use and 22 August 2056 for commercial use.
- Pursuant to a Construction Work Planning Permit – Jian No. 2(2007)0049 in favour of Hunan Erli, the basement of Xinyuan Muliانشijia (including the property) with a gross floor area of approximately 31,637.29 sq.m. have been approved for construction.
- Pursuant to 3 Construction Work Commencement Permits – Nos. 430101201705190101, 430101201706020401 and 430101201806190201 in favour of Hunan Erli, permissions by the relevant local authority were given to commence the construction of Xinyuan Muliانشijia (including the property) with a total gross floor area of approximately 126,098.89 sq.m.
- Pursuant to a Construction Work Completion and Inspection Table in favour of Hunan Erli, the construction of basement of Xinyuan Muliانشijia (including the property) with a gross floor area of approximately 31,637.29 sq.m. has been completed and passed the inspection acceptance.
- Our valuation has been made on the following basis and analysis:

We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB100,000 to RMB120,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:

Hunan Erli is the sole legal user of the property. Hunan Erli has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the right of use of the property in compliance with the regulations of PRC laws.

NOTICE OF THE EGM

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

PRECAUTIONARY MEASURES FOR THE EGM

Please refer to page 1 of the circular of the Company dated 17 May 2022 for the measures to be implemented at the EGM by the Company against the pandemic to protect the attendees from the risk of infection of the Novel Coronavirus (“**COVID-19**”), including:

- **compulsory body temperature check**
- **compulsory wearing of surgical face mask**
- **no distribution of corporate gifts and no serving of refreshments**

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue. The Company wishes to advise Shareholders that you may appoint the Chairman of the meeting as your proxy to vote on the relevant resolution at the EGM as an alternative to attending the EGM in person.

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Xinyuan Property Management Service (Cayman) Ltd. (the “**Company**”) will be held at Small Meeting Room, 2/F., International Living Clubhouse, 18 Xinyuan Road, Jinshui District, Zhengzhou, Henan Province, PRC on Tuesday, 7 June 2022 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, as ordinary resolutions of the Company. Capitalised terms defined in the circular of the Company dated 17 May 2022 (the “**Circular**”) shall have the same meanings when used herein unless otherwise specified:

ORDINARY RESOLUTIONS

1. (a) “**THAT** the Supplemental Agreement-1 (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose), the Supplemental Agreement-2 (a copy of which is tabled at the meeting and marked “B” and initialled by the chairman of the meeting for identification purpose) and the transactions respectively contemplated thereunder and the implementation thereof be and are hereby approved, confirmed and ratified.”

NOTICE OF THE EGM

- (b) “**THAT** any one of the directors of the Company be and is hereby authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Supplemental Agreements and the transactions respectively contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof, which are not fundamentally different from those as provided in the Supplemental Agreements) as are, in the opinion of such director, in the interest of the Company and its shareholders as a whole.”

By Order of the Board
Xinyuan Property Management Service (Cayman) Ltd.
WANG Yanbo
Executive Director and Chief Executive Officer

Hong Kong, 17 May 2022

Registered Office:
PO Box 309, Umland House
Grand Cayman, KY1-1104
Cayman Islands

Corporate Headquarters:
3/F., International Living Clubhouse
18 Xiuyuan Road
Jinshui District
Zhengzhou
Henan Province
PRC

*Principal Place of Business
in Hong Kong:*
9/F, Wah Yuen Building
149 Queen’s Road Central
Hong Kong

NOTICE OF THE EGM

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.xypm.hk>) in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In case of joint holders of shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint holders are present at any meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Company.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the above meeting or the adjourned meeting (as the case may be). Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. For determining the entitlement to attend and vote at the above meeting, the Register of Members of the Company will be closed from Thursday, 2 June 2022 to Tuesday, 7 June 2022, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, 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 Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 1 June 2022.

As at the date of this notice, the board of the Company comprises Ms. WANG Yanbo as executive Director; Mr. ZHANG Yong and Ms. YANG Yuyan as non-executive Directors; and Mr. LUO Ji, Mr. LI Yifan and Mr. SHEN Yuan-Ching as independent non-executive Directors.