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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)

UPDATE ON RESUMPTION PROGRESS

This announcement is made by Xinyuan Property Management Service (Cayman) Ltd. (the “**Company**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcements of the Company dated 15 November 2022, 16 November 2022, 18 November 2022, 24 November 2022, 11 January 2023, 15 February 2023, 27 February 2023, 29 March 2023, 18 April 2023, 24 April 2023, 15 May 2023, 21 June 2023, 15 August 2023, 13 September 2023 and 16 October 2023, respectively (the “**Announcements**”), in relation to the Pledges made to secure loan facilities for a subsidiary of Xinyuan Real Estate, controlling shareholder of the Company, and certain companies which are not part of the Group. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

BUSINESS OPERATIONS OF 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. To the best of the knowledge of the Board, as at the date of this announcement, the business operations of the Group are continuing as usual in all material respects.

UPDATE ON RESUMPTION PROGRESS

As disclosed in the announcements of the Company dated 24 November 2022 and 24 April 2023, the Stock Exchange has set out the following Resumption Guidance and Additional Resumption Guidance for the Company, whereby the Company shall:

- (a) conduct an independent forensic investigation into the unauthorised Pledges, assess the impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;

- (b) demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- (c) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules;
- (d) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position; and
- (e) publish all outstanding financial results and address any audit modifications.

Further, as disclosed in the Company's announcement dated 21 June 2023, the Stock Exchange has set out the following Further Additional Resumption Guidance for the Company to:

- (f) demonstrate compliance with Rule 13.24.

In respect of Resumption Guidance (a) and (b), as stated in the Company's announcement dated 15 August 2023, the Independent Investigation is substantially complete, with the key factual findings set out in that announcement, albeit the Company is continuing to work closely with the Stock Exchange to address certain matters in connection with the Independent Investigation.

Separately, as disclosed in the Company's announcement dated 16 October 2023, the Company, with the assistance of its professional advisors, has been taking all necessary and appropriate steps to pursue enforcement of the Arbitral Award and recover the loss and/or damage suffered by the Company with respect to the Pledges. As of the date of this announcement, Xinyuan China has arranged for certain non-cash assets to be transferred to the Company and its designated entities.

In respect of Resumption Guidance (c), as disclosed in the Company's announcement dated 15 November 2023, the Independent Advisor has completed the Internal Control Review (as detailed therein), the key factual findings of which are set out therein. The Company has carried out various enhancements and remedial measures, to address the findings and recommendations of the Independent Advisor in respect of the internal control weaknesses identified. The Company is working diligently and as quickly as possible, with the assistance of its advisors, to comply with and fulfil the above Resumption Guidance in a manner satisfactory to the Stock Exchange.

In conjunction with the substantial completion of the Independent Investigation and the Internal Control Review, the Company has been working closely with its auditors to finalise a date for the publication of the 2022 Annual Results and the 2023 Interim Results and comply with Additional Resumption Guidance (e) as soon as practicable. Completion of the audit procedures by the auditors of the 2022 Annual Results remains subject to the resolution of certain matters identified in the Independent Investigation. The Company will continue to render all necessary efforts to complete and publish all outstanding financial results and update the shareholders of the Company as and when appropriate.

The Company will meanwhile continue to comply with Resumption Guidance (d) and Further Additional Resumption Guidance (f).

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 16 November 2022 and will remain suspended until further notice. The Company will make further announcement(s) as and when appropriate.

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

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

Hong Kong, 15 November 2023

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