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Xinyuan Property Management Service (Cayman) Ltd.

鑫苑物業服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1895)

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

Reference is made to the announcement of Xinyuan Property Management Service (Cayman) Ltd. (the “**Company**”) dated 26 December 2023 (the “**Announcement**”) in relation to the rental payment made by the Lessees (all being subsidiaries of the Company) to the Lessors under the Agreements. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

Pursuant to the Agreements, the Lessees continue to lease the relevant PRC properties from the Lessors, operated such projects for the Lessors and shared the income derived from the projects with the Lessors. Further details of the Agreements are set out in the Announcement.

As disclosed in the Announcement, the term of each of the Agreement II and the Agreement III expired on 31 December 2023. The relevant parties agreed to extend the term of each of the Agreement II and the Agreement III to 31 March 2024 and set a cap of RMB3,500,000 (a “**Transitional Cap**”) for the rental income for the period from 1 January 2024 to 31 March 2024 for each of the two agreements pending the negotiation of the terms of their renewal (the “**Extension Arrangements**”).

The Transitional Caps were determined based on arm’s length negotiation between the parties to Agreement II and Agreement III, with reference to the rental payment paid and expected to be paid by the relevant Lessees to the relevant Lessors for the period from 1 January 2024 to 31 March 2024.

In respect of the period from 1 January 2024 to 31 March 2024, the Lessees has paid and expected to pay to the Lessors an aggregate rental payment in the amount of RMB3,922,028.18, with breakdown as follows:

Agreements	Amount
Agreement I	RMB124,028.18
Agreement II	RMB2,394,000
Agreement III	RMB1,404,000

LISTING RULES IMPLICATIONS

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

Since the highest applicable percentage ratio (as defined in the Listing Rules) calculated based on the Transitional Caps and the total payment made under Agreement I for the period from 1 January 2024 to 31 March 2024 in aggregate exceeds 0.1% but is less than 5%, the Extension Arrangements and the transactions contemplated thereunder and the making of payment under Agreement I for the period from 1 January 2024 to 31 March 2024 are subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

REASONS FOR AND BENEFITS OF THE EXTENSION ARRANGEMENTS

Since the term of each of the Agreement II and the Agreement III has expired and the parties intended to continue to lease the Leased Properties subject to the Agreement II and the Agreement III, the parties entered into the Extension Arrangements to enable the Group to continue to lease from the relevant Lessors the relevant Leased Properties, operate such projects and general income derived from the projects for the Group before the renewal agreements are entered into between the parties.

The Directors (including the non-executive Directors) consider that the Extension Arrangements were entered into on normal commercial terms and the terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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

INFORMATION ON THE GROUP

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

INFORMATION ON PARTIES TO THE AGREEMENTS

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

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

CONTINUED SUSPENSION OF TRADING

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

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

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

Hong Kong, 6 February 2024

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