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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**”, together with its subsidiaries, the “**Group**”) 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, 16 October 2023, 15 November 2023 and 4 December 2023, respectively (the “**Announcements**”), in relation to, among other things, the Pledges and the Resumption Guidance. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

Reference is also made to the announcements of the Company dated 3 January 2024 and 22 January 2024 in relation to the transfer of operating rights of six clubhouses (the “**Operating Rights**”) from 河南鑫苑置業有限公司 (Henan Xinyuan Real Estate Co., Ltd.*) (“**Henan Xinyuan**”) (an indirect wholly-owned subsidiary of Xinyuan Real Estate) to Xinyuan Science and Technology (an indirect wholly-owned subsidiary of the Company).

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, the Stock Exchange has set out the following Resumption Guidance, 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;
- (e) publish all outstanding financial results and address any audit modifications;
- (f) demonstrate compliance with Rule 13.24 of the Listing Rules; and
- (g) re-comply with Rule 13.92 of the Listing Rules.

As at the date of this announcement, the Company is continuing to address comments from the Stock Exchange in respect of its compliance with the Resumption Guidance, and has not yet fully complied with all the conditions as set out in the Resumption Guidance.

In respect of Resumption Guidance (a) and (b), the Company has instructed the Independent Advisor to expand the scope of the Independent Investigation to address certain matters raised by the Stock Exchange (the "**Extended Investigation**"). The Company is working with the Independent Advisor to facilitate the Extended Investigation on an expedited basis and will provide further update(s) by way of announcement(s) about the progress of such Extended Investigation in accordance with the Listing Rules.

Separately, as part of the Company's remedial actions, the Company had been actively pursuing enforcement of the Arbitral Award. On 31 October 2023, certain subsidiaries of Xinyuan Real Estate transferred certain non-cash assets (comprising equity interest in a company and property rights in parking spaces) to the Group in accordance with the Arbitral Award. On 3 January 2024, Henan Xinyuan transferred the Operating Rights to Xinyuan Science and Technology in satisfaction of the outstanding amount under the Arbitral Award.

In respect of Resumption Guidance (c), the Independent Advisor has completed its follow-up review of the Company's internal controls and has confirmed that the Company has fully adopted and implemented the recommended remedial measures to address issues identified in the Internal Control Review. The Company will continue to do its utmost to keep its systems and controls and all matters concerning regulatory compliance under strict review on an on-going basis.

In respect of Resumption Guidance (e), as announced by the Company on 19 January 2024, the Company requires additional time to provide the information and documents requested by its auditors, to facilitate completion of the audit procedures in relation to the 2022 Annual Results. The Company will endeavour to publish the 2022 Annual Results as soon as practicable, and expects publication of the 2023 Interim Results to follow shortly thereafter. The Company will continue to render all necessary efforts to publish all outstanding financial results.

In respect of Resumption Guidance (g), the Company is in the process of identifying a female candidate with a view to complying with Rule 13.92 of the Listing Rules.

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

The Company will continue to work diligently, with the assistance of its advisors, to comply with the Resumption Guidance in a manner satisfactory to the Stock Exchange and will endeavour to resume trading in its shares as soon as possible, in compliance with the Listing Rules.

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. The Company will make further announcement(s) as and when appropriate.

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 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.

* *For identification purposes only*