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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)

**VOLUNTARY ANNOUNCEMENT IN RELATION TO
CAPITAL CONTRIBUTION AND MANAGEMENT OF HDGC AND
STRATEGIC COOPERATION IN HANDAN PROJECTS**

This announcement is made by Xinyuan Property Management Service (Cayman) Ltd. (the “**Company**”, together with its subsidiaries the “**Group**”) on a voluntary basis to provide its shareholders and potential investors with information in relation to the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 16 April 2020, Xinyuan Science and Technology Service Group Co., Ltd. (“**Xinyuan Science**”), an indirect wholly-owned subsidiary of the Company, and Handan Iron and Steel (Group) Co., Ltd.* (“**Hansteel**”) entered into a capital contribution agreement (the “**Capital Contribution Agreement**”). On 9 June 2020, the Group completed the change of industrial and commercial registration. The parties cooperate in carrying out several projects in Handan City, the People’s Republic of China.

Pursuant to the Capital Contribution Agreement, Xinyuan Science agreed to provide a capital contribution of RMB1,347,200 to Handan Gangcheng Property Service Co., Ltd.* (邯鄲市鋼城物業服務有限公司) (“**HDGC**”, the target company). Upon the completion of the capital contribution, Xinyuan Science will hold 40% interest in the equity of HDGC, and will be entitled to nominate and appoint a director, a general manager and a supervisor.

Pursuant to the Capital Contribution Agreement, the target company will (i) be responsible for the management of properties in 13 communities under Hansteel, with contracted gross floor area of 1,183,500 square meters; (ii) undertake the greenery and cleaning projects of Handan International Lugang Co., Ltd.* (邯鄲國際陸港有限公司), with contracted gross floor area of 272 *mu*; and (iii) provide comprehensive property and backend services for both the east and west wings of Hansteel Workers’ Hospital* (邯鋼職工醫院) (collectively, “**Handan Projects**”).

* For identification purposes only

Based on the aforesaid reasons, the Directors (including all independent non-executive directors) consider that the Capital Contribution Agreement and the transaction thereunder are beneficial to the realisation of the strategic goals of the Company, are on normal commercial terms, are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE GROUP AND XINYUAN SCIENCE

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.

Xinyuan Science is a limited liability company established in the PRC in 1998 and an indirect wholly-owned subsidiary of the Company, primarily engaged in the provision of property management services, value-added services and pre-delivery and consulting services in the PRC.

INFORMATION ON HANSTEEL

Hansteel, owned by Hebei province, built and commenced operation at its first plant in 1958 and has gradually developed into a mega steel and metal enterprise. After 40 years of continuous development, Hansteel currently has total assets of RMB24.5 billion, net assets of RMB12.1 billion, and 23,000 employees.

LISTING RULES IMPLICATIONS

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Hansteel is a third party independent of the Company and its connected persons. As the applicable percentage ratios (as defined under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) in respect of the capital contribution are less than 5%, the capital contribution does not constitute a discloseable transaction under Chapter 14 of the Listing Rules.

By Order of the Board
Xinyuan Property Management Service (Cayman) Ltd.
ZHANG Yong
Chairman and Non-executive Director

Hong Kong, 9 June 2020

As at the date of this announcement, the board of the Company comprises Ms. WANG Yanbo and Mr. HUANG Bo as executive Directors; Mr. ZHANG Yong and Ms. YANG Yuyan as non-executive Directors; and Mr. LUO Ji, Mr. LI Yifan and Mr. WANG Peng as independent non-executive Directors.