
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)

DISCLOSEABLE AND CONNECTED TRANSACTION

AND

NOTICE OF EGM

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

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

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 6 to 18 of this circular. A letter of recommendation from the Independent Board Committee is set out on pages 19 to 20 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 21 to 42 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 Thursday, 19 November 2020 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 Hong Kong Exchanges and Clearing 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 to safeguard the health and safety of the attendees and to prevent the spread of the Novel Coronavirus ("COVID-19") pandemic, including without limitation:

- **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 or be required to leave the EGM venue. The Company reminds all Independent Shareholders that physical attendance in person at the EGM is NOT necessary for the purpose of exercising voting rights and would like to encourage Independent Shareholders to appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM, instead of attending the EGM in person.

30 October 2020

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PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing COVID-19 pandemic, the Company will implement necessary preventive measures at the EGM to protect attending Independent Shareholders, proxy and other attendees from the risk of infection, including without limitation:

- (i) compulsory body temperature check will be conducted on every attendee 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 mask and wear the same inside the EGM venue at all times, and to maintain a safe distance between seats; and
- (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 the safety of the attendees at the EGM. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

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

The proxy form, which can also be downloaded from the websites of Hong Kong Exchanges and Clearing 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 proxy form 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 adjourned EGM (as the case may be). If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or 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:

“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 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 in this circular
“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, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1895)
“Conditions Precedent”	the conditions precedent as set out in the sub-section headed “Car Parking Space Exclusive Sales Cooperation Agreement – Conditions Precedent” in the “Letter from the Board” section in this circular
“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 this circular

DEFINITIONS

“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 in 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
“Directors”	the directors of the Company
“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
“Effective Date”	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 this circular
“EGM”	the extraordinary general meeting to be convened by the Company for the Independent Shareholders to consider and, if thought fit, approve, amongst other things, the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder
“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, as described in the sub-section headed “Car Parking Space Exclusive Sales Cooperation Agreement – Exclusive Sales Cooperation” in the “Letter from the Board” section in this circular
“Exclusive Sales Right”	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
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board, consisting of the 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 terms of the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder
“Independent Financial Advisor” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder
“Independent Shareholders”	shareholders of the Company, excluding Xinyuan Real Estate Holdings and its associates
“Independent Valuer”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, our property valuer and an independent third party
“Latest Practicable Date”	23 October 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China (excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan for the purpose 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 this circular
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares
“Shares”	the ordinary shares of HK\$0.00001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“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 Valuation 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
“US\$”	United States dollars, the lawful currency of the United States of America
“Xinyuan Real Estate Group”	Xinyuan Real Estate Holdings and its subsidiaries (excluding the Group for the purpose of the Car Parking Space Exclusive Sales Cooperation Agreement)
“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 on 26 March 2007, 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

In this circular, translation of US\$ into RMB is based on the exchange rate of US\$1.00 to RMB6.984. The exchange rate has been used, where applicable, for illustration purpose only. No representation is made that any amounts in US\$ or RMB were or may have been converted at the above rates or any other rates or at all.

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 Directors:

Ms. WANG Yanbo (*Chief Executive Officer*)

Mr. HUANG Bo (*Chief Financial Officer*)

Non-executive Directors:

Mr. ZHANG Yong (*Chairman*)

Ms. YANG Yuyan

Independent Non-executive Directors:

Mr. LUO Ji

Mr. LI Yifan

Mr. WANG Peng

Registered Office:

PO Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Corporate Headquarter:

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

30 October 2020

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

Reference is made to the announcement dated 17 September 2020 in relation to the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) the particulars of the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Board Committee with its recommendation to the Independent Shareholders regarding the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder; (iii) the letter from the Independent Financial Adviser with its advice to the Independent Board Committee and the

LETTER FROM THE BOARD

Independent Shareholders regarding the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder; and (iv) the notice of EGM, together with a form of proxy.

CAR PARKING SPACE EXCLUSIVE SALES COOPERATION AGREEMENT

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, the principal terms of which are outlined below:

Date

17 September 2020

Parties

- (1) Xinyuan Real Estate Holdings (for its own and on behalf of its subsidiaries and associates, excluding the Group); and
- (2) the Company (for its own and on behalf of its subsidiaries and associates).

Exclusive Sales Cooperation

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 will be 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 “**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 to 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 will 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 will not provide any services or charge any relevant service fees to Xinyuan Real Estate Group.

Subject to the fulfillment or waiver (if applicable) of the Conditions Precedent, the relevant property companies of Xinyuan Real Estate Group and the subsidiary(ies) of the Company shall execute the sub-cooperation agreements on the Effective Date in accordance to the terms of the Car Parking Space Exclusive Sales Cooperation Agreement, in order to implement the relevant arrangement under the Exclusive Sales Cooperation.

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.

Exclusive Sales Right

To ensure the implementation of the arrangement under the Exclusive Sales Cooperation, Xinyuan Real Estate Group grants 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 has the absolute discretion to decide whether it will 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 is 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

Conditions Precedent

The transactions contemplated under the Car Parking Space Exclusive Sales Cooperation Agreement are subject to the fulfillment of the following conditions (or waiver of conditions (c) and (d) below by the Company):

- (a) the passing of the necessary resolution(s) by the Independent Shareholders at the EGM to be convened and held by the Company to approve the Car Parking Space Exclusive Sales Cooperation Agreement and the Exclusive Sales Cooperation, arrangements and transactions contemplated thereunder;
- (b) save and except condition (a) above, the Group having obtained each necessary consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver for the Car Parking Space Exclusive Sales Cooperation Agreement and/or the Exclusive Sales Cooperation, arrangements and transactions contemplated thereunder, and such consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver not having been revoked or withdrawn;
- (c) Xinyuan Real Estate Group having obtained each necessary consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver for the Car Parking Space Exclusive Sales Cooperation Agreement and/or the Exclusive Sales Cooperation, arrangements and transactions contemplated thereunder, and such consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver not having been revoked or withdrawn; and
- (d) all representations, warranties and undertakings given by Xinyuan Real Estate Group under the Car Parking Space Exclusive Sales Cooperation Agreement remaining true and accurate in all material respects on the Effective Date.

If the above conditions are not fulfilled or waived (if applicable) on or before 30 November 2020 (or such later date as may be agreed between the parties), the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder shall cease and terminate. The Car Parking Space Exclusive Sales Cooperation Agreement shall be effective from the working day agreed between the parties upon the fulfillment or waiver (if applicable) of the above conditions (the “**Effective Date**”) to 31 December 2021 (the “**Cooperation Period**”).

Earnest Money

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

LETTER FROM THE BOARD

Designated Car Parking Spaces (the “**Total Car Parking Space Reserve Price**”). The specific payment arrangement is as follows:

First instalment: payment of 40% of the Total Car Parking Space Reserve Price (i.e. RMB82,713,280) within 10 working days after the Effective Date;

Second instalment: payment of 30% of the Total Car Parking Space Reserve Price (i.e. RMB62,034,960) on or before 31 December 2020;

Third instalment: payment of 30% of the Total Car Parking Space Reserve Price (i.e. RMB62,034,960) on or before 30 June 2021.

The Total Car Parking Space Reserve Price is 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 amounts to approximately RMB340,800,000 as of 31 July 2020 (the “**Total Valuation Price**”). The full text of the relevant valuation report is set out in Appendix I to this circular. The Earnest Money will be settled by the Group using cash from its internal resources.

Xinyuan Real Estate Group shall, within 7 working days from the date of the Group meeting the relevant agreed sales rate of the Designated Car Parking Spaces, refund the portion of the Earnest Money that corresponds with the agreed sales rate of the Designated Car Parking Spaces as set out below:

Sales rates of the Designated Car Parking Spaces	Amount of the Earnest Money to be refunded
40%	RMB82,713,280
70%	RMB62,034,960
90%	RMB62,034,960

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. Accordingly, even if the Group fails to meet any of the agreed sales rates during the Cooperation Period and up to 31 December 2021, the Group is still entitled to a full refund of the entire Earnest Money (i.e. RMB206,783,200) from Xinyuan Real Estate Group.

In determining the deposit of the Earnest Money as the consideration of the arrangements under the Exclusive Sales Cooperation (including but not limited to the Exclusive Sales Right) and its fairness and reasonableness, the Board first considered the

LETTER FROM THE BOARD

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 is 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 will be priced with reference to the valuation price of the subject Designated Car Parking Space. Given that the Total Car Parking Space Reserve Price amounts to approximately 61% of the Total Valuation Price, it is expected that the difference between the Total Valuation Price and the Total Car Parking Space Reserve Price of approximately 39% represents the estimated maximum margin that the relevant buyers are possibly willing to spend on and pay for the provision of the value-added services under the Exclusive Sales Cooperation and therefore the return potential that the Group may capture by charging the Co-Sales Value-Added Service Fees^(Note 1).

In addition, when determining the Co-Sales Value-Added Service Fees, the Group will also 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 business plan of the Group and the information currently available, the management of the Company expects that for the sale of a single Designated Car Parking Space, the Co-Sales Value-Added Service Fees to be charged by the Group will 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 currently under the Group's management and the Group is in possession of the relevant market information and community resources for their sales; and (ii) a substantial discount will be offered in the sales of the Designated Car Parking Spaces, it is expected that the Group will 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 is considerable.

Furthermore, as the Earnest Money is fully refundable after the Cooperation Period which will only last for approximately one year and there will be no other substantial capital expenditures to be incurred, the major risks to the Group under Exclusive Sales Cooperation are (i) the liquidity risk that the Group may 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. Although the deposit of the Earnest Money is interest-free, considering that (i) the probability of the Group generating considerable return from the provision of the value-added services under the Exclusive Sales Cooperation is sound as explained above and (ii) the deposit interest rates are generally low and decreasing in the PRC, the Board is of the view that (i) the potential return from the provision of the value-added services under the Exclusive Sales Cooperation will outweigh the potential interest income that may arise from depositing the Earnest Money at banks or other financial institutions^(Note 2); and (ii) the deposit of the

LETTER FROM THE BOARD

Earnest Money for the Cooperation Period of approximately one year will not have any significant adverse impact on the working capital position and liquidity of the Group.

Also, the Group has 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 is low and thus the major risks to the Group under the Exclusive Sales Cooperation are limited.

Although it is 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 is 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 parties upon payment of such earnest money, but unlike the Exclusive Sales Cooperation, the paid earnest money is 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 requires 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 is 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 is of the view that compared to such practice, the Exclusive Sales Cooperation is more favourable that the risks of holding unsold and vacant Car Parking Spaces will not be shifted to the Group thereunder.

LETTER FROM THE BOARD

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 is considerable and only with limited risks; (ii) the Earnest Money is fully refundable after the Cooperation Period of approximately one year and (iii) given the nature of exclusivity, the deposit of the Earnest Money is in line with the commercial practices and compared to Xinyuan Real Estate Group's existing sales cooperations with independent third parties, the terms of Exclusive Sales Cooperation are not less favourable than terms available to the independent third parties, the Board is of the view that the deposit of the Earnest Money is fair and reasonable and on normal commercial terms.

Notes:

1. For illustration purpose, assuming that the valuation price of a Designated Car Parking Space is RMB100,000 and the relevant Car Parking Space Reserve Price amounts to RMB61,000 (representing 61% of the said valuation price), it is expected that (i) the packaged offer of such Designated Car Parking Space and the Group's value-added services in relation thereto will 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) will be the estimated maximum return that the Group may 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 this circular, it is expected that the potential interest income that may arise from depositing the Earnest Money at banks or other financial institutions in the PRC for the Cooperation Period of approximately one year will be approximately RMB3.1 million. Considering that (i) the Total Valuation Price of RMB340,800,000 is expected as the maximum selling price of all the packaged offer contemplated under the Exclusive Sales Cooperation and (ii) the difference between the Total Valuation Price and the Total Car Parking Space Reserve Price of approximately 39% represents the estimated maximum return generated from the Group's provision of the value-added services under the Exclusive Sales Cooperation as explained above, even assuming that the sales rate of the Designated Car Parking Spaces is 10% only, the expected maximum return that the Group may capture through its provision of the value-added services in relation thereto will be approximately RMB13 million (i.e. $RMB340,800,000 \times 39\% \times 10\%$), which will still outweigh the said potential interest income.

Default and Termination

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. 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

LETTER FROM THE BOARD

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.

INFORMATION ON THE DESIGNATED CAR PARKING SPACES

The Designated Car Parking Spaces include 4,066 Car Parking Spaces held by Xinyuan Real Estate Group located at the residential properties developed by Xinyuan Real Estate Group and currently under management of the Group in several cities in the PRC (the “**Residential Properties**”). The specific locations and the corresponding number of the Designated Car Parking Spaces are as follows:

Location	Number of Car Parking Spaces
Zhengzhou City, Henan Province	2,786
Jinan City, Shandong Province	309
Xuzhou City and Suzhou City, Jiangsu Province	104
Chengdu City, Sichuan Province	500
Changsha City, Hunan Province	367

REASONS FOR AND BENEFITS OF THE CAR PARKING SPACE EXCLUSIVE SALES COOPERATION AGREEMENT

The Group has been dedicated in becoming a leading diversified property management services provider in the PRC. We develop a series of comprehensive, tailor-made and quality services based on the changing needs of our customers including developers, property owners and occupants. Given the daily community and living needs of property owners and occupants of all ages, the Group offers and develops its services from three main aspects of common area resources management, home living services and asset management. Through the cooperation with different parties together with the professional services provided by our on-site staff and the strengths of our information technology platform, we provide various types of services to our property owners, occupants or their property assets in order to establish a diversified community value-added services system, thereby further enhancing the living experience and quality of life of property owners and occupants.

The Exclusive Sales Cooperation between the Group and Xinyuan Real Estate Group enables the property owners and occupants at the Residential Properties currently under our management to use the Designated Car Parking Spaces at preferential rates, benefitting from the convenience or investment value therefrom. The Board believes that the Group can leverage on the market information (including but not limited to the demands of property owners and occupants towards the Car Parking Spaces) obtained from the information technology platform established for the Group’s management on the Residential Properties and community resources to sell the Designated Car Parking Spaces at the Residential Properties. The Group can thus provide the required services to the relevant buyers during the sale and purchase of the

LETTER FROM THE BOARD

Designated Car Parking Spaces and charge the service fees which are determined at the absolute discretion of the Group, pursuant to the rights provided to the Group under the Car Parking Space Exclusive Sales Cooperation Agreement, thereby broadening the income base of the Group and bringing valuable returns for our Shareholders.

The terms of the Car Parking Space Exclusive Sales Cooperation Agreement are determined between the parties after arm's length negotiations. Taking into account the above, the terms and conditions of the Car Parking Space Exclusive Sales Cooperation Agreement 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 ON 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.

As at the Latest Practicable Date, Xinyuan Real Estate Holdings is indirectly interested in 54.59% of the issued Shares in the Company, and is the controlling shareholder of the Company.

INFORMATION ON XINYUAN REAL ESTATE GROUP

Xinyuan Real Estate Group is a property developer founded by Mr. Zhang Yong, the chairman of our Board and one of our 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 26.90% of the issued shares of Xinyuan Real Estate Holdings, and Ms. Yang Yuyan, one of our 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 25.75% of the issued shares of Xinyuan Real Estate Holdings).

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transactions contemplated under the Car Parking Space Exclusive Sales Cooperation Agreement is more than 5% but less than 25%, the transactions contemplated under the Car Parking Space Exclusive Sales Cooperation Agreement 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 54.59% 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 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 is more than 5%, the transactions contemplated under the Car Parking Space Exclusive Sales Cooperation Agreement are therefore subject to the requirements for reporting, announcement and approval by the Independent Shareholders under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising Mr. Luo Ji and Mr. Wang Peng, all being the independent non-executive Directors who are not the directors of Xinyuan Real Estate Holdings, has been established to advise the Independent Shareholders in respect of the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder.

EXTRAORDINARY GENERAL MEETING

A notice of EGM to be held at Small Meeting Room, 2/F., International Living Clubhouse, 18 Xinyuan Road, Jinshui District, Zhengzhou, Henan Province, PRC on Thursday, 19 November 2020 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 Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder.

Pursuant to Rules 13.39(4) and 13.39(5) of the Listing Rules, the votes of the Independent Shareholders on the proposed resolution for approving the Car Parking Space Exclusive Sales

LETTER FROM THE BOARD

Cooperation Agreement and the transactions contemplated thereunder will be taken by way of poll at the EGM and an announcement on the poll results will be made by the Company after the EGM.

As at the Latest Practicable Date, Xinyuan Real Estate Holdings and its associates together held 300,000,000 Shares, representing approximately 54.59% of the issued share capital of the Company. Xinyuan Real Estate Holdings and its associates will be required to abstain from voting in respect of the resolution to approve the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder at the EGM. 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 Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder, and no other Shareholder was required to abstain from voting at the EGM in respect of the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder.

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.

As Mr. Zhang Yong, Ms. Yang Yuyan and Mr. Li Yifan are also directors of Xinyuan Real Estate Holdings, they have abstained from voting on the resolutions in respect of the Car Parking Space Exclusive Sales Cooperation Agreement 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 Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder, and none of them were required to abstain from voting on the resolutions considering and approving the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder at the relevant Board meeting.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 16 November 2020 to Thursday, 19 November 2020 both days inclusive, for the purpose of determining the Independent Shareholders' entitlement to attend and vote at the EGM.

In order to qualify for attending and voting at the EGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong

LETTER FROM THE BOARD

Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 13 November 2020.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 19 to 20 of this circular which contains its recommendation to the Independent Shareholders regarding the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder.

Your attention is also drawn to the letter from the Independent Financial Adviser set out on pages 21 to 42 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders regarding the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder.

The Directors (including the members of the Independent Board Committee whose views have been set out in this circular together with the advice of the Independent Financial Adviser) consider that the terms of the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM in relation to the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular and the notice of EGM.

Yours faithfully

For and on behalf 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)

30 October 2020

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

We refer to the circular dated 30 October 2020 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.

We 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 Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and 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 Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder.

We wish to draw your attention to the letter from the Board set out on pages 6 to 18 of the Circular and the letter from Rainbow Capital (HK) Limited, the Independent Financial Adviser, as set out on pages 21 to 42 of the Circular, both of which provide details of the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder.

Having considered, among other matters, the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder, the advice of the Independent Financial Adviser, and the relevant information contained in the letter from the Board, we are of the opinion that the terms of the Car Parking Space Exclusive Sales Cooperation Agreement the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and the entering of the Car Parking Space Exclusive Sales Cooperation Agreement are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM in relation to the Car Parking Space Exclusive Sales Cooperation Agreement 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

Mr. WANG Peng

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.



30 October 2020

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 connection with the Company's proposed grant of the exclusive rights to sell car parking spaces of Xinyuan Real Estate Group pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement. Details of the Car Parking Space Exclusive Sales Cooperation Agreement 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 30 October 2020 (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 54.59% of the issued shares of the Company, and is the controlling Shareholder. 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. Save for Xinyuan Real Estate Holdings and its associates which are considered to have material interest in the Car Parking Space Exclusive Sales Cooperation Agreement and the Proposed Transaction, no other Shareholders are required to abstain from voting on the resolution at the EGM approving the Car Parking Space Exclusive Sales Cooperation Agreement and the Proposed Transaction.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. Luo Ji and Mr. Wang Peng, has been formed to advise the Independent Shareholders in respect of the Car Parking Space Exclusive Sales Cooperation Agreement and the Proposed Transaction. We, Rainbow Capital, 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 Group, or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group and us. 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 Group, or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules. Accordingly, we are qualified to give independent advice on the Car Parking Space Exclusive Sales Cooperation Agreement 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 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

future prospects of the Group, or any of its respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the Car Parking Space Exclusive Sales Cooperation Agreement 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 Car Parking Space Exclusive Sales Cooperation Agreement

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 (such as utility fee payment services, common area resources management services and home living services) and pre-delivery and consulting services (such as sales assistance services at the pre-delivery stage of the relevant property or when the property is put onto the market for sale, or advisory services on project planning, project management, referral and management services for unsold properties) 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 and was ranked 14th comprehensive ranking therein in 2019.

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 2019, the Group had 175 contracted property projects, covering 44 cities in five regions in the PRC, including Central China, the Bohai Rim, the Yangtze River Delta, the Pearl River Delta and Southwest China, and serving over 20,000 owners with quality property management services. The Shares have been listed on the Stock Exchange on 11 October 2019 (the “**Listing**”).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following table summarises the financial information of the Group for the years ended 31 December 2018 and 2019 and the six months ended 30 June 2019 and 2020 as extracted from the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”) and the interim report of the Company for the six months ended 30 June 2020 (the “**2020 Interim Report**”), respectively:

Summary of consolidated income statement

	For the years ended		For the six months ended	
	31 December		30 June	
	2018	2019	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	393,329	533,954	236,043	260,848
– Property management services	261,882	314,185	148,626	169,045
– Value-added services	77,653	129,042	48,002	49,765
– Pre-delivery and consulting services	53,794	90,727	39,415	42,038
Gross profit	133,572	201,789	76,602	103,576
Profit before tax	104,417	127,233	37,529	78,146
Profit for the year/period attributable to the Shareholders	76,100	81,319	21,039	55,732

For the years ended 31 December 2018 and 2019

For the year ended 31 December 2019, revenue of the Group was approximately RMB534.0 million, representing an increase of approximately 35.8% as compared with the revenue of approximately RMB393.3 million for the year ended 31 December 2018. Such increase was mainly attributable to the increase in revenue generated from (i) the property management services segment by approximately 20.0% from approximately RMB261.9 million to approximately RMB314.2 million, primarily due to the increase in the number of managed properties from 96 to 120 in the PRC and the corresponding increase in the total managed gross floor area (“**GFA**”) of properties from approximately 15.7 million sq.m. to approximately 20.1 million sq.m.; (ii) the value-added services segment by approximately 66.0% from approximately RMB77.7 million to approximately RMB129.0 million, primarily attributable to the Group’s focus in expanding the scope of its value-added services, with the intention to integrate daily community and living needs of property owners and occupants with its professional service

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

edge and (iii) the pre-delivery and consulting services segment by approximately 68.6% from approximately RMB53.8 million to approximately RMB90.7 million, primarily attributable to a large increase in property development projects by the controlling Shareholder, Xinyuan Real Estate Group and third party developers, leading to the rise in demand of the corresponding services. For the year ended 31 December 2019, the profit attributable to the Shareholders was approximately RMB81.3 million, representing an increase of approximately of 6.8% as compared with that of RMB76.1 million in the previous year, primarily attributable to the increase in revenue of the Group as discussed above. However, such increase was partially offset by the increase in the administrative expenses, mainly due to the increase in staff costs and the professional fees incurred in the Listing during the year.

During the year, apart from enlarging its geographical coverage of contracted properties, particularly in the regions of Central China (including cities located in Henan and Hunan provinces) and eastern China (including cities located in Jiangsu, Anhui, Shandong provinces and Shanghai municipality), the Group has also expanded its business scale primarily in the segments of value-added services and pre-delivery and consulting services. As disclosed in the 2019 Annual Report, the gross profit margins of value-added services segment and pre-delivery and consulting services segment (approximately 69.2% and 49.7% respectively in 2019) are higher than that of the traditional property management service segment (approximately 21.6%), primarily attributable to the higher service fees charged for these two segments, which are generally tailor-made in order to meet the specific requirements of the Group's customers.

For the six months ended 30 June 2019 and 2020

For the six months ended 30 June 2020, revenue of the Group was approximately RMB260.8 million, representing an increase of approximately 10.5% as compared with the revenue of approximately RMB236.0 million for the six months ended 30 June 2019. Such increase was mainly attributable to the increase in revenue generated from (i) the property management services segment by approximately 13.7% from approximately RMB148.6 million to approximately RMB169.0 million, primarily due to the increase in the number of managed properties from 102 to 135 in the PRC and the corresponding increase in the total managed GFA of properties from approximately 16.4 million sq.m. to approximately 22.1 million sq.m., as well as the increase in the average property management fee during the period; (ii) the value-added services segment by approximately 3.8% from approximately RMB48.0 million to approximately RMB49.8 million, primarily attributable to the increase in the users' reliance and adhesion to property online platforms in view of the outbreak of novel coronavirus as well as the increase in the scope of services and (iii) the pre-delivery and consulting services segment by approximately 6.6% from approximately RMB39.4 million to approximately RMB42.0 million, primarily

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attributable to a large increase in property development projects by Xinyuan Real Estate Group and third party developers, leading to an increase in sales venue “warm-up” services and the property sales venue management services fee charged during the period.

For the six months ended 30 June 2020, the profit attributable to the Shareholders was approximately RMB55.7 million, representing an increase of approximately of 165.2% as compared with that of RMB21.0 million in the prior period, primarily attributable to the (i) significant increase in the revenue and profit margins of the Group’s combination of services and the effective cost control measures alongside with the rapid growth of the Group’s businesses; and (ii) one-off listing expense of approximately RMB13.9 million incurred for the six months ended 30 June 2019 does not recur during this period.

Summary of consolidated statement of financial position

	As at 31 December		As at 30 June
	2018	2019	2020
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
	(audited)	(audited)	(unaudited)
Non-current assets	113,522	106,792	110,989
Current assets	492,838	797,534	874,124
Current liabilities	355,693	338,041	380,176
Non-current liabilities	–	3,198	4,522
Net current assets	137,145	459,493	493,948
Equity attributable to the Shareholders	249,092	561,936	598,831

As at 30 June 2020, total assets of the Group amounted to approximately RMB985.1 million, representing an increase of approximately 8.9% as compared to that as at 31 December 2019. Total assets primarily consist of cash and cash equivalents, trade receivables and prepayment. As at 30 June 2020, cash and cash equivalents, trade receivables and prepayment accounted for approximately 95.7% of total assets of the Group. The general increase in the equity attributable to the Shareholders during the years/periods under review was primarily due to a combination of (i) the increase in the Group’s total GFA under management leading to an increase in trade receivables and prepayments to suppliers and subcontractors from property management services; (ii) business expansion of pre-delivery and consulting services leading to an increase in trade receivables from property developers and (iii) the net proceeds raised from the Listing and the Group’s sustained increase in operating cash inflow.

The Group is financially healthy given its net current asset position. As at 30 June 2020, the Group had net current assets of approximately RMB493.9

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million and has no interest-bearing borrowings, with cash of approximately RMB712.8 million.

Overall comment

The Group's business operation has been demonstrating a promising growth, as seen from the continual increase in the total revenue and net profits for the years/periods under review, as well as a strong financial position with the majority of its assets comprised of liquid assets with substantial amount of cash and zero gearing. As disclosed in the Company's announcement dated 15 July 2020, following the completion of the Company's placing exercises, net proceeds of approximately HK\$127.2 million is intended to be used for the purposes of business development, strategic investment and general working capital of the Group. Such corporate action is believed to further enrich the financial resources of the Group.

As mentioned in the 2020 Interim Report, given the outbreak of novel coronavirus in early 2020, the quasi-public service attribute of the property service industry was re-discovered and explored, especially through the Group's professional service capabilities. As a result, its business performance still recorded a noticeable growth for the first six months of 2020. Although the financial resource of the Group is considered to be abundant as aforesaid, in light of the ongoing epidemic and the fluctuation of global economy, the Group becomes more prudent to expand its service offerings to achieve sustainable development after striking a balance for better managing the liquidity risk. Accordingly, we consider it preferable for the Group to retain financial flexibility to develop its business and capture prospective business opportunities as and when they arise.

1.2 Information of Xinyuan Real Estate Group

Listed on 12 December 2007, Xinyuan Real Estate Holdings and its subsidiaries was the first real estate developer in the PRC to become listed on the New York Stock Exchange. Following the listing, Xinyuan Real Estate Holdings and its subsidiaries are principally engaged in, among others, property development, property leasing, shopping mall operation, computer network engineering, software and technology product developments and innovation. As disclosed in the Company's prospectus dated 25 September 2019, Xinyuan Real Estate Group derived a portion of its revenue from the leasing of shopping malls and ancillary facilities of its development projects, including basement parking, kindergartens and elementary schools. In addition to the PRC market, it also expanded its operations 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

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corporation relationship with Xinyuan Real Estate Group. As disclosed in the 2020 Interim Report, the Group managed 65 properties of approximately 12.8 million sq.m. which were developed by Xinyuan Real Estate Group, representing approximately 58.2% of the total GFA under the management of the Group as at 30 June 2020. 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 2019, Xinyuan Real Estate Group recorded revenue of approximately US\$2,482.6 million (or equivalent to approximately RMB17,338.5 million) and net profit attributable to the shareholders of approximately US\$68.3 million (or equivalent to approximately RMB477.0 million). As at 31 December 2019, total assets of Xinyuan Real Estate Group amounted to approximately US\$7,421.7 million (or equivalent to approximately RMB51,833.2 million), which principally comprised of real estate properties under development, cash and cash equivalent, long term equity investments and properties held for lease. The net current asset and net asset of Xinyuan Real Estate 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. Taking into consideration of, among others, the listing status, the substantial amounts of total assets and net current asset position as aforesaid, Xinyuan Real Estate Group is considered to be liquid.

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 the end of 2019, there were approximately 348 million registered motor vehicles in the PRC, among which approximately 260 million are cars, representing an increase of approximately 21.2 million of cars or 8.8% compared to that at the end of 2018.

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. As set out in the Government Working Report (政府工作報告) issued by

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the Chinese premier Mr. Li Keqiang in May 2020, it was stated that the overall development goal of 2020 is to promote car consumption and solve car parking problem.

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 Car Parking Space Exclusive Sales Cooperation Agreement

Given the increasing daily community and living needs of property owners and occupants, the Group has been striving to become a leading diversified property management service provider in the PRC primarily through the strength of its information technology platform. This is reflected by the Group's focus towards the development and expansion of the value-added services segment, as demonstrated by the increasing portion of the total revenue from approximately 19.7% in 2018 to approximately 24.2% in 2019. In this context, we concur with the Company's view that the Proposed Transaction is in line with the business strategies and promote the ongoing development of the Group.

As disclosed in the Letter from the Board, the Exclusive Sales Cooperation between the Group and Xinyuan Real Estate Group enables the property owners and occupants at the Residential Properties currently under the Group's management to use the Designated Car Parking Spaces at preferential rates, benefitting from the convenience or investment value therefrom. The Company further believes that the Group can leverage on the market information (including but not limited to the demands of property owners and occupants towards the Car Parking Spaces) obtained from the information technology platform established for the management on the Residential Properties and community resources to sell the Designated Car Parking Spaces.

Furthermore, pursuant to the rights provided to the Group under the Car Parking Space Exclusive Sales Cooperation Agreement, the Group can also provide the required services to the relevant buyers during the sale and purchase of the Designated Car Parking Spaces and charge the service fees which are determined at the absolute discretion of the Group, thereby broadening the income base of the Group and bringing valuable returns for the Shareholders. As advised by the management of the Group, the value-added services provided under the Exclusive Sales Cooperation are more diversified and extensive as compared to the Group's existing referral and management services, thus allowing the relevant buyers to purchase the Designated

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Car Parking Spaces at preferential rates and enhancing the room to generate more service fees to the Group.

The Designated Car Parking Spaces are primarily scattered in the five core regions in the PRC which the Group's managed properties are located. As advised by the management of the Group, with the vast management experience in the provision of similar services in the past, the Proposed Transaction serves to leverage the Group's expertise in the property management industry and complement the existing principal businesses of the Group.

Taking into account that (i) despite the existing abundant financial resources, the Group's intention to retain the financial flexibility to develop its business given the ongoing epidemic and the fluctuation of global economy as mentioned in the section above headed "1. Business and financial performance of the Group"; (ii) 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"; (iii) the financial benefits brought along by the Proposed Transaction, in particular the enhancement of the scope of value-added services and the broadening of the income base of the Group, as explained in the sub-section above and (iv) the entering into the Car Parking Space Exclusive Sales Cooperation Agreement 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 Car Parking Space Exclusive Sales Cooperation Agreement 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 Car Parking Space Exclusive Sales Cooperation Agreement

For details of the terms of the Car Parking Space Exclusive Sales Cooperation Agreement, please refer to the section headed "Car Parking Space Exclusive Sales Cooperation Agreement" in the Letter from the Board. Set out below are the principal terms of the Car Parking Space Exclusive Sales Cooperation Agreement:

Exclusive Sales Cooperation

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 will be 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.

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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).

Under such model, for each sale and purchase of a Designated Car Parking Space, Xinyuan Real Estate Group will 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 to the services provided during the sale and purchase of the Designated Car Parking Spaces. 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 will 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 will not provide any services or charge any relevant service fees to Xinyuan Real Estate Group.

Subject to the fulfillment or waiver (if applicable) of the Conditions Precedent, the relevant property companies of Xinyuan Real Estate Group and the subsidiary(ies) of the Company shall execute the sub-cooperation agreements on the Effective Date in accordance to the terms of the Car Parking Space Exclusive Sales Cooperation Agreement, in order to implement the relevant arrangement under the Exclusive Sales Cooperation.

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.

Exclusive Sales Right

To ensure the implementation of the arrangement under the Exclusive Sales Cooperation, Xinyuan Real Estate Group grants 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. During the Cooperation Period, the Group has the absolute discretion to decide whether it will 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.

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The Exclusive Sales Right is 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 Designated Car Parking Spaces to any third party, unless with the prior written consent of the Group.

Earnest Money

The Group shall pay the refundable earnest money in the amount of RMB206,783,200 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 Prices of all the Designated Car Parking Spaces. The specific payment arrangement is as follows:

- First instalment: payment of 40% of the Total Car Parking Space Reserve Price (i.e. RMB82,713,280) within 10 working days after the Effective Date;
- Second instalment: payment of 30% of the Total Car Parking Space Reserve Price (i.e. RMB62,034,960) on or before 31 December 2020;
- Third instalment: payment of 30% of the Total Car Parking Spaces Reserve Price (i.e. RMB62,034,960) on or before 30 June 2021.

The Total Car Parking Space Reserve Price is 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 amounts to approximately RMB340.8 million as of 31 July 2020. The Earnest Money will be settled by the Group using cash from its internal resources.

Xinyuan Real Estate Group shall, within 7 working days from the date of the Group meeting the relevant agreed sales rate of the Designated Car Parking Spaces, refund the portion of the Earnest Money that corresponds with the agreed sales rate of the Designated Car Parking Spaces as set out below:

Sales rates of the Designated Car Parking Spaces	Amount of the Earnest Money to be refunded
40%	RMB82,713,280
70%	RMB62,034,960
90%	RMB62,034,960

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. Accordingly, even if the

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Group fails to meet any of the agreed sales rate during the Cooperation Period and up to 31 December 2021, the Group is still entitled to a full refund of the entire Earnest Money (i.e. RMB206,783,200) from Xinyuan Real Estate Group.

Default and Termination

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. 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.

Conditions Precedent

The transactions contemplated under the Car Parking Space Exclusive Sales Cooperation Agreement are subject to the fulfillment of the following conditions (or waiver of conditions (c) and (d) below by the Company):

- (a) the passing of the necessary resolution(s) by the Independent Shareholders at the EGM to be convened and held by the Company to approve the Car Parking Space Exclusive Sales Cooperation Agreement and the Exclusive Sales Cooperation, arrangements and transactions contemplated thereunder;
- (b) save and except condition (a) above, the Group having obtained each necessary consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver for the Car Parking Space Exclusive Sales Cooperation Agreement and/or the Exclusive Sales Cooperation, arrangements and transactions contemplated thereunder, and such consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver not having been revoked or withdrawn;
- (c) Xinyuan Real Estate Group having obtained each necessary consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver for the Car Parking Space Exclusive Sales Cooperation Agreement and/or

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the Exclusive Sales Cooperation, arrangements and transactions contemplated thereunder, and such consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver not having been revoked or withdrawn; and

- (d) all representations, warranties and undertakings given by Xinyuan Real Estate Group under the Car Parking Space Exclusive Sales Cooperation Agreement remaining true and accurate in all material respects on the Effective Date.

If the above conditions are not fulfilled or waived (if applicable) on or before 30 November 2020 (or such later date as may be agreed between the parties), the Car Parking Space Exclusive Sales Cooperation Agreement and the transactions contemplated thereunder shall cease and terminate. The Car Parking Space Exclusive Sales Cooperation Agreement shall be effective from the working day agreed between the parties upon the fulfillment or waiver (if applicable) of the above conditions (the “**Effective Date**”) to 31 December 2021 (the “**Cooperation Period**”).

As at the Latest Practicable Date, none of the conditions precedent is satisfied or waived.

3. Assessment of the principal terms of the Car Parking Space Exclusive Sales Cooperation Agreement

3.1 Total Car Parking Space Reserve Price

The Total Car Parking Space Reserve Price (the “**Consideration**”) was determined after arm’s length negotiations with reference to the independent valuation of the Designated Car Parking Spaces conducted by the Independent Valuer as at 31 July 2020, and the Consideration shall not be higher than such valuation. Please refer to section below headed “4. Independent valuation and evaluation of the Consideration” for our detailed assessment.

3.2 Co-Sales Value-Added Service Fees

The Co-Sales Value-Added Service Fees charged to the independent third party buyers was determined based on prevailing market conditions. As advised by the management of the Group, several factors will be taken into consideration when determining such fees, which include, among others, comparable scope of services performed by the Group in the past, the prevailing market rates on comparable services and the relevant costs incurred in performing such services. We have reviewed the scope of services to be provided under the Exclusive Sales Cooperation, and was given to understand that they are generally more diversified than the existing referral and management services provided by the Group.

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On the basis that (i) the Co-Sales Value-Added Service Fees are charged based on prevailing market condition; (ii) the value-added services segment of the Group entailed the highest gross profit margin when compared to that of the Group's two other business segments, reaching approximately 68.9% in 2019 and approximately 65.9% for the six months ended 30 June 2020; and (iii) the scope of services included in the Car Parking Space Exclusive Sales Cooperation Agreement are more diversified and found to be broadly comparable to that of the Group's value-added services segment, we are of the view that the pricing terms of the Co-Sales Value-Added Service Fees are justifiable.

3.3 Exclusive Sales Right

The Group was granted an irrevocable exclusive right to request Xinyuan Real Estate Group to transfer the Designated Car Parking Spaces during the Cooperation Period at the Car Parking Space Reserve Price, in its absolute discretion regarding the timing, manner and frequency, on the condition that the buyer designated by the Group must be an independent third party.

Pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, before the Group successfully identified any buyers during the Cooperation Period so as to exercise the Exclusive Sales Right, the Group can freely decide the management and operation use of the Designated Car Parking Spaces without additional consideration, with the income then derived to be fully contributed to the Group.

Given that the Earnest Money will be fully refundable after the Cooperation Period and the Exclusive Sales Right cannot be transferred to any third party by Xinyuan Real Estate Group as stipulated, in view of (i) the potential income to be generated from the provision of diversified services during the Cooperation Period in essence hedges against the holding period costs and (ii) the Group can leverage on its past experiences and resources to facilitate the service offerings to be provided to the property owners and occupants where the Group's managed properties are situated, we consider the granting of Exclusive Sales Right is justifiable.

3.4 Other principal terms

Terms of payment and refund arrangements

The Earnest Money, i.e. the Consideration, will be paid in three instalments within a year. Once the predetermined sales rates of the Designated Car Parking Spaces are reached, certain portion of the Earnest Money, which translates to approximately 40.0%, 30.0% and 30.0% out of the Consideration, will be refunded to the Group. The Earnest Money will be fully repaid to the Group within 7 working days after the expiry date of the Cooperation Period.

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As stated in the Letter from the Board, it is the first time for the Group to carry out the Exclusive Sales Cooperation through the entering into of the Car Parking Space Exclusive Sales Cooperation Agreement. Accordingly, the Company has not entered into similar sales cooperation agreement with independent third parties in the past. Alternatively, for the purpose of our due diligence review, we have been provided by the Company, on a random basis, with and have reviewed 14 samples of comparable contracts between the 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) out of a total of 28 contracts (the “**First Comparable Contracts**”). We noted that the majority of the First Comparable Contracts had the terms of payment which required the respective independent third parties to pay earnest money that equals to the full amount of the respective total car parking space reserve price in installments, and in return, those independent third parties were entitled to charge the service fees to the relevant buyers. Besides, the earnest money paid by the respective independent third parties are interest free and non-refundable during the cooperation period in the First Comparable Contracts.

In addition, we have also obtained from the Company and reviewed sample contracts between the developers and private car parking operating companies in the PRC which adopt similar sales cooperation model for selling car parking spaces (the “**Second Comparable Contracts**”). Based on our review, we noted that those companies in the PRC also paid earnest money that equals to the full amount of the respective total price of car parking space in installments, and in return, those companies in the PRC were entitled to charge the service fees to the relevant buyers.

Given that the First Comparable Contracts and the Second Comparable Contracts (collectively the “**Comparable Contracts**”) (i) were primarily entered between developers and property management/car parking operating companies and (ii) involved selling of car parking spaces in the residential properties in the PRC, we are of the view that the Comparable Contracts are fair and representative. Furthermore, taking into account that the payees of the Comparable Contracts are independent to the Company which adopted similar sales cooperation model, in particular that such independent payees are required to pay an earnest money which equals to the full amount of the total price of car parking space for selling car parking spaces, we consider the sales cooperation model as adopted by the Company is in general in line with the market practice.

On the basis that the payment of the Earnest Money (i) accounted for approximately 60.7% of the Total Valuation Price, as compared with that of the full amount in the Comparable Contracts; (ii) is fully refundable after the Cooperation Period and will be accelerated when certain sales target is reached, as compared with that of the non-refundable in nature in the Comparable

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Contracts and (iii) is spitted into installments during the Cooperation Period which is generally comparable to the payment pattern of the Comparable Contracts and (iv) is interest free which is the same as in the Comparable Contracts, we are of the view that the terms of payment and refunds arrangement between the Group and Xinyuan Real Estate Group are no less favourable to the Group than terms available to the independent third parties.

Default interest

Given that (i) the default interest is charged with reference to the 1-year loan prime rate announced by the People's Bank of China, which coincides to the similar period as the Cooperation Period; (ii) the outstanding earnest money is non-refundable under the Comparable Contracts and (iii) the Group shall have the right to rescind the Car Parking Space Exclusive Sales Cooperation Agreement and require Xinyuan Real Estate Group to refund all the outstanding Earnest Money and pay all the default interest arising therefrom within 7 working days after the issue of written notice of termination, which there are no such termination clause in the Comparable Contracts, we are of the view that the default rate of 1-year loan prime rate announced by the People's Bank of China for the same period is justifiable.

Overall comment

Pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, the Group was granted the Exclusive Sales Rights at a cost lower than the independent valuation of the Designated Car Parking Spaces. In return, the Group can acquire an exclusive control over both of the timing of the sales and the scope of service offerings of the Designated Car Parking Spaces. While the evaluation of the Consideration will be further assessed in the section below headed "4. Independent valuation and evaluation of the Consideration", the Earnest Money is fully refundable and its receipt will be accelerated once certain sales targets were reached. As advised by the Company's legal adviser of the PRC, the Exclusive Sales Right is legally enforceable and the Group possesses the sole contractual rights for the management and operation of the Designated Car Parking Spaces during the Cooperation Period following the completion of the Proposed Transaction.

Based on our discussion with the management of the Group, since all the Designated Car Parking Spaces are located at the Residential Properties which are currently under the Group's management, the Group is in possession of the relevant market information and community resources for their sales. Compared to the existing value-added services, the value-added services provided under the Car Parking Space Exclusive Sales Cooperation Agreement is generally more diversified than the existing referral and management services provided by the Group.

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In addition, based on our review of the internal schedule provided by the Company, it is expected that the difference between the Total Valuation Price and the Total Car Parking Space Reserve Price of approximately 39% represents the estimated maximum margin that the relevant buyers are possibly willing to pay for the provision of the value-added services under the Exclusive Sales Cooperation and therefore the return potential that the Group may capture by charging the Co-Sales Value-Added Service Fees. Given (i) such estimated maximum margin is derived by the provision of the relevant value-added services that is packaged to the purchase of the Designated Car Parking Spaces to the relevant buyers, which is made with reference to an independent valuation of the Car Parking Spaces and (ii) the positive outlook and prospects of the PRC car parking industry as mentioned in the section above headed “1.3 Outlook of the car parking industry in the PRC”, we consider that the estimated maximum margin is achievable during the Cooperation Period which will last for approximately one year.

Taking into account (i) the estimated maximum margin of approximately 39% is seen to significantly outweigh the potential interest income that may arise from depositing the Earnest Money at banks with reference to the one-year benchmark deposit rate of 1.5% as announced by the People’s Bank of China, given the Earnest Money is fully refundable after the Cooperation Period which will only last for approximately one year; (ii) a substantial discount will be offered in the sales of the Designated Car Parking Spaces; (iii) the Group’s provision of value-added services is packaged to the purchase of the Designated Car Parking Space, which means 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; (iv) our findings based on our review of the Comparable Contracts as mentioned in the sub-section above headed “3.4 Other principal terms”, which shows that the Group’s sales cooperation model for selling the Designated Car Parking Spaces is in general in line with the market practice; (v) the Exclusive Sale Rights which are considered to be the Group’s exclusive privilege through the adoption of such sales cooperation and (vi) reasons and benefits of the Exclusive Sales Cooperation as discussed in the sub-section above headed “1.4 Reasons and benefits of entering into the Car Parking Space Exclusive Sales Cooperation Agreement”, overall speaking, taking into account the rationale and costs and benefits as a whole, we consider that the sales cooperation model adopted by the Group for selling the Designated Car Parking Spaces is justifiable.

In brief, we consider that the entering into of the Car Parking Space Exclusive Sales Cooperation Agreement primarily allows the Group to attain financial benefits through the income to be generated from the provision of various value-added services, and also preserve flexibility in developing its business amid the challenging business environment as compared to an outright sales and purchase transaction.

4. Independent valuation and evaluation of the Consideration

4.1 Analysis on the independent valuation

As mentioned in the section above headed “3.1 Total Car Parking Space Reserve Price”, in assessing the fairness and reasonableness of the Consideration, our analysis is primarily based on the independent valuation of the Designated Car Parking Spaces, details of which are set out in Appendix I to the Circular. Given that (i) it is not uncommon to value the property interests of the Designated Car Parking Spaces by an independent valuation using the market approach based on our discussion with the Independent Valuer; (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 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 Total Valuation Price.

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 Designated Car Parking Spaces. The Independent Valuer has carried out inspections, made relevant enquiries and searches for the purpose of the valuation of the Designated Car Parking Spaces. We have reviewed and discussed with the Independent Valuer the bases and assumptions adopted for the valuation of the 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 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 Designated Car Parking Spaces.

In valuing the 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. According to the Independent Valuer, comparable car parking spaces of similar location and character, which include those in the same communities of the 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. 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 values of the Designated Car Parking Spaces by the Independent Valuer. According to the Independent Valuer, amongst all the adjustment factors,

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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 Designated Car Parking Spaces and (ii) the Designated Car Parking Spaces share similar size and conditions, in deriving the valuation of the 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.

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 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 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 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 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 Designated Car Parking Spaces, we consider that adopting the cost approach is not appropriate for the valuation of the Designated Car Parking Spaces.

4.2 Evaluation of the Consideration

The Consideration of approximately RMB206.8 million represents a discount of approximately RMB134.0 million (or approximately 39.3%) to the valuation of the Designated Car Parking Spaces of approximately RMB340.8 million.

In view of (i) the benefits of the Proposed Transaction including the potential boarding of income base as discussed in the sub-section above headed “1.4 Reasons for and benefits of entering into the Car Parking Space Exclusive Sales Cooperation Agreement”, which will contribute positively to the Group’s future financial results;

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(ii) the financial flexibility preserved in pursuing the Proposed Transaction as discussed in the section above headed “3. Assessment of the principal terms of the Car Parking Space Exclusive Sales Cooperation Agreement; (iii) the Consideration is made reference to an independent valuation and (iv) the Consideration represents a discount of approximately 39.3% to the valuation of the Designated Car Parking Spaces, we consider the Consideration to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. Financial effects of the Proposed Transaction

5.1 Earnings and net assets value

As advised by the management of the Group, after the completion of the Proposed Transaction, the Group will provide the value-added services to the property owners and occupants and receive service fees. In this connection, the Proposed Transaction is expected to contribute positively to the future revenue and earnings of the Group.

As at 30 June 2020, the equity attributable to the Shareholders was approximately RMB598.8 million. As the Consideration of approximately RMB206.8 million will be settled by cash and subsequently be fully refundable, the Directors expect that the Proposed Transaction would not have any material impact on the Group’s net asset value.

5.2 Working capital and liquidity

As disclosed in the 2020 Interim Report, the Group had net cash of approximately RMB712.8 million and without interest-bearing borrowings as at 30 June 2020. Since the Earnest Money will be settled by the Group using cash from its internal resources, the Group’s net cash is expected to decrease following the completion of the Proposed Transaction. Given the healthy financial position of the Group and the Earnest Money will be fully refundable after the Cooperation Period, the Directors are of the view that the Proposed Transaction will not have any significant adverse impact on the working capital position and liquidity of the Group.

OPINION AND RECOMMENDATION

In arriving at our opinion and recommendation in respect of the terms of the Car Parking Space Exclusive Sales Cooperation Agreements 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 Exclusive Sales Cooperation effectively allows the Group to retain financial flexibility to develop its business and capture prospective business opportunities as and when they arise;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- 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 enhancement of the scope of the value-added services and the broadening of the income base of the Group, as explained in the sub-section above headed “1.4 Reasons and benefits for entering into the Car Parking Space Exclusive Sales Cooperation Agreement”;
- The entering into of the Car Parking Space Exclusive Sales Cooperation Agreement is in line with the business strategies of the Group and serve to complement the existing principal businesses of the Group;
- The Consideration under the Car Parking Space Exclusive Sales Cooperation Agreement represents a discount of approximately RMB134.0 million (or approximately 39.3%) to the independent market valuation of the Designated Car Parking Spaces; 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.

Based on the above, we consider that 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 Car Parking Space Exclusive Sales Cooperation Agreement 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 to be proposed at the EGM to approve the Car Parking Space Exclusive Sales Cooperation Agreement 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 6 (advising on corporate finance) regulated activity under the SFO. He has over 10 years of experience in the corporate finance industry.

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 31 July 2020 of the property interests under the Car Parking Space Exclusive Sales Cooperation Agreement held by 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

30 October 2020

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 the 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 selected property interests as at 31 July 2020 (the "**valuation date**").

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 the period between January 2020 and August 2020 by Ms. Raina Zheng, Ms. Diana Yang and Ms. Mia Lei. They are China Real Estate Appraisers/China Public Valuers or have more than 3 to 6 years' experience in the valuation of properties.

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 value 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 the 11th March 2020 has caused much disruption to economic activities around the world. As of the report date, China's economy is experiencing gradual recovery and it is anticipated that disruption to business activities will steadily reduce. We also note that market activity and market sentiment in this particular market sector remains 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 the 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 26 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 31 July 2020 RMB
<p>1. 16 car parking spaces of Xinyuan Yipinxiangshan located at the southern side of Kaiyuan Road and the eastern side of Xiangshan Road Huiji District Zhengzhou City Henan Province The PRC (鑫苑逸品香山的16個車位)</p>	1,400,000
<p>2. 220 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220個車位)</p>	17,600,000
<p>3. 496 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496個車位)</p>	39,700,000
<p>4. 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)</p>	80,900,000

No. Property	Market value in existing state as at 31 July 2020 RMB
5. 589 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589個車位)	51,200,000
6. 387 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387個車位)	33,700,000
7. 309 car parking spaces of Jinan Xinyuan Mingjia No. 85 North Lishan Road Tianqiao District Jinan City Shandong Province The PRC (濟南鑫苑名家的309個車位)	30,900,000
8. 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

No. Property	Market value in existing state as at 31 July 2020 RMB
9. 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)	500,000
10. 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)	10,000,000
11. 400 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400個車位)	34,000,000
12. 367 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367個車位)	33,000,000
Total:	340,800,000

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2020 RMB
1.	16 car parking spaces of Xinyuan Yipinxiangshan located at the southern side of Kaiyuan Road and the eastern side of Xiangshan Road Huiji District Zhengzhou City Henan Province The PRC (鑫苑逸品香山的16個車位)	The property comprises 16 underground car parking spaces within a residential development known as Xinyuan Yipinxiangshan 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 12 May 2080 for residential use.	As at the valuation date, the property was vacant.	1,400,000

Notes:

- Pursuant to 2 State-owned Land Use Rights Certificates – Zheng Guo Yong (2010) Di Nos. 0210 and 0211, the land use rights of 2 parcels of land (including the land use rights of the property) with a total site area of approximately 81,345.30 sq.m. have been granted to Zhengzhou Jiantou Xinyuan Real Estate Co., Ltd. (鄭州建投鑫苑置業有限公司, “Zhengzhou Jiantou”, used to be a subsidiary of Xinyuan Real Estate Holdings, but its company name had been deregistered as at the valuation date) for a term expiring on 12 May 2080 for residential use.
- Pursuant to a Construction Work Planning Permit – Zheng Gui Jian Zi Di No. 410100201029146 in favour of Zhengzhou Jiantou, Phase II of Xinyuan Yipinxiangshan (including the property) with a gross floor area of approximately 244,262.20 sq.m. have been approved for construction.
- Pursuant to 2 Construction Work Commencement Permits – Nos. 410102201012240101 and 410102201101070201 in favour of Zhengzhou Jiantou, permissions by the relevant local authority were given to commence the construction of Phase II of Xinyuan Yipinxiangshan (including the property) with a total gross floor area of approximately 244,262.20 sq.m.
- Pursuant to 2 Construction Work Completion and Inspection Tables in favour of Zhengzhou Jiantou, the construction of underground car parking spaces of Xinyuan Yipinxiangshan (including the property) with a total gross floor area of approximately 30,514.18 sq.m. has been completed and passed the inspection acceptance.
- Pursuant to an Underground Car Parking Spaces Transfer Agreement entered into between Zhengzhou Jiantou and Mingyuan Landscape Engineering Co., Ltd. (名苑園林工程有限公司, “Mingyuan Landscape”, a subsidiary of Xinyuan Real Estate Holdings) and according to the Company’s written confirmation, 27 car parking spaces within Project Zhengzhou Guohua, 40 car parking spaces within Project Zhengzhou Dushigongyu and 173 car parking spaces within Xinyuan Yipinxiangshan (including the property) are transferred to Mingyuan Landscape.

6. 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 RMB80,000 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.

7. 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:

Mingyuan Landscape is the sole legal user of the property. Mingyuan Landscape 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 31 July 2020 RMB
2.	220 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220個車位)	The property comprises 220 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.	17,600,000

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. have been approved for construction.
- Pursuant to a Construction Work Commencement Permit – No. 410105201102180101 in favour of Henan Xinyuan Jiye, permissions by the relevant local authority were 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 RMB70,000 to RMB90,000 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 31 July 2020 RMB
3.	496 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496個車位)	The property comprises 496 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.	39,700,000

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. have been approved for construction.
- Pursuant to a Construction Work Commencement Permit – No. 410105201306210201 in favour of Henan Xinyuan Wanzhuo, permissions by the relevant local authority were 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 RMB70,000 to RMB90,000 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 31 July 2020 RMB
4.	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 31 July 2020 RMB
5.	589 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589個車位)	The property comprises 589 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.	51,200,000

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. have 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 RMB80,000 to RMB90,000 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 31 July 2020 RMB
6.	387 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387個車位)	The property comprises 387 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.	33,700,000

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. have been approved for construction.
- Pursuant to a Construction Work Commencement Permit – No. 410102201609290101 in favour of Zhengzhou Shengdao, permissions by the relevant local authority were 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 RMB80,000 to RMB90,000 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 31 July 2020 RMB
7.	309 car parking spaces of Jinan Xinyuan Mingjia No. 85 North Lishan Road Tianqiao District Jinan City Shandong Province The PRC (濟南鑫苑名家的309個車位)	The property comprises 309 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.	30,900,000

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. have 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 RMB90,000 to RMB110,000 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 31 July 2020 RMB
8.	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 Suzhou Xinyuan Real Estate Development Co., Ltd. (蘇州鑫苑置業發展有限公司, “Suzhou 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 Suzhou Xinyuan, Xinyuan Jingyuan (including the property) with a gross floor area of approximately 101,921.73 sq.m. have been approved for construction.
- Pursuant to 2 Construction Work Commencement Permits – Nos. 320501200706150401 and 320501200706180401 in favour of Suzhou 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 Suzhou 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 RMB70,000 to RMB90,000 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:

Suzhou Xinyuan is the legal user, manager and income earner (使用管理收益權人) of the property. Suzhou 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 31 July 2020 RMB
9.	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.	500,000

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, permissions by the relevant local authority were 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 RMB80,000 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:

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 31 July 2020 RMB
10.	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.	10,000,000

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 RMB110,000 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 31 July 2020 RMB
11.	400 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400個車位)	The property comprises 400 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.	34,000,000

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 RMB80,000 to RMB90,000 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 31 July 2020 RMB
12.	367 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367個車位)	The property comprises 367 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.	33,000,000

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 RMB80,000 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:

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.

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 for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

Long Positions in shares of the Company

Name of Director	Nature of interest	Number of ordinary shares	Approximate percentage of issued share capital
Mr. HUANG Bo	Beneficial owner	5,625,000	1.02%
Ms. WANG Yanbo	Beneficial owner	11,250,000	2.04%
Mr. ZHANG Yong	Interest of a controlled corporation (<i>Note 1</i>)	15,000,000	2.72%
Ms. YANG Yuyan	Interest of a controlled corporation (<i>Note 2</i>)	15,000,000	2.72%

Notes:

1. 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 Shares which are interested by Victory Destiny Holdings Limited.

2. 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 Shares which are interested by Grace Hope Holdings Limited.

Long Positions in shares of the Company's Associated Corporations

Name of Director	Name of associated corporation	Nature of interest	Number of ordinary shares	Approximate
				percentage of issued share capital
Mr. ZHANG Yong	Xinyuan Real Estate Holdings	Beneficial owner	29,674,442 (Note 1)	26.90%
Ms. YANG Yuyan	Xinyuan Real Estate Holdings	Founder of a discretionary trust	28,400,000 (Note 2)	25.75%

Notes:

- As at the Latest Practicable Date, Mr. Zhang Yong directly held 28,400,000 shares and was interested in 1,274,442 shares via Universal World Development Co. Ltd., which is wholly-owned by Mr. Zhang Yong.
- 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 member(s) 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.

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

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 Shareholder	Capacity	Number of ordinary Shares	Approximate percentage of issued share capital
Xinyuan Real Estate, Ltd. (<i>Note 1</i>)	Beneficial owner	300,000,000	54.59%
Xinyuan Real Estate Holdings (<i>Note 1</i>)	Interest of a controlled corporation	300,000,000	54.59%
Galaxy Team Holdings Limited (<i>Note 2</i>)	Beneficial owner	37,500,000	6.82%
Xingtai Capital Management Limited (<i>Note 3</i>)	Investment manager	66,207,000	12.05%
Xingtai China Master Fund	Beneficial owner	34,000,000	6.19%

Notes:

1. Xinyuan Real Estate, Ltd. is wholly-owned by Xinyuan Real Estate Holdings. By virtue of the SFO, Xinyuan Real Estate Holdings is deemed to be interested in the Shares which are interested by Xinyuan Real Estate, Ltd.
2. 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.
3. Xingtai Capital Management Limited as an investment manager holds 34,000,000 Shares, 22,725,000 Shares and 9,482,000 Shares in the Company for Xingtai China Master Fund, Canepa Funds ICAV-XINGTAI CHINA FUND and Milltrust International Investments SPC – Milltrust Xingtai China Fund SP, respectively.
4. All the Shares stated above represent Shares in long position.

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	Director and chairman
Ms. YANG Yuyan	Xinyuan Real Estate Holdings	Director
Mr. LI Yifan	Xinyuan Real Estate Holdings	Independent director

4. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

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 2019 (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

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited accounts of the Company were made up.

9. EXPERTS' CONSENTS AND QUALIFICATIONS

- (a) The following are the qualifications of the experts who had given their opinions and advices which are contained or referred to in this circular:

Name	Qualifications
Beijing Chang An Law Firm	Qualified PRC lawyers
Rainbow Capital (HK) Limited	A corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent Valuer

- (b) As at the Latest Practicable Date, each of the experts 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) Each of the experts 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, each of the experts above did not have any direct or indirect interest in any assets which have been, since 31 December 2019 (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, and the letter and/or report from the Independent Valuer are given as of the date of this circular for incorporation herein.

10. MISCELLANEOUS

- (a) The joint company secretaries of the Company are Mr. Tso Ping Cheong Brian and Mr. Xu Yibin. Mr. Tso Ping Cheong Brian is a fellow member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators), The Hong Kong Institute of Chartered Secretaries and The Association of Chartered Certified Accountants and is a certified public accountant (practicing) of The Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is situated at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The corporate headquarter is situated at 3/F., International Living Clubhouse, 18 Xiuyuan 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.
- (c) 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.
- (d) 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 Car Parking Space Exclusive Sales Cooperation Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out in this circular;
- (d) the valuation report issued by the Independent Valuer as set out in Appendix I to this circular;
- (e) the legal opinion issued by Beijing Chang An Law Firm in respect of the Designated Car Parking Spaces;
- (f) the written consents referred to in the section headed "Experts' Consents and Qualifications" in Appendix II of this circular; and
- (g) this circular.

NOTICE OF 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 EGM

PRECAUTIONARY MEASURES FOR THE EGM

Please refer to page 1 of the circular of the Company dated 30 October 2020 for the measures to be implemented at the EGM to safeguard the health and safety of the attendees and to prevent the spread of the Novel Coronavirus (“COVID-19”) pandemic, including without limitation:

- **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 or be required to leave the EGM venue. The Company reminds all Independent Shareholders that physical attendance in person at the EGM is NOT necessary for the purpose of exercising voting rights and would like to encourage Independent Shareholders to appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM, instead of 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 Thursday, 19 November 2020 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as ordinary resolution of the Company. Capitalised terms defined in the circular of the Company dated 30 October 2020 (the “Circular”) shall have the same meanings when used herein unless otherwise specified:

ORDINARY RESOLUTION

“**THAT:**

1. (a) the Car Parking Space Exclusive Sales Cooperation Agreement (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder and the implementation thereof be and are hereby approved, confirmed and ratified; and

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- (b) 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 Car Parking Space Exclusive Sales Cooperation Agreement and the transactions 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 Car Parking Space Exclusive Sales Cooperation Agreement) 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, 30 October 2020

Registered Office:

PO Box 309, Uglan House
Grand Cayman, KY1-1104
Cayman Islands

Corporate Headquarter:

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

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 Hong Kong Exchanges and Clearing 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.

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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 (i.e. not later than 3:00 p.m. on Tuesday, 17 November 2020) 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 Monday, 16 November 2020 to Thursday, 19 November 2020, 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 Friday, 13 November 2020.

As at the date of this notice, the executive directors of the Company are Ms. WANG Yanbo and Mr. HUANG Bo; the non-executive directors of the Company are Mr. ZHANG Yong and Ms. YANG Yuyan and the independent non-executive directors of the Company are Mr. LUO Ji, Mr. LI Yifan and Mr. WANG Peng.