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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)

CONNECTED TRANSACTION ENTERING INTO THE LOAN AGREEMENT

ENTERING INTO THE LOAN AGREEMENT

On 13 August 2021 (after trading hours), Xinyuan Science (an indirect wholly-owned subsidiary of the Company) entered into a loan agreement (the “**Loan Agreement**”) with Henan Xinyuan Real Estate, pursuant to which, Xinyuan Science agreed to provide a loan up to RMB48 million (the “**Loan**”) to Henan Xinyuan Real Estate, and Xinyuan (China) agreed to provide an irrevocable and unconditional guarantee for the Loan.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Xinyuan Real Estate Holdings is one of the controlling shareholders of the Company and is indirectly interested in 52.86% of the issued Shares of the Company. As Henan Xinyuan Real Estate is the indirect wholly-owned subsidiary of Xinyuan Real Estate Holdings, Henan Xinyuan Real Estate is a connected person of the Company, and thus the Loan Agreement constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Loan Agreement exceeds 0.1% but is less than 5%, the Loan Agreement is subject to the reporting, announcement, and annual review requirements but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

LOAN AGREEMENT

Date

13 August 2021 (after trading hours)

Parties

- (1) Xinyuan Science (as the lender);
- (2) Henan Xinyuan Real Estate (as the borrower); and
- (3) Xinyuan (China) (as the guarantor).

Loan Amount

Xinyuan Science agreed to provide a loan up to RMB48 million to Henan Xinyuan Real Estate.

Use of the Loan

Henan Xinyuan Real Estate shall use the entire amount borrowed under the Loan Agreement for general corporate purposes and for supplementary liquidity purposes.

Interest

Interest shall be accrued on the outstanding principal of the Loan at the rate of 8% per annum starting from the Disbursement Date and ending on the date of full payment of the Loan (the “**Repayment Date**”). Interest under the Loan Agreement shall be calculated on the basis of the actual number of days elapsed in a 365-day year. Interest shall be calculated by multiplying the outstanding principal amount of the Loan at the end of the Repayment Date by the daily interest rate on such day, and the daily interest rate shall be calculated by dividing the prevailing annual interest rate of the Loan on such day by 365.

Henan Xinyuan Real Estate shall pay to Xinyuan Science the entire amount of outstanding interest incurred from the Loan on the interest payment date (the “**Interest Payment Date(s)**”) of each quarter. The Interest Payment Dates refer to 31 March, 30 June, 30 September and 31 December of each year. For the avoidance of doubt, the last interest payment shall take place on the Repayment Date of the Loan.

Disbursement

The Lender will make a one-time disbursement to the Borrower on 17 August 2021 (the “**Disbursement Date**”).

Repayment

Unless otherwise agreed between the parties, the Loan and the accrued interest thereon shall be repaid in full on the second anniversary from the Disbursement Date (i.e., 16 August 2023). Henan Xinyuan Real Estate may repay the Loan in whole or in part to Xinyuan Science at any time before the Repayment Date (the “**Early Repayment Date**”) without penalty by giving prior written notice of not less than 5 days to Xinyuan Science before the repayment. The interest on repayment of the Loan shall be calculated for the period between the Disbursement Date and the Early Repayment Date.

Guarantee

Xinyuan (China) hereby irrevocably, unconditionally, jointly and severally:

- (i) warrants to Xinyuan Science that Henan Xinyuan Real Estate shall fulfill all obligations and pay all payable amounts under or in connection with the Loan Agreement on time;
- (ii) undertakes to Xinyuan Science that, so long as Henan Xinyuan Real Estate has not paid any amount due under the Loan Agreement, Xinyuan (China) shall pay such amount immediately upon demand, as if it were the principal debtor;
- (iii) indemnifies Xinyuan Science against any cost, loss or liability suffered by Xinyuan Science if any obligation or payment guaranteed by it becomes unenforceable, invalid or illegal. Such costs, losses or liabilities shall be indemnified in an amount equal to the amount that Xinyuan Science would otherwise be entitled to recover.

Term

The Loan Agreement shall be in force until the date of repayment of the entire Loan and the interest thereon by Henan Xinyuan Real Estate to Xinyuan Science.

REASONS FOR AND BENEFITS OF THE LOAN

The Company has relatively sufficient liquidity and the entering into of the short-term Loan Agreement allows it to enhance its income from idle funds. The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Loan Agreement are on normal commercial terms, are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

Xinyuan Science

The principal activities of Xinyuan Science are the provision of property management services, value-added services and pre-delivery and consultation services. Xinyuan Science is an indirect wholly-owned subsidiary of the Company.

Henan Xinyuan Real Estate

The principal activities of Henan Xinyuan Real Estate are real estate development and operation, the sale of ancillary services and facilities, and property leasing. Henan Xinyuan Real Estate is a wholly-owned subsidiary of Xinyuan (China), and all of its shares are indirectly held by Xinyuan Real Estate Holdings, the controlling shareholder of the Company.

Xinyuan (China)

The principal activities of Xinyuan (China) include real estate development and operation, real estate information consultation, corporate management consultation, and corporate marketing and planning. All the shares of Xinyuan (China) are indirectly held by Xinyuan Real Estate Holdings, the controlling shareholder of the Company.

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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 relevant resolution at the Board meeting. Save as mentioned above, none of the other Directors has any material interest in the Loan Agreement and is required to abstain from voting on the relevant resolution at the Board meeting.

DEFINITIONS

“Board”	the board of Directors of the Company
“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 and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1895)
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Henan Xinyuan Real Estate”	Henan Xinyuan Real Estate Co., Ltd. (河南鑫苑置業有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Share(s)”	ordinary share(s) of HK\$0.00001 each in the share capital of the Company
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinyuan (China)”	Xinyuan (China) Real Estate, Ltd. (鑫苑(中國)置業有限公司)
“Xinyuan Real Estate Holdings”	Xinyuan Real Estate Co., Ltd., one of the controlling shareholders of the Company
“Xinyuan Science”	Xinyuan Science and Technology Service Group Co., Ltd. (鑫苑科技服務集團有限公司), an indirect wholly-owned subsidiary of the Company
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

By order of the Board
Xinyuan Property Management Service (Cayman) Ltd.
WANG Yanbo
Executive Director and Chief Executive Officer

Hong Kong, 13 August 2021

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