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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)**

**(I) REVISION OF ANNUAL CAP FOR  
EXISTING CONTINUING CONNECTED TRANSACTION;  
(II) RENEWAL OF  
EXISTING CONTINUING CONNECTED TRANSACTIONS;  
AND  
(III) ENTERING INTO OF  
NEW CONTINUING CONNECTED TRANSACTION**

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

**RAINBOW.**

RAINBOW CAPITAL (HK) LIMITED  
溢博資本有限公司

**REVISION OF ANNUAL CAP FOR EXISTING CONTINUING CONNECTED TRANSACTION**

On 9 November 2021, the Company (for itself and on behalf of its subsidiaries and associates) (as service providers) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties) entered into the Pre-delivery and Consulting Services Supplemental Framework Agreement in order to revise the 2021 Existing PCS Annual Cap, which is conditional upon the Company having obtained the approval by the Independent Shareholders.

**RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS**

As the 2019 Framework Agreements will expire on 31 December 2021, and it is expected that the Group will continue to enter into similar transactions from time to time thereafter, on 9 November 2021, the Company (for itself and on behalf of its subsidiaries and associates) (as service providers) entered into the 2022 Property Management Services Framework Agreement, the 2022 Pre-delivery and Consulting Services Framework Agreement and the 2022 Value-added Services Framework Agreement with Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties), each of which is conditional upon the Company having obtained the approval by the Independent Shareholders.

## **ENTERING INTO OF NEW CONTINUING CONNECTED TRANSACTION**

On 9 November 2021, the Company (for itself and on behalf of its subsidiaries and associates) (as service providers) entered into the 2022 Property Engineering Services Framework Agreement with Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties), which is conditional upon the Company having obtained the approval by the Independent Shareholders.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Xinyuan Real Estate Holdings is indirectly interested in approximately 52.86% of the total number of issued Shares in the Company, and is one of the Controlling Shareholders 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 Pre-delivery and Consulting Services Supplemental Framework Agreement and the 2022 Framework Agreements constitute connected transactions of the Company.

Pursuant to Rule 14A.54 of the Listing Rules, the Company shall re-comply with the requirements under Chapter 14A of the Listing Rules applicable to the transactions under the 2019 Pre-delivery and Consulting Services Framework Agreement before its cap is exceeded. As the highest applicable percentage ratio in respect of the 2021 Revised PCS Annual Cap exceeds 25%, the transactions contemplated under the Pre-delivery and Consulting Services Supplemental Framework Agreement are subject to the annual reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the 2022 Property Management Services Framework Agreement exceeds 5% and the proposed annual caps exceed HK\$10,000,000, the transactions contemplated thereunder are subject to the annual reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the 2022 Pre-delivery and Consulting Services Framework Agreement exceeds 25%, the transactions contemplated thereunder are subject to the annual reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the 2022 Value-added Services Framework Agreement exceeds 5% and the proposed annual caps exceed HK\$10,000,000, the transactions contemplated thereunder are subject to the annual reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the 2022 Property Engineering Services Framework Agreement exceeds 25%, the transactions contemplated thereunder are subject to the annual reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **GENERAL**

A circular containing, among others, (i) details of the Pre-delivery and Consulting Services Supplemental Framework Agreement, the 2022 Framework Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM with a form of proxy will be dispatched to the Shareholders. The circular is expected to be dispatched to the Shareholders on or before 30 November 2021.

#### **REVISION OF ANNUAL CAP FOR EXISTING CONTINUING CONNECTED TRANSACTION**

Reference is made to Prospectus in relation to, among others, the 2019 Pre-delivery and Consulting Services Framework Agreement dated 16 September 2019, entered into between the Company (for itself and on behalf of its subsidiaries and associates) (as service providers) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties) in relation to the provision by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates of pre-delivery and consulting services, including but not limited to sales assistance services, early stage involvement services, referral and management services for unsold properties and repair and intelligent engineering services, for a term commencing from the Listing Date until 31 December 2021.

Based on the Group's management accounts for the nine months ended 30 September 2021, the unaudited transaction amount under the 2019 Pre-delivery and Consulting Services Framework Agreement for the nine months ended 30 September 2021 was approximately RMB97,218,000. The transactions under various contracts relating to the repair and intelligent engineering services to be provided by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates under the 2019 Pre-delivery and Consulting Services Framework Agreement are expected to be completed in the fourth quarter of 2021 as the Remaining Xinyuan Real Estate Group and/or its associates increase the development and delivery progress of the development projects, which will in turn drive the progress of the repair and intelligent engineering services and the related revenue to be recognised by the Group in the fourth quarter of 2021. As such, the total service fees payable by the Remaining Xinyuan Real Estate Group and/or its associates to the Group and/or its associates under the 2019 Pre-delivery and Consulting Services Framework Agreement for the year ending 31 December 2021 are expected to be higher than the 2021 Existing PCS Annual Cap of RMB156,080,000.

On 9 November 2021, the Company (for itself and on behalf of its subsidiaries and associates) (as service providers) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties) entered into the Pre-delivery and Consulting Services Supplemental Framework Agreement in order to revise the 2021 Existing PCS Annual Cap as follows:

**2021 Existing PCS Annual Cap**

RMB156,080,000

**2021 Revised PCS Annual Cap**

RMB254,625,000

Save for the revision of the 2021 Existing PCS Annual Cap to the 2021 Revised PCS Annual Cap, all other terms and conditions of the 2019 Pre-delivery and Consulting Services Framework Agreement remain unchanged. The Pre-delivery and Consulting Services Supplemental Framework Agreement is conditional upon the Company having obtained the approval by the Independent Shareholders.

**Reasons for and benefits of entering into the Pre-delivery and Consulting Services Supplemental Framework Agreement**

The 2021 Revised PCS Annual Cap was determined after arm's length negotiations with reference to (i) the unaudited transaction amount under the 2019 Pre-delivery and Consulting Services Framework Agreement for the nine months ended 30 September 2021; and (ii) the expected speed-up in the progress of, and the estimated revenue to be recognised in relation to, the repair and intelligent engineering services to be provided by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates under the 2019 Pre-delivery and Consulting Services Framework Agreement for the year ending 31 December 2021, based on the discussion between the Group with the Remaining Xinyuan Real Estate Group.

The Directors (excluding (i) the independent non-executive Directors who will give their opinion after taking into account the advice of the Independent Financial Adviser; and (ii) the Excluded Directors (as defined below)) are of the view that the terms of the Pre-delivery and Consulting Services Supplemental Framework Agreement are fair and reasonable, and the transactions contemplated thereunder (including the 2021 Revised PCS Annual Cap) are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

**RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS**

Reference is made to Prospectus in relation to, among others, the 2019 Framework Agreements. As the 2019 Framework Agreements will expire on 31 December 2021, and it is expected that the Group will continue to enter into similar transactions from time to time thereafter, on 9 November 2021, the Company (for itself and on behalf of its subsidiaries and associates) entered into the 2022 Property Management Services Framework Agreement, the

2022 Pre-delivery and Consulting Services Framework Agreement and the 2022 Value-added Services Framework Agreement with Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates), each of which is conditional upon the Company having obtained the approval by the Independent Shareholders.

**(1) The 2022 Property Management Services Framework Agreement**

On 9 November 2021, the Company (for itself and on behalf of its subsidiaries and associates) (as service providers) entered into the 2022 Property Management Services Framework Agreement with Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties), which is conditional upon the Company having obtained the approval by the Independent Shareholders. The principle terms are as follows:

Date	:	9 November 2021
Parties	:	(i) the Company (for itself and on behalf of its subsidiaries and associates) (as service providers); and  (ii) Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties)
Term	:	From 1 January 2022 until 31 December 2024
Services to be provided	:	The Group and/or its associates shall provide to the Remaining Xinyuan Real Estate Group and/or its associates property management services in respect of the unsold property units after the agreed delivery date set out on the property purchase contract for projects developed by the Remaining Xinyuan Real Estate Group and managed by the Group. In respect of sold property units after delivery, if the Remaining Xinyuan Real Estate Group and/or its associates gift property management fees to the property owners under the property sales arrangement, then the property management services corresponding to the property management fees that are borne and paid by the Remaining Xinyuan Real Estate Group and/or its associates to the Group and/or its associates on behalf of the property owners shall be deemed to be part of the property management services under the 2022 Property Management Services Framework Agreement (the “ <b>XRE Property Management Services</b> ”).

### *Annual caps and basis of determination*

The existing annual caps for fees payable by Remaining Xinyuan Real Estate Group and/or its associate to the Group and/or its associate under the 2019 Property Management Services Framework Agreement for each of the three years ending 31 December 2021 are as follows:

	<b>For the year ended 31 December 2019</b>	<b>For the year ended 31 December 2020</b>	<b>For the year ending 31 December 2021</b>
Existing annual caps	RMB17,265,000	RMB22,962,000	RMB30,081,000

The approximate historical amounts of fees paid by Remaining Xinyuan Real Estate Group and/or its associate to the Group and/or its associate under the 2019 Property Management Services Framework Agreement for each of the two years ended 31 December 2020 and the nine months ended 30 September 2021 are as follows:

	<b>For the year ended 31 December 2019</b>	<b>For the year ended 31 December 2020</b>	<b>For the nine months ended 30 September 2021</b>
Historical amounts	RMB16,954,000	RMB25,400,000	RMB16,111,000
		<i>(Note)</i>	

*Note:* At the end of 2020, the Remaining Xinyuan Real Estate Group agreed with the owners of certain property units a periodic reduction and exemption of property management fees and parking fees (the “**Owners’ Fees**”). In response to the said commitment made by the Remaining Xinyuan Real Estate Group, on 25 December 2020, the Company agreed that the total amount of reduction and exemption of the Owners’ Fees was RMB4,429,200. Based on such arrangement, the Owners’ Fees payable by the owners of the said property units, who are Independent Third Parties, were borne and paid by the Remaining Xinyuan Real Estate Group instead and regarded as part of the XRE Property Management Services fees, resulting in the exceeding of the 2020 PMS Annual Cap by RMB2,438,000. Since neither Xinyuan Real Estate Holdings nor the Company could foresee such unscheduled change of payment arrangement, when making estimation of the 2020 PMS Annual Cap, the Company did not take into account such unpredictable circumstances nor provide any buffer amount therefor in arriving at the annual caps under the 2019 Property Management Services Framework Agreement.

The proposed annual caps for fees payable by Remaining Xinyuan Real Estate Group and/or its associate to the Group and/or its associate under the 2022 Property Management Services Framework Agreement for each of the three years ending 31 December 2024 are as follows:

	<b>For the year ending 31 December 2022</b>	<b>For the year ending 31 December 2023</b>	<b>For the year ending 31 December 2024</b>
Proposed annual caps	RMB48,677,000	RMB63,872,000	RMB85,222,000

In arriving at the above annual caps of the 2022 Property Management Services Framework Agreement, the Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- (i) the estimated additional area of unsold properties units which will procure property management services from the Group with reference to (a) the estimated increase in the total GFA of the properties expected to be developed and delivered by the Remaining Xinyuan Real Estate Group for the three years ending 31 December 2024, based on the existing property management service contracts entered into with the Remaining Xinyuan Real Estate Group. According to the negotiations between the Group and the Remaining Xinyuan Real Estate Group, it is expected that the Group will be contracted to manage 130 properties which are under development by the Remaining Xinyuan Real Estate Group, comprising a GFA of approximately 6.4 million sq.m. These properties are expected to be delivered for the Group's management from 2022 to 2024; and (b) the unsold properties unit ratio during the two years ended 31 December 2020 and the nine months ended 30 September 2021, which is calculated by dividing the total unsold property unit area by the total GFA delivered by the Remaining Xinyuan Real Estate Group and under the Group's management during the two years ended 31 December 2020 and the nine months ended 30 September 2021, being approximately 2.43%, 4.31% and 3.45% as at 31 December 2019, 31 December 2020, and 30 September 2021, respectively; and
- (ii) a buffer of 10% to be applied on the expected property management service fee to cater for the property management fees gifted by the Remaining Xinyuan Real Estate Group and/or its associates to the property owners in respect of sold property units after delivery under the property sales arrangement and thus borne and paid by the Remaining Xinyuan Real Estate Group and/or its associates to the Group and/or its associates on behalf of the property owners.

### ***Pricing policy***

The service fees to be charged for the XRE Property Management Services shall be determined based on the regulations promulgated by the PRC government and after arm's length negotiations taking into account the location of the project, the anticipated operational costs (including labour costs, material costs and administrative costs) with reference to the fees for similar services and similar type of projects in the market.

### ***Reasons for and benefits of the 2022 Property Management Services Framework Agreement***

Property management services business is one of the operating segments of the Group and recorded substantial revenue growth of approximately 22.4% for year ended 31 December 2020 which amounted to approximately RMB653.7 million as compared to approximately RMB534.0 million for the year ended 31 December 2019. It has been the Group's intention to continue to expand its portfolio of GFA under management in the PRC. The Group and/or its associates have been providing XRE Property Management Services to the Remaining Xinyuan Real Estate Group and/or its associates for years and the provision of which is in the ordinary course of business of the Group. As the 2019 Property Management Services Framework Agreement will expire on 31 December 2021, the 2022 Property Management Services Framework Agreement was entered into so as to enable the Group and/or its associates to continue to provide XRE Property Management Services to the Remaining Xinyuan Real Estate Group and/or its associates for generating stable income stream to the Group, which could further promote the business growth of the Group.

The Directors (excluding (i) the independent non-executive Directors who will give their opinion after taking into account the advice of the Independent Financial Adviser; and (ii) the Excluded Directors (as defined below)) are of the view that the terms of the 2022 Property Management Services Framework Agreement are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.



## (2) The 2022 Pre-delivery and Consulting Services Framework Agreement

On 9 November 2021, the Company (for itself and on behalf of its subsidiaries and associates) (as service providers) entered into the 2022 Pre-delivery and Consulting Services Framework Agreement with Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties), which is conditional upon the Company having obtained the approval by the Independent Shareholders. The principle terms are as follows:

Date	:	9 November 2021
Parties	:	(i) the Company (for itself and on behalf of its subsidiaries and associates) (as service providers); and  (ii) Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties)
Term	:	From 1 January 2022 until 31 December 2024
Services to be provided	:	The Group and/or its associates shall provide to the Remaining Xinyuan Real Estate Group and/or its associates pre-delivery and consulting services, including but not limited to (i) sales assistance services, which mainly involve providing property sales venue management services and property sales venue “warm-up” services to property developers at the pre-delivery stage of the relevant property or when the property is put onto the market for sale; (ii) early stage involvement services, which involve advising property developers at the early and construction stages of a property on project planning, design management and construction management to enhance a property; and (iii) referral and management services for unsold properties (collectively the “XRE Pre-delivery and Consulting Services”).

### *Annual caps and basis of determination*

The existing annual caps for fees payable by Remaining Xinyuan Real Estate Group and/or its associate to the Group and/or its associate under the 2019 Pre-delivery and Consulting Services Framework Agreement for each of the three years ending 31 December 2021 are as follows:

	<b>For the year ended 31 December 2019</b>	<b>For the year ended 31 December 2020</b>	<b>For the year ending 31 December 2021</b>
Existing annual caps (including repair and intelligent engineering services)	RMB82,573,000	RMB111,194,000	RMB156,080,000

The approximate historical amounts of fees paid by Remaining Xinyuan Real Estate Group and/or its associate to the Group and/or its associate under the 2019 Pre-delivery and Consulting Services Framework Agreement for each of the two years ended 31 December 2020 and the nine months ended 30 September 2021 are as follows:

	<b>For the year ended 31 December 2019 (audited)</b>	<b>For the year ended 31 December 2020 (audited)</b>	<b>For the nine months ended 30 September 2021 (unaudited)</b>
Historical amounts (including repair and intelligent engineering services)	RMB69,148,000	RMB109,963,000	RMB97,218,000
Historical amounts (excluding repair and intelligent engineering services) ( <i>Note</i> )	RMB69,148,000	RMB90,598,000	RMB65,452,000

*Note:* The Company proposed to reclassify the repair and intelligent engineering services from the XRE Pre-delivery and Consulting Services to the XRE Property Engineering Services under the 2022 Property Engineering Services Framework Agreement for the reasons explained under the subsection headed “Entering into of new continuing connected transaction – (4) The 2022 Property Engineering Services Framework Agreement”.

The proposed annual caps for fees payable by Remaining Xinyuan Real Estate Group and/or its associate to the Group and/or its associate under the 2022 Pre-delivery and Consulting Services Framework Agreement for each of the three years ending 31 December 2024 are as follows:

	<b>For the year ending 31 December 2022</b>	<b>For the year ending 31 December 2023</b>	<b>For the year ending 31 December 2024</b>
Proposed annual caps	RMB166,623,000	RMB190,182,000	RMB218,711,000

The significant increase in the maximum annual fee payable by the Remaining Xinyuan Real Estate Group and/or its associates for the XRE Pre-delivery and Consulting Services is mainly due to (i) the expected expansion of the scope and the scale of the XRE Pre-delivery and Consulting Services; and (ii) the Group’s expected increase in the GFA to be developed and delivered by the Remaining Xinyuan Real Estate Group, which would procure the increase in the Remaining Xinyuan Real Estate Group’s demand for the Group’s pre-delivery and consulting services. During the year ended 31 December 2020, the Group provided the sales assistances services and the early stage involvement services to 22 and 19 properties developed by the Remaining Xinyuan Real

Estate Group, respectively. With reference to the existing contracts, and the internal development and sales plan of the Remaining Xinyuan Real Estate Group, the Group expects to provide the sales assistances services and the early stage involvement services to 41 and 56 properties respectively for the three years ending 31 December 2024.

In arriving at the above annual caps of the 2022 Pre-delivery and Consulting Services Framework Agreement, the Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- (i) the historical transaction amounts and the growth trend during the two years ended 31 December 2020 and the unaudited transaction amount for the nine months ended 30 September 2021;
- (ii) the estimated revenue to be recognised in relation to the XRE Pre-delivery and Consulting Services provided by the Group pursuant to existing contracts;
- (iii) in respect of sales assistance services, the Group's anticipated increase in the demand of the Remaining Xinyuan Real Estate Group for the Group's sales assistance services as a result of the estimated pre-sale schedule of the properties to be developed by the Remaining Xinyuan Real Estate Group;
- (iv) in respect of early stage involvement services, the Group's estimation of the contracted GFA to be developed by the Remaining Xinyuan Real Estate Group for the three years ending 31 December 2024, based on the development plan of the Remaining Xinyuan Real Estate Group with reference to its existing land reserve; and
- (v) in respect of referral and management services for unsold properties, (a) the Group's estimation of the area of the properties owned by the Remaining Xinyuan Real Estate Group and/or its associates which require such services to drive the selling of such properties for the three years ending 31 December 2024. For instance, as at 30 September 2021, the Remaining Xinyuan Real Estate Group and/or its associates owned approximately 6.38 million sq.m. under development, of which approximately 2.67 million sq.m. were unsold, the Group and/or its associates may provide referral services for such unsold properties; and (b) the outlook of real estate industry in the PRC for the next three years.

### ***Pricing policy***

The fees to be charged for the XRE Pre-delivery and Consulting Services shall be determined as follows:

- (i) Sales assistance service fees are determined after arm's length negotiations taking into account the location of the project, the anticipated operational costs (including labour costs and material costs) with reference to the fees for similar services and similar type of projects in the market.
- (ii) Early stage involvement service fees are determined after arm's length negotiations taking into account the GFA involved, the anticipated service costs and the prevailing market price for similar services in the market.
- (iii) The service fees for referral and management services for unsold properties to be charged shall be calculated by multiplying the selling price of the property sold to the buyer that the Group and/or its associates introduced with a certain service rate. The service rate shall be determined after arm's length negotiations with reference to the anticipated operational costs (including labour costs and material costs) and the type of the subject property.

### ***Reasons for and benefits of the 2022 Pre-delivery and Consulting Services Framework Agreement***

Pre-delivery and consulting services business is one of the operating segments of the Group and recorded substantial revenue growth of approximately 56.4% for year ended 31 December 2020 which amounted to approximately RMB141.9 million as compared to approximately RMB90.7 million for the year ended 31 December 2019. The Group and/or its associates have been providing XRE Pre-delivery and Consulting Services to the Remaining Xinyuan Real Estate Group and/or its associates for years and the provision of which is in the ordinary course of business of the Group. As the 2019 Pre-delivery and Consulting Services Framework Agreement will expire on 31 December 2021, the 2022 Pre-delivery and Consulting Services Framework Agreement was entered into so as to enable the Group and/or its associates to continue to provide XRE Pre-delivery and Consulting Services to the Remaining Xinyuan Real Estate Group and/or its associates for generating stable income stream to the Group, which could further promote the business growth of the Group.

The Directors (excluding (i) the independent non-executive Directors who will give their opinion after taking into account the advice of the Independent Financial Adviser; and (ii) the Excluded Directors (as defined below)) are of the view that the terms of the 2022 Pre-delivery and Consulting Services Framework Agreement are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

### (3) The 2022 Value-added Services Framework Agreement

On 9 November 2021, the Company (for itself and on behalf of its subsidiaries and associates) (as service providers) entered into the 2022 Value-added Services Framework Agreement with Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties), which is conditional upon the Company having obtained the approval by the Independent Shareholders. The principle terms are as follows:

Date	:	9 November 2021
Parties	:	(i) the Company (for itself and on behalf of its subsidiaries and associates) (as service providers); and  (ii) Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties)
Term	:	From 1 January 2022 until 31 December 2024
Services to be provided	:	The Group and/or its associates shall provide to the Remaining Xinyuan Real Estate Group and/or its associates value-added services, including but not limited to the provision of on-site cleaning, operations and other related services at the pre-delivery stage and the delivery events for the property development projects, utility fee collection service, “400 CS Center” service and other value-added services (collectively the “XRE Value-added Services”).

#### *Annual caps and basis of determination*

The existing annual caps for fees payable by Remaining Xinyuan Real Estate Group and/or its associate to the Group and/or its associate under the 2019 Value-added Services Framework Agreement for each of the three years ending 31 December 2021 are as follows:

	<b>For the year ended 31 December 2019</b>	<b>For the year ended 31 December 2020</b>	<b>For the year ending 31 December 2021</b>
Existing annual caps	RMB21,978,000	RMB29,385,000	RMB41,140,000

The approximate historical amounts of fees paid by Remaining Xinyuan Real Estate Group and/or its associate to the Group and/or its associate under the 2019 Value-added Services Framework Agreement for each of the two years ended 31 December 2020 and the nine months ended 30 September 2021 are as follows:

	<b>For the year ended 31 December 2019 (audited)</b>	<b>For the year ended 31 December 2020 (audited)</b>	<b>For the nine months ended 30 September 2021 (unaudited)</b>
Historical amounts	RMB20,982,000	RMB13,217,000	RMB9,835,000

The proposed annual caps for fees payable by Remaining Xinyuan Real Estate Group and/or its associate to the Group and/or its associate under the 2022 Value-added Services Framework Agreement for each of the three years ending 31 December 2024 are as follows:

	<b>For the year ending 31 December 2022</b>	<b>For the year ending 31 December 2023</b>	<b>For the year ending 31 December 2024</b>
Proposed annual caps	RMB44,900,000	RMB56,082,000	RMB66,446,000

As the business lines of the Group are inter-related and complementary, the Remaining Xinyuan Real Estate Group's demand for the Group's value-added services would increase with its demand for the Group's other services, leading to the increase in the maximum annual fee payable by the Remaining Xinyuan Real Estate Group and/or its associates for the XRE Value-added Services. In particular, properties under development would generate new engagements for the Group's pre-delivery and consulting services; and such properties once developed by the Remaining Xinyuan Real Estate Group would then be managed by the Group, as result of which it is also expedient for the Remaining Xinyuan Real Estate Group to engage the Group's value-added services during the pre-delivery stage, at the delivery events or thereafter. As such, the estimated increase in the contracted GFA to be delivered by the Remaining Xinyuan Real Estate Group for the three years ending 31 December 2024 would also increase the Remaining Xinyuan Real Estate Group's demand for the Group's value-added services.

In arriving at the above annual caps of the XRE Value-added Services, the Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- (i) the estimated revenue to be recognised in relation to the XRE Value-added Services provided by the Group pursuant to the existing contracts, and the internal development and sales plan of the Remaining Xinyuan Real Estate Group; and
- (ii) the Group's anticipated increase in the demand of the Remaining Xinyuan Real Estate Group for the XRE Value-added Services as a result of (a) the Group's estimation of the contracted GFA to be delivered by the Remaining Xinyuan Real Estate Group for the three years ending 31 December 2024, based on the development and sales plan of the Remaining Xinyuan Real Estate Group with reference to its existing land reserve; and (b) the increase in the scale of the Group's value-added services. Given the immense needs of the Remaining Xinyuan Real Estate Group for such services at the pre-delivery stage and the delivery events, the Group has been expanding its scale and enhancing its capacity, and intend to provide such services to all the properties which are expected to be delivered by the Remaining Xinyuan Real Estate Group during the three years ending 31 December 2024 as per its internal development and sales plan.

#### ***Pricing policy***

The fees to be charged for the XRE Value-added Services shall be determined after arm's length negotiations taking into account the location of the project, the anticipated operational costs (including labour costs, material costs and administrative costs) with reference to the fees for similar services and similar type of projects in the market.

#### ***Reasons for and benefits of the 2022 Value-added Services Framework Agreement***

Value-added services business is one of the operating segments of the Group, the Group has been further expanding the coverage of its value-added services in recent years. The Group and/or its associates have been providing XRE Value-added Services to the Remaining Xinyuan Real Estate Group and/or its associates for years and the provision of which is in the ordinary course of business of the Group. As the 2019 Value-added Services Framework Agreement will expire on 31 December 2021, the 2022 Value-

added Services Framework Agreement was entered into so as to enable the Group and/or its associates to continue to provide XRE Value-added Services to the Remaining Xinyuan Real Estate Group and/or its associates for generating stable income stream to the Group, which could further promote the business growth of the Group.

The Directors (excluding (i) the independent non-executive Directors who will give their opinion after taking into account the advice of the Independent Financial Adviser; and (ii) the Excluded Directors (as defined below)) are of the view that the terms of the 2022 Value-added Services Framework Agreement are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

## **ENTERING INTO OF NEW CONTINUING CONNECTED TRANSACTION**

### **(4) The 2022 Property Engineering Services Framework Agreement**

On 9 November 2021, the Company (for itself and on behalf of its subsidiaries and associates) (as service providers) entered into the 2022 Property Engineering Services Framework Agreement with Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties), which is conditional upon the Company having obtained the approval by the Independent Shareholders. The principle terms are as follows:

Date	:	9 November 2021
Parties	:	(i) the Company (for itself and on behalf of its subsidiaries and associates) (as service providers); and  (ii) Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) (as receiving parties)
Term	:	From 1 January 2022 until 31 December 2024
Services to be provided	:	The Group and/or its associates shall provide to the Remaining Xinyuan Real Estate Group and/or its associates property engineering services, including but not limited to (i) repairs engineering services, which involve providing repairs services and project quality enhancement maintenance services for development projects during the warranty period; (ii) intelligent engineering services, which involve providing construction services for intelligent systems; (iii) landscaping engineering services; (iv) firefighting engineering services; (v) decoration and renovation engineering service; (vi) elevators engineering services and other miscellaneous engineering services (collectively the “ <b>XRE Property Engineering Services</b> ”).



The repair and intelligent engineering services were previously included in the service scope under the 2019 Pre-delivery and Consulting Services Framework Agreement because the service fees payable for repair and intelligent engineering services only accounted for a less significant proportion of the total service fees for all the services under the 2019 Pre-delivery and Consulting Services Framework Agreement, which is nil and approximately 17.6% for each of the two years ended 31 December 2020.

Nonetheless, based on the Group's management accounts for the nine months ended 30 September 2021, the unaudited transaction amount for the repair and intelligent engineering services to be provided by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates under the 2019 Pre-delivery and Consulting Services Framework Agreement for the nine months ended 30 September 2021 was approximately RMB31,766,000, which accounted for approximately 32.7% of the total unaudited transaction amount for all the services under the 2019 Pre-delivery and Consulting Services Framework Agreement for the nine months ended 30 September 2021. As the Group has been actively improving the quality and expanding the scope of its property engineering services in the recent years, the Remaining Xinyuan Real Estate Group intends to demand more property engineering services to be provided by the Group. As such, it is expected that there will be a substantial increase in demand for the property engineering services (including but not limited to repair and intelligent engineering services) to be provided by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates in the coming years. The Group considers this an opportunity to expand its property engineering services business and also expects the property engineering services to become a new significant operating segment of the Group. As such, the Group considers it more appropriate to reclassify the repair and intelligent engineering services from the XRE Pre-delivery and Consulting Services to the XRE Property Engineering Services under the 2022 Property Engineering Services Framework Agreement, and that the entering into of the 2022 Property Engineering Services Framework Agreement would allow a better classification of the business segments of the Group.

### ***Annual caps and basis of determination***

The approximate historical amounts of fees paid by Remaining Xinyuan Real Estate Group and/or its associate to the Group and/or its associate for the repair and intelligent engineering services under the 2019 Pre-delivery and Consulting Services Framework Agreement for each of the two years ended 31 December 2020 and the nine months ended 30 September 2021 are as follows:

	<b>For the year ended 31 December 2019 (audited)</b>	<b>For the year ended 31 December 2020 (audited)</b>	<b>For the nine months ended 30 September 2021 (unaudited)</b>
Historical amounts	–	RMB19,365,000	RMB31,766,000

The proposed annual caps for fees payable by Remaining Xinyuan Real Estate Group and/or its associate to the Group and/or its associate under the 2022 Property Engineering Services Framework Agreement for each of the three years ending 31 December 2024 are as follows:

	<b>For the year ending 31 December 2022</b>	<b>For the year ending 31 December 2023</b>	<b>For the year ending 31 December 2024</b>
Proposed annual caps	RMB178,242,000	RMB204,979,000	RMB235,725,000

In arriving at the above annual caps of the 2022 Property Engineering Services Framework Agreement, the Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- (i) the anticipated demand for such services of the Remaining Xinyuan Real Estate Group with reference to its development plan for the three years ending 31 December 2024 and based on the Group's discussion with the Remaining Xinyuan Real Estate Group during the negotiations of the terms of the 2022 Property Engineering Services Framework Agreement;
- (ii) the Group's estimation of its enhanced capacity to provide property engineering services for the three years ending 31 December 2024, which will cover more than just repair and intelligent engineering services, but also landscaping engineering services, firefighting engineering services, decoration and renovation engineering service, elevators engineering services and other miscellaneous engineering services; and

- (iii) in light of the Group's expected increasing GFA to be developed and delivered by the Remaining Xinyuan Real Estate Group and the growing demand for residential communities in the PRC, the Group expects a substantial growth in the demand for the Group's property engineering services for the next three years. With reference to the existing contracts, and the internal development and sales plan of the Remaining Xinyuan Real Estate Group, the Group expects to provide the repair and intelligent engineering services to at least 49 new properties for the three years ending 31 December 2024 (the existing development projects of the Remaining Xinyuan Real Estate Group, excluding any future new development projects of the Remaining Xinyuan Real Estate Group).

### ***Pricing policy***

The fees to be charged for the XRE Property Engineering Services is determined after arm's length negotiations taking into account the scope of services under each of such contracts, the anticipated operational costs (including labour costs and material costs and obtaining quotations from equipment manufacturers to determine the construction budget) with reference to the fees for similar services and similar type of projects in the market.

### ***Reasons for and benefits of the 2022 Property Engineering Services Framework Agreement***

The Group and/or its associates have been providing repair and intelligent engineering services to the Remaining Xinyuan Real Estate Group and/or its associates since 2020 and the provision of which is in the ordinary course of business of the Group. As the Group has been actively improving the quality and expanding the scope of its engineering services in the recent years, it is expected that there will be a substantial increase in demand for the property engineering services (including but not limited to repair and intelligent engineering services) to be provided by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates in the coming years, and such cooperation between the Group and the Remaining Xinyuan Real Estate Group in the provision of property engineering services through the entering into of the 2022 Property Engineering Services Framework Agreement would help the Group build its property engineering services and enhance the Group's business growth.

The Directors (excluding (i) the independent non-executive Directors who will give their opinion after taking into account the advice of the Independent Financial Adviser; and (ii) the Excluded Directors (as defined below)) are of the view that the terms of the 2022 Property Engineering Services Framework Agreement are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **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 date of this announcement, Xinyuan Real Estate Holdings is indirectly interested in approximately 52.86% of the total number of issued Shares in the Company, and is one of the Controlling Shareholders of the Company.

### **The Xinyuan Real Estate Group**

Xinyuan Real Estate Group is a property developer founded by Mr. Zhang Yong, the chairman of the Board and one of the 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 date of this announcement, Mr. Zhang Yong is beneficially interested in approximately 30.18% of the issued shares of Xinyuan Real Estate Holdings, and Ms. Yang Yuyan, one of the 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 26.51% of the issued shares of Xinyuan Real Estate Holdings).

## **INTERNAL CONTROL POLICIES FOR CONTINUING CONNECTED TRANSACTIONS**

To ensure individual transactions will be conducted in accordance with the terms of the 2019 Pre-delivery and Consulting Services Framework Agreement (as amended and supplemented by the Pre-delivery and Consulting Services Supplemental Framework Agreement), the 2022 Framework Agreements and the aforesaid pricing policy, the Group has adopted the following internal control measures:

- (i) the finance department of the Group will closely monitor each transaction conducted under the 2019 Pre-delivery and Consulting Services Framework Agreement (as amended and supplemented by the Pre-delivery and Consulting Services Supplemental Framework Agreement), and timely report monitoring data to the compliance department designated by the Company. The compliance department will continue to summarise and monitor the total transaction amount under the 2019 Pre-delivery and Consulting Services Framework Agreement (as amended and supplemented by the Pre-delivery and Consulting Services Supplemental Framework Agreement) to ensure that the 2021 Revised PCS Annual Cap will not be exceeded;
- (ii) the finance department of the Group will closely monitor each transaction conducted under the 2022 Framework Agreements, and regularly report monitoring data to the compliance department designated by the Company. The compliance department will then summarise and monitor the total transaction amounts under each of the 2022 Framework Agreements, and quarterly assess the annual caps of the respective 2022 Framework Agreements to ensure that the transaction amounts do not exceed the proposed annual caps. Continuous monitoring will be in place before, during and after each transaction, to ensure that the responsibilities are duly fulfilled;
- (iii) the implementation of each contract entered into pursuant to the 2019 Pre-delivery and Consulting Services Framework Agreement (as amended and supplemented by the Pre-delivery and Consulting Services Supplemental Framework Agreement) and the 2022 Framework Agreements must be approved by the business department, the finance management department, the legal department and the management to ensure that it is in accordance with the pricing policy and the principal terms of the 2019 Pre-delivery and Consulting Services Framework Agreement (as amended and supplemented by the Pre-delivery and Consulting Services Supplemental Framework Agreement) and the 2022 Framework Agreements;
- (iv) the auditors of the Company shall conduct annual reviews on the prices and the annual caps of the continuing connected transactions to ensure that the total transaction amounts are within the annual caps and that the transactions are conducted in accordance with the principal terms of the 2019 Pre-delivery and Consulting Services Framework Agreement (as amended and supplemented by the Pre-delivery and Consulting Services Supplemental Framework Agreement) and the 2022 Framework Agreements; and

- (v) the Board (including the independent non-executive Directors) will continue to review the quarterly monitoring reports on the transactions conducted under the 2019 Pre-delivery and Consulting Services Framework Agreement (as amended and supplemented by the Pre-delivery and Consulting Services Supplemental Framework Agreement) and the 2022 Framework Agreements issued by the management to ensure that the transactions are entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Xinyuan Real Estate Holdings is indirectly interested in approximately 52.86% of the total number of issued Shares in the Company, and is one of the Controlling Shareholders 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 Pre-delivery and Consulting Services Supplemental Framework Agreement and the 2022 Framework Agreements constitute connected transactions of the Company.

Pursuant to Rule 14A.54 of the Listing Rules, the Company shall re-comply with the requirements under Chapter 14A of the Listing Rules applicable to the transactions under the 2019 Pre-delivery and Consulting Services Framework Agreement before its cap is exceeded. As the highest applicable percentage ratio in respect of the 2021 Revised PCS Annual Cap exceeds 25%, the transactions contemplated under the Pre-delivery and Consulting Services Supplemental Framework Agreement are subject to the annual reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the 2022 Property Management Services Framework Agreement exceeds 5% and the proposed annual caps exceed HK\$10,000,000, the transactions contemplated thereunder are subject to the annual reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the 2022 Pre-delivery and Consulting Services Framework Agreement exceeds 25%, the transactions contemplated thereunder are subject to the annual reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the 2022 Value-added Services Framework Agreement exceeds 5% and the proposed annual caps exceed HK\$10,000,000, the transactions contemplated thereunder are subject to the annual reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the 2022 Property Engineering Services Framework Agreement exceeds 25%, the transactions contemplated thereunder are subject to the annual reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Zhang Yong, Ms. Yang Yuyan and Mr. Li Yifan (collectively, the “**Excluded Directors**”) are also the directors of Xinyuan Real Estate Holdings, they have abstained from voting on the resolutions in respect of the Pre-delivery and Consulting Services Supplemental Framework Agreement, the 2022 Framework Agreements 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 Pre-delivery and Consulting Services Supplemental Framework Agreement, the 2022 Framework Agreements and the transactions contemplated thereunder and none of them were required to abstain from voting on the resolutions thereof at the relevant Board meeting.

## **GENERAL**

The Company has established an Independent Board Committee, consisting of the independent non-executive Directors who are not the directors of Xinyuan Real Estate Holdings, to advise the Independent Shareholders in connection with the Pre-delivery and Consulting Services Supplemental Framework Agreement, the 2022 Framework Agreements and the transactions contemplated thereunder, and as to how to vote at the EGM. The Company has also appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

An EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Pre-delivery and Consulting Services Supplemental Framework Agreement, the 2022 Framework Agreements and the transactions contemplated thereunder.

A circular containing, among others, (i) details of the Pre-delivery and Consulting Services Supplemental Framework Agreement, the 2022 Framework Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM with a form of proxy will be dispatched to the Shareholders. The circular is expected to be dispatched to the Shareholders on or before 30 November 2021.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2019 Framework Agreements”	collectively, the 2019 Property Management Services Framework Agreement, the 2019 Pre-delivery and Consulting Services Framework Agreement and the 2019 Value-added Services Framework Agreement
“2019 Pre-delivery and Consulting Services Framework Agreement”	the pre-delivery and consulting services framework agreement dated 16 September 2019 entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) in relation to the provision of pre-delivery and consulting services by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates
“2019 Property Management Services Framework Agreement”	the property management services framework agreement dated 16 September 2019 entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) in relation to the provision of property management services by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates
“2019 Value-added Services Framework Agreement”	the value-added services framework agreement dated 16 September 2019 entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) in relation to the provision of value-added services by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates
“2020 PMS Annual Cap”	RMB22,962,000, being the annual cap for the transactions contemplated under the 2019 Property Management Services Framework Agreement for the year ended 31 December 2020
“2021 Existing PCS Annual Cap”	RMB156,080,000, being the existing annual cap for the transactions contemplated under the 2019 Pre-delivery and Consulting Services Framework Agreement for the year ending 31 December 2021



“2021 Revised PCS Annual Cap”	RMB254,625,000, being the revised annual cap for the transactions contemplated under the 2019 Pre-delivery and Consulting Services Framework Agreement as amended and supplemented by the Pre-delivery and Consulting Services Supplemental Framework Agreement for the year ending 31 December 2021
“2022 Framework Agreements”	collectively, the 2022 Property Management Services Framework Agreement, the 2022 Pre-delivery and Consulting Services Framework Agreement, the 2022 Value-added Services Framework Agreement and the 2022 Property Engineering Services Framework Agreement
“2022 Pre-delivery and Consulting Services Framework Agreement”	the pre-delivery and consulting services framework agreement dated 9 November 2021 entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) in relation to the provision of pre-delivery and consulting services by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates
“2022 Property Engineering Services Framework Agreement”	the property engineering services framework agreement dated 9 November 2021 entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) in relation to the provision of property engineering services by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates
“2022 Property Management Services Framework Agreement”	the property management services framework agreement dated 9 November 2021 entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) in relation to the provision of property management services by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates
“2022 Value-added Services Framework Agreement”	the value-added services framework agreement dated 9 November 2021 entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) in relation to the provision of value-added services by the Group and/or its associates to the Remaining Xinyuan Real Estate Group and/or its associates

“Board”	the board of Directors
“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 issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1895)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened by the Company for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Pre-delivery and Consulting Services Supplemental Framework Agreement, the 2022 Framework Agreements and the transactions contemplated thereunder
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 Pre-delivery and Consulting Services Supplemental Framework Agreement, the 2022 Framework Agreements and the transactions contemplated thereunder

“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Pre-delivery and Consulting Services Supplemental Framework Agreement, the 2022 Framework Agreements and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders of the Company, excluding Xinyuan Real Estate Holdings, Mr. Zhang Yong, Ms. Yang Yuyan and their respective associates
“Independent Third Party(ies)”	independent third party(ies) not connected with the Company or its connected persons
“Listing Date”	11 October 2019, on which the Shares were listed and dealings in the Shares first commenced on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, Macau and Taiwan
“Pre-delivery and Consulting Services Supplemental Framework Agreement”	the pre-delivery and consulting services supplemental framework agreement dated 9 November 2021 entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Xinyuan Real Estate Holdings (for itself and on behalf of its subsidiaries and associates) to amend and supplement the 2019 Pre-delivery and Consulting Services Framework Agreement
“Prospectus”	the prospectus of the Company dated 25 September 2019 in relation to the listing of the Shares on the Stock Exchange
“Remaining Xinyuan Real Estate Group”	the Xinyuan Real Estate Group excluding the Group
“RMB”	Renminbi, the lawful currency of the PRC

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.00001 each in the share capital of the Company
“Shareholders”	holders of the Shares
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinyuan Real Estate Group”	Xinyuan Real Estate Holdings and its subsidiaries, including the Group
“Xinyuan Real Estate Holdings”	Xinyuan Real Estate Co., Ltd., a company incorporated with limited liability in the Cayman Islands, 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.

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

Hong Kong, 9 November 2021

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