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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**

### **PREVIOUS AGREEMENT**

On 22 July 2022, Zhengzhou Shengdao entered into the Previous Agreement, pursuant to which Sichuan Justbon agreed to assist Zhengzhou Shengdao to sell a total of 862 car parking spaces for a period commencing from 22 July 2022 until the sales of all car parking spaces are completed.

### **TRIPARTITE AGREEMENT**

On 22 September 2023, Zhengzhou Shengdao, Sichuan Justbon and Xinyuan Science (an indirect wholly-owned subsidiary of the Company) entered into the Tripartite Agreement, pursuant to which (i) Zhengzhou Shengdao and Sichuan Justbon agreed to terminate the Previous Agreement; (ii) Zhengzhou Shengdao agreed to pay the Termination Fee to Sichuan Justbon; and (iii) Xinyuan Science agreed to cooperate with Zhengzhou Shengdao to sell the remaining 798 unsold car parking spaces and pay the Termination Fee to Sichuan Justbon on behalf of Zhengzhou Shengdao.

### **CAR PARKING SPACE EXCLUSIVE SALES COOPERATION AGREEMENT**

On 22 September 2023 (after trading hours), Xinyuan Science and Zhengzhou Shengdao entered into the Car Parking Space Exclusive Sales Cooperation Agreement, pursuant to which Zhengzhou Shengdao agreed to designate Xinyuan Science as the exclusive sales partner of a total of 798 Designated Car Parking Spaces for the Cooperation Period and grant the right to Xinyuan Science for the implementation of the Exclusive Sales Cooperation. Pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, Xinyuan Science shall pay Zhengzhou Shengdao a refundable Earnest Money of RMB11,226,518 in instalments as the deposit.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Zhengzhou Shengdao is a subsidiary of Xinyuan Real Estate Holdings, where Xinyuan Real Estate Holdings is indirectly interested in approximately 52.86% of the issued Shares of the Company, and is the controlling shareholder of the Company. As an associate of Xinyuan Real Estate Holdings, Zhengzhou Shengdao is a connected person of the Company under Chapter 14A of the Listing Rules, and the entering into of the Tripartite Agreement and 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 Tripartite Agreement and the Car Parking Space Exclusive Sales Cooperation Agreement exceeds 0.1% but falls below 5%, the entering into of the Tripartite Agreement and the Car Parking Space Exclusive Sales Cooperation Agreement is subject to the reporting and announcement requirements but is exempted from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Li Yifan is a director of Xinyuan Real Estate Holdings, he has abstained from voting on the resolutions in respect of the Tripartite Agreement, 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 have any material interest in the Tripartite Agreement, 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 relevant resolutions at the Board meeting.

## **TRIPARTITE AGREEMENT**

The principal terms of the Tripartite Agreement are as follows:

### **Date**

22 September 2023

### **Parties**

- (1) Zhengzhou Shengdao;
- (2) Sichuan Justbon; and
- (3) Xinyuan Science.

## **Subject Matter**

On 22 July 2022, Zhengzhou Shengdao entered into the Previous Agreement with Sichuan Justbon, pursuant to which Sichuan Justbon agreed to assist Zhengzhou Shengdao to sell a total of 862 car parking spaces for a period commencing from 22 July 2022 until the sales of all car parking spaces are completed. On 22 September 2023, Zhengzhou Shengdao, Sichuan Justbon and Xinyuan Science entered into the Tripartite Agreement, pursuant to which, (i) Zhengzhou Shengdao and Sichuan Justbon agreed to terminate the Previous Agreement; (ii) Zhengzhou Shengdao agreed to pay the Termination Fee to Sichuan Justbon; and (iii) Xinyuan Science agreed to cooperate with Zhengzhou Shengdao to sell the remaining 798 unsold car parking spaces and pay the Termination Fee to Sichuan Justbon on behalf of Zhengzhou Shengdao.

## **Termination Fee**

As of the date of the Tripartite Agreement, Sichuan Justbon has sold 64 car parking spaces out of the 862 car parking spaces under the Previous Agreement. In respect of the remaining 798 unsold car parking spaces, Zhengzhou Shengdao shall pay the Termination Fee amounting RMB9,416,272 to Sichuan Justbon, comprising the refund of the earnest money of RMB8,416,272 initially paid by Sichuan Justbon to Zhengzhou Shengdao for the 798 unsold car parking spaces and an indemnity of RMB1,000,000 in respect of the early termination of the Previous Agreement.

Within seven business days upon the signing of the Tripartite Agreement, Xinyuan Science shall pay the Termination Fee to the bank account designated by Sichuan Justbon. If Xinyuan Science delays in making payments for more than 25 days from the due date of the Termination Fee, Sichuan Justbon may choose to terminate or continue the Tripartite Agreement. In the event that Sichuan Justbon decides to terminate the Tripartite Agreement, Zhengzhou Shengdao shall perform its obligations under the Previous Agreement and Zhengzhou Shengdao shall no longer be responsible for the indemnity fee of RMB1,000,000.

## **Termination of the Previous Agreement**

Upon settlement of the Termination Fee by Xinyuan Science to Sichuan Justbon, the Previous Agreement shall be terminated.

## **CAR PARKING SPACE EXCLUSIVE SALES COOPERATION AGREEMENT**

The principal terms of the Car Parking Space Exclusive Sales Cooperation Agreement are as follows:

### **Date**

22 September 2023

### **Parties**

- (1) Zhengzhou Shengdao; and
- (2) Xinyuan Science.

### **Cooperation Period**

The cooperation period under the Car Parking Space Exclusive Sales Cooperation Agreement (the “**Cooperation Period**”) shall commence on 22 September 2023 until the sale of all Designated Car Parking Spaces is completed.

### **Exclusive Sales Cooperation**

Zhengzhou Shengdao agreed to designate Xinyuan Science as the exclusive sales partner of a total of 798 Designated Car Parking Spaces during the Cooperation Period, under which Xinyuan Science will be responsible for carrying out the relevant work in relation to the Exclusive Sales Cooperation, including the initial sales planning and promotion of the Designated Car Parking Spaces and 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 and delivering the Designated Car Parking Spaces.

Upon the signing of the Car Parking Space Exclusive Sales Cooperation Agreement and subject to the full payment of the Earnest Money by Xinyuan Science, Zhengzhou Shengdao shall transfer the disposal rights of the Designated Car Parking Spaces, including the right to use, receive proceeds and dispose, to Xinyuan Science. Xinyuan Science shall be entitled to exercise such rights in its sole discretion.

Regarding the sales of the Designated Car Parking Spaces, a minimum selling price for each Designated Car Parking Space has been agreed by Zhengzhou Shengdao and Xinyuan Science (the “**Minimum Price**”), and Xinyuan Science shall not sell any Designated Car Parking Spaces at a price below such Minimum Price. Any amount above the Minimum Price paid by the buyer to Xinyuan Science for the purchase of the Designated Car Parking Space shall be considered as service fees charged by Xinyuan Science in respect to the services provided

during the sale and purchase of the Designated Car Parking Spaces (the “**Co-Sales Value-Added Service Fees**”). Save for the Minimum Price, Zhengzhou Shengdao is not entitled to any fees from Xinyuan Science or the buyer.

Xinyuan Science may determine the basis for charging the amount of the Co-Sales Value-Added Service Fees based on prevailing market conditions and taking into account the anticipated labour and operation costs. The Co-Sales Value-Added Service Fees shall belong to Xinyuan Science entirely. Pursuant to the arrangement under the Exclusive Sales Cooperation, Xinyuan Science will not provide any services to or charge any relevant service fees on Zhengzhou Shengdao.

During the Cooperation Period, subject to the full payment of the Earnest Money by Xinyuan Science, Zhengzhou Shengdao shall not sell, transfer, lease, pledge or otherwise dispose of any of the Designated Car Parking Spaces, or designate any third party in respect of the above activities.

### **Earnest Money**

Within seven business days upon the signing of the Car Parking Space Exclusive Sales Cooperation Agreement, Xinyuan Science shall pay Zhengzhou Shengdao the refundable Earnest Money of RMB11,226,518 in instalments as the deposit for the 798 Designated Car Parking Spaces, which is the total sum of the Minimum Price for all the 798 Designated Car Parking Spaces. The specific payment arrangement is as follows:

First instalment: Xinyuan Science shall pay RMB9,416,272, being the Termination Fee under the Tripartite Agreement, to the bank account designated by Sichuan Justbon.

Second instalment: Xinyuan Science shall pay RMB1,810,246, being the remaining amount of the Earnest Money, to the bank account designated by Zhengzhou Shengdao.

The amount of Earnest Money, which is equivalent to the total sum of the Minimum Price for all the 798 Designated Car Parking Spaces, is determined by the parties after arm's length negotiations with reference to the (i) earnest money paid by Sichuan Justbon (i.e. an independent third party) to Zhengzhou Shengdao under the Previous Agreement and the indemnity fee for early termination of the Previous Agreement; and (ii) the prevailing price for the sale of similar car parking spaces in the nearby area. The Earnest Money will be settled by Xinyuan Science using cash from its internal resources.

Zhengzhou Shengdao shall refund the corresponding Earnest Money according to the actual selling progress of the Designated Car Parking Spaces. In particular, Zhengzhou Shengdao shall refund the Earnest Money for each Designated Car Parking Space to Xinyuan Science upon completion of the sale of the relevant Designated Car Parking Space. For each Designated Car Parking Space sold, Xinyuan Science is entitled to set-off the respective

amount received from the buyer against the Earnest Money to be refunded by Zhengzhou Shengdao, and as such, Zhengzhou Shengdao is not required to separately refund any Earnest Money to Xinyuan Science.

### **Other Undertakings**

Zhengzhou Shengdao and Xinyuan Science agreed that if the number of the Designated Car Parking Spaces is reduced or the condition of the Designated Car Parking Spaces fails to meet the requirements of the buyer due to building fixture or facilities damage, Zhengzhou Shengdao shall return the Earnest Money for such Designated Car Parking Spaces to Xinyuan Science.

### **Default and Termination**

Pursuant to the Car Parking Space Exclusive Sales Cooperation Agreement, Xinyuan Science or Zhengzhou Shengdao (as the case may be) shall be entitled to terminate the Car Parking Space Exclusive Sales Cooperation Agreement in the event of a breach of the terms of the Car Parking Space Exclusive Sales Cooperation Agreement, including but not limited to, failure to pay the Earnest Money by Xinyuan Science and inability to sell the Designated Car Parking Spaces as a result of government seizure or the pledge created by Zhengzhou Shengdao over the Designated Car Parking Spaces.

### **Information on the Designated Car Parking Spaces**

The Designated Car Parking Spaces include 798 Car Parking Spaces held by Zhengzhou Shengdao located at the residential properties developed by Zhengzhou Shengdao in Xinyuan Xinjia Phase East Court Project\* (鑫苑鑫家二期東苑項目) in Henan Province and currently under the management of the Group (the “**Residential Properties**”).

### **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE TRIPARTITE AGREEMENT AND 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. Through cooperation with different parties, together with the professional services provided by its on-site staff and the strengths of its information technology platform, the Group provides various types of services to property owners, occupants or their property assets and establishes a diversified community value-added services system, thereby further enhancing the living experience and quality of life among property owners and occupants.

The Board considers that the transactions contemplated under the Tripartite Agreement and the Car Parking Space Exclusive Sales Cooperation Agreement are mutually beneficial to Zhengzhou Shengdao, Sichuan Justbon and the Group. While the entering into of the Tripartite Agreement allows Sichuan Justbon to recoup its investment under the Previous Agreement, the Exclusive Sales Cooperation between Xinyuan Science and Zhengzhou Shengdao enables the property owners and occupants at the Residential Properties currently under the Group's management to purchase the Designated Car Parking Spaces at a more convenient and cost efficient manner. The Board believes that the Group can leverage market information (including but not limited to the demands of property owners and occupants towards the Designated Car Parking Spaces) obtained from the information technology platform established by the Group for its management of the Residential Properties and community resources to sell the Designated Car Parking Spaces. Such sale will broaden the income base of the Group and bring in valuable returns for the Shareholders.

The terms of the Tripartite Agreement and the Car Parking Space Exclusive Sales Cooperation Agreement are determined between the parties after arm's length negotiations. Taking into account the above, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Tripartite Agreement and 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 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.

## **INFORMATION ON XINYUAN SCIENCE**

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

## **INFORMATION ON ZHENGZHOU SHENGDAO**

Zhengzhou Shengdao is principally engaged in real estate development and operation, and the sales of ancillary services and facilities. Zhengzhou Shengdao is an indirect wholly-owned subsidiary of Xinyuan Real Estate Holding.

## **INFORMATION ON XINYUAN REAL ESTATE HOLDINGS**

Xinyuan Real Estate Holdings and its subsidiaries are property developers dedicated to developing real estate properties with quality and innovative technology. The shares in Xinyuan Real Estate Holdings have been listed on the New York Stock Exchange (Stock Code: XIN) since December 2007. As at the date of this announcement, Xinyuan Real Estate Holdings is indirectly interested in 52.86% of the issued Shares in the Company, and is the controlling shareholder of the Company.

## **INFORMATION ON SICHUAN JUSTBON**

Sichuan Justbon Life Services Group Co., Ltd. (四川嘉寶生活服務集團股份有限公司) (formerly known as Sichuan Languang Justbon Services Group Co, Ltd. (四川藍光嘉寶服務集團股份有限公司)) is principally engaged in the provision of property management services. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Sichuan Justbon and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Zhengzhou Shengdao is a subsidiary of Xinyuan Real Estate Holdings, where Xinyuan Real Estate Holdings is indirectly interested in approximately 52.86% of the issued Shares in the Company, and is the controlling shareholder of the Company. Zhengzhou Shengdao is the associate of Xinyuan Real Estate Holdings and therefore a connected person of the Company under Chapter 14A of the Listing Rules, and the entering into of the Tripartite Agreement and 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 Tripartite Agreement and the Car Parking Space Exclusive Sales Cooperation Agreement exceeds 0.1% but falls below 5%, the entering into of the Tripartite Agreement and the Car Parking Space Exclusive Sales Cooperation Agreement is subject to the reporting and announcement requirements but is exempted from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Li Yifan is also a director of Xinyuan Real Estate Holdings, he has abstained from voting on the resolutions in respect of the Tripartite Agreement, 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 have any material interest in the Tripartite Agreement, 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 relevant resolutions at the Board meeting.



## DEFINITIONS

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

“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 22 September 2023 entered into between Zhengzhou Shengdao and Xinyuan Science
“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)
“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
“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”	the earnest money payable by Xinyuan Science to Zhengzhou Shengdao under the Car Parking Space Exclusive Sales Cooperation Agreement, as described under the sub-heading “Earnest Money” in this announcement

“Exclusive Sales Cooperation”	the sales cooperation arrangement between Zhengzhou Shengdao and Xinyuan Science in relation to the Designated Car Parking Spaces as set out in the Car Parking Space Exclusive Sales Cooperation Agreement, as described under the sub-heading “Exclusive Sales Cooperation” in this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“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 announcement)
“Previous Agreement”	the car parking space sales cooperation agreement dated 22 July 2022 entered into between Zhengzhou Shengdao and Sichuan Justbon in relation to a total of 862 car parking spaces
“RMB”	Renminbi, the lawful currency of the PRC
“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
“Sichuan Justbon”	Sichuan Justbon Life Services Group Co., Ltd.* (四川嘉寶生活服務集團股份有限公司), a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Termination Fee”	a sum of RMB9,416,272 payable to Sichuan Justbon, being the termination fee in respect of the termination of the Previous Agreement, comprising of the refund of the earnest money of RMB8,416,272 previously paid by Sichuan Justbon for the 798 unsold car parking spaces and an indemnity of RMB1,000,000 in respect of the termination
“Tripartite Agreement”	the tripartite agreement dated 22 September 2023 and entered into amongst Zhengzhou Shengdao, Sichuan Justbon and Xinyuan Science, as described under the sub-heading “Tripartite Agreement” in this announcement
“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
“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
“Zhengzhou Shengdao”	Zhengzhou Shengdao Real Estate Co., Ltd. (鄭州晟道置業有限公司), a limited liability company established in the PRC on 14 October 2013
“%”	per cent

By Order of the Board  
**Xinyuan Property Management Service (Cayman) Ltd.**  
**SHEN Yuan-Ching**  
*Chairman, Executive Director and Chief Executive Officer*

Hong Kong, 22 September 2023

*As at the date of this announcement, the Board comprises Mr. SHEN Yuan-Ching, Mr. FENG Bo and Mr. WANG Yong as executive directors; Mr. TIAN Wenzhi as non-executive director; and Mr. LI Yifan, Mr. LAN Ye, and Mr. LING Chenkai as independent non-executive directors.*

\* *for identification purpose only*