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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)**

### **SUPPLEMENTAL ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS IN RELATION TO PAYMENT OF RENTAL INCOME**

References are made to (i) the announcement of Xinyuan Property Management Service (Cayman) Ltd. (the “**Company**”) dated 26 December 2023 (the “**First Announcement**”) in relation to the rental payment made by the Lessees (all being subsidiaries of the Company) to the Lessors under the Agreements; and (ii) the announcement of the Company dated 6 February 2024 (the “**Second Announcement**”) in relation to the Extension Arrangements. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the First Announcement and the Second Announcement.

The Company would like to provide additional information in respect of the Extension Arrangements pursuant to the requirements under Chapter 14A of the Listing Rules.

#### **THE EXTENSION ARRANGEMENTS**

##### **The Extension Agreement II**

On 5 February 2024, Guangzhou Xinyuan as lessee and Guangzhou Huanglong as lessor entered into the extension agreement in respect of the Agreement II (the “**Extension Agreement II**”), the principal terms of which are set out below:

Subject: Guangzhou Huanglong agreed to continue to lease certain properties of “Global Dream Project\* 環球夢項目” located at No. 283, Fangyuan Road, Haizhu District, Guangzhou, the PRC with a total gross floor area of 38,911.3985 square metres to Guangzhou Xinyuan and to entrust the operation and management of the aforesaid project with Guangzhou Xinyuan, including the provision of management services including marketing and promotion services, the handling of sales and leases of shops, the liaising with tenants of the shops and the provision of other operation management and property services.

Extended term:	Three months commencing on 1 January 2024 and expiring on 31 March 2024.
Rental payment:	Guangzhou Xinyuan shall pay rent representing 60% of the total rental income from the project to Guangzhou Huanglong on a monthly basis, which was determined with reference to market practice and the project's own circumstances. The remaining rental income from the project would be retained by Guangzhou Xinyuan as service fee for its operation and management services provided.
Transitional cap and basis of determination:	<p>The Transitional Cap for rent payable by Guangzhou Xinyuan to Guangzhou Huanglong under the Extension Agreement II is RMB3,500,000, which was determined based on arm's length negotiation between the parties with reference to:</p> <ul style="list-style-type: none"> <li>(i) the rental payment paid by Guangzhou Xinyuan to Guangzhou Huanglong for the year ended 31 December 2023, which amounted to approximately RMB9,592,000;</li> <li>(ii) the rental payment paid and payable by Guangzhou Xinyuan to Guangzhou Huanglong between 1 January 2024 and the date of the Second Announcement, which amounted to RMB2,394,000;</li> <li>(iii) the rental payment expected to be payable by Guangzhou Xinyuan to Guangzhou Huanglong for the remaining extended term; and</li> <li>(iv) the portion of the total rental income from the project (i.e. 60%) payable as rent to Guangzhou Huanglong, which was determined with reference to the prevailing market condition and the project's circumstances, including that the project was at the early stage of operation and the operation and management services to be provided by Guangzhou Xinyuan.</li> </ul>

### **The Extension Agreement III**

On 5 February 2024, Henan Xinyuan Hongsheng as lessee and Zhengzhou Xinzhenlin as lessor entered into the extension agreement in respect of the Agreement III (the “**Extension Agreement III**”), the principal terms of the transactions under the Extension Agreement III are set out below:

**Subject:** Zhengzhou Xinzhenlin agreed to lease “Zhengzhou Xinyuan • International Centre\* 鄭州鑫苑•國際中心” located at No. 26, Business Outer Ring Road, Jinshui District, Zhengzhou City, the PRC with a total gross floor area of 79,053 square metres to Henan Xinyuan Hongsheng and to entrust the operation and management of the aforesaid project with Henan Xinyuan Hongsheng, including the provision of management services including marketing and promotion services, the handling of sales and leases of shops, the liaising with tenants of the shops and the provision of other operation management and property services.

**Extended term:** Three months commencing on 1 January 2024 and expiring on 31 March 2024.

**Rental payment:** Henan Xinyuan Hongsheng shall pay rent representing 60% of the total rental income from the project to Zhengzhou Xinzhenlin on a quarterly basis, which was determined with reference to market practice and the project’s own circumstances. The remaining income from the project would be retained by Henan Xinyuan Hongsheng as service fee for its operation and management services provided.

**Transitional Cap and basis of determination:** The Transitional Cap for rent payable by Henan Xinyuan Hongsheng to Zhengzhou Xinzhenlin under the Extension Agreement III is RMB3,500,000, which was determined based on arm’s length negotiation between the parties with reference to:

- (i) the rental payment paid by Henan Xinyuan Hongsheng to Zhengzhou Xinzhenlin for the year ended 31 December 2023, which amounted to approximately RMB11,122,000;
- (ii) the rental payment paid and payable by Henan Xinyuan Hongsheng to Zhengzhou Xinzhenlin between 1 January 2024 and the date of the Second Announcement, which amounted to RMB1,404,000;

- (iii) the rental payment expected to be payable by Henan Xinyuan Hongsheng to Zhengzhou Xinzhenlin for the remaining extended term; and
- (iv) the portion of the total rental income from the project (i.e. 60%) payable as rent to Zhengzhou Xinzhenlin, which was determined with reference to the prevailing market condition and the project's circumstances, including that the project was at the early stage of operation and the operation and management services to be provided by Henan Xinyuan Hongsheng.

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

To ensure the continuing connected transactions will be conducted in accordance with the terms of the Extension Agreement II and the Extension Agreement III, the Group has adopted the following internal control measures:

- (i) the finance department of the Group will closely monitor each payment made under the Extension Agreement II and the Extension Agreement III, 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 Extension Agreement II and the Extension Agreement III to ensure that the Transitional Caps will not be exceeded;
- (ii) each payment made under the Extension Agreement II and the Extension Agreement III 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 terms of the Extension Agreement II and the Extension Agreement III;
- (iii) the auditors of the Company shall conduct annual reviews on the payments made and the Transitional Caps to ensure that the total transaction amounts are within the Transitional Caps and that the transactions are conducted in accordance with the terms of the Extension Agreement II and the Extension Agreement III; and
- (iv) the Directors (including the independent non-executive Directors) will continue to review the quarterly monitoring reports on the transactions conducted under the Extension Agreement II and the Extension Agreement III 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 its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Lessors are indirect wholly-owned subsidiaries of Xinyuan Real Estate, the controlling shareholder of the Company indirectly holding 52.86% of the issued share capital of the Company. Therefore, the Lessors are associates of a connected person of the Company and are also connected persons of the Company under Chapter 14A of the Listing Rules. As such, the Extension Arrangements constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined in the Listing Rules) calculated based on the Transitional Caps and the total payment made under Agreement I for the period from 1 January 2024 to 31 March 2024 in aggregate exceeds 0.1% but is less than 5%, the Extension Arrangements and the transactions contemplated thereunder and the making of payment under Agreement I for the period from 1 January 2024 to 31 March 2024 are subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 16 November 2022 and will remain suspended, pending fulfilment of the resumption guidance issued by the Stock Exchange.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 15 March 2024

*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 purposes only*