

STATEMENT OF DISCIPLINARY ACTION

Exchange's Disciplinary Action against two Former Directors of Xinyuan Property Management Service (Cayman) Ltd. (Stock Code: 1895)

SANCTIONS AND DIRECTION

The Stock Exchange of Hong Kong Limited (**Exchange**)

IMPOSES A DIRECTOR UNSUITABILITY STATEMENT and **CENSURE** against:

- (1) Ms Wang Yanbo, former executive director (**ED**) and Chief Executive Officer of Xinyuan Property Management Service (Cayman) Ltd. (**Company**) (**Ms Wang**); and
- (2) Mr Huang Bo, former ED and Chief Financial Officer of the Company (**Mr Huang**).

(The directors identified at (1) to (2) above are collectively referred to as the **Relevant Directors**.)

The Director Unsuitability Statement is a statement that, in the Exchange's opinion, Ms Wang and Mr Huang are unsuitable to occupy a position as director or within senior management of the Company or any of its subsidiaries.

SUMMARY OF FACTS

In November 2022, the Exchange imposed [a Prejudice to Investors' Interest Statement and a public censure](#) against the Relevant Directors for breaches of the Listing Rules regarding certain notifiable and connected transactions entered into by the Company from around March 2020 to February 2021. The transactions involved significant outflows totalling approximately RMB570 million. They were conducted purely for the benefit of the Company's majority shareholder, Xinyuan Real Estate Co., Ltd. (**XYRE**), and appeared to lack business substance. The Relevant Directors were involved in the internal approval process of all the transactions. They breached their directors' duties and obligations under the Listing Rules by failing to protect the Company's interests and to procure the Company's compliance with the Listing Rules.

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At or around the time the disciplinary sanctions mentioned above were imposed on the Relevant Directors, the Company discovered that certain time deposits of a wholly-owned subsidiary of the Company had been pledged. The Company arranged for an investigation to be conducted.

In or around June 2023, a draft report of a forensic investigation commissioned by the Company revealed that deposits of a total value of about RMB2.6 billion had been pledged in 24 instances between September 2019 and August 2022 (**Pledges**). The Pledges were used to obtain loans. The loan proceeds were eventually transferred to a subsidiary of XYRE for its use.

The Listing Division (**Division**) then commenced an investigation into, amongst other things, whether the Relevant Directors had discharged their duties and obligations under the Listing Rules in respect of the Pledges. According to the final findings of the forensic investigation, the Relevant Directors were involved in the approval and/or had knowledge of the Pledges.

As part of the investigation, the Division sent investigation and reminder letters to the Relevant Directors but no response was received from them.

RULE REQUIREMENTS

Under Rules 3.09C(2) and 3.20 of the Listing Rules, a director has obligations to:

- (a) cooperate in any investigation conducted by the Division, which includes promptly and openly answering any questions, promptly providing any documents and attending any meeting or hearing requested of him;
- (b) inform the Exchange of any change to his contact details for correspondence from and service of notices and other documents by the Exchange, during the directorship and for a further period of three years from the date on which he ceases to be a director of the issuer; and
- (c) keep the Exchange informed of his up-to-date contact details. If he fails to provide the Exchange with his up-to-date contact details or arrange for notices, documents or correspondence to be forwarded to him, he may not be alerted to any proceedings commenced against him by the Exchange.

LISTING COMMITTEE'S FINDING OF BREACH

The Listing Committee found as follows:

- (1) The Relevant Directors breached their obligations to cooperate in the Division's investigation now set out in Rule 3.09C(2) of the Listing Rules.
- (2) The Relevant Directors' conduct amounted to a serious and/or repeated failure to discharge their obligations under the Listing Rules.

CONCLUSION

The Listing Committee decided to impose the sanctions set out in this Statement of Disciplinary Action.

For the avoidance of doubt, the Exchange confirms that the above sanctions apply only to the Relevant Directors, and not to the Company or any other past or present directors of the Company.

Hong Kong, 20 February 2025