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SUNac 融創中國

SUNAC CHINA HOLDINGS LIMITED

融創中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01918)

**PROGRESS ON THE ACQUISITION OF
51% EQUITY INTEREST
IN THE TARGET COMPANIES HELD BY YMCI**

Reference is made to the announcement of Sunac China Holdings Limited (the “**Company**”) dated 27 November 2019 (the “**Announcement dated 27 November**”), in relation to the acquisition by Sunac Southwest Group of 51% equity interest in each of Global Century and Times Global held by YMCI by way of public bidding. Unless otherwise defined in this announcement, terms used in this announcement have the same meanings as defined in the Announcement dated 27 November.

As at the date of this announcement, Sunac Southwest Group and 雲南省水務產業投資有限公司 (Yunnan Province Water Industry Investment Co., Ltd.) (“**YPWI**”) entered into a partnership agreement (the “**Partnership Agreement**”). The principal terms of the Partnership Agreement are set out below:

YPWI shall be the promoter to establish a limited partnership (“**Partnership**”), and shall act as the general partner and commit to contribute RMB1 million, representing 0.025% of the Partnership’s capital contribution, and Sunac Southwest Group shall be the limited partner and commit to contribute RMB4 billion, representing 99.975% of the Partnership’s capital contribution. The capital contribution of Sunac Southwest Group will be made on or before 31 December 2019 and satisfied by internal resources of the Group. Except for the aforesaid capital contribution, the Group does not expect to make additional capital contribution to the Partnership in the future.

The Partnership will be established in accordance with 中華人民共和國合夥企業法 (Partnership Enterprise Law of the PRC) and relevant laws and regulations and upon approval by the Industry and Commerce Bureau of China. The Partnership shall be for a term of no less than two years from its date of establishment. The Partnership intends to make investments in real estate development projects in the PRC in the form of equity or debt, and the investment matters shall be approved by resolutions passed at partners’ meetings which are confirmed as valid after affixing official seals by both partners. YPWI will be responsible for carrying out the resolutions passed at partners’ meetings and will receive an annual management fee of 0.2% of the subscribed capital of the Partnership. Profits and capital of the Partnership will be distributed in proportion to the paid-up capital contribution of each partner.

YPWI is a wholly-owned subsidiary of YMCI. YPWI principally engages in project investment. YMCI is a large provincial enterprise supervised by 雲南省人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Yunnan Provincial People’s Government). YMCI and its subsidiaries principally engage in, among the other things, primary land development, real estate development and urban environmental protection.

The establishment of the Partnership is one of the bidding conditions for acquiring 51% equity interest in the Target Companies and is part of the Equity Transaction. The Partnership will serve as a cooperation platform between the Group and YMCI in the future to invest in real estate projects recognized by both parties by fully leveraging on the advantages of both parties and by virtue of the resources and real estate development experience of both parties. Based on the terms of the Equity Transaction, the Cooperation Arrangement and the Partnership Agreement, the Directors consider that the Partnership Agreement was entered into on normal commercial terms, and the terms of the Partnership Agreement are fair and reasonable and in the interests of Shareholders as a whole.

By order of the Board
Sunac China Holdings Limited
SUN Hongbin
Chairman

Hong Kong, 5 December 2019

As at the date of this announcement, the executive Directors of the Company are Mr. SUN Hongbin, Mr. WANG Mengde, Mr. JING Hong, Mr. CHI Xun, Mr. TIAN Qiang, Mr. SHANG Yu, Mr. HUANG Shuping and Mr. SUN Kevin Zheyi; and the independent non-executive Directors of the Company are Mr. POON Chiu Kwok, Mr. ZHU Jia, Mr. LI Qin and Mr. MA Lishan.