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**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)**

**DISCLOSEABLE TRANSACTION  
DISPOSALS OF CERTAIN JINKE SHARES**

**DISPOSALS**

On 6 May 2020 and 7 May 2020, the Vendors, indirect wholly-owned subsidiaries of the Company, sold on the open market by way of block trades with a total of 266,985,692 Jinke Shares at RMB8.0 per share, representing approximately 5.00% of the total issued share capital of Jinke Property, for an aggregate consideration of approximately RMB2.136 billion.

**PREVIOUS DISPOSAL**

On 13 April 2020, Jujin Property, an indirect wholly-owned subsidiary of the Company, and Guangdong Hongmin entered into an agreement, pursuant to which Jujin Property agreed to sell and Guangdong Hongmin agreed to acquire a total of 587,368,740 Jinke Shares, representing approximately 11.00% of the total issued share capital of Jinke Property, at a sale price of RMB8.0 per share and the consideration was approximately RMB4.699 billion.

As at the date of this announcement, the Group was in aggregate disposed of 854,354,432 Jinke Shares, representing approximately 16.00% of the total issued share capital of Jinke Property, for a total consideration of approximately RMB6.835 billion. The Disposals and the Previous Disposal enable the Group to receive a good return on the investment, which further optimize the asset structure of the Group.

## LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, as one or more applicable percentage ratios in respect of the Disposals, when aggregated with the Previous Disposal, are more than 5% and all of them are less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### 1. DISPOSALS

On 6 May 2020 and 7 May 2020, the Vendors, indirect wholly-owned subsidiaries of the Company, sold on the open market by way of block trades with a total of 266,985,692 Jinke Shares (the “**Target Shares**”) at RMB8.0 per share, representing approximately 5.00% of the total issued share capital of Jinke Property, for an aggregate consideration of approximately RMB2.136 billion. The Group has received the total consideration in cash, and the disposals of the Target Shares were completed.

The consideration of the Disposals was determined with reference to the market price of Jinke Shares. The sale price of the Target Shares at RMB8.0 per share represents:

- (i) a premium of approximately 1.65% over the closing price of RMB7.87 per share as quoted on the Shenzhen Stock Exchange on 7 May 2020; and
- (ii) a premium of approximately 1.04% over the average closing price of RMB7.918 per share as quoted on the Shenzhen Stock Exchange for the last five consecutive trading days up to and including 7 May 2020.

As the Disposals were made through the open market by way of block trades, the Company is not aware of the identities of the purchasers. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the purchasers under the Disposals and their respective ultimate beneficial owners are independent of the Company and connected persons of the Company.

## 2. PREVIOUS DISPOSAL

On 13 April 2020, Jujin Property and Guangdong Hongmin entered into an agreement (the “**Previous Disposal Agreement**”), pursuant to which Jujin Property agreed to sell and Guangdong Hongmin agreed to acquire a total of 587,368,740 Jinke Shares (the “**Previous Disposal Shares**”), representing approximately 11.00% of the total issued share capital of Jinke Property, for a cash consideration of RMB4.699 billion (representing a sale price of RMB8.0 per share).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Guangdong Hongmin and its ultimate beneficial owner are independent of the Company and connected persons of the Company.

### *2.1 PAYMENT OF CONSIDERATION AND BASIS OF DETERMINATION*

The consideration of the Previous Disposal in the amount of approximately RMB4.699 billion would be settled as follows:

- (i) within three days after the execution of the Previous Disposal Agreement, Guangdong Hongmin should pay to Jujin Property RMB1 billion, consisting of RMB700 million as the deposit (the “**Deposit**”) and RMB300 million as the first payment (the “**First Payment**”). As at the date of this announcement, Jujin Property has received the Deposit and the First Payment;
- (ii) on the date of applying to China Securities Depository and Clearing Corporation Limited Shenzhen Branch (中國證券登記結算有限公司深圳分公司) for the transfer registration of the Previous Disposal Shares but no later than 22 May 2020, Guangdong Hongmin should pay to Jujin Property approximately RMB1.35 billion as the second payment (the “**Second Payment**”); and
- (iii) within eight business days after the date of completion of the transfer of the Previous Disposal Shares to Guangdong Hongmin’s name but no later than 30 June 2020, Guangdong Hongmin should pay to Jujin Property approximately RMB2.349 billion as the Third Payment (the “**Third Payment**”).

After the First Payment, the Second Payment and the Third Payment are made in full and on time by Guangdong Hongmin, the Deposit will automatically become part of the consideration upon the day receiving the Third Payment by Jujin Property.

The consideration of the Previous Disposal was determined by Jujin Property and Guangdong Hongmin after arm’s length negotiation with reference to the market price of Jinke Shares.

## **2.2 COMPLETION OF THE PREVIOUS DISPOSAL SHARES**

Subject to the compliance with the rules and requirements of China Securities Regulatory Commission (中國證券監督管理委員會) and the Shenzhen Stock Exchange, completion of the Previous Disposal Shares is expected to take place on or before 31 May 2020. As at the date of this announcement, the completion of the Previous Disposal Shares has not yet taken place.

## **2.3 GUARANTEES**

Within 25 days after the date of the First Payment, 100% equity interest in Guangdong Hongmin would be pledged by Red Star Furniture, being the sole shareholder of Guangdong Hongmin, in favour of Jujin Property or its designated party (the “**Share Pledge**”). In addition, Red Star Holding is jointly and severally liable for all obligations of Guangdong Hongmin under the Previous Disposal Agreement.

Within three business days after the receipt of the Third Payment, Jujin Property would release the Share Pledge.

## **3. FINANCIAL EFFECT OF AND THE USE OF PROCEEDS FROM THE DISPOSALS AND THE PREVIOUS DISPOSAL OF JINKE SHARES**

The Group expects to realize a profit before taxation of approximately RMB3.361 billion from the Target Shares and the Previous Disposal Shares in aggregate for the period from the investment in Jinke Shares to the completion of the Disposals and the Previous Disposal. Among the afore-said profit before taxation, the Group expects that RMB1.876 billion will be recorded in the year of 2020, which is calculated with reference to the carrying amounts of the Target Shares and the Previous Disposal Shares shown in the Group’s financial statements for the year ended 31 December 2019, subject to audit by the Company’s auditors at the end of this year.

The net proceeds from the Disposals and the Previous Disposal will be used as general working capital of the Group.

## **4. REASONS FOR THE DISPOSALS AND THE PREVIOUS DISPOSAL OF JINKE SHARES**

Prior to the Disposals and the Previous Disposal, the Group via Jujin Property, Runding Property and Runze Property in aggregate held 1,567,239,719 Jinke Shares, representing approximately 29.35% of the total issued share capital of Jinke Property. Following completion of the Disposals and the Previous Disposal, the Group via Jujin Property and Runding Property will in aggregate hold 712,885,287 Jinke Shares, representing approximately 13.35% of the total issued share capital of Jinke Property. The Disposals and the Previous Disposal enable the Group to receive a good return on the investment, which further optimize the asset structure of the Group.

The Directors consider that the Disposals and the Previous Disposal were carried out on normal commercial terms which are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

After the Disposals and the Previous Disposal, the Group may continue further disposing the Jinke Shares mainly by way of block trades on the open market and transfer agreements, etc.

## 5. INFORMATION ON JINKE PROPERTY

Jinke Property has been listed on the Shenzhen Stock Exchange (stock code: 000656) since 1996 and is a large scale enterprise group focusing on real estate development and sales. The real estate development business of Jinke Property focuses on the penetration and development in the key cities including “Three Circles and One Belt, Eight Major Urban Agglomerations”. At present, the business of Jinke Property locates across Yangtze River Delta, Beijing-Tianjin-Hebei, Guangdong-Hong Kong-Macao Greater Bay Area, Chengdu-Chongqing, Central Plains, Midstream of Yangtze River, Beibu Gulf, Shandong Peninsula and other urban cities.

Based on publicly available information, the audited consolidated net asset of Jinke Property as at 31 December 2019 was approximately RMB52.151 billion and the audited profits of Jinke Property for the two financial years ended 31 December 2019 were as follows:

	<b>For the year ended 31 December 2018</b> <i>(RMB million)</i>	<b>For the year ended 31 December 2019</b> <i>(RMB million)</i>
Profit before taxation	5,210	8,335
Profit after taxation	4,021	6,357

## 6. INFORMATION ON THE COMPANY, JIJIN PROPERTY AND THE VENDORS

The Company is a company incorporated in the Cayman Islands with limited liability and it is listed on the main board of the Stock Exchange. With the brand philosophy of “passion for perfection”, the Group is committed to providing complete solutions for Chinese families to enjoy a better life through high-quality products and services and integration of high-quality resources. With a focus on its core business of real estate, the Group has six strategic segments, namely Sunac Real Estate, Sunac Services, Sunac Culture & Tourism, Sunac Culture, Sunac Conference & Exhibition, Sunac Medical & Health Care. Its business covers real estate development, property services, conferences and exhibitions, tourism and vacations, theme parks,



“Disposals”	the sale of 48,057,442 Jinke Shares held by Runze Property at RMB8.0 per share, representing approximately 0.90% of the total issued share capital of Jinke Property, on the open market by way of block trades on 6 May 2020; and the further sale of 218,928,250 Jinke Shares at RMB8.0 per share, representing approximately 4.10% of the total issued share capital of Jinke Property, on the open market by way of block trades, which consists of 105,689,865 Jinke Shares held by Runding Property and 113,238,385 Jinke Shares held by Runze Property on 7 May 2020
“Group”	the Company and its subsidiaries
“Guangdong Hongmin”	Guangdong Hongmin Enterprise Management Consulting Co., Ltd.* (廣東弘敏企業管理諮詢有限公司), a direct wholly-owned subsidiary of Red Star Furniture established in the PRC with limited liability, mainly engaged in enterprise management consulting services
“Jinke Property”	Jinke Property Group Co., Ltd. (金科地產集團股份有限公司), a company established in the PRC with limited liability, and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000656)
“Jinke Share(s)”	ordinary share(s) in the share capital of Jinke Property
“Jujin Property”	Tianjin Jujin Property Management Ltd.* (天津聚金物業管理有限公司), an indirect wholly-owned subsidiary of the Company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“Previous Disposal”	the sale of 587,368,740 Jinke Shares, representing approximately 11.00% of the total issued share capital of Jinke Property, at a consideration of approximately RMB4.699 billion, pursuant to the agreement entered into between Jujin Property and Guangdong Hongmin dated 13 April 2020
“Red Star Furniture”	Red Star Furniture Group Co., Ltd. (紅星傢俱集團有限公司), a company established in the PRC with limited liability, the ultimate beneficial owner of which is Mr. CHE Jianxing* (車建興)
“Red Star Holding”	Red Star Macalline Holding Group Company Ltd. (紅星美凱龍控股集團有限公司), a connected person of Guangdong Hongmin established in the PRC with limited liability, the ultimate beneficial owner of which is Mr. CHE Jianxing* (車建興)
“RMB”	Renminbi, the lawful currency of the PRC
“Runding Property”	Tianjin Runding Property Management Ltd.* (天津潤鼎物業管理有限公司), an indirect wholly-owned subsidiary of the Company established in the PRC with limited liability
“Runze Property”	Tianjin Runze Property Management Ltd.* (天津潤澤物業管理有限公司), an indirect wholly-owned subsidiary of the Company established in the PRC with limited liability
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Vendors” collectively, Runding Property and Runze Property

“%” per cent

\* *for identification purposes only*

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

Hong Kong, 7 May 2020

*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.*