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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)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
SUNAC SERVICES HOLDINGS LIMITED
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
GLOBAL OFFERING AND FINAL OFFER PRICE**

DISCLOSEABLE TRANSACTION

APPLICATION AND ALLOCATION OF THE GLOBAL OFFERING

Sunac Services has published an announcement on its website at www.sunacservice.com and the website of the Stock Exchange at www.hkexnews.hk on 18 November 2020 in relation to, among other things, the application and allocation of the Global Offering of Sunac Services.

FINAL OFFER PRICE

The final offer price for the Sunac Services Shares in the Global Offering is HK\$11.6 per share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

LISTING RULES IMPLICATIONS

The Global Offering constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. Based on the final Offer Price and the structure of the Global Offering, as the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Global Offering exceeds 5% but is less than 25%, the Global Offering constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements thereunder.

References are made to the Company's announcements (the "**Announcements**") dated 6 August 2020, 20 October 2020, 26 October 2020 and 9 November 2020 relating to the Proposed Spin-off. Unless the context requires otherwise, terms used herein shall have the same meanings as defined or used in the Announcements.

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INTERNATIONAL UNDERWRITING AGREEMENT

On 12 November 2020, Sunac Services and the International Underwriters, among others, entered into the International Underwriting Agreement, pursuant to which the International Underwriters have agreed, subject to certain conditions set out therein, to subscribe for or purchase, or procure subscribers or purchasers to subscribe for or purchase, the Sunac Services Shares being offered under the International Offering at the final offer price of HK\$11.6 per share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

In addition, under the International Underwriting Agreement, Sunac Services has granted to the International Underwriters the Over-allotment Option, pursuant to which Sunac Services may be required to allot and issue up to an aggregate of 103,500,000 additional Sunac Services Shares, representing 15% of the total number of the Sunac Services Shares initially offered under the Global Offering, at the final offer price, to cover over-allocations in the International Offering, if any.

LISTING DATE

Assuming completion of the Global Offering occurs in accordance with the expected timetable in the Prospectus, on Thursday, 19 November 2020, (i) Sunac Services is expected to be listed on the Main Board of the Stock Exchange; and (ii) the Sunac Services Shares are expected to commence dealing on the Main Board of the Stock Exchange at 9:00 a.m.. The Sunac Services Shares will be traded in board lots of 1,000 shares each and the stock code is 01516.

DEEMED DISPOSAL AND LISTING RULES IMPLICATIONS

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Based on the final Offer Price and the structure of the Global Offering, as the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Global Offering exceeds 5% but is less than 25%, the Global Offering constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements thereunder.

Set out below is certain information in relation to the Spin-off Group for the years ended 31 December 2018 and 2019 and the six months ended 30 June 2020 as disclosed in the Prospectus:

| | For the year ended | | For the six months |
|--------------------------|---------------------------|----------------|---------------------------|
| | 31 December | | ended 30 June |
| | 2018 | 2019 | 2020 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Profit before income tax | 128,983 | 345,927 | 315,650 |
| Profit after income tax | 98,307 | 269,898 | 250,777 |

The audited consolidated net assets of Sunac Services was approximately RMB1.77 billion as at 30 June 2020.

In accordance with the Hong Kong Financial Reporting Standards, the increase in net assets of the Group as a result of the issue of the Sunac Services Shares and the net proceeds raised from the Global Offering, which constitutes changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, is accounted for within equity. Therefore, there will be no gain or loss arising from the deemed disposal by the Company of its interest in Sunac Services under the Global Offering to be recognized in profit or loss of the Group, other than expenses directly incurred by the Group and also attributable expenses incurred by Sunac Services that have to be charged to the profit and loss account, given that Sunac Services will remain as a subsidiary of the Company immediately upon completion of the Proposed Spin-off and the Global Offering.

Please refer to the Prospectus for the details of the intended use of proceeds from the Global Offering and the reasons for and benefits of the Proposed Spin-off. The Directors believe that the Proposed Spin-off is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

The Global Offering is subject to (i) the Listing Committee granting approval for the listing of, and permission to deal in, the Sunac Services Shares; and (ii) the obligations of the Underwriters under the Hong Kong Underwriting Agreement and the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

Shareholders and other investors should be aware that there is no assurance that the Proposed Spin-off, the Global Offering and the Distribution will proceed. Shareholders and other investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.

The Company will make further announcement(s) in relation to the Proposed Spin-off, the Global Offering and the Distribution as and when appropriate.

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

Hong Kong, 18 November 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. MA Lishan and Mr. YUAN Zhigang.