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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)

PROFIT WARNING

This announcement is made by Sunac China Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform holders of securities and potential investors of the Company that, based on the preliminary review of the unaudited management accounts of the Group for the year ended 31 December 2021 (the “**Year**”) and the currently available information, it is expected that the profit attributable to owners of the Company for the Year will decrease by approximately 85% as compared with last year, and the core net profit¹ will decrease by approximately 50% as compared with last year, which are primarily attributable to the combined effect of the investment loss recorded by the Group from the disposal of the stocks of BEKE during the Year, the decrease in sales revenue and decline in gross profit margin recorded by the Group for the Year as well as the increase in amount of provision for the impairment on inventories and the allowance for the expected credit loss on receivables and others made by the Group as a result of the challenging conditions in the real estate industry during the second half of last year. Besides, holders of securities and potential investors of the Company should be aware that due to the significant uncertainty caused by the pandemic and the prevailing industry conditions, the amount of the allowance for the expected credit loss on receivables and others has not been finalized yet as at the date of this announcement; the Group will continue to assess the credit risks of receivables and others based on the principle of prudence and with reference to forward-looking information, which might result in further change in the profit attributable to owners of the Company and core net profit as compared with the aforementioned expectation.

The information contained in this announcement is only based on the preliminary review by the Company’s management with reference to the currently available financial information and has not been audited by the Company’s auditors or reviewed by the audit committee of the Company. Holders of securities and potential investors of the Company should read carefully the annual results announcement of the Company for the Year, which is expected to be published on or before 31 March 2022.

Holders of securities and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 21 March 2022

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.

Note 1: Core net profit (a non-GAAP financial measure) refers to profit attributable to owners of the Company, after excluding the impact of certain items such as gains from business combination and its fair value adjustments, gain or loss on changes in fair value of financial assets, derivative financial instruments and investment properties, exchange gain or loss, charitable donations and loss on project dismantlement.