

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Neither this announcement nor any copy thereof may be released into or distributed directly or indirectly in the United States or any other jurisdiction where such release or distribution might be unlawful.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein will not be registered under the United States Securities Act of 1933, as amended. No securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company involved and its management and financial statements. The Company does not intend to make any public offering of securities in the United States.

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)

**TOP-UP PLACING OF EXISTING SHARES AND
SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**

Sole Overall Coordinator, Placing Agent and Capital Market Intermediary



On 17 October 2024, the Company, the Vendor and the Placing Agent (i.e. CICC) entered into the Placing and Subscription Agreement, pursuant to which the Placing Agent agreed to act as agent of the Vendor and to procure placees (as purchasers) to purchase on a best efforts basis, up to 489,000,000 Placing Shares at a price of HK\$2.465 per Share on behalf of the Vendor. The Vendor conditionally agreed to subscribe for up to 489,000,000 Subscription Shares at the Placing Price of HK\$2.465 per Share. The Placing Shares and the Subscription Shares represent approximately 5.60% of the existing issued share capital of the Company and approximately 5.31% of the issued share capital of the Company as enlarged by the Subscription (assuming that there will be no change in the issued share capital of the Company from the date of this announcement to completion of the Subscription save for the issue of the Subscription Shares), respectively. The gross proceeds from the Subscription are approximately HK\$1.205 billion.

As completion of the Placing and Subscription Agreement is subject to the fulfilment of a number of conditions, the Placing and/or the Subscription may or may not proceed to completion. Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.

I. TOP-UP PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

PLACING AND SUBSCRIPTION AGREEMENT

Date: 17 October 2024

- Parties:
- (1) The Company;
 - (2) The Vendor, i.e. Sunac International Investment Holdings Ltd, a company incorporated in the British Virgin Islands, which is a substantial shareholder of the Company and is controlled by family trusts of Mr. Sun Hongbin, the chairman of the Board and an executive Director;
 - (3) The Placing Agent. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent is independent of the Company and the connected persons of the Company.

PLACING

Number of Placing Shares

Up to 489,000,000 existing Shares, representing approximately 5.60% of the existing issued share capital of the Company as at the date of this announcement and approximately 5.31% of the issued share capital of the Company as enlarged by the Subscription (assuming that there will be no change in the issued share capital of the Company from the date of this announcement to completion of the Subscription save for the issue of the Subscription Shares).

Placing Price

The Placing Price is HK\$2.465 per Share and represents:

- (1) a discount of approximately 19.97% to the closing price of HK\$3.08 per Share as quoted on the Stock Exchange on 16 October 2024, being the last full trading day immediately prior to the date of the Placing and Subscription Agreement; and
- (2) a discount of approximately 2.72% to the average closing price of HK\$2.534 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 16 October 2024 (being the last full trading day immediately prior to the date of the Placing and Subscription Agreement).

The Placing Price was determined after arm's length negotiation between the Company, the Vendor and the Placing Agent based on the prevailing market closing price per Share. The Directors (including the independent non-executive Directors) consider that the Placing Price is fair and reasonable under the current market condition and is in the best interests of the Company and the Shareholders as a whole.

Rights

The Placing Shares will be free of all liens, charges and encumbrances, and will have the same rights as, and rank pari passu with all the other Shares of the same class.

Independence of the Placing Agent and the Placees

The Placing Shares will be placed by the Placing Agent to not less than six independent professional, institutional and/or other investors. It is expected that the placees to be procured by the Placing Agent and their ultimate beneficial owners will be independent of the Vendor, the parties acting in concert with the Vendor, the Company and connected persons of the Company. It is not expected that any placee will become a substantial shareholder of the Company as a result of the Placing.

Conditions of the Placing

The obligations of the Placing Agent under the Placing and Subscription Agreement shall be subject to the following conditions (the "**Placing Conditions**"):

- (1) before 8 a.m. on the Closing Date, there shall not have occurred:
 - (i) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Group taken as a whole;
 - (ii) any suspension or limitation of trading (a) in any of the Company's securities by the Stock Exchange and Singapore Exchange Securities Trading Limited (save and except for (i) any trading halt in relation to the Placing and Subscription (if any) and (ii) any trading halt for not more than 1 trading day), or (b) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange, the Nasdaq National Market;

- (iii) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the British Virgin Islands, the Cayman Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the European Economic Area (“**EEA**”) of a national emergency or war or other calamity or crisis;
- (iv) any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the British Virgin Islands, the Cayman Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in Hong Kong, the British Virgin Islands, the Cayman Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA;
- (v) to the extent there is any credit rating accorded to the debt securities of the Company or any of its subsidiaries by any internationally recognised rating agency, any downgrading in such rating and no such agency has publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the debt securities of the Company or any of its subsidiaries; or
- (vi) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the British Virgin Islands, the Cayman Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

which in the sole judgment of the Placing Agent, would make the placement of the Placing Shares or the enforcement of contracts to purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;

- (2) the representations, warranties and undertakings by the Company and the Vendor pursuant to the Placing and Subscription Agreement being true and accurate and not misleading as of the date of the Placing and Subscription Agreement and the Closing Date;
- (3) each of the Company and the Vendor having complied with all the provisions of the Placing and Subscription Agreement on the part of the Vendor and/or the Company required to be complied with or satisfied (unless otherwise waived) before the Closing Date; and

- (4) the Placing Agent having received on the Closing Date an opinion of counsel for the Placing Agent as to Hong Kong laws and U.S. securities laws, relating to such matters as the Placing Agent shall reasonably request, such opinion to be in form and substance reasonably satisfactory to the Placing Agent.

The Company and the Vendor shall use their respective reasonable endeavours to procure the fulfilment of the Placing Conditions on or before the Closing Date. The Placing Agent in its sole discretion may waive any of the Placing Conditions, in whole or in part and with or without conditions, by notice to the Company and the Vendor.

Closing of the Placing

The parties expect that closing of the Placing will take place on the Closing Date (i.e. 21 October 2024, or such other date as the Vendor and the Placing Agent may agree in writing).

Lock-Up Undertakings

The Vendor has undertaken to the Placing Agent that (except for the sale of the Placing Shares pursuant to the Placing and Subscription Agreement) for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date, it shall not, and shall procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf shall, without the prior written consent of the Placing Agent, (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Vendor or any affiliate of the Vendor or any person in privity with the Vendor or any affiliate of the Vendor), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction.

The Company shall not, and the Vendor shall procure that the Company will not, without the prior written consent of the Placing Agent, (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to (i) the allotment and issue of the Subscription Shares under the Placing and Subscription Agreement, (ii) any option or share issued or granted to eligible participants or awardees in accordance with the terms of any employee share option scheme or share award scheme of the Company, (iii) any bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association, (iv) the allotment and issue of new Shares upon conversion of the convertible bonds and convertible securities of the Company in issue as at the date of the Placing and Subscription Agreement, and (v) allotment and issue of shares on securities convertible into Shares in connection with debt restructuring of the Group which has been announced by the Company as at the date of the Placing and Subscription Agreement.

SUBSCRIPTION

Subscription Shares

Up to 489,000,000 new Shares, being the same number as the Placing Shares, will be subscribed by the Vendor, representing approximately 5.60% of the existing issued share capital of the Company and approximately 5.31% of the issued share capital of the Company as enlarged by the Subscription (assuming that there will be no change in the issued share capital of the Company from the date of this announcement to completion of the Subscription save for the issue of the Subscription Shares by the Company).

Subscription Price

The Subscription Price per new Share is equivalent to the Placing Price of HK\$2.465 per Share. The net price of the Subscription is approximately HK\$2.438 per Share. The Subscription Shares have a nominal value of HK\$48.9 million based on the par value of HK\$0.1 per Share and a market value of approximately HK\$1.506 billion based on the closing price of HK\$3.08 per Share as quoted on the Stock Exchange on 16 October 2024.

The Subscription Price was determined based on the Placing Price. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable under the current market condition and are in the interest of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank pari passu in all respects with the other Shares in issue or to be issued on or prior to the completion date of the Subscription, including the right to any dividends or distributions declared, made or paid on the record date of which falls after the date of allotment.

Conditions of the Subscription

The Subscription is conditional upon:

- (1) the Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in the Subscription Shares (and such listing approval and permission not subsequently revoked prior to the delivery of the Subscription Shares); and
- (2) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

None of the conditions stated above can be waived by any party. If the above conditions to the Subscription are not fulfilled within 14 days after the date of the Placing and Subscription Agreement, or such later date as may be agreed among the Company, the Vendor and the Placing Agent in compliance with the Listing Rules and other applicable laws and regulations, the obligations and liabilities of the Vendor and the Company under the Subscription shall be null and void.

Completion of the Subscription

Subject to the fulfillment of the above conditions, the parties expect that the completion date of the Subscription will be on or before 31 October 2024.

Termination

Without prejudice to any other provisions of the Placing and Subscription Agreement, the Placing Agent shall have the right exercisable at any time to terminate the Placing and Subscription Agreement if (i) any of the Placing Shares are not delivered by or on behalf of the Vendor in accordance with the Placing and Subscription Agreement, (ii) any of the events set out in paragraph (1) of the section headed “Conditions of the Placing” occurs at any time between the date of the Placing and Subscription Agreement and the Closing Date, or (iii) any condition set out in paragraphs (2) to (4) of the section headed “Conditions of the Placing” has not been satisfied or waived in writing.

II. GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The issue of the Subscription Shares will not be subject to further Shareholders' approval and the Subscription Shares will be issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution passed in the general meeting held on 20 May 2024. Pursuant to such mandate, the Directors were granted authority to issue up to 1,684,148,547 Shares, representing 20% of the issued share capital of the Company as at 20 May 2024. Since the grant of the general mandate on 20 May 2024 and prior to the Placing, the Directors have not exercised their power to allot and issue any new Shares pursuant to such general mandate. Accordingly, the issue of the Subscription Shares will fall within the limit of the general mandate and will not be subject to further approval by the Shareholders.

III. EFFECT OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDING

Assuming that there will be no change in the issued share capital of the Company from the date of this announcement to completion of the Subscription save for the issue of the Subscription Shares, the shareholding structure of the Company (1) as at the date of this announcement; (2) immediately after completion of the Placing but before the Subscription; and (3) immediately after completion of the Placing and the Subscription is and will be as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The Vendor and parties acting in concert with it	2,543,859,639	29.16	2,054,859,639	23.55	2,543,859,639	27.61
Directors (other than Mr. Sun Hongbin and Mr. Sun Kevin Zheyi)	33,388,000	0.38	33,388,000	0.38	33,388,000	0.36
The placees	–	–	489,000,000	5.60	489,000,000	5.31
Other public Shareholders	<u>6,147,227,302</u>	<u>70.46</u>	<u>6,147,227,302</u>	<u>70.46</u>	<u>6,147,227,302</u>	<u>66.72</u>
Total	<u>8,724,474,941</u>	<u>100</u>	<u>8,724,474,941</u>	<u>100</u>	<u>9,213,474,941</u>	<u>100</u>

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

IV. INFORMATION ON THE COMPANY AND THE GROUP

The Company is an investment holding company and operates business via its subsidiaries. With the brand philosophy of “passion for perfection”, the Group is committed to providing wonderful living environment and services for Chinese families through high-quality products and services and the integration of high quality resources. With a focus on its core business of real estate, the Group implements its strategic layout in real estate development, property management, ice & snow operation management, cultural tourism, culture and other business segments. After more than 20 years of development, the Group has become a leading enterprise in China’s real estate industry, a leading ice & snow industry operator and a leading cultural tourism industry operator and property owner in China, with nationwide leading capabilities in comprehensive urban development and integrated industrial operation.

As at 30 June 2024, the Group’s current and non-current borrowings amounted to approximately RMB193.49 billion and RMB83.93 billion respectively, while the Group had cash balances (including cash and cash equivalents and restricted cash) amounting to approximately RMB25.68 billion. As at 30 June 2024, the Group had not repaid borrowings in principal amount of approximately RMB106.96 billion according to their scheduled repayment dates, and as a result, borrowings in principal amount totaling of approximately RMB57.44 billion might be demanded for early repayment. As at 29 August 2024, the Group had not repaid borrowings in principal amount of approximately RMB114.32 billion according to their scheduled repayment dates and as a result, borrowings in principal amount totaling of approximately RMB53.96 billion might be demanded for early repayment.

In addition, as of 29 August 2024, various parties have filed litigation against the Group for the settlement of unpaid borrowings, outstanding construction and daily operations payables, delayed delivery of projects and other matters. Among them, there were about 368 cases with individual amounts exceeding RMB50 million, and the aggregated amounts of these cases amounted to approximately RMB139.94 billion, which mainly included unpaid borrowings and outstanding construction payables.

Although the Group has been actively communicating with relevant creditors and seeking various ways to resolve the overdue debts and pending lawsuits, there is no assurance that: (1) an amicable resolution can be reached in respect of each of the overdue debts and pending lawsuits; or (2) the Group will not be subject to any additional disputes and administrative, legal and other proceedings arising out of its operations; or (3) the Group will successfully resolve such disputes and proceedings to its satisfaction; or (4) any judgment or ruling in respect of such disputes and proceedings would be in favour of the Group.

V. REASONS FOR THE PLACING AND THE SUBSCRIPTION AND THE USE OF PROCEEDS

As disclosed in the Company's interim report for the six months ended 30 June 2024, the Group is making every effort to implement various initiatives such as guaranteed home delivery, debt risk resolution and asset revitalization. Given that the market recovery continued to fall short of expectations, the Group has extended the principal and interest payments on its onshore corporate bonds from the first half of and the third quarter of 2024 to the end of 2024 and is seeking long-term solutions to better resolve the debt risks in the open markets.

The Company intends to utilize the net proceeds from the Subscription primarily to support the long-term solutions for its onshore corporate bonds, as well as for general working capital purposes. The Board considers that the Placing and the Subscription will help the Group to better reach solutions on its onshore public debentures, and the resolution of debt risk further supports the Group to be committed in promoting the home delivery and business recovery.

The gross proceeds from the placing of existing Shares and the subscription of new Shares are expected to be HK\$1.205 billion and the net proceeds therefrom are expected to be approximately HK\$1.192 billion.

The Board considers the terms of the Placing and Subscription Agreement are normal commercial terms and the Placing and the Subscription are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

VI. FUNDRAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately preceding the date of this announcement.

On 20 November 2023, the Company issued convertible bonds due 2032, zero coupon mandatory convertible bonds due 2028 and zero coupon shareholder bond due 2028 in relation to the offshore debt restructuring of the Company. Details of such issuance are set out in the circular of the Company dated 13 June 2023.

As completion of the Placing and Subscription Agreement is subject to the fulfilment of a number of conditions, the Placing and/or the Subscription may or may not proceed to completion. Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Closing Date”	the second business day after the date when the sale of the Placing Shares shall be reported as a cross-trade to the Stock Exchange, or such other date as the Vendor and the Placing Agent may agree in writing
“Company”	Sunac China Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01918)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of the Placing Shares to independent professional, institutional and/or other individual investors pursuant to the Placing and Subscription Agreement
“Placing Agent”	China International Capital Corporation Hong Kong Securities Limited
“Placing and Subscription Agreement”	the placing and subscription agreement dated 17 October 2024 between the Company, the Vendor and the Placing Agent
“Placing Price”	the placing price of HK\$2.465 per Share
“Placing Shares”	489,000,000 existing Shares

“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Placing and Subscription Agreement
“Subscription Price”	the subscription price of HK\$2.465 per Share
“Subscription Shares”	489,000,000 new Shares
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong
“Transaction Date”	the date when the sale of the Placing Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) 17 October 2024, or (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on 17 October 2024, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as the Vendor and the Placing Agent may agree in writing
“US\$”	United States dollar, the lawful currency of the United States of America
“Vendor”	Sunac International Investment Holdings Ltd, a company incorporated in the British Virgin Islands with limited liability, which is controlled by family trusts of Mr. Sun Hongbin, the chairman of the Board and an executive Director of the Company

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

Hong Kong, 17 October 2024

As at the date of this announcement, the executive Directors are Mr. SUN Hongbin, Mr. WANG Mengde, Ms. MA Zhixia, Mr. TIAN Qiang, Mr. HUANG Shuping and Mr. SUN Kevin Zheyi; the non-executive Director is Mr. LAM Wai Hon; and the independent non-executive Directors are Mr. POON Chiu Kwok, Mr. ZHU Jia, Mr. MA Lishan and Mr. YUAN Zhigang.