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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)

- 1. POSSIBLE TRANSACTIONS IN CONNECTION WITH THE
RESTRUCTURING INVOLVING, AMONG OTHERS:
(1) ISSUE OF MANDATORY CONVERTIBLE BONDS UNDER
SPECIFIC MANDATE;
(2) CONNECTED TRANSACTION – ISSUE OF MANDATORY
CONVERTIBLE BONDS TO SUBSTANTIAL SHAREHOLDER;
(3) ADOPTION OF THE EMPLOYEE STOCK OWNERSHIP PLAN;
AND
2. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

1. BACKGROUND

Reference is made to the announcement of the Company dated 17 April 2025 in relation to the proposal of the Company to implement the Restructuring through the Scheme.

As set out in the announcement of the Company dated 24 June 2025, as at the date of such announcement, Consenting Creditors holding approximately 75% of the aggregate outstanding principal amount of the Existing Debt have acceded to the RSA. Consenting Creditors who have acceded to the RSA have undertaken to take all such actions as are necessary to, among other things, vote in favour of the Scheme in respect of the aggregate outstanding principal amount of all the Existing Debt held by them at the Record Time at the Scheme Meeting.

The scope of the Restructuring includes offshore debts issued or guaranteed by the Company, with estimated debt claims (including principal and accrued and unpaid interest, but excluding default interest) of US\$9,552,284,577.95 in aggregate as of 30 June 2025, subject to review and determination by the Scheme administrator. The Restructuring will involve release of the Company's indebtedness as well as certain obligations of other entities in the Group.

This announcement sets out further details on the Restructuring.

2. ISSUE OF MCBS UNDER SPECIFIC MANDATE

In consideration for the cancellation of the Existing Debt and the release of the relevant claims in connection with the Existing Debt, subject to the Shareholding Structure Stability Arrangement, two series of MCBs will be distributed to the Scheme Creditors as Restructuring Consideration. MCB 1 and MCB 2 together shall have an aggregate principal amount equal to the total amount of all Scheme Creditors' Claims. Subject to the terms of the Restructuring and to the extent permitted by applicable laws and regulations, Scheme Creditors may elect for MCB 1, MCB 2, or a combination of MCB 1 and MCB 2.

In addition, subject to the terms of the RSA, the Early Consent Fee or Base Consent Fee (as applicable) payable to relevant Consenting Creditors under the RSA shall be settled in the form of the MCB 1 at face value on or before the Restructuring Effective Date. The Consent Fee is not subject to the Shareholding Structure Stability Arrangement.

The allotment and issue of the MCB Conversion Shares is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the MCB Conversion Shares.

An application will be made for the listing and quotation of the MCBs on the SGX.

3. THE CONNECTED MCB ISSUE

(1) Issue of MCBs to Sunac International as a Scheme Creditor

As at the date of this announcement, Sunac International was the holder of the Sunac International MCB. Therefore, similar to other holders of the Existing Debt, subject to the Election and Allocation Mechanism, the Sunac International MCB held by Sunac International will be exchanged into MCBs in the Restructuring.

(2) Issue of MCBs to Mr. Sun Hongbin under the Shareholding Structure Stability Arrangement

To 1) maintain a stable shareholding structure, 2) ensure the continued contribution of Mr. Sun Hongbin to the Group's ongoing home delivery program, debt risk resolution and long-term business recovery, and 3) strengthen stakeholder confidence and better facilitate resource integration, conditional restricted shares are proposed to be allocated to the Substantial Shareholder or his designated person(s) as part of the Restructuring. This would enable Mr. Sun Hongbin and/or his designated persons to retain a certain shareholding level. Specifically, for every US\$100 in principal amount of MCBs attributable to the Scheme Creditors (other than those attributable to Sunac International), US\$23 out of those MCBs will instead be issued to Mr. Sun Hongbin or his designated person(s), for the purpose of the Shareholding Structure Stability Arrangement.

Sunac International is a substantial shareholder of the Company which holds approximately 23.31% of the total issued share capital of the Company as at the date of this announcement. Sunac International is controlled by family trusts of Mr. Sun Hongbin. Each of Sunac International and Mr. Sun Hongbin is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Connected MCB Issue, comprising (1) the issue of MCBs to Sunac International as a Scheme Creditor and (2) the issue of MCBs to Mr. Sun Hongbin or his designated person(s) under the Shareholding Structure Stability Arrangement, constitutes a connected transaction for the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Connected MCB Issue and the transactions contemplated thereunder are subject to the passing of necessary resolution by the Independent Shareholders at the EGM.

4. ADOPTION OF THE ESOP

As set out in the announcement of the Company dated 17 April 2025, a stable, dedicated and capable workforce, who continues to contribute and add value, is essential to support the Group's continued efforts in guaranteed home delivery, debt risk resolution, asset revitalization, long-term business recovery, and financial performance. Given the urgent need to stabilize the workforce, and the ongoing uncertainty and shortage of funds to support staff remuneration, the Group intends to adopt an ESOP. Under this plan, the Group intends to grant Shares to its selected employees as a long-term supplementary form of remuneration by way of allotting and issuing new Shares in accordance with the Listing Rules. Meanwhile, the ESOP is also to incentivize future continuous contribution of the grantees to the Group, in order to promote the continuous operations of the Group and the long-term business recovery and growth of the Group.

Further details of the ESOP will be set out in the circular to be despatched the Shareholders in due course.

5. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to seek the approval by way of ordinary resolution at the EGM by the Shareholders of an increase in its authorised share capital from HK\$1,500,000,000 divided into 15,000,000,000 Shares to HK\$3,000,000,000 divided into 30,000,000,000 Shares by creating an additional 15,000,000,000 unissued Shares, such Shares shall rank *pari passu* in all respects.

In order to facilitate the transactions contemplated under the Restructuring (including the MCB Issue (including the Connected MCB Issue) and the Adoption of the ESOP), and taking into account that the Company's authorised share capital is insufficient to cover the new Shares to be issued pursuant to the aforementioned transactions as of the date of this announcement, and to accommodate subsequent business development of the Group and to provide the Company with greater flexibility to raise funds in the future, the Board proposed the Increase in Authorised Share Capital. The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

6. GENERAL

An Independent Board Committee comprising all the independent non-executive Directors has been established to consider, and to advise the Independent Shareholders regarding the Connected MCB Issue and the transactions contemplated thereunder, and as to whether the Connected MCB Issue is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Ignite Capital (Asia Pacific) Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

An EGM will be convened and held for the Shareholders and/or Independent Shareholders to consider and, if thought fit, to approve by way of poll, the MCB Issue (including the Connected MCB Issue) and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the MCB Conversion Shares), the Adoption of the ESOP and the Increase in Authorised Share Capital.

Save that Sunac International, Mr. Sun Hongbin, Tianjin Biaodi and Mr. Sun Kevin Zheyi (the son of Mr. Sun Hongbin), holding in aggregate approximately 23.91% of the total number of issued Shares as at the date of this announcement, and being interested in the transactions contemplated under the Connected MCB Issue, shall abstain from voting for the resolution to approve the Connected MCB Issue and the transactions contemplated thereunder at the EGM, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder was required to abstain from voting for the resolutions to approve the MCB Issue (including the Connected MCB Issue), the Adoption of the ESOP and the Increase in Authorised Share Capital at the EGM.

A circular containing, among others, (a) further details of the MCB Issue (including the Connected MCB Issue) and the transactions contemplated thereunder, including the allotment and issue of the MCB Conversion Shares under the Specific Mandate; (b) further details of the Adoption of the ESOP; (c) further details of the Increase in Authorised Share Capital; (d) a letter of recommendations from the Independent Board Committee to the Independent Shareholders on the Connected MCB Issue and the transactions contemplated thereunder; (e) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected MCB Issue and the transactions contemplated thereunder; and (f) a notice convening the EGM will be despatched by the Company to the Shareholders on or before 28 August 2025.

Completion of the transactions set out in this announcement is subject to the fulfilment or waiver of the conditions precedent as set out in this announcement. The transactions set out in this announcement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

1. BACKGROUND AND KEY FEATURES OF THE RESTRUCTURING

Background

Reference is made to the announcement of the Company dated 17 April 2025 in relation to the Restructuring.

The Company proposed to implement the Restructuring through the Scheme.

As set out in the announcement of the Company dated 24 June 2025, as at the date of such announcement, Consenting Creditors holding approximately 75% of the aggregate outstanding principal amount of the Existing Debt have acceded to the RSA.

Consenting Creditors who have acceded to the RSA have undertaken to take all such actions as are necessary to, among other things, vote in favour of the Scheme in respect of the aggregate outstanding principal amount of all the Existing Debt held by them at the Record Time at the Scheme Meeting.

Key Features of the Restructuring

The scope of the Restructuring includes offshore debts issued or guaranteed by the Company, with estimated debt claims (including principal and accrued and unpaid interest, but excluding default interest) of US\$9,552,284,577.95 in aggregate as of 30 June 2025, subject to review and determination by the Scheme administrator. The Restructuring will involve release of the Company's indebtedness as well as certain obligations of other entities in the Group.

(1) Restructuring Consideration – Mandatory Convertible Bonds

In consideration for the cancellation of the Existing Debt and the release of the relevant claims in connection with the Existing Debt, subject to the arrangement set out in the paragraph headed "Shareholding Structure Stability Arrangement" below, two series of MCBs will be distributed to the Scheme Creditors as Restructuring Consideration.

MCB 1 and MCB 2 together shall have an aggregate principal amount equal to the total amount of all Scheme Creditors' Claims. Subject to the terms of the Restructuring and to the extent permitted by applicable laws and regulations, Scheme Creditors may elect for MCB 1, MCB 2, or a combination of MCB 1 and MCB 2. The election and allocation mechanism (the "**Election and Allocation Mechanism**") is as follows:

- (i) Option 1 (Default Option): MCB 1; and/or
- (ii) Option 2: MCB 2, where the total elections by the Scheme Creditors shall be no more than 25% of all the Scheme Creditors' Claims (the "**Cap**").

If Scheme Creditors' elections for MCB 2 exceed the Cap, then:

- (i) MCB 2 will be issued on the Restructuring Effective Date in an aggregate principal amount equal to the Cap; and
- (ii) Scheme Creditors who elected for MCB 2 shall be issued MCB 2 pro rata based on the portion of their claims which was elected for MCB 2, with MCB 1 issued to such Scheme Creditors in respect of any remaining claims elected for MCB 2.

Further details of the terms and conditions of the MCBs are set out in the section headed "2. ISSUE OF MCBS UNDER SPECIFIC MANDATE" in this announcement.

(2) *Shareholding Structure Stability Arrangement*

23% of the abovementioned MCBs (comprising the MCB 1 and the MCB 2) attributable to the Scheme Creditors as Restructuring Consideration will be used for the Shareholding Structure Stability Arrangement.

To 1) maintain a stable shareholding structure, 2) ensure the continued contribution of Mr. Sun Hongbin to the Group's ongoing home delivery program, debt risk resolution and long-term business recovery, and 3) strengthen stakeholder confidence and better facilitate resource integration, conditional restricted shares are proposed to be allocated to the Substantial Shareholder or his designated person(s) as part of the Restructuring. This would enable Mr. Sun Hongbin and/or his designated persons to retain a certain shareholding level. Specifically, for every US\$100 in principal amount of MCBs attributable to the Scheme Creditors (other than those attributable to Sunac International), US\$23 out of those MCBs will instead be issued to Mr. Sun Hongbin or his designated person(s).

Further details of the Shareholding Structure Stability Arrangement are set out in the section headed "3. THE CONNECTED MCB ISSUE" in this announcement.

(3) *ESOP*

A stable, dedicated and capable workforce, who continues to contribute and add value, is essential to support the Group's continued efforts in guaranteed home delivery, debt risk resolution, asset revitalization, long-term business recovery, and financial performance. Given the urgent need to stabilize the workforce, and the ongoing uncertainty and shortage of funds to support staff remuneration, the Group intends to formulate an ESOP. Under this plan, the Group intends to grant Shares to its selected employees as a long-term supplementary form of remuneration by way of allotting and issuing new Shares in accordance with the Listing Rules. Meanwhile, the ESOP is also to incentivize future continuous contribution of the grantees to the Group, in order to promote the continuous operations of the Group and the long-term business recovery and growth of the Group.

Subject to obtaining the requisite shareholders' approval under the Listing Rules, the Company plans to allot and issue Shares under the ESOP of no more than 7% of the fully diluted share capital (assuming the conversion of all the MCBs into Shares and the allotment and issue of Shares to such employees under the ESOP). Assuming the conversion of all the MCBs into Shares where the principal amount of the MCB 1 to be issued would represent the aggregate of 75% of the Maximum Scheme Creditors' Claims and the Consent Fees, and the principal amount of the MCB 2 to be issued would represent 25% of the Maximum Scheme Creditors' Claims and the allotment and issue of Shares to such employees under the ESOP, such 7% of the fully diluted share capital amounts to 1,861,317,829 Shares. Assuming the conversion of all the MCBs into Shares where the principal amount of the MCB 1 to be issued would represent the aggregate of 100% of the Maximum Scheme Creditors' Claims and the Consent Fees and the allotment and issue of Shares to such employees under the ESOP, such 7% of the fully diluted share capital amounts to 1,701,719,114 Shares. After the Restructuring Effective Date, such Shares will be granted annually by the Board to selected employees, based on their contribution to the Group's core business activities. The new Shares will be granted over a period of 5 years or more, and will be fully vested in no less than 8 years. The last batch of the Share Awards granted under the ESOP shall not become fully vested before the eighth anniversary of the Restructuring Effective Date. The Shares received by employees may not be sold within 18 months after the Restructuring Effective Date.

The Company will seek approval of the Shareholders at the EGM for the Plan Mandate Limit of not exceeding 10% of the issued shares of the Company as at the date of the EGM pursuant to Rule 17.03B(1) of the Listing Rules. Assuming that there is no other change in the issued share capital of the Company from the date of this announcement up to the date of the EGM, it is expected that the Plan Mandate Limit to be sought at the EGM will be 1,146,984,354 Shares, representing 10% of the issued shares of the Company as at the date of the EGM.

The Company will in due course seek further approval of the Shareholders in a general meeting of the Company to refresh the Plan Mandate Limit or to grant further Share Awards subject to and in accordance with the Listing Rules, as appropriate, so as to facilitate the aforementioned Company's plan to allot and issue Shares under the ESOP of no more than 7% of the fully diluted share capital (assuming the conversion of all the MCBs into Shares and the allotment and issue of Shares to such employees under the ESOP).

Further details of the ESOP are set out in the section headed "4. THE ADOPTION OF THE ESOP" in this announcement.

(4) *Early Consent Fee or Base Consent Fee*

A Consenting Creditor who validly held Eligible Restricted Debt as of the Early Consent Fee Deadline and still holds all or part of such Eligible Restricted Debt at the Record Time will, subject to the terms of the RSA, receive an Early Consent Fee in an amount equal to 1.0% of the aggregate principal amount of the Eligible Restricted Debt held by such Consenting Creditor as of the Early Consent Fee Deadline.

A Consenting Creditor who validly holds Eligible Restricted Debt as of the Base Consent Fee Deadline and still holds all or part of such Eligible Restricted Debt at the Record Time will, subject to the terms of the RSA, receive a Base Consent Fee in an amount equal to 0.5% of the aggregate principal amount of the Eligible Restricted Debt held by such Consenting Creditor as of the Base Consent Fee Deadline.

For the avoidance of doubt, the entitlement to Early Consent Fee and Base Consent Fee are mutually exclusive for the same principal amount of the Eligible Restricted Debt. A Consenting Creditor in respect of Eligible Restricted Debt may only receive either an Early Consent Fee or a Base Consent Fee in respect of that Eligible Restricted Debt.

The Early Consent Fee and the Base Consent Fee shall be payable in the form of the MCB 1 at face value on or prior to the Restructuring Effective Date, provided that the Consenting Creditor, among other things:

- (a) holds or has acquired its Eligible Restricted Debt in compliance with the relevant provisions of the RSA;
- (b) votes the aggregate amount of the Existing Debt held by it at the Record Time in favour of the Scheme at the Scheme Meeting (whether in person or by proxy); and
- (c) has not exercised its rights to terminate the RSA and has not breached any of the relevant terms and conditions of the RSA in any material respect.

The Consent Fee is not subject to the Shareholding Structure Stability Arrangement.

Conditions to the Restructuring

The Restructuring is conditional upon the following conditions being satisfied, or waived by the Initial Consenting Creditors acting reasonably and in good faith or the Majority Consenting Creditors, as the case may be:

- (a) the obtaining of all relevant approvals or consents for the Restructuring to take effect, including, without limitation, the occurrence of the Scheme Effective Date(s), relevant listing/quotation approvals-in-principle or conditional approvals for the listing of the MCBs on the Singapore Stock Exchange, the Stock Exchange or another stock exchange with international standing, all necessary approvals for the issuance and conversion of the MCBs and for the Adoption of the ESOP (including listing approval or conditional approval from the Stock Exchange for the Shares to be issued upon conversion of the MCBs and necessary approval(s) from the Shareholders as required for the issuance of the Shares upon conversion of the MCBs and adoption and implementation of the ESOP), and any board approvals of the Company required to consummate the Restructuring;
- (b) the settlement in full of all of the Company's fees, costs and expenses in respect of the Restructuring, including (but not limited to) professional fees and disbursements of any financial adviser, legal adviser or any other professional adviser and any other professional fees in relation to the Existing Debt, that are payable on or prior to the Restructuring Effective Date, under contracts or other arrangements entered into by the Company with such financial or legal advisers or other professional parties for their services rendered in relation to the proposed Restructuring;
- (c) the settlement in full of the Early Consent Fee and Base Consent Fee on or prior to the Restructuring Effective Date;
- (d) each major Restructuring Document being in agreed form, and the Company providing drafts of the key terms of the ESOP and the associated deed poll to the Initial Consenting Creditors for their review and comment;
- (e) compliance by the Company with the terms of the term sheet appended to the RSA in respect of any conditions which are required to be completed before the Restructuring Effective Date in all material aspects;
- (f) the maintenance of the listing status of the Shares on the Stock Exchange;
- (g) the satisfaction of each of the specific conditions precedent contained in each of the Restructuring Documents; and
- (h) the Company announcing the date set for the Restructuring Effective Date.

The Restructuring Effective Date shall occur within 5 business days of the above conditions (other than limbs (b) and (c) which shall be satisfied on the Restructuring Effective Date) being satisfied or waived, and in any event on or prior to 31 March 2026 or such later date and time as the Company may elect to extend to, with the prior written consent of the Initial Consenting Creditors or the requisite majority of the Consenting Creditors.

2. ISSUE OF MCBS UNDER SPECIFIC MANDATE

Subject to the terms of the Restructuring, two series of MCBs will be distributed to the Scheme Creditors, namely MCB 1 and MCB 2.

As set out in the section headed “1. BACKGROUND AND KEY FEATURES OF THE RESTRUCTURING” in this announcement, MCBs may be issued to Scheme Creditors for the purpose of satisfying the Restructuring Consideration and/or, in the case of MCB 1 only, the payment of the Consent Fees (as the case may be).

Terms of the MCBs

The principal terms of the MCBs are set out below:

Issuer: The Company

Principal amount: Up to US\$9,710,670,612.75 (being the sum of 100% of the Maximum Scheme Creditors’ Claims and the Early Consent Fee and the Base Consent Fee) in principal amount of MCB 1; and up to US\$2,412,500,000 (being 25% of the Maximum Scheme Creditors’ Claims) in principal amount of MCB 2.

(a) As Restructuring Consideration to Scheme Creditors

In respect of MCB 1, no less than 75% of the Scheme Creditors’ Claims.

In respect of MCB 2, no more than 25% of the Scheme Creditors’ Claims.

Assuming that none of the Scheme Creditors will elect for MCB 2, all the Scheme Creditors will receive MCB 1 by default. In this case, the principal amount of the MCB 1 to be issued would be up to US\$9,650,000,000, representing 100% of the Maximum Scheme Creditors’ Claims, and no MCB 2 will be issued.

Assuming that Scheme Creditors’ elections for MCB 2 are not less than the Cap, MCB 2 will be issued on the Restructuring Effective Date in an aggregate principal amount equal to the Cap. In this case, the principal amount of the MCB 1 to be issued would be up to approximately US\$7,237,500,000.00, representing 75% of the Maximum Scheme Creditors’ Claims, and the principal amount of the MCB 2 to be issued would be up to approximately US\$2,412,500,000, representing 25% of the Maximum Scheme Creditors’ Claims.

(b) As Consent Fee (MCB 1 only)

The Early Consent Fee and the Base Consent Fee shall be payable in the form of the MCB 1 at face value on or prior to the Restructuring Effective Date, provided that the relevant terms of the RSA are complied with.

Scheme Creditors holding Existing Debt in principal amount of US\$5,579,064,062.86 have acceded to the RSA on or before the Early Consent Fee Deadline.

Assuming that such Consenting Creditors will have complied with the relevant terms of the RSA and will receive the Early Consent Fee in an amount equal to 1.0% of the aggregate principal amount of the Eligible Restricted Debt held by such Consenting Creditor as of the Early Consent Fee Deadline, Early Consent Fee, being MCB 1 in principal amount of US\$55,790,640.63, will be issued.

Scheme Creditors holding Existing Debt in additional principal amount of US\$975,994,424.32 have acceded to the RSA after the Early Consent Fee Deadline but on or before the Base Consent Fee Deadline.

Assuming that such Scheme Creditors will have complied with the relevant terms of the RSA and will receive the Base Consent Fee in an amount equal to 0.5% of the aggregate principal amount of the Eligible Restricted Debt held by such Consenting Creditor as of the Base Consent Fee Deadline, Base Consent Fee, being MCB 1 in principal amount of US\$4,879,972.12 will be issued.

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| Issue date: | Restructuring Effective Date |
| Maturity: | <p>In respect of MCB 1, the date falling six months from the issue date, with the outstanding principal amount of the MCB 1 mandatorily converted into the Shares at maturity, subject to the terms and conditions of the MCB 1.</p> <p>In respect of MCB 2, the date falling thirty months from the earlier of 31 December 2025 and the issue date, with the outstanding principal amount of the MCB 2 mandatorily converted into the Shares at maturity, subject to the terms and conditions of the MCB 2.</p> |
| Interest: | The MCBs are not interest bearing. |
| Conversion events/period: | <p>(a) Ordinary Conversion:</p> <p>MCB 1:</p> <p>At any time before the date falling twenty (20) business days prior to the maturity date, any holder of the MCB 1 may deliver a conversion notice to convert all or part of the MCB 1 it holds into Shares at the MCB 1 Conversion Price.</p> <p>MCB 2:</p> <p>During the period after (and including) the date falling 18 months after the earlier of 31 December 2025 and the Restructuring Effective Date and before the date falling 20 business days prior to the maturity date, any holder of the MCB 2 may deliver a notice in respect of all or part of the MCB 2 it holds into Shares at the MCB 2 Conversion Price.</p> |

During the period after (and including) the Restructuring Effective Date to (and excluding) the date falling 18 months after the earlier of 31 December 2025 and the Restructuring Effective Date, the Company may, at its sole discretion and by giving prior notice to all holders of the MCB 2, on one or more occasions, declare that all or up to a specified amount of the MCB 2 may be converted into Shares at the option of any holder of the MCB 2, in which case any holder of the MCB 2 may deliver a conversion notice in respect of all or part of the MCB 2 it holds into Shares. In case only up to a specified amount of the MCB 2 (but not all of the MCB 2) are declared by the Company to be convertible, the MCB 2 shall be converted on a first-come-first served basis according to the conversion date (as defined in the terms and conditions of the MCB 2) of each conversion. Sunac International has notified the Company that, in the event that only up to a specified amount of the MCB 2 (but not all of the MCB 2) are declared by the Company to be convertible, Sunac International agrees to defer its conversion after all the other converting holders' conversion requests have been fulfilled, and in the event that the amount of MCB 2 of all the converting holders exceeds such specified amount, Sunac International's conversion request will not be processed at all.

(b) Maturity Mandatory Conversion:

All remaining MCBs outstanding as of the date falling 20 business days prior to the maturity date shall be mandatorily converted into Shares at the applicable maturity date, provided that if any of the below events has occurred and is continuing at any time during the period from and including the record date set out in the terms and conditions of the relevant MCB, and (in the case of event in paragraph (iv) only) (1) the trustee, if so requested in writing by the holders of not less than 10 per cent. in principal amount of the relevant MCB then outstanding with a total outstanding principal amount of no less than US\$200,000,000 or (2) holder(s) of not less than 10 per cent. in principal amount of the relevant MCB then outstanding with a total outstanding principal amount of no less than US\$200,000,000, have given notice in writing to the Company electing the suspension of the mandatory conversion of the relevant MCB, then the relevant MCB held by all holders shall not be so mandatorily converted into Shares:

- (i) winding up order granted against the Company;
- (ii) delisting of the Company's shares; and
- (iii) suspension of trading of the Company's shares as set out in the terms of the relevant MCB; and
- (iv) failure to deliver MCB Conversion Shares subject to the terms and conditions of the relevant MCB,

provided that no notice in writing has been given to the Company that the relevant MCB have become due and payable pursuant to the terms and conditions of the relevant MCB and upon all event(s) above ceasing to be continuing, the mandatory conversion shall be resumed in accordance with the terms and conditions of the relevant MCB.

(c) Early Mandatory Conversion:

Notwithstanding anything to the contrary in the terms and conditions of the relevant MCB, at any time after the total principal amount of MCB 1 outstanding is less than US\$500,000,000 (in respect of MCB 1) or US\$250,000,000 (in respect of MCB 2), the Company may deliver a mandatory conversion notification and all remaining MCB 1 or MCB 2 (as applicable) outstanding shall be mandatorily converted into Shares on the date specified by the Company, subject to the terms and conditions of the relevant MCB.

(d) Accelerated Conversion (for MCB 2 only):

Under the MCB 2, the accelerated conversion events are:

- incurrence of any new debts by the Company after the Restructuring Effective Date, other than normal operating expenses incurred in the ordinary course of business;
- breach of other obligations under MCB 2;
- Cross acceleration, judgement/ involuntary proceeding/voluntary proceeding in respect of the Company and the Subsidiary Guarantors (with relevant carve-outs as set out in the terms of the MCB 2);

- except as permitted under the trust deed relating to the MCB 2, any Guarantee becomes unenforceable or invalid or shall for any reason cease to be in full force and effect with respect to any Subsidiary Guarantor, or is claimed to be unenforceable, invalid or not in full force and effect by any Subsidiary Guarantor;
- except as permitted under the Trust Deed, any security document becomes unenforceable or invalid or shall for any reason cease to be in full force and effect or is claimed to be unenforceable, invalid or not in full force and effect by any Subsidiary Guarantor Pledgor or the Company;
- winding up order granted against the Company;
- delisting of the Company's shares;
- suspension of trading of the Company's shares as set out in the terms of the MCB 2; and
- failure to deliver MCB Conversion Shares subject to the terms and conditions of the MCB 2.

Upon the occurrence of any of the accelerated conversion events, the MCB 2 will become convertible subject to the terms of the MCB 2.

Restriction on conversion:

A conversion right may not be exercised in respect of the MCBs where the Company has already exercised its right, by delivering or depositing the relevant redemption/repurchase notice, to redeem or repurchase such MCBs in accordance with the terms and conditions of the MCBs, provided that this restriction on exercise of conversion right shall cease to apply if the Company fails to redeem or repurchase such MCBs in accordance with the relevant redemption/repurchase notice.

Conversion price:**MCB 1**

Subject to the terms and conditions of the MCB 1, the MCB 1 Conversion Price is initially HK\$6.80 per Share, which may be adjusted upon the occurrence of the adjustment events set out in the paragraph headed “Adjustment events” below.

The initial MCB 1 Conversion Price of HK\$6.80 per Share represents:

- (a) a premium of approximately 330.38% over the closing price of HK\$1.58 per Share as quoted on the Stock Exchange on 17 April 2025, being the date of the signing of the RSA;
- (b) a premium of approximately 341.56% over the closing price of HK\$1.54 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (c) a premium of approximately 352.13% over the average closing price of HK\$1.504 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the date of this announcement.

MCB 2

Subject to the terms and conditions of the MCB 2, the MCB 2 Conversion Price is initially HK\$3.85 per Share, which may be adjusted upon the occurrence of the adjustment events set out in the paragraph headed “Adjustment events” below.

The initial MCB 2 Conversion Price of HK\$3.85 per Share represents:

- (a) a premium of approximately 143.67% over the closing price of HK\$1.58 per Share as quoted on the Stock Exchange on 17 April 2025, being the date of the signing of the RSA;

- (b) a premium of approximately 150.00% over the closing price of HK\$1.54 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (c) a premium of approximately 155.98% over the average closing price of HK\$1.504 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the date of this announcement.

Each of the MCB 1 Conversion Price and the MCB 2 Conversion Price was determined after arms' length negotiations between the Company and the Initial Consenting Creditors after taking into account, among other things, the share price performance of the Company and the assessment of acceptability of Scheme Creditors towards the terms of the Restructuring with a view to achieving a sustainable capital structure. Each of the initial MCB 1 Conversion Price of HK\$6.80 per Share and the initial MCB 2 Conversion Price of HK\$3.85 per Share is at a premium to the closing price of HK\$1.58 per Share as quoted on the Stock Exchange on 17 April 2025, being the date of the signing of the RSA. Each of the MCB 1 Conversion Price and the MCB 2 Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Adjustment events:

Subject to the terms of the MCBs, each of the MCB 1 Conversion Price and the MCB 2 Conversion Price shall be subject to adjustment upon the occurrence of certain adjustment events including:

- (a) an alteration to the nominal value of the Shares as a result of consolidation, sub-division, redesignation or reclassification;
- (b) an issue (other than in lieu of cash dividend and other than issue that would amount to capital distribution) of any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account);

- (c) an issue by way of a scrip dividend where the aggregate value of such issue exceeds the amount of the relevant cash dividend or the relevant part thereof and which would not have constituted a capital distribution;
- (d) a capital distribution to the Shareholders;
- (e) an issue of Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 85 per cent. of the current market price per Share on the date of the first public announcement of the terms of the issue or grant;
- (f) an issue of other securities to all or substantially all Shareholders as a class by way of rights, or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any other securities;
- (g) an issue (otherwise than as mentioned in paragraph (e) above) of any Shares (other than (i) Shares issued on the exercise of conversion rights attaching to the MCB 1 or (ii) Shares issued on the exercise of conversion rights attaching to the MCB 2) or issue or grant (otherwise than as mentioned in paragraph (e) above) any options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, in each case at a price per Share which is less than 85 per cent. of the current market price on the date of the first public announcement of the terms of such issue;

- (h) other issues of securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than 85 per cent. of the current market price on the date of the first public announcement of the terms of issue of such securities;
- (i) modification of the rights of conversion, exchange or subscription attached to any such securities as are mentioned in paragraph (h) above (other than in accordance with the terms of such securities), so that the consideration per Share is reduced and is less than 85 per cent. of the current market price on the date of announcement of the proposal for such modification; and
- (j) issues, sale or distribution by the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity of any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them.

Notwithstanding anything to the contrary in the terms and conditions of the MCBs, no adjustment will be made to the MCB 1 Conversion Price or the MCB 2 Conversion Price:

- (i) when Shares, options or other securities are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of Eligible Participants pursuant to the ESOP; or
- (ii) when Shares, options or other securities are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of any Strategic Investor, unless the issue price is below HK\$5 per Share.

When Shares, options or other securities are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of any Strategic Investor at the issue price of below HK\$5 per Share, an adjustment may be made to the MCB 1 Conversion Price or the MCB 2 Conversion Price in the scenarios in (g) or (h) above if such issue price is also less than 85 per cent. of the current market price on the date of the first public announcement of the terms of issue of such Shares, options or other securities.

If an adjustment is required in the scenario in (g) above, the MCB Conversion Price shall be adjusted by multiplying the MCB Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

Where:

- A is the aggregate number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of the maximum number of Shares to be issued or the exercise of such options, warrants or other rights would purchase at such current market price per Share; and
- C is the aggregate number of Shares in issue immediately after the issue of such additional Shares.

If an adjustment is required in the scenario in (h) above, the MCB Conversion Price shall be adjusted by multiplying the MCB Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such current market price per Share on the date of such announcement; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate on the issue date of such securities.

The rationale to include such carve-out to adjustment to the MCB Conversion Price is that the introduction of Strategic Investors would be beneficial to the Group as a whole. In such case, the Company is of the view that anti-dilution protection for holders of the MCBs should not apply.

The issue price of HK\$5 per Share has been determined after negotiations between the Company and the creditors and their advisor after taking into account, among other things:

- (1) the effective MCB 2 Conversion Price of HK\$5, being HK\$3.85/77% after taking into account 23% of the MCBs attributable to the Scheme Creditors as Restructuring Consideration will be used for the Shareholding Structure Stability Arrangement. The effective MCB 2 Conversion Price only takes into account the portion of MCB 2 that the Scheme Creditors are actually issued, hence the MCB 2 Conversion Price is divided by 77% to arrive at the effective MCB 2 Conversion Price. Furthermore, only the MCB 2 Conversion Price (but not the MCB 1 Conversion Price) was taken into account given that any Strategic Investor would tend to be a long-term investor of the Company. Hence the MCB 2 Conversion Price would be a more relevant reference point given that the MCB 2's tenure is 30 months while the MCB 1's tenure is only 6 months;
- (2) the share price performance of the Company; and
- (3) the assessment of acceptability of creditors towards the terms of the Restructuring,

and such price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**Maximum number of MCB
Conversion Shares to be
issued:**

MCB 1

- (i) Assuming issue of MCB 1 in the maximum aggregate principal amount of US\$9,710,670,612.75 (being the aggregate of 100% of the Maximum Scheme Creditors' Claims and the Consent Fees)

Assuming that MCB 1 in the maximum aggregate principal amount of US\$9,710,670,612.75 (being the aggregate of 100% of the Maximum Scheme Creditors' Claims and the Consent Fees) will be issued by the Company and assuming full conversion of the MCB 1 at the MCB 1 Conversion Price of HK\$6.80 per Share and based on the agreed exchange rate of US\$1 = HK\$7.8, up to 11,138,710,407 MCB 1 Conversion Shares will be allotted and issued, which represent:

- (a) approximately 97.11% of the existing issued share capital of the Company as at the date of this announcement;
- (b) approximately 49.27% of the issued share capital of the Company as enlarged by the allotment and issue of such MCB 1 Conversion Shares;
- (c) approximately 46.89% of the issued share capital of the Company as enlarged by (i) the allotment and issue of such MCB 1 Conversion Shares and (ii) the allotment and issue of Shares pursuant to the ESOP assuming that the Plan Mandate Limit of 1,146,984,354 Shares is fully utilized (further assuming there is no other change in the issued share capital of the Company); and
- (d) approximately 45.82% of the issued share capital of the Company as enlarged by (i) the allotment and issue of such MCB 1 Conversion Shares, and (ii) subject to obtaining the requisite shareholders' approval under the Listing Rules, the allotment and issue of Shares pursuant to the ESOP assuming that the Plan Mandate Limit of 1,701,719,114 Shares is fully utilized (further assuming there is no other change in the issued share capital of the Company).

The MCB 1 Conversion Shares, upon full conversion, shall have an aggregate nominal value of up to HK\$1,113,871,040.70.

- (ii) Assuming issue of MCB 1 in the aggregate principal amount of US\$7,298,170,612.75 (being the aggregate of 75% of the Maximum Scheme Creditors' Claims and the Consent Fees)

Assuming that MCB 1 in the aggregate principal amount of US\$7,298,170,612.75 (being the aggregate of 75% of the Maximum Scheme Creditors' Claims and the Consent Fees) will be issued by the Company and assuming full conversion of the MCB 1 at the MCB 1 Conversion Price of HK\$6.80 per Share and based on the agreed exchange rate of US\$1 = HK\$7.8, up to 8,371,430,996 MCB 1 Conversion Shares will be allotted and issued, which represent:

- (a) approximately 72.99% of the existing issued share capital of the Company as at the date of this announcement;
- (b) approximately 42.19% of the issued share capital of the Company as enlarged by the allotment and issue of such MCB 1 Conversion Shares;
- (c) approximately 32.36% of the issued share capital of the Company as enlarged by (i) the allotment and issue of such MCB 1 Conversion Shares, (ii) the allotment and issue of MCB 2 Conversion Shares upon full conversion of the MCB 2 in the maximum principal amount of US\$2,412,500,000.00 at the MCB 2 Conversion Price of HK\$3.85 per Share, and (iii) the allotment and issue of Shares pursuant to the ESOP assuming that the Plan Mandate Limit of 1,146,984,354 Shares is fully utilized (further assuming there is no other change in the issued share capital of the Company); and

- (d) approximately 31.48% of the issued share capital of the Company as enlarged by (i) the allotment and issue of such MCB 1 Conversion Shares, (ii) the allotment and issue of MCB 2 Conversion Shares upon full conversion of the MCB 2 in the maximum principal amount of US\$2,412,500,000.00 at the MCB 2 Conversion Price of HK\$3.85 per Share, and (iii) subject to obtaining the requisite shareholders' approval under the Listing Rules, the allotment and issue of Shares pursuant to the ESOP assuming that the Plan Mandate Limit of 1,861,317,829 Shares is fully utilized (further assuming there is no other change in the issued share capital of the Company).

The MCB 1 Conversion Shares, upon full conversion, shall have an aggregate nominal value of up to HK\$837,143,099.60.

MCB 2

Assuming that MCB 2 in the maximum aggregate principal amount of US\$2,412,500,000.00 (being 25% of the Maximum Scheme Creditors' Claims) will be issued by the Company and assuming full conversion of the MCB 2 at the MCB 2 Conversion Price of HK\$3.85 per Share and based on the agreed exchange rate of US\$1 = HK\$7.8, up to 4,887,662,336 MCB 2 Conversion Shares will be allotted and issued, which represent:

- (a) approximately 42.61% of the existing issued share capital of the Company as at the date of this announcement;
- (b) approximately 29.88% of the issued share capital of the Company as enlarged by the allotment and issue of such MCB 2 Conversion Shares;

- (c) approximately 18.89% of the issued share capital of the Company as enlarged by (i) the allotment and issue of such MCB 2 Conversion Shares, (ii) the allotment and issue of MCB 1 Conversion Shares upon full conversion of the MCB 1 in the principal amount of US\$7,298,170,612.75 at the MCB 1 Conversion Price of HK\$6.80 per Share, and (iii) the allotment and issue of Shares pursuant to the ESOP assuming that the Plan Mandate Limit of 1,146,984,354 Shares is fully utilized (further assuming there is no other change in the issued share capital of the Company); and
- (d) approximately 18.38% of the issued share capital of the Company as enlarged by (i) the allotment and issue of such MCB 2 Conversion Shares, (ii) the allotment and issue of MCB 1 Conversion Shares upon full conversion of the MCB 1 in the principal amount of US\$7,298,170,612.75 at the MCB 1 Conversion Price of HK\$6.80 per Share, and (iii) subject to obtaining the requisite shareholders' approval under the Listing Rules, the allotment and issue of Shares pursuant to the ESOP assuming that the Plan Mandate Limit of 1,861,317,829 Shares is fully utilized (further assuming there is no other change in the issued share capital of the Company).

The MCB 2 Conversion Shares, upon full conversion, shall have an aggregate nominal value of up to HK\$488,766,233.60.

The maximum number of MCB Conversion Shares will be allotted and issued when the principal amount of the MCB 1 to be issued would represent the aggregate of 75% of the Maximum Scheme Creditors' Claims and the Consent Fees, and the principal amount of the MCB 2 to be issued would represent 25% of the Maximum Scheme Creditors' Claims.

Based on the above figures, the maximum number of MCB Conversion Shares (the sum of 8,371,430,996 MCB 1 Conversion Shares and 4,887,662,336 MCB 2 Conversion Shares) that may be allotted and issued by the Company is 13,259,093,332.

Security and guarantee:

The MCBs will be secured by the charges over the shares held by the Company or a Subsidiary Guarantor Pledgor in the Subsidiary Guarantors to be shared among the MCB 1, the MCB 2 and any other permitted pari passu secured indebtedness.

The MCBs will be jointly and severally guaranteed by the Subsidiary Guarantors.

Subject to the terms of the MCBs, the security and guarantee may be enforced upon the occurrence of payment acceleration events under the MCBs where the MCBs would become due and payable. The Company will assess the Listing Rules implications arising from any such enforcement based on the then prevailing facts and circumstances and comply with the relevant requirements under the Listing Rules, if applicable.

Redemption events:

(a) Redemption at the option of the Company

Subject to the redemption restriction set out below and the other terms of the relevant MCB, on giving not less than 15 business days' notice to the holders of the relevant MCB and to the trustee and principal agent (which notice shall be irrevocable), the Company may redeem all or any part of such MCB on the date specified in the notice at their principal amount as at such date, at any time.

(b) Redemption for taxation reasons

Subject to the terms of the relevant MCB, at any time the Company may, having given not less than 15 business days' notice to the holders of the relevant MCB, the trustee and the principal agent (which notice shall be irrevocable) redeem all but not some only of such MCB at their principal amount as at such date if (i) the Company (or if the guarantees were called, any Subsidiary Guarantor) has or will become obliged to pay additional taxation amounts as a result of any change in, or amendment to, the laws or regulations of the relevant jurisdictions, and (ii) such obligation cannot be avoided by the Company (or the relevant Subsidiary Guarantor, as the case may be) taking reasonable measures available to it.

Redemption restriction:

The Company may redeem or repurchase the outstanding MCBs, through tender offers or other offers of purchases that are made to all holders of the MCBs (subject to customary exclusions for compliance with the securities laws of relevant jurisdictions), provided that: (a) no open market repurchase of the MCBs shall be made; and (b) to the extent any MCBs which were allocated to and received by Mr. Sun Hongbin or any of his affiliates or other designated persons under the Shareholding Structure Stability Arrangement remain outstanding, the Company shall not redeem or repurchase such Bonds held by, Mr. Sun Hongbin or any of his affiliates or other designated persons..

Payment acceleration events: Payment acceleration events under the MCBs are as follows:

- winding up order granted against the Company;
- delisting of the Company's shares; and
- suspension of trading of the Company's shares as set out in the terms of the MCBs; and
- failure to deliver Conversion Shares subject to the terms and conditions of the MCBs.

If any of the payment acceleration events has occurred and is continuing, the MCB 1 or MCB 2 (as applicable) may be declared due and payable subject to the terms of the relevant MCB.

Ranking:

The MCBs constitute direct, unsubordinated, unconditional and secured obligations of the Company, and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the MCBs shall, save for such exceptions as may be provided by applicable law, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The MCB 1 and the MCB 2 benefit from the same Subsidiary Guarantees and charges over the shares held by the Company or a Subsidiary Guarantor Pledgor in the Subsidiary Guarantors.

The MCB Conversion Shares, when allotted and issued to a holder, shall rank *pari passu* in all respects with the Shares in issue on the date on which such holder is registered as such in the Company's register of members.

Voting rights:

The holder(s) of the MCBs shall not have any right to attend or vote in any general meeting of the Company.

Transferability:

The MCB are freely transferable subject to conditions.

Application for listing:

An application will be made by the Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the MCB Conversion Shares.

An application will be made for the listing and quotation of the MCBs on the SGX.

3. THE CONNECTED MCB ISSUE

Sunac International is a substantial shareholder of the Company which holds approximately 23.31% of the total issued share capital of the Company as at the date of this announcement. Sunac International is controlled by family trusts of Mr. Sun Hongbin. Each of Sunac International and Mr. Sun Hongbin is a connected person of the Company under Chapter 14A of the Listing Rules.

(1) Issue of MCBs to Sunac International as a Scheme Creditor

As at the date of this announcement, Sunac International was the holder of the Sunac International MCB, details of which are set out in the section headed “8. INFORMATION ON THE EXISTING DEBT UNDER THE SCHEME” in this announcement. Therefore, similar to other holders of the Existing Debt, subject to the Election and Allocation Mechanism, the Sunac International MCB held by Sunac International will be exchanged into MCBs in the Restructuring. As at the date of this announcement, the aggregate principal amount of the Sunac International MCB outstanding was US\$15,812,060.00. It is estimated that Sunac International, as a Scheme Creditor, may be issued MCBs in the principal amount of up to US\$15,812,060.00.

Sunac International will not be receiving any Consent Fees under the Scheme.

(2) Issue of MCBs to Mr. Sun Hongbin or his designated person(s) under the Shareholding Structure Stability Arrangement

As mentioned in the section headed “Shareholding Structure Stability Arrangement” above, for every US\$100 in principal amount of MCBs attributable to the Scheme Creditors (other than those attributable to Sunac International), US\$23 out of those MCBs (the “**Relevant New MCBs**”) will instead be issued to Mr. Sun Hongbin or his designated person(s) (“**Designee(s)**”) (the “**Shareholding Structure Stability Arrangement**”).

On the basis of the Maximum Scheme Creditors’ Claims, it is estimated that Mr. Sun Hongbin and/or his designated person(s) may be issued additional MCBs in principal amount of up to US\$2,215,863,226.20 as a result of the Shareholding Structure Stability Arrangement.

In connection with the Shareholding Structure Stability Arrangement, Mr. Sun Hongbin will execute the Chairman Undertaking pursuant to which he will irrevocably undertake to the Company that, among others:

- a. Mr. Sun Hongbin will not, and will procure that his Designee(s) do not, sell, assign, transfer, pledge or otherwise dispose of or create any encumbrance over any of the conversion shares to be issued upon conversion of the Relevant New MCBs (the “**Relevant MCB Conversion Shares**”) (each a “**Transaction**”), unless:

- i. at any time during the period from (and including) the Restructuring Effective Date to and (excluding) the date that is the sixth anniversary of the Restructuring Effective Date, the average closing price per Share as quoted on the daily quotation sheets of the Stock Exchange for any period of 30 consecutive trading days reaches or exceeds HK\$7.4 per Share (the “**Minimum Price**”); or
- ii. the Transaction occurs on or after the date that is the sixth anniversary of the Restructuring Effective Date,

and, in either case, subject further to the conditions that:

- iii. the Transaction must comply with all applicable laws and regulations, including (without limitation) the Listing Rules;
- iv. as at the date that is: (x) the sixth anniversary of the Restructuring Effective Date; or (y) if sub-paragraph (a)(i) above applies, the date of the relevant Transaction, Mr. Sun Hongbin shall remain, or (if Mr. Sun Hongbin is restricted by law or by any order or directive of a government agency from holding a senior position at the Company) one of his affiliates shall remain, employed or engaged as the chairman or a member of the Board and/or in another senior managerial position at the Company (the “**Qualification Condition**”), save that:
 - A. where the Strategic Investor (if any) has required the resignation of Mr. Sun Hongbin and his affiliates as a condition for its equity investment in, or general or partial takeover of, the Company, then (without prejudice to or derogation from the requirements set out in sub-paragraphs (a)(i) and (a)(ii) above) the Qualification Condition shall cease to apply; and
 - B. in the case of Mr. Sun Hongbin’s death or disability prior to the date that is the sixth anniversary of the Restructuring Effective Date, the Qualification Condition shall cease to apply, and the person who inherits or otherwise legally assumes ownership or control of his rights in or title to the Relevant MCB Conversion Shares shall be permitted to enter into one or more Transactions in respect of those Relevant MCB Conversion Shares on and from the date that is the sixth anniversary of the Restructuring Effective Date;

and if, at as the date that is the sixth anniversary of the Restructuring Effective Date, the Qualification Condition applies but is not satisfied, then, subject to compliance with all applicable laws and regulations, including (without limitation) the Listing Rules, the Relevant MCB Conversion Shares shall, from that date onwards, be held to the order of the Company, and Mr. Sun Hongbin and the Designee(s) and their respective permitted transferee(s) (as applicable) shall thereafter cease to have any beneficial interest in such Relevant MCB Conversion Shares; and

- b. before the conversion of the Relevant New MCBs in accordance with the provisions of the MCBs, Mr. Sun Hongbin will not, and will procure that his Designee(s) do not, sell, assign, transfer, pledge or otherwise dispose of or create any encumbrance over any of the Relevant New MCBs.

For the avoidance of doubt, nothing in the Chairman Undertaking shall restrict Mr. Sun Hongbin, his Designee(s) or their respective permitted transferee(s) (as applicable) from exercising the conversion right attaching to the Relevant New MCBs in accordance with the provisions of the MCBs. In addition, for the avoidance of doubt, notwithstanding anything to the contrary in the Chairman Undertaking, Mr. Sun Hongbin, his Designee(s) and their respective permitted transferee(s) (as applicable) shall be entitled to exercise and enjoy all voting rights and dividend rights attached to the Relevant MCB Conversion Shares upon their issuance to Mr. Sun Hongbin, his Designee(s) or their respective permitted transferee(s) (as applicable) following conversion of the Relevant New MCBs.

The above shall not restrict the ability of Mr. Sun Hongbin to transfer some or all of the Relevant New MCBs and/or the conversion shares issuable thereunder to his affiliate(s), provided that, among others, such affiliate(s) shall, as a condition precedent to receive such Relevant New MCBs and/or conversion shares, agree to the terms set out in the Chairman Undertaking as if it were a party to the Chairman Undertaking.

The Minimum Price and the period of 30 consecutive trading days were determined after arms' length negotiations between the Company and the Initial Consenting Creditors after taking into account, among other things:

- (1) the effective MCB Conversion Price (calculated by $1/(0.75/6.8+0.25/3.85)/77\%$);

To arrive at such effective MCB Conversion Price, it has been assumed that the principal amount of the MCB 1 to be issued would represent the aggregate of 75% of the Scheme Creditors' Claims and the Consent Fees, and the principal amount of the MCB 2 to be issued would represent 25% of the Scheme Creditors' Claims. In addition, 23% of the MCBs (comprising MCB 1 and MCB 2) attributable to the Scheme Creditors as Restructuring Consideration will be used for the Shareholding Structure Stability Arrangement. The effective MCB Conversion Price only takes into account the portion of MCB that the Scheme Creditors are actually issued, hence the MCB Conversion Price is divided by 77% to arrive at the effective MCB Conversion Price.

- (2) the share price performance of the Company;
- (3) the assessment of acceptability of Scheme Creditors towards the terms of the Restructuring with a view to achieving a sustainable capital structure; and
- (4) the purpose of the Shareholding Structure Stability Arrangement to incentivize Mr. Sun Hongbin to contribute towards the Group's long-term business recovery and unlock value for the Company and its stakeholders as a whole.

The Minimum Price of HK\$7.40 per Share is at a significant premium of approximately 368.35% over the closing price to the closing price of HK\$1.58 per Share as quoted on the Stock Exchange on 17 April 2025, being the date of the signing of the RSA. Mr. Sun Hongbin, in respect of the conversion shares issuable under the Relevant New MCBs, will be subject to restrictions on disposal, encumbrance or transfer until the conversion shares are vested upon the occurrence of the relevant trigger event, i.e. on the date that is the sixth anniversary of the Restructuring Effective Date, or the average closing price per Share quoted on the daily quotation sheets published by the Stock Exchange for any period of 30 consecutive trading days is not less than the Minimum Price. This lock-up arrangement which is linked to the future share price of the Company would ensure the continued contribution of Mr. Sun Hongbin to the Group's business recovery and facilitate the alignment of Mr. Sun Hongbin's interest with those of the Shareholders. The requirement for the share price to maintain the level of the Minimum Price for a period of 30 consecutive trading days would ensure that Mr. Sun Hongbin is only released from the lock up after the share price has sustained this level for a reasonably long period of time, preventing release due to temporary market fluctuations. The Shareholding Structure Stability Arrangement (including the Minimum Price) is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Total amount of MCBs to be issued to Sunac International and/or Mr. Sun Hongbin and/or his designated person(s)

Based on the above two arrangements (namely, issue of MCBs to Sunac International as a Scheme Creditor and issue of MCBs to Mr. Sun Hongbin or his designated person(s) under the Shareholding Structure Stability Arrangement), subject to the occurrence of the Restructuring Effective Date, based on the Maximum Scheme Creditors' Claims, it is estimated that Sunac International and/or Mr. Sun Hongbin and/or his designated person(s) will in aggregate be issued MCBs in principal amount of up to US\$2,231,675,286.20 in the Restructuring, comprising (1) the MCBs in principal amount of up to US\$15,812,060.00 to be issued to Sunac International as a Scheme Creditor and (2) the MCBs in principal amount of up to US\$2,215,863,226.20 to be issued to Mr. Sun Hongbin or his designated person(s) under the Shareholding Structure Stability Arrangement. Assuming that such amount of MCBs will be issued by the Company to Sunac International and/or Mr. Sun Hongbin and/or his designated person(s) in the Restructuring, subject to the Election and Allocation Mechanism (which applies to all Scheme Creditors whether or not they are Sunac International or other Scheme Creditors), the two extreme scenarios are illustrated below:

(1) all such MCBs will be issued in the form of MCB 1

Upon full conversion of such MCB 1 at the MCB 1 Conversion Price and based on the agreed exchange rate of US\$1 = HK\$7.8, such MCB 1 will be converted into an aggregate of 2,559,862,827 new Shares. Such new Shares represent:

- (i) approximately 22.32% of the issued share capital of the Company as at the date of this announcement;
- (ii) approximately 10.53% of the issued share capital of the Company as enlarged by (i) the allotment and issue of such new Shares, (ii) the allotment and issue of the other MCB 1 Conversion Shares upon full conversion of the MCB 1 in the principal amount of US\$9,710,670,612.75 at the MCB 1 Conversion Price of HK\$6.80 per Share, and (iii) subject to obtaining the requisite shareholders' approval under the Listing Rules, the allotment and issue of Shares pursuant to the ESOP assuming that the Plan Mandate Limit of 1,701,719,114 Shares is fully utilized (further assuming there is no other change in the issued share capital of the Company);

(2) MCBs to Sunac International as a Scheme Creditor and the MCBs to be issued to Mr. Sun Hongbin or his designated person(s) under the Shareholding Structure Stability Arrangement will be issued in the form of 75% MCB 1 and 25% MCB 2

Upon full conversion of such MCB 1 at the MCB 1 Conversion Price and MCB 2 at the MCB 2 Conversion Price and based on the agreed exchange rate of US\$1 = HK\$7.8, such MCB 1 and MCB 2 will be converted into an aggregate of 3,050,226,161 new Shares. Such new Shares represent:

- (i) approximately 26.59% of the issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 11.47% of the issued share capital of the Company as enlarged by (i) the allotment and issue of such new Shares, (ii) the allotment and issue of the other MCB 1 Conversion Shares upon full conversion of the MCB 1 in the principal amount of US\$7,298,170,612.75 at the MCB 1 Conversion Price of HK\$6.80 per Share and the allotment and issue of the MCB 2 Conversion Shares upon full conversion of the MCB 2 in the principal amount of US\$2,412,500,000 at the MCB 2 Conversion Price of HK\$3.85 per Share, and (iii) subject to obtaining the requisite shareholders' approval under the Listing Rules, the allotment and issue of Shares pursuant to the ESOP assuming that the Plan Mandate Limit of 1,861,317,829 Shares is fully utilized (further assuming there is no other change in the issued share capital of the Company).

Further details on the impact on the shareholding percentage of Mr. Sun Hongbin or his designated person(s) or Sunac International as a result of the Connected MCB Issue are set out in the section headed "7. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY" in this announcement.

The principal terms of the MCBs are set out in the section headed "2. ISSUE OF MCBS UNDER SPECIFIC MANDATE" in this announcement.

Information on Sunac International and Mr. Sun Hongbin

Sunac International is a company incorporated in the British Virgin Islands, which is controlled by family trusts of Mr. Sun Hongbin, the chairman of the Board and an executive Director. Sunac International is principally engaged in investment holding.

4. ADOPTION OF THE ESOP

A stable, dedicated and capable workforce, who continues to contribute and add value, is essential to support the Group's continued efforts in guaranteed home delivery, debt risk resolution, asset revitalization, long-term business recovery, and financial performance. Given the urgent need to stabilize the workforce, and the ongoing uncertainty and shortage of funds to support staff remuneration, the Group intends to formulate the ESOP. Under the ESOP, the Group intends to grant Award Shares to its selected employees as a long-term supplementary form of remuneration by way of allotting and issuing new Shares in accordance with the Listing Rules. Meanwhile, the ESOP is also to incentivize future continuous contribution of the grantees to the Group, in order to promote the continuous operations of the Group and the long-term business recovery and growth of the Group.

Subject to obtaining the requisite shareholders' approval under the Listing Rules, the Company plans to allot and issue Shares under the ESOP of no more than 7% of the fully diluted share capital (assuming the conversion of all the MCBs into Shares and the allotment and issue of Shares to such employees under the ESOP). Assuming the conversion of all the MCBs into Shares where the principal amount of the MCB 1 to be issued would represent the aggregate of 75% of the Maximum Scheme Creditors' Claims and the Consent Fees, and the principal amount of the MCB 2 to be issued would represent 25% of the Maximum Scheme Creditors' Claims and the allotment and issue of Shares to such employees under the ESOP, such 7% of the fully diluted share capital amounts to 1,861,317,829 Shares. Assuming the conversion of all the MCBs into Shares where the principal amount of the MCB 1 to be issued would represent the aggregate of 100% of the Maximum Scheme Creditors' Claims and the Consent Fees and the allotment and issue of Shares to such employees under the ESOP, such 7% of the fully diluted share capital amounts to 1,701,719,114 Shares. After the Restructuring Effective Date, such Shares will be granted annually by the Board to selected employees, based on their contribution to the Group's core business activities. The new Shares will be granted over a period of 5 years or more, and will be fully vested in no less than 8 years. The last batch of the Share Awards granted under the ESOP shall not become fully vested before the eighth anniversary of the Restructuring Effective Date. The Shares received by employees may not be sold within 18 months after the Restructuring Effective Date.

The Company will seek approval of the Shareholders at the EGM for the Plan Mandate Limit of not exceeding 10% of the issued shares of the Company as at the date of the EGM pursuant to Rule 17.03B(1) of the Listing Rules. Assuming that there is no other change in the issued share capital of the Company from the date of this announcement up to the date of the EGM, it is expected that the Plan Mandate Limit to be sought at the EGM will be 1,146,984,354 Shares, representing 10% of the issued shares of the Company as at the date of the EGM.

The Company will in due course seek further approval of the Shareholders in a general meeting of the Company to refresh the Plan Mandate Limit or to grant further Share Awards subject to and in accordance with the Listing Rules, as appropriate, so as to facilitate the Company's aforementioned plan to allot and issue Shares under the ESOP of no more than 7% of the fully diluted share capital (assuming the conversion of all the MCBs into Shares and the allotment and issue of Shares to such employees under the ESOP).

The Adoption of the ESOP is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM. Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued by the Company in respect of the Share Awards that may be granted pursuant to the ESOP.

Further details of the ESOP will be set out in the circular to the Shareholders.

Application for Listing

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued in respect of all Share Awards that may be granted pursuant to the ESOP.

5. REASONS FOR AND BENEFITS OF THE POSSIBLE TRANSACTIONS IN CONNECTION WITH THE RESTRUCTURING

The Company is a company incorporated in the Cayman Islands with limited liability, which is listed on the main board of the Stock Exchange. 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 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.

Overview of the Group's financial situation

As at 31 December 2024, the Group had borrowings of RMB259.67 billion (of which RMB73.58 billion were classified as non-current borrowings and RMB186.09 billion were classified as current borrowings). The borrowings of the Group mainly comprised bank and other institution borrowings, senior notes, corporate bonds, private domestic corporate bonds and convertible bonds. Further details of the indebtedness situation of the Group as at 31 December 2024 are set out in the annual report of the Company for the year ended 31 December 2024 and published on the website of the Stock Exchange on 28 April 2025.

As at 31 December 2024, the Group had not repaid borrowings in principal amount of approximately RMB105.80 billion in aggregate according to their scheduled repayment dates, and as a result, borrowings in principal amount totaling of approximately RMB64.57 billion might be demanded for early repayment.

The table below sets out the borrowings of the Company as at 31 December 2024:

| | As at 31 December 2024 <i>RMB (billion)</i> |
|------------------------|---|
| Non-current borrowings | 73.58 |
| Current borrowings | 186.09 |
| Total borrowings | 259.67 |

The Restructuring

In light of the impact of the winding-up petition filed against the Company in January 2025, and the fact that current industry conditions have significantly fallen short of expectations at the time when the previous offshore debt restructuring plan was formulated, the Company, over the past few months, has been actively working with its financial adviser, Houlihan Lokey (China) Limited, and legal adviser, Sidley Austin, to assess its current financial and operational conditions, and has maintained constructive dialogue with offshore creditors, with a view to formulating a viable holistic offshore debt solution to completely address the offshore debt risks, establishing a sustainable capital structure and stable operating environment to support its long-term business recovery. On 17 April 2025, the Company reached agreement with the Initial Consenting Creditors on the terms of the Restructuring.

The Restructuring aims to provide a fair and equitable solution that maximizes recovery for creditors, while preserving the Group's ability to operate as a going concern and creating a win-win outcome for all stakeholders. Specifically, the Restructuring will (a) provide Scheme Creditors with the opportunity to convert their debt into equity, allowing them to benefit from near-term liquidity and potential equity upside; (b) completely address the Group's offshore debt risks and establish a sustainable capital structure. The implementation of the

Shareholding Structure Stability Arrangement and the Adoption of the ESOP is expected to further reinforce stakeholder confidence, thereby supporting future project delivery, debt risk resolution, assets revitalization, and long-term business recovery. As mentioned above, the Restructuring seeks to address the Existing Debt. Details of the creditors of such indebtedness are set out in the section headed **“8. INFORMATION ON THE EXISTING DEBT UNDER THE SCHEME”** below. Save for debts in respect of which the Company reached or the Company is confident that it will reach bilateral agreements with the relevant creditors, the Restructuring will address all existing offshore debts of the Company.

Through the payment of the Consent Fees by the issue of the MCB 1, less cash flow pressure will be created on the Group while more Scheme Creditors can be incentivized to support the Scheme. Although the relative shareholding in the Company of the existing Shareholders would be diluted as a result of the conversion of the MCBs, the Board is of the view that it would be in the best interest of the Company and the Shareholders as a whole if the liquidity of the Group would be significantly improved as a result of the completion of the Restructuring.

The Restructuring will be implemented through the Scheme. Upon the occurrence of the Restructuring Effective Date, all the Existing Debt claims of the Scheme Creditors will be discharged and extinguished and the Scheme Creditors will not be allowed to make any claim against the Company in respect of their Existing Debt.

No net proceeds will be received by the Group from the MCB Issue. All proceeds from the MCB Issue will be applied towards the satisfaction of part of the Restructuring Consideration, thereby reducing the overall debt size and debt pressure of the Group, enhancing its net asset value and significantly improving the financial position. The exchange of the relevant debts of the Group into MCBs will greatly improve the liquidity of the Company. The MCB Issue would also increase the capital base through the issue of Shares and help the Company achieve a sustainable capital structure with substantially reduced offshore debts risks. In addition, the issue of MCBs to the Substantial Shareholder or his designated person(s) under the Shareholding Structure Stability Arrangement would assist the Company in maintaining a stable shareholding structure, ensure the continued contribution of Mr. Sun Hongbin to the Group’s ongoing home delivery program, debt risk resolution and long-term business recovery and strengthen stakeholder confidence and better facilitate resource integration.

Given the urgent need to stabilize the workforce, and the ongoing uncertainty and shortage of funds to support staff remuneration, the Adoption of the ESOP would facilitate the establishment of a stable, dedicated and capable workforce, who will continue to contribute and add value, which is essential to support the Group’s continued efforts in guaranteed home delivery, debt risk resolution, asset revitalization, long-term business recovery, and financial performance.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the MCB Issue (excluding the Connected MCB Issue) and the Adoption of the ESOP are fair and reasonable based on the current market conditions and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

The Directors (excluding Mr. Sun Hongbin and Mr. Sun Kevin Zheyi, the son of Mr. Sun Hongbin, and the members of the Independent Board Committee whose views will be included in the circular after being advised by the Independent Financial Adviser) consider that the terms and conditions of the Connected MCB Issue are fair and reasonable based on the current market conditions and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Each of Mr. Sun Hongbin and Mr. Sun Kevin Zheyi is considered to have a material interest in the Connected MCB Issue and has abstained from voting on the board resolutions in relation to the Connected MCB Issue. Save as disclosed above, none of the Directors has a material interest in the Connected MCB Issue and is required to abstain from voting on the relevant resolution(s).

6. EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save for the following, the Company has not carried out any equity fund raising activities in the past 12 months immediately before the date of this announcement:

| Date of announcement | Activity | Use of proceeds stated in the announcement | Actual use of proceeds as at the date of this announcement |
|-----------------------------|---|---|--|
| 17 October 2024 | Top-up placing of the Company in relation to the placing of 489,000,000 Shares at HK\$2.465 per Share | Approximately HK\$1.192 billion, which would be used by the Company in accordance with its plan of supporting the long-term solutions for its onshore corporate bonds, as well as for general working capital purposes. | Approximately RMB0.8 billion was used to repurchase onshore corporate bonds in the Group's onshore debt restructuring, while the remaining proceeds will be used in accordance with the stated purposes. |
| 4 July 2025 | Issue of 754,468,943 new Shares in connection with the Group's onshore debt restructuring | The Group did not receive any fund from such share issue. | The purposes are as set out in the Company's announcement dated 4 July 2025. |

7. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company.

- (a) as at the date of this announcement;
- (b) assuming full conversion of the MCBs at the initial MCB 1 Conversion Price of HK\$6.80 per Share or the initial MCB 2 Conversion Price of HK\$3.85 per Share (as applicable), and (i) the principal amount of the MCB 1 to be issued as Restructuring Consideration would be equal to US\$7,237,500,000.00 representing 75% of Maximum Scheme Creditors' Claims, and the principal amount of the MCB 2 to be issued would be equal to approximately US\$2,412,500,000.00 representing 25% of the Maximum Scheme Creditors' Claims, (ii) Sunac International and/or Mr. Sun Hongbin and/or his designated person(s) will in aggregate be issued MCBs in maximum principal amount of US\$2,231,675,286.20 in the Restructuring, comprising (1) the MCBs in principal amount of up to US\$15,812,060.00 to be issued to Sunac International as a Scheme Creditor and (2) the MCBs in principal amount of up to US\$2,215,863,226.20 to be issued to Mr. Sun Hongbin or his designated person(s) under the Shareholding Structure Stability Arrangement, and (iii) for the purpose of the payment of Consent Fees, MCB 1 in principal amount of US\$60,670,612.75 will be issued to the Scheme Creditors;
- (c) assuming occurrence of the scenario in (b) above and the allotment and issue of Shares pursuant to the ESOP assuming that the Plan Mandate Limit of 1,146,984,354 Shares is fully utilized; and
- (d) assuming occurrence of the scenario in (b) above and subject to obtaining the requisite shareholders' approval under the Listing Rules, the allotment and issue of Shares pursuant to the ESOP assuming that the Plan Mandate Limit of 1,861,317,829 Shares is fully utilized, and

further assuming there is no other change in the issued share capital of the Company from the date of this announcement up to the date of the full conversion of the aforementioned instruments and based on the agreed exchange rate of US\$1 = HK\$7.8:

| | (a) As at the date of this announcement | | (b) Immediately upon full conversion of the MCBs based on the assumptions stated above | | (c) Immediately upon full conversion of the MCBs and the allotment and issue of Shares pursuant to the ESOP based on the Plan Mandate Limit of 1,146,984,354 Shares, and based on the other assumptions stated above | | (d) Immediately upon full conversion of the MCBs and the allotment and issue of Shares pursuant to the ESOP based on the Plan Mandate Limit of 1,861,317,829 Shares, and based on the other assumptions stated above | |
|--|---|-----------|--|-----------|--|-----------|--|-----------|
| | Number of Shares | Approx. % | Number of Shares | Approx. % | Number of Shares | Approx. % | Number of Shares | Approx. % |
| Mr. Sun Hongbin (Note 1) | 2,741,756,987 | 23.9% | 5,791,983,148 | 23.4% | 5,791,983,148 | 22.4% | 5,791,983,148 | 21.8% |
| Mr. Wang Mengde | 17,177,000 | 0.150% | 17,177,000 | 0.069% | 17,177,000 | 0.066% | 17,177,000 | 0.065% |
| Ms. Ma Zhixia | 3,829,000 | 0.033% | 3,829,000 | 0.015% | 3,829,000 | 0.015% | 3,829,000 | 0.014% |
| Mr. Tian Qiang | 6,982,000 | 0.061% | 6,982,000 | 0.028% | 6,982,000 | 0.027% | 6,982,000 | 0.026% |
| Mr. Huang Shuping | 5,400,000 | 0.047% | 5,400,000 | 0.022% | 5,400,000 | 0.021% | 5,400,000 | 0.020% |
| Mr. Sun Kevin Zheyi | 261,000 | 0.002% | 261,000 | 0.001% | 261,000 | 0.001% | 261,000 | 0.001% |
| Holders of MCB 1 (other than Sunac International, Mr. Sun Hongbin or his designated person(s)) | - | - | 6,451,533,875 | 26.1% | 6,451,533,875 | 24.9% | 6,451,533,875 | 24.3% |
| Holders of MCB 2 (other than Sunac International, Mr. Sun Hongbin or his designated person(s)) | - | - | 3,757,333,296 | 15.2% | 3,757,333,296 | 14.5% | 3,757,333,296 | 14.1% |
| Other Shareholders (Note 2) | 8,694,437,556 | 75.8% | 8,694,437,556 | 35.2% | 8,694,437,556 | 33.6% | 8,694,437,556 | 32.7% |
| Grantees (Note 3) | - | - | - | - | 1,146,984,354 | 4.4% | 1,861,317,829 | 7.0% |
| Total: | 11,469,843,543 | 100.0% | 24,728,936,875 | 100.0% | 25,875,921,229 | 100.0% | 26,590,254,704 | 100.0% |

Notes:

- Of these 2,741,756,987 Shares, (a) 19,930,000 Shares were held by Mr. Sun Hongbin, (b) 2,673,120,987 Shares were held by Sunac International and (c) 48,706,000 Shares were held by Tianjin Biaodi. 70% of the issued shares of Sunac International and all the shares of Tianjin Biaodi were held by Sunac Holdings LLC. All issued shares of Sunac Holdings LLC were held by the HBS Family Trust (the “**Family Trust**”). South Dakota Trust Company LLC was the trustee of the Family Trust. The Family Trust was established by Mr. Sun Hongbin and Mr. Sun Hongbin and some of his family members are the beneficiaries. In accordance with the SFO, Mr. Sun Hongbin was deemed to be interested in the aforesaid Shares.

2. To the best of the Directors' knowledge, information and belief, all of these Shareholders are members of the public as defined in Rule 8.24 of the Listing Rules as at the date of this announcement.
3. The exact identities of Grantees are yet to be determined as at the date of this announcement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, based on the disclosure of interests filings on the Company that were publicly available on the Disclosure of Interests Online (DION) System, save for Mr. Sun Hongbin and his affiliates, no person had reported any notifiable interest in 5% or more of the Shares of the Company under Part XV of the SFO.

Based on the shareholding table (adopting the Maximum Scheme Creditors' Claims) above, it is expected that the public float of the Company upon full conversion of the MCBs will be at least 71.09% of the issued share capital of the Company. Such public float comprises Shares to be held by holders of the MCBs (other than Sunac International, Mr. Sun Hongbin or his designated person(s)) and other Shareholders as described in the shareholding table (adopting the Maximum Scheme Creditors' Claims) above. In addition, as can be seen from the shareholding table (adopting the Maximum Scheme Creditors' Claims) above, holders of MCBs alone already constitute more than 38.39% of the issued share capital of the Company upon full conversion of the MCBs. Based on information currently available to the Company, there were over 1,000 Scheme Creditors as at the date of this announcement. Therefore, based on such currently available information and barring unforeseen circumstances, the Company is of the view that conversion of the MCBs is unlikely to affect the public float compliance of the Company.

Even in the extreme and highly unlikely event that only the MCBs held by Sunac International and/or Mr. Sun Hongbin and/or his designated person(s) are converted into Shares but not those held by the other Scheme Creditors, upon such conversion, the public float will be approximately 53.08% (i.e. well above 25%) and the minimum public float requirement will remain to be satisfied by the Company in such circumstance.

If any person, together with parties acting in concert (within the meaning of the Takeovers Code) with him, would acquire 30% or more of the voting rights of the Company following the conversion of the MCBs, he may incur an obligation to make a general offer for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by him and parties acting in concert with him under the Takeovers Code.

8. INFORMATION ON THE EXISTING DEBT UNDER THE SCHEME

The Scheme Creditors comprise the persons who hold beneficial interests as principal in, or who are the lenders under, the following instruments as at the Record Time for the Scheme:

- (a) the New York law-governed senior notes due 30 September 2025 (the “**2025 Notes**”) issued by the Company and guaranteed by (i) Sunac Real Estate Investment Holdings Ltd, (ii) Qiwei Real Estate Investment Holdings Ltd., (iii) Ying Zi Real Estate Investment Holdings Ltd, (iv) Jujin Real Estate Investment Holdings Ltd, (v) Jujin Property Investment Holdings Limited, (vi) Ding Sheng Real Estate Investment Holdings Ltd, (vii) Ding Sheng Property Investment Holdings Limited, (viii) Zhuo Yue Real Estate Investment Holdings Limited and (ix) Zhuo Yue Property Investments Holdings Limited (卓越資產投資控股有限公司). (the “**Subsidiary Guarantors**”) (ISIN: XS2708721233 (Regulation S), XS2708721159 (144A) and XS2708721076 (IAI)). As at the date of the RSA, the aggregate principal amount of the 2025 Notes outstanding is approximately US\$522 million;
- (b) the New York law-governed senior notes due 30 September 2026 (the “**2026 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2708721589 (Regulation S), XS2708721316 (144A) and XS2708721407 (IAI)). As at the date of the RSA, the aggregate principal amount of the 2026 Notes outstanding is approximately US\$524 million;
- (c) the New York law-governed senior notes due 30 September 2027 (the “**2027 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2708721829 (Regulation S), XS2708721662 (144A) and XS2708721746 (IAI)). As at the date of the RSA, the aggregate principal amount of the 2027 Notes outstanding is approximately US\$1,050 million;
- (d) the New York law-governed senior notes due 30 September 2028 (the “**2028 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2708722397 (Regulation S), XS2708722041 (144A) and XS2708722124 (IAI)). As at the date of the RSA, the aggregate principal amount of the 2028 Notes outstanding is approximately US\$1,578 million;
- (e) the New York law-governed senior notes due 30 September 2029 (the “**2029 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2708722637 (Regulation S), XS2708722470 (144A) and XS2708722553 (IAI)). As at the date of the RSA, the aggregate principal amount of the 2029 Notes outstanding is approximately US\$1,582 million;

- (f) the New York law-governed senior notes due 30 September 2030 (the “**2030 Notes**”, together with the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes, and the 2029 Notes, the “**Existing Senior Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2708722983 (Regulation S), XS2708722710 (144A) and XS2708722801 (IAI)). As at the date of the RSA, the aggregate principal amount of the 2030 Notes outstanding is approximately US\$745 million;
- (g) the Hong Kong law-governed mandatory convertible bonds due 30 September 2028 (the “**Existing MCBs**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2708724096 (Regulation S), XS2708724179 (144A) and XS2708724419 (IAI)). As at the date of the RSA, the aggregate principal amount of the Existing MCBs outstanding is approximately US\$97 million;
- (h) the Hong Kong law-governed convertible bonds due 30 September 2032 (the “**Convertible Bonds**”, together with the Existing Senior Notes and the Existing MCBs, the “**Existing Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2708723791 (Regulation S), XS2708723874 (144A) and XS2708723957 (IAI)). As at the date of the RSA, the aggregate principal amount of the Convertible Bonds outstanding is approximately US\$246 million;
- (i) the Hong Kong law-governed mandatory convertible bonds due 30 September 2028 (i.e. the Sunac International MCB) issued by the Company to Sunac International. As at the date of the RSA, the aggregate principal amount of the Sunac International MCB outstanding is approximately US\$16 million;
- (j) the Hong Kong law-governed facility due 27 February 2028 (the “**Private Debt A**”) borrowed by the Company and guaranteed by the Subsidiary Guarantors. As at the date of the RSA, the aggregate principal amount of the Private Debt A outstanding is approximately US\$47 million;
- (k) the Hong Kong law-governed facility due 19 January 2029 (the “**Private Debt B**”) borrowed by the Company. As at the date of the RSA, the aggregate principal amount of the Private Debt B outstanding is approximately US\$21 million;
- (l) the Hong Kong law-governed facility due 28 February 2027 (the “**Private Debt C**”, together with Private Debt A and Private Debt B, the “**S1 Debts**”) borrowed by the Company. As at the date of the RSA, the aggregate principal amount of the Private Debt C outstanding is approximately US\$135 million;
- (m) the Hong Kong law-governed facility due 22 December 2027 (the “**Private Debt D**”) guaranteed by the Company and others. As at the date of the RSA, the outstanding principal amount of the Private Debt D outstanding is approximately US\$114 million;

- (n) the Hong Kong law-governed facility due 1 January 2028 (the “**Private Debt E**”) guaranteed by the Company and others. As at the date of the RSA, the outstanding principal amount of the Private Debt E outstanding is approximately US\$78 million;
- (o) the Hong Kong law-governed facility due 23 September 2026 (the “**Private Debt F1**”) guaranteed by the Company and others. As at the date of the RSA, the outstanding principal amount of the Private Debt F1 outstanding is approximately US\$52 million;
- (p) the Hong Kong law-governed facility due 23 September 2026 (the “**Private Debt F2**”, together with Private Debt F1, the “**Private Debt F**”) which benefits from the same guarantors as for Private Debt F1. As at the date of the RSA, the outstanding principal amount of the Private Debt F2 outstanding is approximately US\$35 million;
- (q) the Hong Kong law-governed deferred put option liability due 30 November 2030 (the “**Private Debt G**”) guaranteed by the Company. As at the date of the RSA, the outstanding principal amount of the Private Debt G outstanding is approximately RMB498 million (equating to approximately US\$68 million);
- (r) the Hong Kong law-governed deferred put option liability due 30 November 2030 (the “**Private Debt H**”) guaranteed by the Company. As at the date of the RSA, the outstanding principal amount of the Private Debt H outstanding is approximately RMB840 million (equating to approximately US\$115 million);
- (s) the Hong Kong law-governed facility due 23 March 2023 (the “**Private Debt I**”, together with Private Debt D, Private Debt E, Private Debt F, Private Debt G, and Private Debt H, the “**S2 Debts**”) guaranteed by the Company. As at the date of the RSA, the outstanding principal amount of the Private Debt I outstanding is US\$30 million;
- (t) the Hong Kong law-governed facility due 31 August 2026 (the “**Private Debt J**”) guaranteed by the Company and the Subsidiary Guarantors. As at the date of the RSA, the outstanding principal amount of the Private Debt J outstanding is approximately RMB678 million (equating to approximately US\$93 million);
- (u) the Hong Kong law-governed facility due 31 August 2026 (the “**Private Debt K**”) guaranteed by the Company. As at the date of the RSA, the outstanding principal amount of the Private Debt K outstanding is approximately US\$138 million;
- (v) the Hong Kong-law governed facility due 30 December 2027 (the “**Private Debt L**”) guaranteed by the Company and the Subsidiary Guarantors. As at the date of the RSA, the outstanding principal amount of the Private Debt L outstanding is approximately US\$436 million;

- (w) the Hong Kong law-governed facility due 28 December 2026 (the “**Private Debt M**”) guaranteed by the Company and others. As at the date of the RSA, the outstanding principal amount of the Private Debt M outstanding is approximately HK\$998 million (equivalent to approximately US\$128 million);
- (x) the Hong Kong law-governed facility due 28 February 2027 (the “**Private Debt N**”, together with Private Debt J, Private Debt K, Private Debt L, and Private Debt M, the “**S3 Debts**”) guaranteed by the Company. As at the date of the RSA, the outstanding principal amount of the Private Debt N outstanding is approximately US\$56 million;
- (y) the PRC law-governed loan due 7 August 2022 (the “**Private Debt O**”) guaranteed by the Company. As at the date of the RSA, the outstanding principal amount of the Private Debt O outstanding is approximately RMB2,000 million (equating to approximately US\$274 million);
- (z) the PRC law-governed loan due 20 October 2024 (the “**Private Debt P**”) guaranteed by the Company. As at the date of the RSA, the outstanding principal amount of the Private Debt P outstanding is approximately RMB3,000 million (equating to approximately US\$411 million); and
- (aa) the PRC law-governed loan due 14 November 2024 (the “**Private Debt Q**”, together with Private Debt O and Private Debt P, the “**S4 Debts**”; the S4 Debts, together with the S1 Debts, the S2 Debts and the S3 Debts, the “**Existing Private Debts**”; the Existing Notes, together with the Sunac International MCBs and Existing Private Debts, the “**Existing Debt**”) guaranteed by the Company. As at the date of the RSA, the outstanding principal amount of the Private Debt Q outstanding is approximately RMB1,300 million (equating to approximately US\$178 million),

provided that the Company may, at its election, but in consultation with the Initial Consenting Creditors acting reasonably and in good faith, (i) exclude any of the Existing Private Debts from the Scheme(s), or (ii) include any additional debt in the Scheme(s), or (iii) in respect of the S2 Debts and the S3 Debts, change the classification of an S2 Debt to an S3 Debt and vice versa (which, as further described below, shall affect how the relevant debt shall be released by the Scheme(s)), provided that, in the case of (i), no exclusion shall result in any holder of the relevant Existing Private Debt(s) receiving a more favourable compromise or arrangement (in monetary terms) compared to what it would have received under the Scheme(s).

All figures set out in this announcement in relation to the Existing Debt or any part thereof are only estimates as at the date of the RSA. The final amounts are subject to review and determination by the Scheme administrator.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, save for Sunac International, each of the Scheme Creditors was independent of the Company and connected persons of the Company. The Company does not expect that any additional creditors to be included in the Scheme (if any) would be a connected person of the Company.

9. LISTING RULES IMPLICATIONS

The MCB Conversion Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders and/or Independent Shareholders at the EGM. The MCB Issue (including the Connected MCB Issue) and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the MCB Conversion Shares) are subject to the passing of necessary resolution by the Shareholders and/or Independent Shareholders at the EGM. The issue of the MCB Conversion Shares is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the MCB Conversion Shares.

Sunac International is a substantial shareholder of the Company which holds approximately 23.31% of the total issued share capital of the Company as at the date of this announcement. Sunac International is controlled by family trusts of Mr. Sun Hongbin, the chairman of the Board and an executive Director. Each of Sunac International and Mr. Sun Hongbin is a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the Connected MCB Issue, comprising (1) the issue of MCBs to Sunac International as a Scheme Creditor and (2) the issue of MCBs to Mr. Sun Hongbin or his designated person(s) under the Shareholding Structure Stability Arrangement, constitutes a connected transaction for the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Connected MCB Issue and the transactions contemplated thereunder are subject to the passing of necessary resolution by the Independent Shareholders at the EGM.

An Independent Board Committee comprising all the independent non-executive Directors has been established to consider, and to advise the Independent Shareholders regarding the Connected MCB Issue and the transactions contemplated thereunder, and as to whether the Connected MCB Issue is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Ignite Capital (Asia Pacific) Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

10. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to seek the approval by way of ordinary resolution at the EGM by the Shareholders of an increase in its authorised share capital from HK\$1,500,000,000 divided into 15,000,000,000 Shares to HK\$3,000,000,000 divided into 30,000,000,000 Shares by creating an additional 15,000,000,000 unissued Shares, such Shares shall rank *pari passu* in all respects.

In order to facilitate the transactions contemplated under the Restructuring (including the MCB Issue (including the Connected MCB Issue), and the Adoption of the ESOP), and taking into account that the Company's authorised share capital is insufficient to cover the new shares to be issued pursuant to the aforementioned transactions as of the date of this announcement, and to accommodate subsequent business development of the Group and to provide the Company with greater flexibility to raise funds in the future, the Board proposed the Increase in Authorised Share Capital. The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

11. GENERAL

An Independent Board Committee comprising all the independent non-executive Directors has been established to consider, and to advise the Independent Shareholders regarding the Connected MCB Issue and the transactions contemplated thereunder, and as to whether the Connected MCB Issue is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Ignite Capital (Asia Pacific) Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

An EGM will be convened and held for the Shareholders and/or Independent Shareholders to consider and, if thought fit, to approve by way of poll, the MCB Issue (including the Connected MCB Issue) and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the MCB Conversion Shares), the Adoption of the ESOP and the Increase in Authorised Share Capital.

Save that Sunac International, Mr. Sun Hongbin, Tianjin Biaodi and Mr. Sun Kevin Zheyi (the son of Mr. Sun Hongbin), holding in aggregate approximately 23.91% of the total number of issued Shares as at the date of this announcement, and being interested in the transactions contemplated under the Connected MCB Issue, shall abstain from voting for the resolution to approve the Connected MCB Issue and the transactions contemplated thereunder at the EGM, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder was required to abstain from voting for the resolutions to approve the MCB Issue (including the Connected MCB Issue), the Adoption of the ESOP and the Increase in Authorised Share Capital at the EGM.

A circular containing, among others, (a) further details of the MCB Issue (including the Connected MCB Issue) and the transactions contemplated thereunder, including the allotment and issue of the MCB Conversion Shares under the Specific Mandate; (b) further details of the Adoption of the ESOP; (c) further details of the Increase in Authorised Share Capital; (d) a letter of recommendations from the Independent Board Committee to the Independent Shareholders on the Connected MCB Issue and the transactions contemplated thereunder; (e) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected MCB Issue and the transactions contemplated thereunder; and (f) a notice convening the EGM will be despatched by the Company to the Shareholders on or before 28 August 2025.

Completion of the transactions set out in this announcement is subject to the fulfilment or waiver of the conditions precedent as set out in this announcement. The transactions set out in this announcement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

12. DEFINITIONS

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

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| “Actual Sale Proceeds” | the proceeds from the sale of the Award Shares net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs |
| “Adoption of the ESOP” | the proposed adoption of the ESOP by the Company at the EGM |
| “Award Shares” | new Shares underlying a Share Award, including treasury shares of the Company that are transferred out of treasury by the Company |
| “Base Consent Fee” | with respect to each Consenting Creditor, subject to and in accordance with the terms of the RSA, an amount equal to 0.5% of the aggregate principal amount of Eligible Restricted Debt held by such Consenting Creditor as of the Base Consent Fee Deadline, payable in the form of MCB 1 at face value |
| “Base Consent Fee Deadline” | 5:00 p.m. (Hong Kong time) on 20 June 2025 |
| “Board” | the board of the Company |

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| “Chairman Undertaking” | a letter of undertaking to be executed by Mr. Sun Hongbin in favour of the Company with the terms set out in the section headed “3. THE CONNECTED MCB ISSUE” in this announcement |
| “Company” | Sunac China Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 01918) |
| “Connected MCB Issue” | the proposed issue of the MCBs to Mr. Sun Hongbin or his designated person(s) in the Restructuring, comprising (1) the issue of MCBs to Sunac International as a Scheme Creditor and (2) the issue of MCBs to Mr. Sun Hongbin or his designated person(s) under the Shareholding Structure Stability Arrangement |
| “Consenting Creditors” | a person, on behalf of itself or, where such person is an investment manager, on behalf of funds or accounts managed or advised by it, holding a beneficial interest as principal in the Existing Debt who has agreed to be bound by the terms of the RSA as a Consenting Creditor in accordance with the terms of the RSA |
| “Director(s)” | the director(s) of the Company |
| “Early Consent Fee” | with respect to each Consenting Creditor, subject to and in accordance with the terms of the RSA, an amount equal to 1.0% of the aggregate principal amount of Eligible Restricted Debt held by such Consenting Creditor as of the Early Consent Fee Deadline, payable in the form of MCB 1 at face value |
| “Early Consent Fee Deadline” | 5:00 p.m. (Hong Kong time) on 23 May 2025 |
| “EGM” | the extraordinary general meeting of the Company to be convened, or any adjournment thereof, for the Shareholders and/or Independent Shareholders to consider and, if thought fit, to approve by way of poll, the MCB Issue (including the Connected MCB Issue) and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the MCB Conversion Shares), the Adoption of the ESOP and the Increase in Authorised Share Capital |

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| “Election and Allocation Mechanism” | has the meaning given to it in the section headed “1. BACKGROUND AND KEY FEATURES OF THE RESTRUCTURING – Key Features of the Restructuring – (1) Restructuring Consideration – Mandatory Convertible Bonds” in this announcement |
| “Eligible Participant(s)” | an Employee Participant or a Related Entity Participant in each case, excluding Mr. Sun Hongbin |
| “Eligible Restricted Debt” | Restricted Debt which was made subject to the RSA by a Consenting Creditor on or prior to the Base Consent Fee Deadline |
| “Employee Participants” | the directors and employees (whether full-time, part-time or other employment arrangement) of any member of the Group (including persons who are granted Share Awards under the ESOP as inducement to enter into employment contracts with any member of the Group), and “Employee Participant” means any one of them |
| “ESOP” | the employee stock ownership plan proposed to be adopted by the Company at the EGM (which terms may be amended and/or supplemented from time to time and which plan mandate limit may be refreshed and/or increased from time to time subject to the requirement of the Listing Rules) |
| “Existing Debt” | <p>the Company’s existing senior notes, bonds and other financing instruments or debts in the principal amount of US\$8,766,648,394.00 plus any outstanding accrued and unpaid interest (but excluding default interest) and fees and charges payable in relation to the Existing Debt.</p> <p>The above figure, together with all figures set out in this announcement in relation to the Existing Debt or any part thereof, are only estimates as at the date of the RSA. The final amounts are subject to review and determination by the Scheme administrator.</p> |
| “Grantee” | any Eligible Participant who accepts the Offer in accordance with the terms of the ESOP, his permitted transferee or his personal representative |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |

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| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Increase in Authorised Share Capital” | the proposed increase in the Company’s authorised share capital from HK\$1,500,000,000 divided into 15,000,000,000 Shares to HK\$3,000,000,000 divided into 30,000,000,000 Shares by creating an additional 15,000,000,000 unissued Shares |
| “Independent Board Committee” | an independent board committee comprising the independent non-executive Directors to advise the Independent Shareholders as to the fairness and reasonableness of the Connected MCB Issue and the transactions contemplated thereunder |
| “Independent Financial Adviser” | Ignite Capital (Asia Pacific) Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Connected MCB Issue and the transactions contemplated thereunder |
| “Independent Shareholders” | the Shareholders not required under the Listing Rules to abstain from voting on the resolution approving the Connected MCB Issue and the transactions contemplated thereunder |
| “Information Agent” | Sodali & Co Ltd, or any other person appointed by the Company to act as information agent in connection with the Scheme and the RSA |
| “Initial Consenting Creditors” | certain offshore creditors who have executed the RSA as at 17 April 2025 and who are Consenting Creditors |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Majority Consenting Creditors” | means, at any time, Consenting Creditors who hold (beneficially, as principal) an aggregate outstanding principal amount of more than 50% of the outstanding principal amount of the Existing Debt held in aggregate by all Consenting Creditors at that time |

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| “Maximum Scheme Creditors’ Claims” | US\$9,650,000,000, the maximum Scheme Creditors’ Claims estimated based on the Existing Debt and the Restructuring Effective Date having occurred on or before 31 March 2026 |
| “MCB 1” | new zero-coupon mandatory convertible bonds of the Company with a term of six months from the date of issue which may be issued to the Scheme Creditors as part of the Restructuring Consideration and/or for payment of the Consent Fees (as the case may be) |
| “MCB 1 Conversion Price” | the conversion price per Share (subject to adjustments) in respect of the MCB 1 |
| “MCB 1 Conversion Shares” | the Shares to be allotted and issued upon conversion of the MCB 1 |
| “MCB 2” | new zero-coupon mandatory convertible bonds of the Company with a term of thirty months from the earlier of 31 December 2025 and the date of issue which may be issued to the Scheme Creditors as part of the Restructuring Consideration |
| “MCB 2 Conversion Price” | the conversion price per Share (subject to adjustments) in respect of the MCB 2 |
| “MCB 2 Conversion Shares” | the Shares to be allotted and issued upon conversion of the MCB 2 |
| “MCB Conversion Price” | the conversion price per Share (subject to adjustments) in respect of the MCBs |
| “MCB Conversion Shares” | collectively, the MCB 1 Conversion Shares and the MCB 2 Conversion Shares |
| “MCB Issue” | the issue of the MCBs |
| “MCBs” | the MCB 1 and the MCB 2 |
| “Mr. Sun Hongbin” | the chairman of the Board and an executive Director, and who, as at the date of this announcement, directly and indirectly controls, through certain corporations (including Sunac International) and in his individual capacity, an aggregate of approximately 23.90% of the Shares |

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| “Offer” | an offer to an Eligible Participant for the grant of a Share Award (as may be amended and/or supplemented by the Board from time to time in its absolute discretion) |
| “Plan Mandate Limit” | the total number of Shares which may be issued (including any transfer of treasury shares of the Company) in respect of all Share Awards which may be granted at any time under the ESOP |
| “PRC” | the People’s Republic of China |
| “Record Time” | the time designated by the Company for the determination of claims of Scheme Creditors for the purposes of voting at the Scheme Meeting |
| “Related Entity” | any joint venture(s) or associate(s) of the Company |
| “Related Entity Participants” | the directors and employees (whether full-time, part-time or other employment arrangement) of any Related Entity, and “Related Entity Participant” means any one of them |
| “Remuneration Committee” | the remuneration committee of the Company |
| “Restricted Debt” | with respect to a Consenting Creditor at any time, the aggregate outstanding principal amount of Existing Debt set out in a notice in the form set out in the RSA then most recently delivered by that Consenting Creditor, as modified from time to time by any transfer notices (as applicable) delivered by Consenting Creditors to the Information Agent, subject to evidence satisfactory to the Information Agent having been provided in accordance with the terms of the RSA |
| “Restructuring” | a consensual restructuring of the offshore indebtedness of the Company, to be conducted materially in the manner envisaged by, and materially on the terms set out in, the RSA |
| “Restructuring Consideration” | the restructuring consideration to be distributed to the Scheme Creditors, being the MCBs, in exchange for the discharge and release of the relevant claims against the Company |

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| “Restructuring Documents” | all documents, agreements and instruments necessary to implement the Restructuring in accordance with the RSA, including but not limited to the composite document to be circulated by the Company to the holders of the Existing Debt in relation to the Scheme, which will include (among other things) an explanatory statement and the terms of the Scheme, the account holder letter, the trust deeds relating to the MCBs and any instructions with regards to the tendering of any Existing Notes to a clearing system |
| “Restructuring Effective Date” | the day on which all conditions precedent to the Restructuring have been satisfied or waived (as the case may be), including the obtaining of all relevant approvals or consents |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “RSA” | the restructuring support agreement dated 17 April 2025 entered into by, among others, the Company and the initial consenting creditors named therein, as amended from time to time |
| “Scheme” | the scheme(s) of arrangement proposed to be effected between the Company and the Scheme Creditors for the purpose of implementing the Restructuring, as contemplated under the RSA |
| “Scheme Creditor’s Claims” or “Scheme Creditors’ Claims” | <p>in respect of each Scheme Creditor, the sum of:</p> <ul style="list-style-type: none"> (a) the total outstanding principal amount of the Existing Debt(s) held by that Scheme Creditor as at the Record Time; and (b) all accrued and unpaid interest (except for any default interest) on, and any fees and charges payable under, such Existing Debt(s) of that Scheme Creditor up to (but excluding) the earlier of 30 June 2025 and the Restructuring Effective Date, <p>the “Scheme Creditor’s Claims”, and together in aggregate in respect of all Scheme Creditors, the “Scheme Creditors’ Claims”</p> |

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| | As at 30 June 2025, the total amount of Scheme Creditors' Claims are estimated at US\$9,552,284,577.95, subject to review and determination by the Scheme administrator. If the Restructuring Effective Date occurs, interest on the Existing Debt shall stop accruing from the earlier of 30 June 2025 and the Restructuring Effective Date. |
| “Scheme Creditors” | creditors or debt holders of the Company, whose claims against the Company and any other obligors under the Existing Debt are or will be the subject of the Scheme |
| “Scheme Effective Date” | the date on which the sanction order is filed with the registrar of companies in the relevant jurisdiction of the Scheme at which time the Scheme shall become effective in accordance with its terms |
| “Scheme Meeting” | the meeting or meetings of the Scheme Creditors for the purposes of voting on, and if thought fit to approve, the Scheme, which will be convened pursuant to an order of the court (and any adjournment of such meeting) |
| “SFC” | The Securities and Futures Commission |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “SGX” | Singapore Exchange Securities Trading Limited |
| “Share Award” | an award which vests as a right to purchase or receive Award Shares pursuant to the ESOP |
| “Shareholders” | holders of the Shares |
| “Shareholding Structure Stability Arrangement” | has the meaning given to it in the section headed “3. THE CONNECTED MCB ISSUE” in this announcement |
| “Shares” | ordinary shares of the Company |
| “Specific Mandate” | the specific mandate to be granted by the Shareholders and/or Independent Shareholders at the EGM to allot and issue the MCB Conversion Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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| “Strategic Investor” | any person not being a connected person of the Company at the Company level before entering into any agreement in respect of equity investment in the Company in respect of whom (a) the Board (at a meeting that all the Board members have the opportunity to attend) has made a determination in good faith that such person is likely to develop a material strategic relationship with the Company, including without limitation an acquisition of another entity or assets, in connection with and related to the Company’s present or future business, and its affiliates; and (b)(i) the Company or its shareholder(s) and such person have entered into a binding agreement in respect of the equity investment or (ii) such person has made a general or partial takeover offer |
| “Subsidiary Guarantee” | any guarantee of the payment of the MCBs under the terms of the MCBs by any Subsidiary Guarantor |
| “Subsidiary Guarantor Pledgors” | collectively, Jujin Real Estate Investment Holdings Ltd, Ding Sheng Real Estate Investment Holdings Ltd and Zhuo Yue Real Estate Investment Holdings Limited; <i>provided</i> that a Subsidiary Guarantor Pledgor will not include any person whose pledge under the security documents has been released in accordance with the security documents or the MCBs (as the case may be) |
| “Subsidiary Guarantors” | collectively, Sunac Real Estate Investment Holdings Ltd, Qiwei Real Estate Investment Holdings Ltd., Ying Zi Real Estate Investment Holdings Ltd, Jujin Real Estate Investment Holdings Ltd, Jujin Property Investment Holdings Limited, Ding Sheng Real Estate Investment Holdings Ltd, Ding Sheng Property Investment Holdings Limited, Zhuo Yue Real Estate Investment Holdings Limited and Zhuo Yue Property Investment Holdings Limited and “Subsidiary Guarantor” means any one of them; <i>provided</i> that a Subsidiary Guarantor will not include any person whose Subsidiary Guarantee has been released in accordance with the terms of the MCBs |
| “Sunac International” | Sunac International Investment Holdings Ltd, a company incorporated in the British Virgin Islands, which is controlled by family trusts of Mr. Sun Hongbin |

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| “Sunac International MCB” | the Hong Kong law-governed mandatory convertible bonds due 30 September 2028 issued by the Company to Sunac International. As at the date of this announcement, the aggregate principal amount of the Sunac International MCB outstanding was US\$15,812,060.00 |
| “Takeovers Code” | the Code on Takeovers and Mergers issued by the SFC |
| “Tianjin Biaodi” | 天津標的企業管理有限公司 (for identification only, Tianjin Biaodi Enterprise Management Limited), a company established in the PRC |
| “treasury share(s)” | has the meaning ascribed to it under the Listing Rules |
| “US\$” | United States dollar, the lawful currency of the United States of America |

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

Hong Kong, China, 18 August 2025

As at the date of this announcement, the executive directors of the Company 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 of the Company is Mr. Lam Wai Hon and the independent non-executive directors of the Company are Mr. Poon Chiu Kwok, Mr. Zhu Jia, Mr. Ma Lishan and Mr. Yuan Zhigang.