SUNAC CHINA HOLDINGS LIMITED
融 創 中 國 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01918)

PROFIT WARNING

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

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the information currently available, although the revenue and gross profit of the Group for the six months ended 30 June 2016 are expected to record a significant increase as compared with the same period in 2015, the profits attributable to Shareholders for the six months ended 30 June 2016 is expected to record a decline of approximately 90% as compared with the same period in 2015. The principal reasons are as follows:

1. Increase in Unrealised Exchange Losses

As all of the principal operations of the Group are in the People's Republic of China ("**PRC**"), the principal businesses of the Group are conducted in Renminbi, and the majority of the Company's offshore financing are denominated in United States dollars or Hong Kong dollars. Although the Company has undertaken certain preventive measures to mitigate foreign exchange risks, foreign exchange fluctuations during the period under review have resulted in negative impacts on the profit of the Group for the six months ended June 2016.

2. **Decrease in Profits After Tax Attributable to Investment against Joint Ventures and Associates**

   During the first half of 2016, the delivered area of projects with higher gross profit margin by joint ventures and associates of the Group during the period under review has decreased. Meanwhile, the newly acquired lands of the Group's joint ventures and associates have not yet reached the delivery stage. Therefore, the profits after tax attributable to investment from joint ventures and associates of the Company for the six months ended 30 June 2016 have recorded a decrease as compared to the first half-year of 2015.

3. **Increase in Expense Ratio of Interest of Borrowings**

   For the six months ended 30 June 2016, the percentage of capitalized interest of the Company's borrowings has decreased, and the expense ratio has increased as compared with the corresponding period of 2015, resulting in the currently increased finance costs which is expected to have adverse effect on the profits of the Group for the period ended 30 June 2016.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available. Such information has not been audited by the auditors of the Company and the actual results for the Group may be different from what is disclosed herein. Shareholders and potential investors should read carefully the interim results announcement of the Company for the six months ended 30 June 2016, which is expected to be published in mid to late August 2016.

Shareholders of the Company and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
SUNAC CHINA HOLDINGS LIMITED
SUN Hongbin
Chairman

Hong Kong, 1 August 2016

As at the date of this announcement, the executive directors of the Company are Mr. SUN Hongbin, Mr. WANG Mengde, Mr. JING Hong, Mr. CHI Xun, Mr. SHANG Yu and Mr. LI Shaozhong; the non-executive director of the Company is Mr. ZHU Jia; and the independent non-executive directors of the Company are Mr. POON Chiu Kwok, Mr. LI Qin, Mr. MA Lishan and Mr. TSE Chi Wai.