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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)**

**DISCLOSEABLE TRANSACTION**

**1) ACQUISITION OF 51% EQUITY INTEREST IN THE TARGET COMPANIES HELD BY YMCI; AND**  
**2) COOPERATION ARRANGEMENT WITH INDIVIDUAL SHAREHOLDERS HOLDING 49% EQUITY INTEREST IN THE TARGET COMPANIES**

The Board is pleased to announce that on 27 November 2019, Sunac Southwest Group (an indirect wholly-owned subsidiary of the Company) received the Notification of Transaction Result from YNEX, confirming that Sunac Southwest Group is the transferee of 51% equity interest each in Global Century and Times Global, pursuant to which, Sunac Southwest Group will acquire 51% equity interest in each of the Target Companies held by YMCI at an aggregate consideration of approximately RMB15.269 billion (the “**Equity Transaction**”).

The Target Companies and their subsidiaries are principally engaged in the development and operation of real estate projects, and have developed 18 Target Projects with a total gross floor area of approximately 30.716 million sq.m. in Chengdu, Wuhan, Changsha, Kunming and other cities, of which, the saleable gross floor area is approximately 27.716 million sq.m., accounting for approximately 90% of the total gross floor area. As at the date of this announcement, the unsold gross floor area is approximately 23.901 million sq.m.

Upon completion of the Equity Transaction, Sunac Southwest Group will hold 51% equity interest in the Target Companies, and the six Individual Shareholders will continue to, in aggregate, hold 49% equity interest in the Target Companies. The Target Companies will become indirect subsidiaries of the Company.

In addition, Sunac Southwest Group entered into agreements with the six Individual Shareholders, pursuant to which, the Individual Shareholders agreed that upon completion of the Target Equity transfer, the Group shall be fully responsible for the operation and management of the Target Companies and the Target Projects; within thirty days upon completion of the Target Equity transfer, the Target Companies shall declare to distribute a profit of RMB7.143 billion to Sunac Southwest Group (consisting of approximately RMB3.643 billion which shall be distributed to Sunac Southwest Group on a pro rata basis and an excess profit of approximately RMB3.5 billion) (the “**Cooperation Arrangement**”).

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Transactions exceed 5% but all the applicable percentage ratios are less than 25%, the Transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### 1. INTRODUCTION

The Board is pleased to announce that on 27 November 2019, Sunac Southwest Group (an indirect wholly-owned subsidiary of the Company) received the Notification of Transaction Result from YNEX, confirming that Sunac Southwest Group is the transferee of 51% equity interest each in Global Century and Times Global, pursuant to which, Sunac Southwest group will acquire 51% equity interest in each of the Target Companies held by YMCI at an aggregate consideration of approximately RMB15.269 billion (the “**Equity Transaction**”).

The Target Companies and their subsidiaries are principally engaged in the development and operation of real estate projects, and have developed 18 Target Projects with a total gross floor area of approximately 30.716 million sq.m. in Chengdu, Wuhan, Changsha, Kunming and other cities, of which, the saleable gross floor area is approximately 27.716 million sq.m., accounting for approximately 90% of the total gross floor area. As at the date of this announcement, the unsold gross floor area is approximately 23.901 million sq.m.

Upon completion of the Equity Transaction, Sunac Southwest Group will hold 51% equity interest in the Target Companies, and the six Individual Shareholders will continue to, in aggregate, hold 49% equity interest of the Target Companies. The Target Companies will become indirect subsidiaries of the Company.

In addition, Sunac Southwest Group entered into agreements with the six Individual Shareholders, pursuant to which, the Individual Shareholders agreed that upon completion of the Target Equity transfer, the Group shall be fully responsible for the operation and management of the Target Companies and the Target Projects; within thirty days upon completion of the Target Equity transfer, the Target Companies shall declare to distribute a profit of RMB7.143 billion to Sunac Southwest Group (consisting of approximately RMB3.643 billion which shall be distributed to Sunac Southwest Group on a pro rata basis and an excess profit of approximately RMB3.5 billion to Sunac Southwest Group) (the “**Cooperation Arrangement**”).

## 2. THE EQUITY TRANSACTION

The Group received the Notification of Transaction Result from YNEX, pursuant to the announcement published by YNEX, the principal terms of the Equity Transaction are as follows:

### 2.1 Date of the Notification of Transaction Result

27 November 2019

### 2.2 Parties to the Equity Transaction Contracts to be Signed

Transferee: Sunac Southwest Group

Transferor: YMCI

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of YMCI and its ultimate beneficial owners is a third party independent of the Company and connected persons of the Company.

### 2.3 Assets to be Acquired

51% equity interest in each of the Target Companies

### 2.4 Consideration for the Equity Transaction and Payment

The consideration for the Equity Transaction is approximately RMB15.269 billion, which will be satisfied by internal resources of the Group.

The consideration for the Equity Transaction will be paid to the designated account of YMCI in the following manner:

- (i) as at the date of this announcement, Sunac Southwest Group paid approximately RMB1 billion as bidding deposit and received the Notification of Transaction Result from YNEX. The Equity Transaction Contracts shall be signed and become effective within 3 business days from the date of receipt of the Notification of Transaction Result, and the bidding deposit in the amount of RMB1 billion shall be converted into the consideration for the Equity Transaction after the Equity Transaction Contracts become effective;
- (ii) within five business days from the effective date of the Equity Transaction Contracts, 46% of the Equity Transaction consideration in the amount of approximately RMB7 billion shall be paid (the "**First Consideration**");

- (iii) within fifteen business days from the effective date of the Equity Transaction Contracts, 13% of the Equity Transaction consideration in the amount of approximately RMB2 billion shall be paid; and
- (iv) within one year from the effective date of the Equity Transaction Contracts, the remaining consideration for the Equity Transaction in the amount of approximately RMB5.269 billion shall be paid.

Except for the First Consideration, Sunac Southwest Group shall pay interest accrued on the remaining consideration for the Equity Transaction during the deferred payment period at a rate of 10% per annum to YMCI, and provide legal and valid security and guarantees as recognized by YMCI.

## **2.5 Completion of Target Equity Transfer**

Within fifteen business days from the settlement date of the First Consideration made by Sunac Southwest Group, YMCI shall complete the registration procedures of releasing the share charge on the Target Equity (the “**Share Charge**”). Within five business days after releasing the Share Charge, YMCI shall assist Sunac Southwest Group in completing the registration procedures of the transfer of the Target Equity to Sunac Southwest Group with the relevant Industry and Commerce Bureau.

## **2.6 Liabilities Guarantee**

The mutual guarantees among YMCI, the Target Companies and Relevant Companies shall be released in the following manner:

- (i) Within six months after the execution of the Equity Transaction Contracts, YMCI shall be responsible for releasing all guarantee provided by the Target Companies in favour of YMCI. As at the date of this announcement, the total amount of guarantee was approximately RMB5.280 billion; and
- (ii) within six months after the execution of the Equity Transaction Contracts, Sunac Southwest Group and the Individual Shareholders shall be jointly responsible for releasing all guarantee provided by YMCI in favour of the Target Companies and Relevant Companies (the “**Guarantee**”). As at the date of this announcement, the total amount of guarantee was approximately RMB15.693 billion.

Before Sunac Southwest Group and the Individual Shareholders releasing the Guarantee, Sunac Southwest Group and the Individual Shareholders shall provide certain legal and valid security and guarantees as recognized by YMCI.

## **2.7 Establishment of a Partnership**

According to the bidding requirements, Sunac Southwest Group shall enter into the Partnership Agreement with 雲南省水務產業投資有限公司 (Yunnan Province Water Industry Investment Co., Ltd.\*) (“YPWI”). Pursuant to the Partnership Agreement, YPWI shall act as a promoter to establish a limited partnership and be the general partner and Sunac Southwest Group shall be the limited partner and subscribe for RMB4 billion. The duration of the partnership shall be no less than two years and the partnership shall mainly invest in the real estate development business. The investment matters of the partnership shall be approved by resolutions passed at partner meetings which are confirmed as valid after affixing official seals by both partners.

## **3. COOPERATION ARRANGEMENT**

Sunac Southwest Group entered into agreements with the six Individual Shareholders, pursuant to which, the Individual Shareholders agreed that upon completion of the Target Equity transfer, the Group shall be fully responsible for the operation and management of the Target Companies and the Target Projects; within thirty days upon completion of the Target Equity transfer, the Target Companies shall declare to distribute a profit of RMB7.143 billion to Sunac Southwest Group (consisting of approximately RMB3.643 billion which shall be distributed to Sunac Southwest Group on a pro rata basis and an excess profit of approximately RMB3.5 billion).

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, each of the Individual Shareholders is a third party independent of the Company and connected persons of the Company.

## **4. INFORMATION ON THE TARGET COMPANIES AND THE TARGET PROJECTS**

### **4.1 Information on the Target Companies**

#### ***Global Century***

Global Century is a limited liability company established in the PRC, which is principally engaged in real estate development, enterprise management consulting, convention, exhibition and display service and other businesses in the PRC. Global Century is held as to 51% by YMCI and 49% by the Individual Shareholders.

As at 31 August 2019, the unaudited consolidated total net asset of Global Century was approximately RMB16.748 billion. The audited consolidated profit before tax and profit after tax for the two years ended 31 December 2018 are as follows:

	<b>Year ended 31 December 2017</b> <i>(approximately RMB'000)</i>	<b>Year ended 31 December 2018</b> <i>(approximately RMB'000)</i>
Profit before tax	640,816	891,185
Profit after tax	591,755	627,298

### ***Times Global***

Times Global is a limited liability company established in the PRC, which is principally engaged in real estate development, enterprise management consulting, convention, exhibition and display service and other businesses in the PRC. Times Global is held as to 51% by YMCI and 49% by the Individual Shareholders.

As at 31 August 2019, the total unaudited consolidated net assets of Times Global was approximately RMB283 million. The audited consolidated profit before tax and profit after tax for the two years ended 31 December 2018 are as follows:

	<b>Year ended 31 December 2017</b> <i>(approximately RMB'000)</i>	<b>Year ended 31 December 2018</b> <i>(approximately RMB'000)</i>
Profit (loss) before tax	(81,550)	892,460
Profit (loss) after tax	(74,167)	829,690

*Note:* The data was sourced from the information published by YNEX and the information provided by YMCI.

## 4.2 Information on the Target Projects

The details of the 18 Target Projects developed by the Target Companies and their subsidiaries are summarized as follows:

Location	Name of project	Type of product	The saleable portion		The self-owned portion gross floor area ('000 sq.m.)	Interest held by the Target Company
			sold gross floor area ('000 sq.m.)	unsold gross floor area ('000 sq.m.)		
Chengdu	Century City Convention and Exhibition Centre Project	Residential, apartment, commercial, hotel, exhibition centre, parking space, etc.	1,943	716	398	100%
Chengdu	Global Centre Project	Apartment, office building, commercial, hotel, parking space, etc.	736	385	538	100%
Chengdu	Sancha Lake Project	Residential, apartment, commercial, hotel, parking space, etc.	–	3,040	85	100%
Chengdu	Qionglai Shifangtang Project	Apartment, office building, commercial, hotel, parking space, etc.	–	857	159	100%
Chengdu	Dujiangyan Project	Commercial, hotel, parking space, etc.	–	194	25	100%
Area surrounding Chengdu	Tianfu New District Lego Amusement Park Project	Amusement park	–	–	97	51%
Area surrounding Chengdu	Meishan Black Dragon Beach Project	Residential, apartment, commercial, hotel, parking space, etc.	179	3,584	88	100%
Area surrounding Chengdu	Meishan Pengzu Project	Residential, apartment, commercial, hotel, parking space, etc.	18	1,780	74	90%
Wuhan	Wuhan Guobo New City Project	Residential, apartment, office building, commercial, hotel, parking space, etc.	876	5,214	643	30%
Area surrounding Wuhan	Xianning Future City Phase I	Residential, commercial, hotel, parking space, etc.	–	2,053	79	100%

Location	Name of project	Type of product	The saleable portion		The self-owned portion gross floor area ('000 sq.m.)	Interest held by the Target Company
			sold gross floor area ('000 sq.m.)	unsold gross floor area ('000 sq.m.)		
Changsha	Changsha Future City	Residential, apartment, office building, commercial, hotel, parking space, etc.	-	2,639	383	100%
Kunming	Jinning Dawan Project	Commercial, hotel, parking space, etc.	-	1,917	62	100%
Xishuangbanna	Banna Olive Dam Project	Apartment, commercial, parking space, etc.	-	331	-	100%
Xishuangbanna	Banna Guanlanyunding Project	Apartment, commercial, etc.	19	234	-	100%
Other tourism cities	Xichang Qionghai No. 1 Court Project	Residential, commercial, hotel, parking space, etc.	27	366	42	51%
Other tourism cities	Kangding Muya Project	Apartment, commercial, hotel, parking space, etc.	-	320	49	100%
Other tourism cities	Wenshan Puzhehei Project	Residential, hotel, parking space, etc.	17	271	87	100%
Other tourism cities	Lhasa Holy Land Paradise Hotel	Hotel	-	-	191	49%
<b>Total</b>			<b>3,815</b>	<b>23,901</b>	<b>3,000</b>	

*Note:* The information above on the Target Projects is subject to final approval by the PRC government authorities.

The Target Projects have a total gross floor area of approximately 30.716 million sq.m., of which the saleable gross floor area is approximately 27.716 million sq.m. and the self-owned gross floor area is approximately 3.0 million sq.m. The saleable gross floor area accounts for about 90% of the total gross floor area. As of the date of this announcement, the unsold gross floor area is approximately 23.901 million sq.m.



In addition, the land bank under letters of intention signed by the Target Companies and their subsidiaries but has not been officially acquired is of a total gross floor area of approximately 35.872 million sq.m.<sup>note</sup>. After considering the above potential land bank, the total gross floor area is approximately 66.588 million sq.m.<sup>note</sup>, of which the saleable gross floor area is approximately 63.049 million sq.m.<sup>note</sup>, accounting for approximately 95% of the total gross floor area.

*Note:* The final approval data on the land bank is subject to the subsequent actual acquisition.

## **5. REASONS AND BENEFITS OF THE TRANSACTIONS AND BASIS OF CONSIDERATION**

The Target Companies and their subsidiaries are principally engaged in the development and operation of real estate projects, and have developed 18 Target Projects in Chengdu, Wuhan, Changsha, Kunming and other cities with a total gross floor area of approximately 30.716 million sq.m., of which, the saleable gross floor area is approximately 27.716 million sq.m., accounting for approximately 90% of the total gross floor area. As at the date of this announcement, the unsold gross floor area is approximately 23.901 million sq.m. Through the Transactions, the Group obtained a large amount of high-quality land bank at a reasonable land price, which will strongly support the Group's stable and healthy development in the future. In addition, the Target Companies have years of experience in the operation and management of convention centre, exhibition centre and cultural tourism, and has formed a good reputation and brand. The Transactions will also further enhance the Group's operational management capabilities in a variety of property formats.

The Target Equity listing-for-sale on YNEX was acquired by the Group at a base price. Considering the market value of the Target Projects and with reference to all shareholders' cooperative arrangements of the Target Companies upon completion of the Transactions, the Directors (including the independent non-executive Directors) are of the view that the Transactions are on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

## **6. INFORMATION ON THE COMPANY AND THE PARTIES TO THE TRANSACTIONS**

### **6.1 The Company**

The Company is a company incorporated in the Cayman Islands with limited liability, and it is listed on the main board of the Stock Exchange. The Group, guided by its brand positioning of “Passion for Perfection”, is committed to integrating high-end residential, culture & tourism, culture, commercial facilities and other resources through high-quality products and services. The Group insists on real estate as its core business and has established four strategic deployments: Sunac Real Estate Group, which is known as a “leading high-end lifestyle provider in China”; Sunac Services Group, which is positioned as a “quality life service expert”; Sunac Culture & Tourism Group, which is a “provider of happiness for Chinese families”; and Sunac Culture Group, which strives to be a “creator of wonderful culture”.

### **6.2 YMCI**

YMCI is a limited liability company established in the PRC and a large provincial enterprise supervised by State-owned Assets Supervision and Administration Commission of Yunnan Province. It is principally engaged in the operation and management of provincial capital construction funds and provincial special construction funds, as well as the investment and management of basic industries, infrastructure, advantageous industrial projects and important investment projects.

### **6.3 雲南省水務產業投資有限公司 Yunnan Province Water Industry Investment Co., Ltd.\***

雲南省水務產業投資有限公司 Yunnan Province Water Industry Investment Co., Ltd.\* is a limited liability company established in the PRC and a wholly-owned subsidiary of YMCI. It is principally engaged in project investment.

## **7. LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Transactions exceed 5% but all the applicable percentage ratios are less than 25%, the Transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Sunac China Holdings Limited (融創中國控股有限公司), 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 person(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Arrangement”	the management and declaration of profit distribution of the Target Companies and Target Projects as agreed pursuant to agreements executed by Sunac Southwest Group and the Individual Shareholders
“Director(s)”	the directors of the Company
“Equity Transaction”	the acquisition of the Target Equity by Sunac Southwest Group at an aggregate consideration of approximately RMB15.269 billion under the Notification of Transaction Result and the detailed terms of the acquisition of the Target Equity will be finalized in the Equity Transaction Contracts and other related agreements to be entered into by and between Sunac Southwest Group and YMCI
“Equity Transaction Contracts”	the contracts and other related agreements to be entered into by Sunac Southwest Group and YMCI regarding the acquisition of the Target Equity before 29 November 2019

“Global Century”	成都環球世紀會展旅遊集團有限公司 (Chengdu Global Century Exhibition & Travel Group Co., Ltd.*), a limited liability company established in the PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Individual Shareholders”	all individual shareholders of each of the Target Companies, including Mr. Deng Hong, Mr. Zhao Kai, Mr. Liu Yang, Mr. Liu Lin, Ms. Yin Hong and Mr. Zou Quan
“Notification of Transaction Result”	a written confirmation issued by YNEX on 27 November 2019 regarding the confirmation of Sunac Southwest group as the transferee of the Target Equity
“Partnership Agreement”	an agreement entered into by and between Sunac Southwest Group and 雲南省水務產業投資有限公司 Yunnan Province Water Industry Investment Co., Ltd.* regarding the establishment and management of a limited partnership company on the execution date of the Equity Transaction Contracts
“PRC”	the People’s Republic of China
"Relevant Companies"	the subsidiaries, joint ventures and associates of the Target Companies
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“sq. m.”	square meter(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunac Real Estate Group”	Sunac Real Estate Group Co., Ltd* (融創房地產集團有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Sunac Southwest Group”	融創西南房地產開發(集團)有限公司 (Sunac Southwest Real Estate Development (Group) Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Target Companies”	Global Century and Times Global
“Target Equity”	51% equity interest in each of the Target Companies to be acquired by Sunac Southwest Group
“Target Projects”	18 projects developed by the Target Companies and their subsidiaries
“Times Global”	成都時代環球實業有限公司 (Chengdu Times Global Industrial Co., Ltd.*), a limited liability company established in the PRC
“Transactions”	collectively the Equity Transaction and the Cooperation Arrangement
“YMCI”	Yunnan Metropolitan Construction Investment Group Co., Ltd., a limited liability company established in the PRC

“YNEX”

雲南產權交易所有限公司 (Yunnan Equity Exchange Co., Ltd.\*), a comprehensive property right exchange platform established by the Yunnan Provincial Government

“%”

per cent

\* for identification purposes only

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

Hong Kong, 27 November 2019

*As at the date of this announcement, the executive Directors of the Company are Mr. SUN Hongbin, Mr. WANG Mengde, Mr. JING Hong, Mr. CHI Xun, Mr. TIAN Qiang, Mr. SHANG Yu, Mr. HUANG Shuping and Mr. SUN Kevin Zheyi; and the independent non-executive Directors of the Company are Mr. POON Chiu Kwok, Mr. ZHU Jia, Mr. LI Qin and Mr. MA Lishan.*