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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)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
SUNAC SERVICES HOLDINGS LIMITED
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

The Proposed Spin-off

The Company proposes to spin-off and separately list the shares of Sunac Services, a subsidiary of the Company, on the Main Board of the Stock Exchange by way of the Global Offering and the Distribution of a minor portion of the Sunac Services Shares to the Shareholders. The separate listing of the Sunac Services Shares on the Main Board of the Stock Exchange constitutes a spin-off of Sunac Services by the Company under PN15. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

Sunac Services' application for listing

On 6 August 2020, Sunac Services submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and permission to deal in, the Sunac Services Shares on the Main Board of the Stock Exchange.

As at the date of this announcement, the Company is interested in 100% of Sunac Services. It is intended that upon completion of the Proposed Spin-off and the Listing, the Company will have an interest of not less than 50% in Sunac Services and Sunac Services will remain as a subsidiary of the Company.

The Spin-off Group is principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services.

Listing Rules implications

The Proposed Spin-off will be effected by way of the Global Offering and the Distribution. The Distribution does not constitute a transaction for the Company under Chapter 14 of the Listing Rules. The Global Offering constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Proposed Spin-off is under 5%, the Proposed Spin-off does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules, and is not subject to the Shareholders' approval. This announcement is published in accordance with PN15.

General

Shareholders and other investors are reminded that there is no assurance that the Listing Committee will approve the Proposed Spin-off and the Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

As the Listing is conditional upon, among other things, the approvals of the Listing Committee, the final decision of the Board and the board of directors of Sunac Services, market conditions and other considerations, the Proposed Spin-off may or may not materialise and the Distribution may or may not be made. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Company proposes to spin-off and separately list the shares of Sunac Services, a subsidiary of the Company, on the Main Board of the Stock Exchange by way of the Global Offering and the Distribution of a minor portion of the Sunac Services Shares to the Shareholders. The separate listing of the Sunac Services Shares on the Main Board of the Stock Exchange constitutes a spin-off of Sunac Services by the Company under PN15. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

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THE PROPOSED SPIN-OFF

The Proposed Spin-off will be effected by way of the Global Offering and the Distribution of a minor portion of the Sunac Services Shares to the Shareholders. The details of the Global Offering and the Distribution have yet to be finalised. As at the date of this announcement, the Company is interested in 100% of Sunac Services. It is intended that upon completion of the Proposed Spin-off and the Listing, the Company will have an interest of not less than 50% in Sunac Services and Sunac Services will remain as a subsidiary of the Company.

THE SPIN-OFF GROUP

Sunac Services was incorporated in the Cayman Islands on 10 January 2019. The Spin-off Group is principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The Board considers that the Proposed Spin-off is in the interests of the Company and the Shareholders taken as a whole based on the following reasons:

- (a) the Company is optimistic about the future development and potential of the property management industry, and the Proposed Spin-off will enable the Spin-off Group to leverage on the capital market and will improve its competitive strength in the market;
- (b) the Proposed Spin-off will enable the Spin-off Group to have a separate fund-raising platform and to establish a separate and broad investor base through the Global Offering. The Proposed Spin-off would allow the Spin-off Group to gain direct access to the capital market for equity and/or debt financing to fund its future development independent of the Company, thereby facilitating the business development and improving its profitability;
- (c) the Proposed Spin-off will enable a more focused development, strategic planning and better allocation of resources for the Retained Group and the Spin-off Group with respect to their respective businesses, which will improve the Spin-off Group's overall operational capabilities and market competitiveness and contribute to improved employee incentive mechanism as well as its ability to attract, retain and motivate talent; and
- (d) as members of the Spin-off Group are expected to remain as subsidiaries of the Company upon completion of the Proposed Spin-off, the Company will continue to benefit from the future development of the Spin-off Group through consolidation of the Spin-off Group's financial accounts and receipt of dividend income from the Spin-off Group.

ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT

According to the assured entitlement requirements under PN15 and in giving due regard to the interests of the Shareholders, the Board intends to effect the Distribution of a minor portion of the Sunac Services Shares to the Shareholders in accordance with the articles of association of the Company and all relevant laws and regulations, subject to certain conditions. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

INFORMATION ON THE COMPANY

The Company is a company incorporated in the Cayman Islands with limited liability and listed on the Main Board of the Stock Exchange. With the brand philosophy of "passion for perfection", the Group is committed to providing complete solutions for Chinese families to enjoy a better life through high-quality products and services and integration of high-quality resources. With a focus on its core business of real estate, the Group has six strategic segments, namely Sunac Real Estate, Sunac Services, Sunac Culture & Tourism, Sunac Culture, Sunac Conference & Exhibition, Sunac Medical & Health Care. Its business covers real estate development, property services, conferences and exhibitions, tourism and vacations, theme parks, commercial operations, hotel operations, medical services and health care, IP development and operation, film and television content production and distribution, etc.

LISTING RULES IMPLICATIONS

The Proposed Spin-off will be effected by way of the Global Offering and the Distribution. The Distribution does not constitute a transaction for the Company under Chapter 14 of the Listing Rules. The Global Offering constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Proposed Spin-off is under 5%, the Proposed Spin-off does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules, and is not subject to the Shareholders' approval. This announcement is published in accordance with PN15.

GENERAL

A redacted form of the application proof of Sunac Services' listing document (the "**Application Proof**") is expected to be available for reviewing and downloading on the Stock Exchange's website at <http://www.hkexnews.hk/app/sehkappmainindex.htm>. The Application Proof contains, among other things, certain business and financial information relating to the Spin-off Group. Shareholders should note that the Application Proof is in draft form and the information contained in it is subject to change which may be material.

Shareholders and other investors are reminded that there is no assurance that the Listing Committee will approve the Proposed Spin-off and the Listing. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

As the Listing is conditional upon, among other things, the approvals of the Listing Committee, the final decision of the Board and the board of directors of Sunac Services, market conditions and other considerations, the Proposed Spin-off may or may not materialise and the Distribution may or may not be made. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"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, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01918)
"Director(s)"	the director(s) of the Company
"Distribution"	the distribution in specie of a minor portion of the Sunac Services Shares to the Qualifying Shareholders as a special dividend to be declared by the Company, subject to completion of the Listing and fulfillment of some other conditions
"Global Offering"	the offer to the public in Hong Kong for subscription, and the international placing with certain professional and institutional investors and other investors, of the Sunac Services Shares
"Group"	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing”	the listing of the Sunac Services Shares on the Main Board of the Stock Exchange
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholders”	Shareholders whose names appear in the register of members of the Company on the Record Date and whose addresses as shown in such register are in any of the specified territories and any Shareholders or beneficial Shareholders at that time who are otherwise known by the Company to be resident in any of the specified territories
“PN15”	Practice Note 15 to the Listing Rules
“Proposed Spin-off”	the proposed spin-off and separate listing of the Sunac Services Shares on the Main Board of the Stock Exchange
“Qualifying Shareholders”	Shareholders whose names appear in the register of members of the Company on the Record Date, other than Non-Qualifying Shareholders
“Record Date”	the record date for ascertaining the Qualifying Shareholders who shall be entitled to the Distribution
“Retained Group”	the Company and its subsidiaries, excluding the Spin-off Group
“Shareholders”	shareholders of the Company
“Spin-off Group”	Sunac Services and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunac Services”	Sunac Services Holdings Limited (融創服務控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability
“Sunac Services Shares”	ordinary shares in the share capital of Sunac Services
“%”	percentage.

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

Hong Kong, 6 August 2020

As at the date of this announcement, the executive Directors 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 are Mr. POON Chiu Kwok, Mr. ZHU Jia, Mr. LI Qin and Mr. MA Lishan.