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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)**

**PLACING OF EXISTING SHARES AND  
SUBSCRIPTION OF NEW SHARES**

**PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES**

On 12 January 2022, the Company, the Vendor and Morgan Stanley (as the Placing Agent) entered into the Placing and Subscription Agreement, pursuant to which the Placing Agent agreed to place, on a fully underwritten basis, 452 million Placing Shares at a price of HK\$10 per Share on behalf of the Vendor. The Vendor conditionally agreed to subscribe for 452 million Subscription Shares at the Placing Price of HK\$10 per Share. The Placing Shares and the Subscription Shares represent approximately 9.05% of the existing issued share capital of the Company and approximately 8.30% of the issued share capital of the Company as enlarged by the Subscription, respectively. The gross proceeds from the Subscription are HK\$4.520 billion (equivalent to approximately US\$580 million).

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

# **I. PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES**

## **PLACING AND SUBSCRIPTION AGREEMENT**

Date: 12 January 2022

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

### **PLACING**

#### **Number of Placing Shares**

452 million existing Shares, representing approximately 9.05% of the existing issued share capital of the Company as at the date of this announcement and approximately 8.30% of the issued share capital of the Company as enlarged by the Subscription (assuming that there will be no change in the issued share capital of the Company from the date of this announcement to completion of the Subscription save for the issue of the Subscription Shares).

#### **Placing Price**

The Placing Price is HK\$10 per Share and represents:

- (1) a discount of approximately 15.3% to the closing price of HK\$11.80 per Share as quoted on the Stock Exchange on 12 January 2022, being the date of the Placing and Subscription Agreement;
- (2) a discount of approximately 11.0% to the average closing price of HK\$11.24 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 11 January 2022 (being the last full trading day immediately prior to the date of the Placing and Subscription Agreement); and

- (3) a discount of approximately 13.1% to the average closing price of HK\$11.51 per Share as quoted on the Stock Exchange for the last twenty consecutive trading days up to and including 11 January 2022 (being the last full trading day immediately prior to the date of the Placing and Subscription Agreement).

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

### **Rights**

The Placing Shares will be free of all liens, charges and encumbrances, but will carry all rights attaching thereto as at the Transaction Date, including the right to receive all dividends declared, made or paid on or after the Transaction Date.

### **Independence of the Placing Agent and the Placees**

The Placing Shares will be placed by the Placing Agent to not less than six independent professional, institutional and/or other investors. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and the placees to be procured by the Placing Agent, together with the ultimate beneficial owners of such placees, are independent of the Vendor, the parties acting in concert with the Vendor, the Company and connected persons of the Company. It is not expected that any placee will become a substantial shareholder of the Company as a result of the Placing.

### **Conditions of The Placing**

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

- (1) before the closing of the Placing, there shall not have occurred:
  - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in any relevant jurisdiction which in the opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or
  - (ii) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or

- (iii) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgement of the Placing Agent is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
- (iv) a general moratorium on commercial banking activities in Hong Kong, the PRC, London or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the United Kingdom or the United States; or
- (v) a change or development involving a prospective change in taxation which constitutes a material adverse effect on the Group as a whole or the Placing Shares or the transfer thereof; or
- (vi) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong, the PRC, the United Kingdom or the United States or the declaration by Hong Kong, the PRC, the United Kingdom or the United States of a national emergency or war; or
- (vii) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing or the Subscription); or
- (viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (ix) any material adverse change, or development reasonably likely to involve a material adverse change in the condition, results of operations or prospects, business, or in the financial or trading position of the Company and/or of the Group as a whole,

which in the sole opinion of the Placing Agent, after consultation with the Vendor and the Company to the extent reasonably practicable, would make the placement of the Placing Shares or the enforcement of contracts to purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;

- (2) the representations, warranties and undertakings by the Company and/or the Vendor being true and accurate and not misleading as of the date of the Placing and Subscription Agreement and the Closing Date;

- (3) each of the Company and the Vendor having complied with all the provisions of the Placing and Subscription Agreement on the part of the Vendor and/or the Company required to be complied with before the Closing Date; and
- (4) the Placing Agent having received on the Closing Date an opinion for the Vendor as to laws of the British Virgin Islands, and an opinion for the Company as to the laws of the Cayman Islands, relating to such matters as the Placing Agent shall reasonably request, such opinions to be in form and substance reasonably satisfactory to the Placing Agent.

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

### **Closing of the Placing**

The parties expect that closing of the Placing will take place on the Closing Date (i.e. 17 January 2022, or such other date as the Vendor and the Placing Agent may agree in writing).

### **Lock-Up Undertakings**

The Vendor has undertaken to the Placing Agent that (except for the sale of the Placing Shares pursuant to the Placing and Subscription Agreement) for a period of 90 days from the Closing Date (both dates inclusive), it will not and will procure that none of its nominees and companies controlled by it and trusts associated with it and any person acting on its or their behalf (whether individually or together and whether directly or indirectly) will (i) offer, lend (other than any ordinary course lending), pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests; (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, unless with the prior written consent of the Placing Agent.

The Company has undertaken to the Placing Agent, and the Vendor has undertaken to the Placing Agent, that for a period of 90 days from the Closing Date (both dates inclusive), the Company will not, except for the Subscription Shares and save pursuant to (1) the terms of any employee share option scheme of the Company or (2) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association, (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares; (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, without having obtained the written consent of the Placing Agent.

Solely for the purpose of the transactions contemplated under the Placing and Subscription Agreement, the Placing Agent has granted under the Placing and Subscription Agreement a waiver to the lock-up undertakings given by the Vendor and the Company in respect of the Company's previous placing and subscription agreement dated 13 November 2021, as set out in the Company's announcement dated 14 November 2021.

## **SUBSCRIPTION**

### **Subscription Shares**

452 million new Shares, being the same number as the Placing Shares, will be subscribed by the Vendor, representing approximately 9.05% of the existing issued share capital of the Company and approximately 8.30% of the issued share capital of the Company as enlarged by the Subscription (assuming that there will be no change in the issued share capital of the Company from the date of this announcement to completion of the Subscription save for the issue of the Subscription Shares).

### **Subscription Price**

The Subscription Price per new Share is equivalent to the Placing Price of HK\$10 per Share, the net price of the Subscription is HK\$9.92 per Share. The Subscription Shares have a nominal value of HK\$45.2 million based on the par value of HK\$0.10 per Share and a market value of approximately HK\$5.334 billion based on the closing price of HK\$11.80 per Share as quoted on the Stock Exchange on 12 January 2022.

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

## **Ranking of the Subscription Shares**

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

## **Conditions of the Subscription**

The Subscription is conditional upon:

- (1) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of the Subscription Shares);
- (2) completion of the Placing; and
- (3) the Vendor having obtained a waiver from the Securities and Futures Commission under Note 6 to Rule 26 of the Takeovers Code in connection with the Subscription and such waiver not having been subsequently revoked prior to the delivery of the Subscription Shares.

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

## **Completion of the Subscription**

Subject to the fulfillment of the above conditions, the parties expect that the completion date of the Subscription will be on or before 26 January 2022.

## **Termination**

Without prejudice to any other provisions of the Placing and Subscription Agreement, the Placing Agent shall have the right exercisable at any time by notice in writing to the Vendor and the Company to terminate the Placing and Subscription Agreement if any of the Placing Shares are not delivered by or on behalf of the Vendor in accordance with the Placing and Subscription Agreement.

## II. GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The issue of the Subscription Shares will not be subject to Shareholders' approval and the Subscription Shares will be issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution passed in the general meeting held on 27 May 2021. Pursuant to such mandate, the Directors were granted authority to issue up to 932,937,782 Shares, representing 20% of the issued share capital of the Company as at 27 May 2021. As at the date of this announcement, 335 million Shares have been issued by the Company in November 2021 pursuant to the such general mandate. Accordingly, 597,937,782 Shares remain available for issuance under such general mandate as at the date of this announcement. The issue of the Subscription Shares will fall within the limit of the such general mandate.

## III. EFFECT OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDING

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

Shareholders	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The Vendor and parties acting in concert with it	2,111,259,884	42.25	1,659,259,884	33.21	2,111,259,884	38.75
Directors (other than Mr. Sun Hongbin)	56,393,396	1.13	56,393,396	1.13	56,393,396	1.03
The placees	–	–	452,000,000	9.05	452,000,000	8.30
Other public Shareholders	<u>2,829,230,631</u>	<u>56.62</u>	<u>2,829,230,631</u>	<u>56.62</u>	<u>2,829,230,631</u>	<u>51.92</u>
Total	<u>4,996,883,911</u>	<u>100</u>	<u>4,996,883,911</u>	<u>100</u>	<u>5,448,883,911</u>	<u>100</u>

After completion of the Placing, the shareholding of the Vendor and parties acting in concert with it will decrease from approximately 42.25% to approximately 33.21%. Immediately upon completion of the Subscription, the shareholding of the Vendor and the parties acting in concert with it in the Company will increase from approximately 33.21% to approximately 38.75%.

The Vendor would be obliged to make a general offer for all the other issued Shares other than those owned by the Vendor and parties acting in concert with it under Rule 26.1 of the Takeovers Code arising from completion of the Subscription. Application for a waiver from the obligation to make a general offer under Rule 26 of the Takeovers Code will be made by the Vendor to the Executive (within the meaning of the Takeovers Code) pursuant to Note 6 to Rule 26 of the Takeovers Code.

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

#### **IV. REASONS FOR THE PLACING AND THE SUBSCRIPTION AND THE USE OF PROCEEDS**

The purposes of the Placing and the Subscription are to further enlarge the Company's Shareholder base and optimize the capital structure of the Company.

The gross proceeds from the placing of existing Shares and the subscription of new Shares are expected to be HK\$4.520 billion (equivalent to approximately US\$580 million) and the aggregate net proceeds therefrom are expected to be approximately HK\$4.484 billion (equivalent to approximately US\$575 million).

Out of the aggregate net proceeds from the Subscription, the Company intends to use (1) approximately 50% for general corporate purposes; and (2) approximately 50% for repayment of loans.

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

## V. FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not raised any funds by issuing equity securities in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Fund raising activity	Gross proceeds	Net proceeds	Intended use of net proceeds	Actual use of net proceeds
14 November 2021	subscription of 335,000,000 Shares under general mandate	approximately HK\$5.085 billion	approximately HK\$5.033 billion	(1) approximately 50% for general corporate purposes; and (2) approximately 50% for repayment of loans	fully applied as intended

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

## DEFINITIONS

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

“acting in concert”	has the meaning defined in the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Closing Date”	17 January 2022, or such other date as the Vendor and the Placing Agent may agree in writing
“Company”	Sunac China Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01918)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Morgan Stanley”	Morgan Stanley & Co. International plc
“Placing”	the placing of the Placing Shares to independent professional, institutional and/or other individual investors pursuant to the Placing and Subscription Agreement
“Placing Agent”	Morgan Stanley
“Placing and Subscription Agreement”	the placing and subscription agreement dated 12 January 2022 between the Company, the Vendor and Morgan Stanley (as the Placing Agent) in respect of the Placing and the Subscription
“Placing Price”	the placing price of HK\$10 per Share
“Placing Shares”	452 million existing Shares
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Placing and Subscription Agreement
“Subscription Price”	the subscription price of HK\$10 per Share
“Subscription Shares”	452 million new Shares
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong

“Transaction Date”	the date when the sale of the Placing Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) 13 January 2022 or, (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on 13 January 2022, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as the Vendor and the Placing Agent may agree in writing
“US\$”	United States dollar, the lawful currency of the United States of America
“Vendor”	Sunac International Investment Holdings Ltd, a company incorporated in the British Virgin Islands with limited liability, which is controlled by family trusts of Mr. Sun Hongbin, the chairman of the Board and an executive director of the Company

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

Hong Kong, 13 January 2022

*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. MA Lishan and Mr. YUAN Zhigang.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*