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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)

**(I) ISSUANCE OF US\$400 MILLION 6.8% SENIOR NOTES DUE 2024 AND
(II) ISSUANCE OF ADDITIONAL US\$100 MILLION 6.5% SENIOR NOTES
DUE 2026 (TO BE CONSOLIDATED AND FORM A SINGLE SERIES WITH
THE US\$500 MILLION 6.5% SENIOR NOTES DUE 2026)**

On 13 July 2021, the Company, the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors entered into the Purchase Agreement with HSBC, Morgan Stanley, Barclays, China CITIC Bank International, China Securities International, Citigroup, Guotai Junan International and Huatai International, in connection with the issuance of US\$400 million 6.8% senior notes due 2024 (the October 2024 Notes) and the issuance of additional US\$100 million 6.5% senior notes due 2026 (the January 2026 Additional Notes).

The proceeds from the Notes Issue are intended to be used for refinancing the Group's mid-term and long-term offshore indebtedness which will become due and payable within a year.

Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the offering, the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective associated companies (if any), the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). No listing of the Notes has been, or will be, sought in Hong Kong.

Reference is made to the announcement of the Company made on 22 January 2021 in relation to the issuance of the January 2026 Notes.

The Board is pleased to announce that on 13 July 2021, the Company, together with the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors, entered into the Purchase Agreement with the Joint Global Coordinators and the Joint Bookrunners in connection with the Notes Issue.

Details of the Purchase Agreement and the Notes Issue are set forth below.

1. OCTOBER 2024 NOTES PURCHASE AGREEMENT

1.1. Date

13 July 2021

1.2. Parties to the October 2024 Notes Purchase Agreement

- (a) the Company as issuer;
- (b) the Subsidiary Guarantors;
- (c) the Subsidiary Guarantor Pledgors; and
- (d) the Initial Purchasers.

HSBC, Morgan Stanley, Barclays, China CITIC Bank International, China Securities International, Citigroup, Guotai Junan International and Huatai International are the Joint Global Coordinators and Joint Bookrunners in respect of the offer and sale of the October 2024 Notes. They are also the Initial Purchasers of the October 2024 Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Joint Global Coordinators and the Joint Bookrunners is an independent third party and not a connected person of the Company.

The October 2024 Notes have not been, and will not be, registered under the Securities Act. The October 2024 Notes will only be offered outside the United States in accordance with Regulation S under the Securities Act. None of the October 2024 Notes will be offered to the public in Hong Kong and none of the October 2024 Notes will be placed to any connected persons of the Company.

1.3. Principal Terms of the October 2024 Notes

October 2024 Notes offered

Subject to certain conditions to completion, the Company will issue the October 2024 Notes in the aggregate principal amount of US\$400 million which will mature on 20 October 2024, unless earlier redeemed pursuant to the terms thereof.

Issue price

The issue price of the October 2024 Notes will be 99.385% of the principal amount thereof.

Interest

The October 2024 Notes will bear interest from and including 20 July 2021 at the rate of 6.8% per annum, payable semi-annually in arrears on 20 April and 20 October of each year, except that the first payment of interest, to be made on 20 April 2022, will be in respect of the period from and including 20 July 2021 to (but excluding) 20 April 2022.

Ranking of the October 2024 Notes

The October 2024 Notes will be general obligations of the Company and will be guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis and will be secured by the Collateral, subject to release under certain circumstances.

The October 2024 Notes will (1) rank senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the October 2024 Notes, (2) rank at least pari passu in right of payment with the Existing Pari Passu Secured Indebtedness and all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law), (3) be effectively subordinated to the other secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor (other than the Collateral), and (4) be effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the October 2024 Notes.

Covenants

The October 2024 Notes, the October 2024 Notes Indenture and the guarantees provided by the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) make investments or other specified restricted payments;
- (c) issue or sell capital stock of certain of the Company's subsidiaries;
- (d) guarantee indebtedness of certain of the Company's subsidiaries;
- (e) sell assets;
- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) enter into agreements that restrict certain of the Company's subsidiaries' ability;
- (i) pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

Optional Redemption

The October 2024 Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after 20 October 2023, the Company may redeem the October 2024 Notes, in whole or in part, at a redemption price equal to 102% of principal amount of the October 2024 Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date.
- (2) At any time prior to 20 October 2023, the Company may at its option redeem the October 2024 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the October 2024 Notes plus the customary make whole premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

- (3) At any time and from time to time prior to 20 October 2023, the Company may redeem up to 35% of the aggregate principal amount of the October 2024 Notes at a redemption price of 106.8% of the principal amount of the October 2024 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

Repurchase upon change of control

Upon the occurrence of certain events constituting a change of control of the Company (as defined in the October 2024 Notes) as result of which there is a decline in the rating of the October 2024 Notes, the Company must make an offer to repurchase all outstanding October 2024 Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date.

Events of Default

The October 2024 Notes contain certain customary events of default, including default in the payment of principal, or of any premium, on the October 2024 Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the October 2024 Notes Indenture. If an event of default occurs and is continuing, the trustee under the October 2024 Notes Indenture, as the case may be, or the holders of at least 25% of the October 2024 Notes may declare the principal of the October 2024 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

2. JANUARY 2026 ADDITIONAL NOTES PURCHASE AGREEMENT

2.1. Date

13 July 2021

2.2. Parties to the January 2026 Additional Notes Purchase Agreement

- (a) the Company as issuer;
- (b) the Subsidiary Guarantors;
- (c) the Subsidiary Guarantor Pledgors; and
- (d) the Initial Purchasers.

HSBC, Morgan Stanley, Barclays, China CITIC Bank International, China Securities International, Citigroup, Guotai Junan International and Huatai International are the Joint Global Coordinators and Joint Bookrunners in respect of the offer and sale of the January 2026 Additional Notes. They are also the Initial Purchasers of the January 2026 Additional Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Joint Global Coordinators and the Joint Bookrunners is an independent third party and not a connected person of the Company.

The January 2026 Additional Notes have not been, and will not be, registered under the Securities Act. The January 2026 Additional Notes will only be offered outside the United States in accordance with Regulation S under the Securities Act. None of the January 2026 Additional Notes will be offered to the public in Hong Kong and none of the January 2026 Additional Notes will be placed to any connected persons of the Company.

2.3. Principal terms of the January 2026 Additional Notes

The principal terms of the January 2026 Additional Notes are the same as the terms of the January 2026 Notes as set forth in the announcement of the Company dated 22 January 2021, except for the following:

January 2026 Additional Notes offered

Subject to certain conditions to completion, the Company will issue the January 2026 Additional Notes in the aggregate principal amount of US\$100 million which will mature on 26 January 2026, unless earlier redeemed pursuant to the terms thereof.

Issue price

The issue price of the January 2026 Additional Notes will be 96.966% of the principal amount thereof plus accrued interest from and including 26 January 2021 to (but excluding) 20 July 2021.

3. USE OF PROCEEDS FROM THE NOTES ISSUE

The proceeds from the Notes Issue are intended to be used for refinancing the Group's mid-term and long-term offshore indebtedness which will become due and payable within a year.

4. LISTING

Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the offering, the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective associated companies (if any), the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). No listing of the Notes has been, or will be, sought in Hong Kong.

DEFINITIONS

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

“April 2023 Notes”	the 8.35% senior notes due 2023 in the aggregate principal amount of US\$650 million issued by the Company
“April 2024 Notes”	the 5.95% senior notes due 2024 in the aggregate principal amount of US\$942 million issued by the Company
“August 2022 Notes”	the 7.95% senior notes due 2022 in the aggregate principal amount of US\$600 million issued by the Company
“August 2024 Notes”	the 6.65% senior notes due 2024 in the aggregate principal amount of US\$620 million issued by the Company
“Barclays”	Barclays Bank PLC, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“Board”	the board of Directors
“China CITIC Bank International”	China CITIC Bank International Limited, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“China Securities International”	China Securities (International) Corporate Finance Company Limited, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“Citigroup”	Citigroup Global Markets Limited, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“Collateral”	the charge over shares of the Subsidiary Guarantors
“Collateral Agent”	has the meaning given to it in the Intercreditor Agreement
“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)

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Existing Pari Passu Secured Indebtedness”	the July 2021 Notes, the June 2022 Notes, the August 2022 Notes, the April 2023 Notes, the July 2023 Notes, the October 2023 Notes, the February 2024 Notes, the April 2024 Notes, the August 2024 Notes, the January 2025 Notes, the July 2025 Notes, the January 2026 Notes and other indebtedness (other than the Notes) which holders (or their representatives or agents) have become a Secured Party under the Intercreditor Agreement as of the issue date of the Notes
“February 2024 Notes”	the 7.5% senior notes due 2024 in the aggregate principal amount of US\$650 million issued by the Company
“Group”	the Company and its subsidiaries
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“Huatai International”	Huatai Financial Holdings (Hong Kong) Limited, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“Initial Purchasers”	HSBC, Morgan Stanley, Barclays, China CITIC Bank International, China Securities International, Citigroup, Guotai Junan International and Huatai International
“Intercreditor Agreement”	an intercreditor agreement dated as of 5 April 2013, among the Company, the Subsidiary Guarantor Pledgors, the Collateral Agent and the trustee, DB Trustees (Hong Kong) Limited, as so amended, supplemented or modified from time to time

“January 2026 Additional Notes”	the additional 6.5% senior notes due January 2026 in the aggregate principal amount of US\$100 million to be issued by the Company (to be consolidated and form a single series with the January 2026 Notes)
“January 2026 Additional Notes Purchase Agreement”	the agreement dated 13 July 2021 entered into among the Company, the Joint Global Coordinators and the Joint Bookrunners, the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors in relation to the issuance of the January 2026 Additional Notes
“January 2025 Notes”	the 6.5% senior notes due 2025 in the aggregate principal amount of US\$750 million issued by the Company
“January 2026 Notes”	the 6.5% senior notes due 2026 in the aggregate principal amount of US\$500 million issued by the Company
“Joint Bookrunners”	HSBC, Morgan Stanley, Barclays, China CITIC Bank International, China Securities International, Citigroup, Guotai Junan International and Huatai International
“Joint Global Coordinators”	HSBC, Morgan Stanley, Barclays, China CITIC Bank International, China Securities International, Citigroup, Guotai Junan International and Huatai International
“July 2021 Notes”	the 7.35% senior notes due 2021 in the aggregate principal amount of US\$650 million issued by the Company
“July 2023 Notes”	the 6.5% senior notes due 2023 in the aggregate principal amount of US\$600 million issued by the Company
“July 2025 Notes”	the 7.0% senior notes due 2025 in the aggregate principal amount of US\$600 million issued by the Company
“June 2022 Notes”	the 7.25% senior notes due 2022 in the aggregate principal amount of US\$600 million issued by the Company
“JV Subsidiary Guarantees”	the guarantees to be provided by the JV Subsidiary Guarantors in respect of the Notes

“JV Subsidiary Guarantors”	subsidiaries of the Company that will in the future provide limited-recourse guarantee for the Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Morgan Stanley”	Morgan Stanley & Co. International plc, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“Notes”	the October 2024 Notes and the January 2026 Additional Notes
“Notes Issue”	the issue of the Notes
“October 2023 Notes”	the 7.95% senior notes due 2023 in the aggregate principal amount of US\$750 million issued by the Company
“October 2024 Notes”	the 6.8% senior notes due October 2024 in the aggregate principal amount of US\$400 million to be issued by the Company
“October 2024 Notes Indenture”	the written agreement among the Company, the Subsidiary Guarantors and the trustee that specifies the terms of the October 2024 Notes including the interest rate and the maturity date of the Notes
“October 2024 Notes Purchase Agreement”	the agreement dated 13 July 2021 entered into among the Company, the Joint Global Coordinators and the Joint Bookrunners, the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors in relation to the issuance of the October 2024 Notes
“PRC”	the People’s Republic of China
“Purchase Agreement”	the October 2024 Notes Purchase Agreement and the January 2026 Additional Notes Purchase Agreement
“Regulation S”	Regulation S under the Securities Act
“Secured Party”	has the meaning given to it in the Intercreditor Agreement
“Securities Act”	the United States Securities Act of 1933, as amended

“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees to be provided by the Subsidiary Guarantors in respect of the Notes
“Subsidiary Guarantors”	certain subsidiaries of the Company organized outside the PRC which will jointly and severally guarantee the Company’s obligations under the Notes
“Subsidiary Guarantor Pledgors”	certain Subsidiary Guarantors that will provide pledges over the shares of the Subsidiary Guarantors held by them to secure the obligations of such Subsidiary Guarantors under their guarantees for the Notes
“United States”	United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 14 July 2021

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. MA Lishan and Mr. YUAN Zhigang.