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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 FOR NEW SHARES

Sole Global Coordinator, Sole Bookrunner and Sole Placing Agent



On 21 January 2013, the Company, the Vendor and the Placing Agent entered into the Placing and Subscription Agreement pursuant to which the Placing Agent has agreed to place, on a fully underwritten basis, the Placing Shares at a price of HK\$6.70 per Share on behalf of the Vendor. The Placing Shares represent approximately 9.94% of the existing issued share capital of the Company and approximately 9.04% of the issued share capital of the Company as enlarged by the Subscription.

The Placing Shares will be placed by the Placing Agent to not less than six independent professional, institutional and/or individual investors who are or will be third parties independent of and not connected with the Company or any of its connected persons. The Placing is conditional on certain termination events upon the occurrence of which the Placing will not proceed to completion unless waived by the Placing Agent. The Vendor and the Company have each furnished lock-up undertakings to the Placing Agent.

Pursuant to the Placing and Subscription Agreement, the Vendor has also conditionally agreed to subscribe for the Subscription Shares at the Placing Price. The Subscription Shares represent approximately 9.94% of the existing issued share capital of the Company and approximately 9.04% of the issued share capital of the Company as enlarged by the Subscription.

Completion of the Subscription is conditional upon fulfillment of certain conditions set out in the section headed "Conditions of Subscription" below.

The Placing and the Subscription are effected to enable the Company to optimize its capital structure. The Company intends to use the proceeds of the Subscription for the Company's development and as general working capital of the Company.

As the Placing and Subscription are subject to the fulfillment of a number of conditions and may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date: 21 January 2013

Vendor: Sunac International Investment Holdings Ltd, the controlling shareholder of the Company. As at the date of this announcement, the Vendor is interested in 1,555,578,451 Shares, representing approximately 51.56% of the existing issued share capital of the Company.

Placing agent: Citigroup Global Markets Asia Limited

The Placing Agent is independent of and not connected with the Company or any of its connected persons.

Company: The Company is also party to the Placing and Subscription Agreement.

(1) The Placing

Number of Shares to be placed

The Placing Agent has agreed to place, on a fully underwritten basis, 300,000,000 existing Shares (to be sold by the Vendor), representing approximately 9.94% of the existing issued share capital of the Company and about 9.04% of the issued share capital as enlarged by the Subscription.

Placing Price

The Placing Price of HK\$6.70 per Share represents (i) a discount of approximately 6.82% to the closing price of HK\$7.19 per Share as quoted on the Stock Exchange on 21 January 2013, being the date of the Placing and Subscription Agreement; (ii) a discount of approximately 4.96% to the closing price of HK\$7.05 per Share as quoted on the Stock Exchange on 18 January 2013, being the last full trading day prior to the release of this announcement; and (iii) a discount of approximately 4.01% to the average closing price of HK\$6.98 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 21 January 2013.

The Placing Price was determined after arm's-length negotiation between the Vendor and the Placing Agent and the Directors (including the independent non-executive Directors) consider that the Placing Price is fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Rights

The Placing Shares will be sold free from all liens, charges and any other encumbrances or third party rights or claims of any kind, and together with all rights attaching to them, including the right to receive all dividends declared, made or paid on or after the Placing Completion 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 individual investors. It is not expected that any placee will become a substantial shareholder of the Company as a result of the Placing.

The Placing Agent and the placees to be procured by the Placing Agent are or will be as the case may be third parties independent of and not connected with the Company or any of its connected persons.

Completion of the Placing

The parties expect that the Placing Completion Date will be on 24 January 2013 (or such other date as the Vendor and the Placing Agent may agree in writing).

Lock-Up Undertakings

Each of the Vendor and the Company agrees that it will not and will procure that none of its nominees and companies controlled by it or trusts associated with it will, prior to the expiry of 90 days following the Placing Completion Date, offer, issue, allot, sell or otherwise dispose of any other Shares or any securities convertible into or exchangeable or carrying rights to acquire other shares, or enter into any derivative transaction that has the economic effect of such sale, transfer or disposition, whether settled in cash or otherwise, without the prior written consent of the Placing Agent, provided that none of the foregoing shall prevent the Company from issuing options, rights or Shares pursuant to the Company's share option schemes adopted by the Company on 9 September 2010 and 29 April 2011, respectively.

(2) The Subscription

Number of new Shares to be subscribed

300,000,000 new Shares (to be subscribed by the Vendor), representing approximately 9.94% of the existing issued share capital of the Company and approximately 9.04% of the issued share capital of the Company as enlarged by the Subscription.

Subscription Price

The subscription price per new Share is equivalent to the Placing Price of HK\$6.70 per Share. The Subscription Shares have a market value of HK\$2,157,000,000, based on the closing price of HK\$7.19 on 21 January 2013, being the date of the Placing and Subscription Agreement. The net price of the Subscription is HK\$6.66 per Share.

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 in the interest of the Company and the Shareholders as a whole.

General mandate to issue the Subscription Shares

The Subscription Shares will be issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed in the general meeting held on 18 May 2012, subject to the limit of up to 600,011,940 Shares (representing 20% of the issued share capital of the Company in issue on the day of granting the general mandate of the Company). As at the date of this announcement, the Company has not issued any Shares pursuant to such general mandate. The issue of the Subscription Shares will utilise 300,000,000 Shares in aggregate under the general mandate of the Company. No Shareholders' approval is required in respect of the Subscription.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the completion date of the Subscription including the right to any dividends or distributions after the Subscription Completion Date.

Conditions of the Subscription

The Subscription is conditional upon fulfillment of the following conditions:

- (a) the Stock Exchange granting listing of, and permission to deal in, the Subscription Shares; and
- (b) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

In the event that the conditions are not fulfilled or on or before 4 February 2013 (or such later date as may be agreed between the parties), the obligations of the Company and the Vendor under the Placing and Subscription Agreement in relation to the Subscription shall terminate and neither of the parties shall have any claim against the others for costs, damages, compensation or otherwise in respect of the Subscription save and except that the Company shall reimburse the Vendor legal fees and out of pocket expenses which the Vendor shall be obliged to pay in connection with the Placing.

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

Completion of the Subscription

Subject to the fulfillment of all conditions listed above, the parties expect that the Subscription Completion Date will be on or before 4 February 2013.

Termination Events

If, at any time prior to 12:00 noon on the Placing Completion Date, in the opinion of the Placing Agent the success of the Placing or the financial position, business, results of operation or prospects of the Group as a whole would or might be materially adversely affected by:

- (a) any breach of any of the representations, warranties and undertakings set out in the Placing and Subscription Agreement; or
- (b) any of the following events:
 - (i) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (iii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (iv) suspension of dealings in the Shares for a period exceeding one (1) day (other than as a result of the Placing); or
 - (v) a change or development involving a prospective change in taxation in Hong Kong or the PRC or any other jurisdictions in which any member of the Group was established or has operations or the implementation of exchange controls which shall or might materially and adversely affect the Group (taken as a whole); or
 - (vi) any material change or deterioration in the conditions of local, national or international securities markets occurs; or
 - (vii) the instigation of any litigation or claim of material importance by any third party against any member of the Group,

then and in any such case, the Placing Agent may terminate this Agreement without liability to the Vendor by giving notice in writing to the Vendor.

In the event that the Placing Agent terminate the Placing and Subscription Agreement due to the occurrence of any of the termination events above, save for certain obligations in relation to the payment of fees, commissions and expenses to the Placing Agent and the representations, warranties and undertakings as contained in the Placing and Subscription Agreement, the Placing and Subscription Agreement shall cease and determine and no party to the Placing and Subscription Agreement shall have any claim against any other party to the Placing and Subscription Agreement in respect of any matter arising out of or in connection with the Placing and Subscription Agreement except for any breach arising prior to such termination.

EFFECT OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDING:

The shareholding structure of the Company before and after the Placing and the Subscription will be as follows:

Shareholders	Current		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
The Vendor and its associates (Note)	1,562,178,451	51.78%	1,262,178,451	41.84%	1,562,178,451	47.10%
Placees	–	–	300,000,000	9.94%	300,000,000	9.04%
Other Shareholders	1,454,656,874	48.22%	1,454,656,874	48.22%	1,454,656,874	43.86%
Total	<u>3,016,835,325</u>	<u>100%</u>	<u>3,016,835,325</u>	<u>100%</u>	<u>3,316,835,325</u>	<u>100%</u>

Note: The Vendor is wholly owned by Mr. Sun Hongbin, the chairman, chief executive officer and executive director of the Company.

REASON FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The Placing and Subscription is being undertaken to optimize the Company's capital structure. The Company intends to use the proceeds of the Subscription for the Company's development and as general working capital of the Company. The Directors consider the Placing and Subscription will provide additional funding to the Company's development whilst broadening the shareholder base and the capital base of the Company. The gross proceeds and net proceeds (after deducting relevant commissions, taxes and other expenses) from the Subscription are expected to be HK\$2,010,000,000 and approximately HK\$1,998,705,090 respectively.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities involving the issue of its securities in the past 12 months from the date of this announcement.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange. It is one of the leading real estate developers in the PRC. As at the date of this announcement, the Group has developed or is developing high-end and high-quality property projects in five key economic regions across the PRC, namely Beijing, Tianjin, Shanghai, Chongqing and Hangzhou.

DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE

The Vendor is a controlling shareholder of the Company. The entire issued share capital of the Vendor is beneficially owned by Mr. Sun Hongbin, the chairman, chief executive officer and executive director of the Company. Therefore, the Vendor and Mr. Sun Hongbin are together deemed to be parties acting in concert under Rule 26 of the Takeovers Code.

The Vendor has confirmed that, as at the date of this announcement, the Vendor and the parties acting in concert with it (i.e. Mr. Sun Hongbin) have collectively been holding more than 50% of the issued share capital and voting rights of the Company continuously for more than 12 months immediately preceding the Placing and Subscription Agreement. As a result of the Placing, the aggregate percentage shareholding of the Vendor and person acting in concert with it (i.e. Mr. Sun Hongbin) will reduce from approximately 51.78% to approximately 41.84% (a decrease of approximately 9.94%) and as a result of the Subscription, their aggregate percentage shareholding will be increased from approximately 41.84% to approximately 47.10% (an increase of approximately 5.26%). Pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, a waiver under Rule 26 of the Takeovers Code is not required where a shareholder, together with persons acting in concert with it have continuously held more than 50% of the voting rights of a company for at least 12 months immediately preceding the relevant placing and top-up transaction. Given the Vendor and person acting in concert with it (i.e. Mr. Sun Hongbin) have continuously held more than 50% of the voting rights of the Company for the past 12 months immediately preceding the Placing and the Subscription, a waiver under Rule 26 of the Takeovers Code is not required for the Subscription.

As the Placing and Subscription are subject to the fulfillment of a number of conditions and may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Business Day”	any day (excluding a Saturday, a Sunday or a public holiday) on which banks generally are open for business in Hong Kong
“Citi”	Citigroup Global Markets Asia Limited, the sole global coordinator, the sole bookrunner and the sole placing agent in respect of the Placing
“Company”	Sunac China Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange (stock code: 01918)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placement of the Placing Shares to independent investors at the Placing Price
“Placing Agent”	Citi
“Placing and Subscription Agreement”	the placing and subscription agreement dated 21 January 2013 by and among the Vendor, the Company and the Placing Agent in respect of the Placing and the Subscription
“Placing Completion Date”	24 January 2013 or such other date as the Vendor and the Placing Agent shall agree
“Placing Price”	the placing price of HK\$6.70 per Share
“Placing Shares”	300,000,000 existing Shares to be sold by the Vendor pursuant to the Placing and Subscription Agreement
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Shares”	ordinary shares of HK\$0.1 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor
“Subscription Completion Date”	the Business Day after the date on which the last of the conditions in relation to the Subscription shall have been satisfied provided that such date shall not be later than the day falling 14 days after the date of the Placing and Subscription Agreement
“Subscription Price”	the subscription price of HK\$6.70 per Share
“Subscription Shares”	300,000,000 new Shares to be issued by the Company under the Subscription
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“United States”	the United States of America

“US\$” United States dollars, the lawful currency of the United States

“Vendor” Sunac International Investment Holdings Ltd., a company incorporated in the British Virgin Islands, the controlling shareholder of the Company

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

Hong Kong, 21 January 2013

As at the date of this announcement, the executive Directors are Mr. Sun Hongbin, Mr. Wang Mengde, Mr. Li Shaozhong, Mr. Chi Xun, Mr. Shang Yu and Mr. Jing Hong; the non-executive Directors are Ms. Hu Xiaoling and Mr. Zhu Jia, and the independent non-executive Directors are Mr. Poon Chiu Kwok, Mr. Li Qin, Mr. Ma Lishan and Mr. Tse Chi Wai.