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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\$650 MILLION 7.35% SENIOR NOTES DUE 2021  
AND**

**(II) ISSUANCE OF US\$450 MILLION 8.35% SENIOR NOTES DUE 2023**

**Joint Global Coordinators and Joint Bookrunners**

**HSBC** 

**Morgan Stanley**

 **中信銀行(国际)**  
CHINA CITIC BANK INTERNATIONAL

 **兴证国际**  
INDUSTRIAL SECURITIES INTERNATIONAL

 **招銀国际**  
CMB INTERNATIONAL

 **國泰君安國際**  
GUOTAI JUNAN INTERNATIONAL

**ICBC**  **工銀国际**

**NOMURA**

Reference is made to the announcement of the Company dated 16 April 2018 in respect of the proposed Notes Issue.

On 16 April 2018, the Company, the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors entered into the Purchase Agreement with HSBC, Morgan Stanley, China CITIC Bank International, China Industrial Securities International, CMB International, Guotai Junan International, ICBC International and Nomura in connection with the issue of senior notes of US\$1.1 billion in total, including (i) issuance of US\$650 million 7.35% senior notes due 2021 (the “2021 Notes”) and (ii) issuance of US\$450 million 8.35% senior notes due 2023 (the “2023 Notes”).

The purposes of the Notes Issue are to optimize the debt structure of the Company and to support the healthier and sustainable development of the Company. The proceeds from the Notes Issue are intended to be used for re-financing the Group’s existing indebtedness and for other general corporate purposes.

The Company has received approval-in-principle for the listing and quotation of the 2021 Notes and the 2023 Notes on the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the Company, its subsidiaries, or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. No listing of the Notes has been, or will be, sought in Hong Kong.

Reference is made to the announcement of the Company dated 16 April 2018 in respect of the proposed Notes Issue.

The Board is pleased to announce that on 16 April 2018, 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 issue of senior notes of US\$1.1 billion in total, including US\$650 million 7.35% senior notes due 2021 and US\$450 million 8.35% senior notes due 2023.

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

## **THE PURCHASE AGREEMENT**

### **Date**

16 April 2018

### **Parties to the Purchase Agreement**

(a) the Company as issuer;

- (b) the Subsidiary Guarantors;
- (c) the Subsidiary Guarantor Pledgors;
- (d) HSBC;
- (e) Morgan Stanley;
- (f) China CITIC Bank International;
- (g) China Industrial Securities International;
- (h) CMB International;
- (i) Guotai Junan International;
- (j) ICBC International; and
- (k) Nomura.

HSBC, Morgan Stanley, China CITIC Bank International, China Industrial Securities International, CMB International, Guotai Junan International, ICBC International and Nomura are the joint global coordinators and joint bookrunners in respect of the offer and sale of the Notes. They are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Joint Global Coordinators and the Joint Bookrunners is an independent third party and not a connected person of the Company.

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

### **Principal terms of the Notes**

#### ***Notes offered***

Subject to certain conditions to completion, the Company will issue:

- (1) the 2021 Notes in the aggregate principal amount of US\$650 million which will mature on 19 July 2021, unless earlier redeemed pursuant to the terms thereof; and
- (2) the 2023 Notes in the aggregate principal amount of US\$450 million which will mature on 19 April 2023, unless earlier redeemed pursuant to the terms thereof.

### ***Issue price***

The issue price of both the 2021 Notes and the 2023 Notes will be 100% of the principal amount thereof.

### ***Interest***

- (1) The 2021 Notes will bear interest from and including 19 April 2018 at the rate of 7.35% per annum, payable semi-annually in arrears on 19 January and 19 July of each year except that the first payment of interest, to be made on 19 July 2018, will be in respect of the period from and including 19 April 2018 to but excluding 19 July 2018; and
- (2) The 2023 Notes will bear interest from and including 19 April 2018 at the rate of 8.35% per annum, payable semi-annually in arrears on 19 April and 19 October of each year, commencing 19 October 2018.

### ***Ranking of the Notes***

The 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 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 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 Notes.

### ***Security***

The Company and the initial Subsidiary Guarantor Pledgors have pledged in favor of a collateral agent the Collateral in order to secure the obligations of the Company under the debt agreements of the Existing *Pari Passu* Secured Indebtedness and of such Subsidiary Guarantor Pledgors under their respective subsidiary guarantees of the Existing *Pari Passu* Secured Indebtedness and the obligations of the Company or any Subsidiary Guarantor Pledgor under other permitted *pari passu* secured indebtedness as defined in the Notes.

The Company has agreed to extend, or cause the initial Subsidiary Guarantor Pledgors to extend, as the case may be, the benefit of the security interests created over the Collateral to the holders of the Notes on the issue date of the Notes in order to secure the obligations of the Company under the Notes and the Indentures and of such initial Subsidiary Guarantor Pledgors under their respective Subsidiary Guarantees.

The Collateral may be released or reduced in the event of certain asset sales and certain other circumstances. The Collateral may be released at any time after the later of (i) the repayment in full of all amounts owing by the Company or any Subsidiary Guarantors or JV Subsidiary Guarantors under the Existing Pari Passu Secured Indebtedness; and (ii) the date on which no outstanding indebtedness other than the Notes is secured by the Collateral; *provided* that, no default has occurred and is continuing on such date.

### ***Covenants***

The Notes, the Indentures and the guarantees provided by the Subsidiary Guarantors and the JV Subsidiary Guarantors 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) to 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***

### ***2021 Notes***

The 2021 Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after 19 July 2020, the Company may redeem the 2021 Notes, in whole or in part, at a redemption price of 103.675% plus accrued and unpaid interest, if any, to (but not including) the redemption date.
- (2) At any time prior to 19 July 2020, the Company may at its option redeem the 2021 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2021 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 19 July 2020, the Company may redeem up to 35% of the aggregate principal amount of the 2021 Notes at a redemption price of 107.35% of the principal amount of the 2021 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.

### ***2023 Notes***

The 2023 Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after 19 April 2021, the Company may redeem the 2023 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on 19 April of each of the years indicated below.

<b>Year</b>	<b>Redemption Price</b>
2021	104.175%
2022 and afterwards	102.0875%

- (2) At any time prior to 19 April 2021, the Company may at its option redeem the 2023 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2023 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 19 April 2021, the Company may redeem up to 35% of the aggregate principal amount of the 2023 Notes at a redemption price of 108.35% of the principal amount of the 2023 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 Notes) as result of which there is a decline in the rating of the Notes, the Company must make an offer to repurchase all outstanding 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 2021 Notes and the 2023 Notes contain certain customary events of default, including default in the payment of principal, or of any premium, on the respective series of the 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 Indentures. If an event of default occurs and is continuing, the trustee under the 2021 Notes Indenture and the 2023 Notes Indenture, as the case may be, or the holders of at least 25% of the respective series of the Notes may declare the principal of the respective series of the Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

### **Reasons for the Notes Issue and proposed use of proceeds**

The Company is a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange. As specialised in integrated development of residential and commercial properties, the Group is one of the leading real estate developers in the PRC. The Group adheres to its development strategy of regional focus and positioning on high-end quality products, and has developed or is developing many premium property projects in tier 1 cities, tier 2 cities and surrounding cities of tier 1 cities in the PRC with various types of properties ranging from high-rise residences, townhouses, retail properties and offices.

The purposes of the Notes Issue are to optimize the debt structure of the Company and to support the healthier and sustainable development of the Company. The proceeds from the Notes Issue are intended to be used for re-financing the Group's existing indebtedness and for other general corporate purposes.

## **Listing**

The Company has received approval-in-principle for the listing and quotation of the 2021 Notes and the 2023 Notes on the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the Company, its subsidiaries, or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. 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:

“2019 Notes”	the 8.75% senior notes due 2019 in the aggregate principal amount of US\$400 million issued by the Company
“2020 Notes”	the 6.875% senior notes due 2020 in the aggregate principal amount of US\$400 million issued by the Company
“2022 Notes”	the 7.95% senior notes due 2022 in the aggregate principal amount of US\$600 million issued by the Company
“2021 Notes”	US\$650 million in the aggregate principal amount of 7.35% senior notes due 2021 of the Company
“2021 Notes Indenture”	the written agreement among the Company, the Subsidiary Guarantors and the trustee that specifies the terms of the 2021 Notes including the interest rate of the 2021 Notes and the maturity date
“2023 Notes”	US\$450 million in the aggregate principal amount of 8.35% senior notes due 2023 of the Company



“2023 Notes Indenture”	the written agreement among the Company, the Subsidiary Guarantors and the trustee that specifies the terms of the 2023 Notes including the interest rate of the 2023 Notes and the maturity date
“Board”	the board of Directors
“Collateral”	the charge over shares of the Subsidiary Guarantors
“China Industrial Securities International”	China Industrial Securities International Brokerage Limited, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“China CITIC Bank International”	China CITIC Bank International Limited, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“CMB International”	CMB International Capital Limited, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“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: 1918)
“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 2019 Notes, the 2020 Notes and the 2022 Notes
“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
“ICBC International”	ICBC International Securities Limited, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“Indentures”	the 2021 Notes Indenture and the 2023 Notes Indenture
“Joint Global Coordinators”	HSBC, Morgan Stanley, China CITIC Bank International, China Industrial Securities International, CMB International, Guotai Junan International, ICBC International and Nomura
“Joint Bookrunners”	HSBC, Morgan Stanley, China CITIC Bank International, China Industrial Securities International, CMB International, Guotai Junan International, ICBC International and Nomura
“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
“Nomura”	Nomura International (Hong Kong) Limited, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“Notes”	the 2021 Notes and the 2023 Notes
“Notes Issue”	the issue of the Notes
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan)

“Purchase Agreement”	the agreement dated 16 April 2018 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 Notes Issue
“Regulation S”	Regulation S under the Securities Act
“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, 17 April 2018

*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.*