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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)

**UPDATES ON THE OFFSHORE DEBT RESTRUCTURING
AMENDMENT AGREEMENT TO THE RSA**

Background

References are made to the announcement of the Company dated 28 March 2023 (the “**Announcement**”) and the announcements of the Company dated 20 April 2023 and 4 May 2023 in relation to the restructuring supporting agreement entered into by, among others, the Company and the AHG. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

As set out in the Announcement, the Restructuring involves, as part of the restructuring consideration and in exchange for the discharge and release of the relevant Existing Debt claims of the Scheme Creditors against the Company, (i) the issue of the New Notes, (ii) the issue of the CB, (iii) if the Scheme Creditors so voluntarily elect, the issue of the MCB; and (iv) if the Scheme Creditors so voluntarily elect, the transfer of the existing Sunac Services Shares, in each case to the Scheme Creditors and on the Restructuring Effective Date. At the same time, the Controlling Shareholder has agreed to equitise the US\$450 million shareholder loan on terms that are no more favourable than the terms of the MCB.

As further set out in the Announcement, among others:

- (1) in respect of the MCB, Scheme Creditors may voluntarily elect to exchange their Existing Debt claims into zero-coupon, five-year mandatory convertible bonds of the Company, subject to an aggregate cap of US\$1.75 billion (which may be increased by the Company). The holders of the MCB may deliver conversion notices to convert their MCB into ordinary shares of the Company at an initial conversion price of HK\$10 per share (the “**MCB Upfront Conversion Price**”) on the Restructuring Effective Date or 6 months after the Restructuring Effective Date (as applicable), subject to an aggregate cap of 25% of total MCB. In other circumstances, the MCB holders may deliver conversion notices to convert the remaining MCB into ordinary shares of the Company at a conversion price equal to the volume-weighted average price for the 90 trading days immediately preceding the first date of the period during which holders can deliver the conversion notices, subject to a minimum conversion price of HK\$4.58 per share (the “**MCB Minimum Conversion Price**”). Any outstanding MCB at maturity will be mandatorily converted into ordinary shares of the Company in full; and
- (2) in respect of the Sunac Services Shares, Scheme Creditors may voluntarily elect to exchange their Existing Debt claims into existing Sunac Services Shares at an exchange price equal to 2.5 times the volume-weighted average price of the Sunac Services Shares for the 60 trading days immediately preceding the Record Time, subject to a minimum exchange price of HK\$17 per Sunac Services Share (the “**Sunac Services Shares Minimum Exchange Price**”). The voluntary election is subject to an aggregate cap of 449,356,068 existing Sunac Services Shares held by Sunac Services Investment, representing approximately 14.7% of the total issued Sunac Services Shares as at the date of the Announcement.

Amendment Agreement to the RSA

On 13 June 2023, the Company and the Majority Ad Hoc Group (as defined in the RSA) entered into an amendment agreement (the “**Amendment Agreement**”) whereby the parties have agreed to amend certain terms of the Term Sheet in relation to the MCB and the transfer of the existing Sunac Services Shares as follows:

1. the MCB Upfront Conversion Price would be reduced from HK\$10 per share to HK\$6 per share;
2. the MCB Minimum Conversion Price would be reduced from HK\$4.58 per share to HK\$4 per share;
3. the Sunac Services Shares Minimum Exchange Price would be reduced from HK\$17 per Sunac Services Share to HK\$13.5 per Sunac Services Share;

4. the Company may, in its sole discretion, increase the percentage of amount of the MCB which may be converted in the Upfront Conversion, the Ordinary Conversion and the Trigger Conversion. If the Company elects to increase such percentage, the Company must notify the holders of the MCB in accordance with its terms and conditions not later than the fifth trading day of the relevant conversion period of the MCB. For the avoidance of doubt, the Company shall not be permitted to decrease any such conversion caps; and
5. in respect of the US\$1.75 billion cap of the MCB, the Company shall increase such cap to an amount not greater than US\$2.2 billion on and subject to the terms and conditions of the Commitment Letter (as defined below) and may, otherwise, in its sole discretion, increase the relevant cap to the extent that the aggregate amount of MCB elected by the Scheme Creditors exceeds such cap.

(collectively, the “**Improved Terms**”)

Except for the modifications set forth above, other terms and conditions of the RSA as set out in the Announcement remain unchanged.

Commitment by AHG for selecting MCB

In connection with the Amendment Agreement, on 13 June 2023, certain members of the AHG (the “**Relevant AHG Members**”) have executed a commitment letter or provided other written comfort (the “**Commitment Letter**”) in favour of the Company, on a non-binding basis, to, among others, confirm their current willingness, as at the date of the Commitment Letter, to select not less than US\$800 million of MCB in aggregate (representing approximately 25% of the Existing Debt of the AHG) as part of their selection consideration under the Scheme.

Pursuant to the Commitment Letter, if (1) either (i) all of the non-binding commitments from the Relevant AHG Members as set out in the Commitment Letter (together with any other non-binding commitments given by members of the AHG to the Company on or around the date of the Commitment Letter in relation to the minimum subscription amounts of MCB of the AHG); or (ii) other commitments from the AHG for an amount, in aggregate, of not less than US\$800 million of MCB, become binding on or around the date of the Scheme Meeting; and (2) the cap of US\$1.75 billion in respect of the amount of MCB to be issued as set out in the Term Sheet (the “**Initial Cap**”) would be exceeded on the basis of all the binding elections of selection consideration made on or around the date of the Scheme Meeting by the Scheme Creditors as a whole, the Company will increase the Initial Cap to no less than the lower of: (1) US\$2.2 billion; and (2) US\$1.75 billion *plus* the total amount of elections for the MCB in excess of the Initial Cap.

Reasons for and benefits of the Amendment Agreement

Taking into consideration of the market conditions since the entering into of the RSA by the Company and the AHG, the Company and AHG have negotiated and agreed to make amendments to the RSA. The Company considers that the Improved Terms will help incentivise a higher proportion of the Scheme Creditors to select MCB and Sunac Services Shares, to better support the Company's objectives of reducing debt commitments and achieving a sustainable capital structure.

Based on the above, the directors of the Company are of the view that the terms of the Amendment Agreement are fair and reasonable and in the interests of the Company and stakeholders of the Company as a whole.

Holders of the Company's securities and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 13 June 2023

As at the date of this announcement, the executive directors of the Company are Mr. SUN Hongbin, Mr. WANG Mengde, Mr. JING Hong, Mr. TIAN Qiang, 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.