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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\$600 MILLION 5.95% SENIOR NOTES DUE 2024
AND
(II) ISSUANCE OF US\$500 MILLION 6.50% SENIOR NOTES DUE 2026

On 21 January 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, Credit Suisse and Guotai Junan International, in connection with the issuance of US\$1.1 billion senior notes, including US\$600 million 5.95% senior notes due 2024 (the April 2024 Notes) and US\$500 million 6.50% senior notes due 2026 (the January 2026 Notes).

Application has been 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.

The Board is pleased to announce that on 21 January 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 issuance of US\$1.1 billion senior notes, including US\$600 million 5.95% senior notes due 2024 and US\$500 million 6.50% senior notes due 2026.

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

PURCHASE AGREEMENT

Date

21 January 2021

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) Barclays;
- (g) China CITIC Bank International;
- (h) China Securities International;
- (i) Citigroup;
- (j) Credit Suisse; and
- (k) Guotai Junan International.

HSBC, Morgan Stanley, Barclays, China CITIC Bank International, China Securities International, Citigroup, Credit Suisse and Guotai Junan International 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 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 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 April 2024 Notes in the aggregate principal amount of US\$600 million which will mature on 26 April 2024, unless earlier redeemed pursuant to the terms thereof; and
- (2) the January 2026 Notes in the aggregate principal amount of US\$500 million which will mature on 26 January 2026, unless earlier redeemed pursuant to the terms thereof.

Issue price

- (1) The issue price of the April 2024 Notes will be 99.968% of the principal amount thereof; and
- (2) The issue price of the January 2026 Notes will be 100% of the principal amount thereof.

Interest

- (1) The April 2024 Notes will bear interest from and including 26 January 2021 at the rate of 5.95% per annum, payable semi-annually in arrears on 26 April and 26 October of each year, except that the first payment of interest, to be made on 26 October 2021, will be in respect of the period from and including 26 January 2021 to (but excluding) 26 October 2021; and
- (2) The January 2026 Notes will bear interest from and including 26 January 2021 at the rate of 6.50% per annum, payable semi-annually in arrears on 26 January and 26 July of each year, commencing on 26 July 2021.

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.

Covenants

The Notes, the Indentures 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

April 2024 Notes

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

- (1) At any time and from time to time on or after 26 January 2023, the Company may redeem the April 2024 Notes, in whole or in part, at a redemption price equal to 102% of principal amount of the April 2024 Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date.
- (2) At any time prior to 26 January 2023, the Company may at its option redeem the April 2024 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the April 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 26 January 2023, the Company may redeem up to 35% of the aggregate principal amount of the April 2024 Notes at a redemption price of 105.95% of the principal amount of the April 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.

January 2026 Notes

The January 2026 Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after 26 January 2024, the Company may redeem the January 2026 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 26 January of each of the years indicated below.

Year	Redemption Price
2024	103%
2025	101%

- (2) At any time prior to 26 January 2024, the Company may at its option redeem the January 2026 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the January 2026 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 26 January 2024, the Company may redeem up to 35% of the aggregate principal amount of the January 2026 Notes at a redemption price of 106.50% of the principal amount of the January 2026 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 Notes contain certain customary events of default, including default in the payment of principal, or of any premium, on 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 April 2024 Notes Indenture and the January 2026 Notes Indenture, as the case may be, or the holders of at least 25% of the Notes may declare the principal of the Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

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.

LISTING

Application has been 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\$600 million to be issued by the Company
“April 2024 Notes Indenture”	the written agreement among the Company, the Subsidiary Guarantors and the trustee that specifies the terms of the April 2024 Notes including the interest rate and the maturity date of the April 2024 Notes
“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
“Credit Suisse”	Credit Suisse (Hong Kong) Limited, one of the Joint Global Coordinators and Joint Bookrunners in respect of the Notes Issue
“Directors”	the directors of the Company
“Existing Pari Passu Secured Indebtedness”	the July 2021 Notes, the February 2022 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 August 2024 Notes, the January 2025 Notes, the July 2025 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 2022 Notes”	the 7.875% senior notes due 2022 in the aggregate principal amount of US\$800 million issued by the Company
“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
“Indentures”	the April 2024 Notes Indenture and the January 2026 Notes Indenture
“Intercreditor Agreement”	an intercreditor agreement dated as of 5 April 2013, among the Company, the Subsidiary Guarantor Pledgors, the Collateral Agent and DB Trustees (Hong Kong) Limited, as so amended, supplemented or modified from time to time
“January 2025 Notes”	the 6.5% senior notes due 2025 in the aggregate principal amount of US\$540 million issued by the Company

“January 2026 Notes”	the 6.50% senior notes due 2026 in the aggregate principal amount of US\$500 million to be issued by the Company
“January 2026 Notes Indenture”	the written agreement among the Company, the Subsidiary Guarantors and the trustee that specifies the terms of the January 2026 Notes including the interest rate and the maturity date of the January 2026 Notes
“Joint Bookrunners”	HSBC, Morgan Stanley, Barclays, China CITIC Bank International, China Securities International, Citigroup, Credit Suisse and Guotai Junan International
“Joint Global Coordinators”	HSBC, Morgan Stanley, Barclays, China CITIC Bank International, China Securities International, Citigroup, Credit Suisse and Guotai Junan 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 April 2024 Notes and the January 2026 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

“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macao and Taiwan)
“Purchase Agreement”	the agreement dated 21 January 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 Notes Issue
“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, 22 January 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.