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**SUNAC 融創服務**  
**SUNAC SERVICES HOLDINGS LIMITED**  
**融創服務控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 01516)**

**UPDATE ANNOUNCEMENT ON TRANSACTION**

Reference is made to the announcement of Sunac Services Holdings Limited (the “**Company**”) dated 8 November 2021 (the “**Announcement**”) in relation to, among other matters, the Acquisition Agreement entered into by the Company and Sunac China (“**Sunac China**”, or the “**Vendor**”) in relation to the acquisition of 100% interest in the Target Company (the “**Original Agreement**”). Unless otherwise defined, capitalized terms used in this announcement have the same meanings defined in the Announcement.

On 6 April 2023, the Company and Sunac China entered into a supplemental agreement (the “**Supplemental Agreement**”) to vary the terms of the performance commitment in the Original Agreement.

Pursuant to the Supplemental Agreement, the Vendor undertook that the net profits attributable to the parent of the Target Group in the financial year of 2023 would not be less than RMB0.14 billion (the “**Committed Profit**”). If the net profits attributable to the parent of the Target Group in the financial year of 2023 is less than the Committed Profit, the Company would be entitled to request the Vendor to make cash compensation, and the cash compensation amount would be 12.86 times of the difference between the Committed Profit and the actual net profits attributable to the parent company.

Other than the above amendments, the other terms of the Original Agreement remain in force.

**Reasons for the Supplemental Agreement**

In 2022, the commercial operation and management industry was affected by several factors, including the pandemic and the real estate industry environment. As a result of the local pandemic prevention policy, the Target Company closed its projects under management for a total of 177 days and granted significant rent reductions to tenants due to the project closures in 2022. As the real estate industry continues to decline, the development plan of commercial properties has been adjusted and the Target Company’s plan for new projects has also been severely impacted. With the full lifting of the pandemic control, and the rebound in consumption, which has given impetus to the economic recovery, the commercial operation and management industry is expected to return to normal development. As such, the Company and the Vendor have agreed to vary the terms of the original performance commitment after arm’s length negotiations.

Based on the above reason, the Directors (including the independent non-executive Directors but excluding Mr. Wang Mengde who will abstain from voting on the Board resolutions in view of his position as an executive director of Sunac China) are of the view that the terms of the Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

By order of the Board  
**Sunac Services Holdings Limited**  
**Wang Mengde**  
*Chairman*

Hong Kong, 6 April 2023

*As at the date of this announcement, the chairman of the Board and non-executive Director is Mr. Wang Mengde; the executive Directors are Ms. Cao Hongling and Ms. Yang Man; the non-executive Directors are Mr. Lu Peng and Mr. Gao Xi; and the independent non-executive Directors are Ms. Wang Lihong, Mr. Yao Ning and Mr. Zhao Zhonghua.*