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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)

**QUARTERLY UPDATE ON
IMPLEMENTATION OF ACTION PLAN TO RESOLVE
AUDITOR'S DISCLAIMER OF OPINION**

Reference is made to the annual report of Sunac China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2024 (“**FY2024**”) published on 28 April 2025 (the “**Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those used in the Annual Report.

As disclosed in the Annual Report, the Auditor did not express an opinion on the consolidated financial statements of the Group for FY2024 (the “**Disclaimer of Opinion**”) due to multiple uncertainties relating to going concern, the details of which are set out on pages 75 to 77 of the Annual Report. The Group proposed to implement the action plan as set out on pages 86 to 88 of the Annual Report (the “**Action Plan**”) to address the Disclaimer of Opinion.

The Group wishes to provide updates on the implementation of the Action Plan, since 28 April 2025, being the date of publication of the Annual Report, and up to the date of this announcement (the “**Relevant Period**”), as follows:

1. Onshore debt restructuring

As set out in the announcements dated 14 November 2024 and 21 January 2025, the Company launched an onshore public debt restructuring plan in relation to the onshore corporate bonds and supply chain asset-backed plans (collectively, the “**Onshore Bonds**”) issued by Sunac Real Estate Group Co., Ltd. (“**Sunac Real Estate**”), a wholly-owned subsidiary of the Company (the “**Onshore Debt Restructuring**”), and the plan was approved by the relevant creditors’ meetings in January 2025. The restructuring plan provides creditors with three options, including bond repurchase (i.e. cash tender offer), payment via equity and/or equity economic income right, and debt settlement with assets. For bonds in respect of which the above three options have not been chosen, they will be extended for 5 to 9.5 years, and the annual interest rate of historical accrued and unpaid interest and future interest will be reduced to 1%. This restructuring plan not only significantly reduced the scale of onshore public debts, but also alleviated the Company’s debt repayment pressure in the next five years.

Since the launch of the Onshore Debt Restructuring, Sunac Real Estate has been coordinating with the bondholders to select and allocate options under the Onshore Debt Restructuring based on the amount of the Onshore Bonds they hold, in accordance with the relevant provisions of the bondholder meeting resolutions.

In April 2025, Sunac Real Estate has repurchased Onshore Bonds of approximately RMB4 billion pursuant to the arrangements of the bond repurchase option, with approximately RMB800 million.

As at the date of this announcement, the Group is making progress with the payment via equity and/or equity economic income right option pursuant to which Onshore Bonds with nominal value of every RMB100 for which such option is elected will be entitled to receive the net proceeds from the disposal of the corresponding 13.5 shares of the Company in accordance with the terms of the Onshore Debt Restructuring. Further announcements will be made by the Company in due course to inform shareholders and other investors of the Company of the progress of payment via equity and/or equity economic income right options.

2. Offshore debt restructuring

References are made to the announcements of the Company dated 17 April 2025, 13 May 2025, 26 May 2025, 6 June 2025 and 24 June 2025 in relation to, among other things, the offshore debt restructuring of the Company (the “**Offshore Debt Restructuring**”).

On 17 April 2025, the Company achieved a significant milestone in the Offshore Debt Restructuring, and officially launched a restructuring support agreement (the “**RSA**”). The contemplated restructuring plan aims to provide a fair and equitable solution that maximizes recovery for creditors, while preserving the Group’s ability to operate as a going concern and creating a win-win outcome for all stakeholders. Specifically, the restructuring plan will (a) provide participating creditors with the opportunity to convert their debt into equity, allowing them to benefit from near-term liquidity and potential equity upside; (b) completely address the Group’s offshore debt risks and establish a sustainable capital structure. The implementation of the Shareholding Structure Stability Arrangement and the Employee Stock Ownership Plan (each as defined in the announcement of the Company dated 17 April 2025) is expected to further reinforce stakeholder confidence, thereby supporting future project delivery, debt risk resolution, assets revitalization, and long-term business recovery. The implementation of the Offshore Debt Restructuring and the transactions thereunder are subject to the approval of the scheme creditors, the Company’s shareholders and the relevant court.

As set out in the announcement of the Company dated 13 May 2025, the convening hearing in respect of the scheme, at which an order will be sought from the High Court of the Hong Kong Special Administrative Region of the People’s Republic of China to convene the scheme meeting for the purpose of scheme creditors considering and, if thought fit, approving (with or without modification) the scheme, is scheduled to be heard before the aforementioned court at 10:00 a.m. (Hong Kong time) on 15 September 2025.

As of the date of this announcement, holders of approximately 75% of the aggregate outstanding principal amount of the existing debt subject to the RSA have acceded to the RSA.

The Company has been making orderly progress on the Offshore Debt Restructuring. Further announcement(s) will be made by the Company to inform shareholders and other investors of the Company of any material developments relating to the Offshore Debt Restructuring as and when appropriate.

3. Other progress

- The Group has been actively negotiating with other lenders on the extension of borrowings. During the Relevant Period (i.e., from 28 April 2025 to the date of this announcement), extension of loans in principal amount of approximately RMB4.1 billion has been agreed.
- The Group has been actively seeking new financing or additional capital inflows through various channels, including but not limited to new financing from asset management companies or financial institutions, special borrowings for guaranteed home delivery and ancillary borrowings, business cooperation with partners, asset disposal, etc.. During the Relevant Period (i.e., from 28 April 2025 to the date of this announcement), the Group obtained approximately RMB620 million through the aforementioned channels, mainly used for guaranteed home delivery.
- The Group has been actively communicating with creditors to resolve the pending onshore lawsuits, and striving to reach an amicable settlement as soon as possible for the lawsuits which have not yet come to a definitive conclusion at this stage.
- The Group has been taking measures to accelerate the pre-sale and sale of properties under development and completed properties. In addition, the Group has continued to implement initiatives to expedite the collection of sales proceeds and recovery of other receivables.

The Board will continue to use its best endeavours to implement the Action Plan with an aim to resolving the Disclaimer of Opinion as soon as possible. The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status of implementation of the Action Plan as and when appropriate.

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

Hong Kong, 30 June 2025

As at the date of this announcement, the executive directors of the Company are Mr. SUN Hongbin, Mr. WANG Mengde, Ms. MA Zhixia, Mr. TIAN Qiang, Mr. HUANG Shuping and Mr. SUN Kevin Zheyi; the non-executive director of the Company is Mr. LAM Wai Hon; and the independent non-executive directors of the Company are Mr. POON Chiu Kwok, Mr. ZHU Jia, Mr. MA Lishan and Mr. YUAN Zhigang.