

## SG Issuer

(Incorporated in Luxembourg with limited liability)

### ANNOUNCEMENT

Proposed adjustments to the terms and conditions of:

- (i) **13,300,000 European Style Cash Settled Long Certificates expiring on 8 December 2022 relating to the ordinary shares of Sunac China Holdings Limited with a Daily Leverage of 5x (DLC SOCGEN5XLONG SUNAC);**
- (ii) **13,300,000 European Style Cash Settled Long Certificates expiring on 20 April 2023 relating to the ordinary shares of Sunac China Holdings Limited with a Daily Leverage of 5x (DLC SOCGEN5XLONGSUNAC A); and**
- (iii) **13,300,000 European Style Cash Settled Short Certificates expiring on 8 December 2022 relating to the ordinary shares of Sunac China Holdings Limited with a Daily Leverage of -5x (DLC SOCGEN5XSHORT SUNAC),**

(collectively, the “Certificates”).

*Terms defined or construed in the Supplemental Listing Documents dated 10 December 2019 and 21 April 2020 issued by SG Issuer (the “Issuer”) in relation to the Certificates bear the same meaning and construction in this announcement.*

The Issuer refers to its announcement dated 28 October 2020 relating to Sunac China Holdings Limited (the “Company”), the announcements by the Company dated 6 August 2020, 20 October 2020 and 26 October 2020 (the “Announcements”), announcing, among other things, the proposed spin-off and separate listing (the “Proposed Spin-off”) of Sunac Services Holdings Limited (“Sunac Services”), a subsidiary of the Company, on the Main Board of the Stock Exchange of Hong Kong Limited (the “HKEx”), which will be implemented by way of global offering (“Global Offering”) of the ordinary shares of Sunac Services (“Sunac Services Shares”) and a distribution of 150,000,000 Sunac Services Shares, as a special dividend to be declared by the Company, to the shareholders whose names appear in the register of members of the Company on 5 November 2020 (“Record Date”) in proportion to their respective shareholding interest in the Company as at the Record Date (“Distribution”). As at 26 October 2020, the total number of issued shares of the Company is 4,661,239,611. If there is no change in the total number of issued shares of the Company from such date up to the Record Date, the shareholders of the Company will receive one Sunac Services Share for about every 31.07 shares of the Company held on the Record Date.

The date on which the shares of the Company (the “Shares”) are expected to commence trading on an ex-Distribution basis is 3 November 2020 (the “Ex-Date”). The Distribution is however conditional on the Global Offering becoming unconditional in all respects, including among other things, the listing committee of the HKEx approving the listing of the Sunac Services Shares. Please refer to the Announcements for further details.

Subject to any change in the total number of issued shares of the Company from such date up to the Record Date and the Global Offering becoming unconditional in all respects, the Issuer wishes to make the following adjustments to the terms and conditions of the Certificates.

## **The Adjustments**

### ***Rfactor<sub>t</sub>***

$$Rfactor_t = \frac{SpotCum - SpotSpinoff/31.07}{SpotCum}$$

Where:

- SpotCum* = being the closing price of one Share on the HKEx on the last Underlying Stock Business Day immediately preceding the Ex-Date (which is 2 November 2020), which will only be available after the market close of the HKEx on 2 November 2020.
- SpotSpinoff* = being the volume weighted average price of one Sunac Services Share on the HKEx on the listing date of Sunac Services Shares (which is to be confirmed by the HKEx), which will only be available after the market close of the HKEx on the listing date of Sunac Services Shares.

The above adjustments will take effect on the Exchange Business Day immediately following the listing date of Sunac Services Shares, which is to be confirmed by the HKEx.

### **Suspension of trading in the Certificates, no trigger of the Air Bag Mechanism and no daily reset of the Leverage Strategy and the Leverage Inverse Strategy during the Suspension Period**

Holders of the Certificates should note that trading in the Certificates will be suspended during the period from and including 3 November 2020 to and including the listing date of Sunac Services Shares (the “**Suspension Period**”) and will be resumed from the Exchange Business Day immediately following the listing date of Sunac Services Shares, which is to be confirmed by the HKEx.

In accordance with Condition 6(e) of each of the Certificates, the Issuer has determined that it is appropriate to exclude the Suspension Period from the definition of “Observation Date” for the purpose of determining if there is a trigger of the Air Bag Mechanism and the daily reset of the Leverage Strategy and the Leverage Inverse Strategy. Under the adjusted definition of the Observation Date, there will be no trigger of the Air Bag Mechanism during the Suspension Period irrespective of the movement of the price of the Shares on the HKEx during such period, and there will be no daily reset of the Leverage Strategy and the Leverage Inverse Strategy during the Suspension Period.

Holders of the Certificates shall note that with effect from the date of this announcement, the definition of “Observation Date” is deleted and replaced in its entirety with the definition equivalent to the following:

“**Observation Date**” which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date, but excluding the period from and including 3 November 2020 to and including the listing date of Sunac Services Shares.

This announcement constitutes notice of such amendments to the definition of the Observation Date to holders of the Certificates pursuant to Condition 9(b) of the Conditions. Save as stated above, all the information in the Termsheets and the Supplemental Listing Documents remains unchanged.

The proposed adjustments and suspension are consistent with the market practice of HKEx for adjustments to structured products and other derivative contracts listed on HKEx over the Shares arising from the Proposed Spin-off and the Distribution.

**The Issuer will issue a further announcement relating to the listing date of Sunac Services Shares and the exact  $Rfactor_t$  as and when appropriate. Investors should exercise particular caution in trading the Certificates until such time when details of the adjustments to the Certificates to reflect the Proposed Spin-off and the Distribution, if any, are announced.**

Issued by  
**SG Issuer**

30 October 2020