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Redsun Properties Group Limited

弘陽地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1996)

**PROPOSED ADDITIONAL ISSUANCE OF US\$ SENIOR NOTES
(TO BE CONSOLIDATED AND FORM A SINGLE CLASS WITH
THE US\$180,000,000 13.5% SENIOR NOTES DUE 2020)**

Reference is made to the announcements of the Company dated November 27, 2018, November 28, 2018 and December 3, 2018 in relation to the issuance of the Original Notes (the US\$180,000,000 13.5% senior notes due 2020) by the Company.

The Company proposes to conduct a further international offering of US\$-denominated senior notes on terms and conditions of the Original Notes, save for the issue date and the issue price. Completion of the New Notes Issue is subject to, among others, market conditions and investors' interests.

Upon finalizing the terms of the New Notes, it is expected that China International Capital Corporation, Guotai Junan International, Haitong International, the Company and the Subsidiary Guarantors will enter into the Purchase Agreement.

The Company will seek a listing of the New Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the New Notes has been received from the Stock Exchange. Admission of the New Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the New Notes. The Company intends to use the net proceeds of the New Notes for refinancing existing indebtedness and general corporate purposes.

Considering no binding agreements regarding the New Notes Issue have been entered into as of the date of this announcement, the New Notes Issue may or may not materialize. Investors and shareholders of the Company are therefore urged to exercise caution when dealing in the securities of the Company. A further announcement in relation to the New Notes Issue will be made by the Company should the Purchase Agreement be signed.

PROPOSED NEW NOTES ISSUE

Introduction

Reference is made to the announcements of the Company dated November 27, 2018, November 28, 2018 and December 3, 2018 in relation to the issuance of the Original Notes (the US\$180,000,000 13.5% senior notes due 2020) by the Company.

The Company proposes to conduct a further international offering of US\$-denominated senior notes on terms and conditions of the Original Notes, save for the issue date and the issue price. Details of the New Notes Issue, including the aggregate principal amount and the offer price of the New Notes, will be determined through a book building exercise to be conducted by China International Capital Corporation, Guotai Junan International and Haitong International.

Completion of the New Notes Issue is subject to, among others, market conditions and investors' interests. Upon finalizing the terms of the New Notes, it is expected that China International Capital Corporation, Guotai Junan International, Haitong International, the Company and the Subsidiary Guarantors will enter into the Purchase Agreement.

The New Notes have not been, and will not be, registered under the Securities Act. The New Notes are being offered outside the United States in offshore transactions in accordance with Regulation S under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the New Notes will be offered to the public in Hong Kong.

Use of Proceeds

The Company intends to use the net proceeds of the New Notes for refinancing existing indebtedness and general corporate purposes. The Company may adjust its development plans in response to changing market conditions and reallocate the use of the net proceeds.

Listing

The Company will seek a listing of the New Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the New Notes has been received from the Stock Exchange. Admission of the New Notes to the Stock Exchange is not to be taken as an indication of the merits of the New Notes or the Company.

Considering no binding agreements regarding the New Notes Issue have been entered into as of the date of this announcement, the New Notes Issue may or may not materialize. Investors and shareholders of the Company are therefore urged to exercise caution when dealing in the securities of the Company. A further announcement in relation to the New Notes Issue will be made by the Company should the Purchase Agreement be signed.

DEFINITIONS

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| “Board” | the board of Directors |
| “China International Capital Corporation” | China International Capital Corporation Hong Kong Securities Limited |
| “Company” | Redsun Properties Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange |
| “Directors” | the directors of the Company |
| “Guotai Junan International” | Guotai Junan Securities (Hong Kong) Limited |
| “Haitong International” | Haitong International Securities Company Limited |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |

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| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “New Notes” | the additional US\$-denominated senior notes to be issued by the Company (to be consolidated and form a single class with the Original Notes) subject to the terms and conditions of the Purchase Agreement |
| “New Notes Issue” | the proposed issue of the New Notes by the Company |
| “Original Notes” | the 13.5% senior notes due 2020 in the aggregate principal amount of US\$180 million issued by the Company on December 3, 2018 |
| “PRC” | the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan |
| “Purchase Agreement” | the agreement proposed to be entered into by and among the Company, the Subsidiary Guarantors, China International Capital Corporation, Guotai Junan International and Haitong International in relation to the New Notes Issue |
| “Securities Act” | the United States Securities Act of 1933, as amended |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subsidiary Guarantors” | certain subsidiaries of the Company which guarantee the payment of the New Notes |
| “US\$” | United States dollars, the lawful currency of the United States of America |

On behalf of the Board
Redsun Properties Group Limited
Zeng Huansha
Chairman

Hong Kong, December 17, 2018

As of the date of this announcement, Mr. Zeng Huansha and Mr. He Jie are the executive Directors; Mr. Jiang Daqiang, Mr. Zhang Liang and Mr. Zhang Hongwu are the non-executive Directors; and Mr. Lee Kwok Tung Louis, Mr. Leung Yau Wan John and Mr. Au Yeung Po Fung are the independent non-executive Directors.