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RSUN 弘陽
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)

**ISSUANCE OF US\$200,000,000 13.5% SENIOR NOTES DUE 2020
(TO BE CONSOLIDATED AND FORM A SINGLE CLASS WITH
THE US\$180,000,000 13.5% SENIOR NOTES DUE 2020)**

The Board is pleased to announce that on December 17, 2018 (after trading hours), the Company and the Subsidiary Guarantors entered into the Purchase Agreement with China International Capital Corporation, Guotai Junan International and Haitong International in relation to the New Notes Issue.

The estimated net proceeds of the New Notes Issue, after deducting the underwriting discount and other estimated expenses payable in connection with the New Notes Issue, will be approximately US\$197.6 million. 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.

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, the New Notes or the Original Notes.

Reference is made to the announcement of the Company dated December 17, 2018. The Board is pleased to announce that on December 17, 2018 (after trading hours), the Company and the Subsidiary Guarantors entered into the Purchase Agreement with China International Capital Corporation, Guotai Junan International and Haitong International in relation to the New Notes Issue.

THE PURCHASE AGREEMENT

Date: December 17, 2018 (after trading hours)

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors;
- (c) China International Capital Corporation;
- (d) Guotai Junan International; and
- (e) Haitong International

China International Capital Corporation and Guotai Junan International have been appointed as the joint global coordinators, joint bookrunners and joint lead managers, and Haitong International has been appointed as the joint bookrunner and joint lead manager. They are also the initial purchasers of the New Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable inquiries, each of China International Capital Corporation, Guotai Junan International and Haitong International is an independent third party and not a connected person of the Company.

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 requirement of the Securities Act. None of the New Notes will be offered to the public in Hong Kong.

Principal Terms of the New Notes

The principal terms of the New Notes are the same as the terms of the Original Notes as set forth in the announcement of the Company dated November 28, 2018, except for the following:

New Notes Offered

Subject to certain conditions to completion, the Company will issue the New Notes in the aggregate principal amount of US\$200,000,000 million, to be consolidated and form a single class with the Original Notes.

Offering Price

The offering price of the New Notes will be 100% of the principal amount of the New Notes, plus accrued interest from (and including) December 3, 2018 to (but excluding) December 20, 2018.

REASONS FOR THE NEW NOTES ISSUE AND THE PROPOSED USE OF PROCEEDS

The Group is a comprehensive property developer in Jiangsu province, PRC, focusing on the development of residential properties and the development, operation and management of commercial and comprehensive properties.

The estimated net proceeds of the New Notes Issue, after deducting the underwriting discount and other estimated expenses payable in connection with the New Notes Issue, will be approximately US\$197.6 million. 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 AND RATING

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, the New Notes or the Original Notes.

The New Notes are expected to be rated “B” by Fitch Ratings, Inc. A rating is not a recommendation to buy, sell or hold the securities and may be subject to suspension, reduction or withdrawal of any time by the rating agency.

DEFINITIONS

“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Notes”	the US\$200,000,000 13.5% senior notes due December 3, 2020 proposed to be issued by the Company
“New Notes Issue”	the issuance 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 entered into on December 17, 2018 (after trading hours) 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.