

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein will not be registered under the Securities Act and may not be offered, sold or delivered in the United States except pursuant to an exemption from or a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Senior Notes are being offered and sold only outside the United States. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Company making the offer and its management and, financial statements. The Company does not intend to make any public offering of securities in the United States. None of the Senior Notes will be offered to the public in Hong Kong and none of the Senior Notes will be placed to any connected persons of the Company.



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 ISSUANCE OF SENIOR NOTES

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company is pleased to announce that it proposes to conduct an international offering of the Senior Notes. Completion of the proposed issuance of the Senior Notes is subject to, among others, market conditions and investors' interests. The pricing of the Senior Notes, including the aggregate principal amount, the offer price and interest rate will be determined through a book-building exercise to be conducted by the joint global coordinators, the joint bookrunners and the joint lead managers in respect of the proposed issuance of the Senior Notes. Upon finalizing the terms of the Senior Notes, the Company, the Subsidiary Guarantors, the joint global coordinators, the joint bookrunners and the joint lead managers in respect of the proposed issuance of the Senior Notes will enter into a purchase agreement in respect of the Senior Notes.

The Company intends to use the net proceeds of the Senior Notes for refinancing existing indebtedness and general corporate purposes.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Senior Notes by way of debt issue to professional investors only. Listing of the Senior Notes on the Stock Exchange is not to be taken as an indication of the merits of the Senior Notes or the Company.

As no binding agreement regarding the Senior Notes has been entered into as of the date of this announcement, the issuance of the Senior Notes 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.

Further announcements in respect of the Senior Notes will be made by the Company should the purchase agreement in respect of the Senior Notes be signed.

PROPOSED ISSUANCE OF SENIOR NOTES

Introduction

The Company is pleased to announce that it proposes to conduct an international offering of the Senior Notes. Completion of the proposed issuance of the Senior Notes is subject to, among others, market conditions and investors' interests. The pricing of the Senior Notes, including the aggregate principal amount, the offer price and interest rate will be determined through a book-building exercise to be conducted by the joint global coordinators, the joint bookrunners and the joint lead managers in respect of the proposed issuance of the Senior Notes. Upon finalizing the terms of the Senior Notes, the Company, the Subsidiary Guarantors, the joint global coordinators, the joint bookrunners and the joint lead managers in respect of the proposed issuance of the Senior Notes will enter into a purchase agreement in respect of the Senior Notes.

The Senior Notes have not been, and will not be, registered under the Securities Act. The Senior 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 Senior Notes will be offered to the public in Hong Kong and none of the Senior Notes will be placed to any connected persons of the Company.

Use of Proceeds

The Company intends to use the net proceeds of the Senior Notes for refinancing existing indebtedness and general corporate purposes.

Listing and Rating

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Senior Notes by way of debt issue to professional investors only. Listing of the Senior Notes on the Stock Exchange is not to be taken as an indication of the merits of the Senior Notes or the Company.

The Senior Notes are expected to be rated “B” by Fitch. This rating does not constitute a recommendation to buy, sell or hold the Senior Notes and may be subject to suspension, reduction or withdrawal at any time by Fitch.

As no binding agreement regarding the Senior Notes has been entered into as of the date of this announcement, the issuance of the Senior Notes 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.

Further announcements in respect of the Senior Notes will be made by the Company should the purchase agreement in respect of the Senior Notes be signed.

UPDATE INFORMATION ON LAND RESERVES

As of 31 December 2018, the Group had land reserves with a total GFA of approximately 12.98 million sq.m. The Group holds quality land reserves in highly developing cities such as Nanjing, Suzhou, Wuxi, Nantong, Changzhou, Hefei, Chengdu, Chongqing, Hangzhou, Wuhan and Guangzhou.

The table below sets forth the breakdown of the land reserves of the Group as of 31 December 2018.

<u>City</u>	<u>Total Land Reserves ('000 sq.m.)</u>
Nanjing	3,964
Suzhou	2,200
Wuxi	943
Nantong	1,260
Changzhou	1,251
Xuzhou	449
Hefei	1,448
Chongqing	536
Hangzhou	242
Chengdu	129
Wuhan	403
Guangzhou	152
Total	12,979

In 2018, the Group obtained 32 plots with a total land area of 1.57 million sq.m. and an average floor price of RMB4,614 per sq.m. In 2018, the Group obtained a total capacity area of 3.72 million sq.m., of which 2.26 million sq.m. was attributable to the Group.

The table below is a summary of land reserves of the Group at prime locations as of 31 December 2018.

Region	Project	Equity	Plot Area (sq.m.)	Volume Rate	Capacity Area (sq.m.)	Land Acquisition Method
Changzhou	The Bund No. 1 Garden	85%	45,350	2.26	102,490	Acquisition
Hefei	Feidong Xinde.	51%	28,081	2.2	61,778	Acquisition
Chongqing	Cypress View. Seattle	100%	89,273	3	267,819	Acquisition
Xuzhou	Longhai Railway North — 3rd Ring Road Land Lot (East). . .	33%	181,244	1.54	279,116	Acquisition
Xuzhou	Xinxin Road North — Ru Yi Jia Yuan Land Lot (West).	33%	26,646	2.2	58,620	Acquisition
Xuzhou	Fengming 2015-68 Land Lot A	80%	104,284	1.19	124,098	Acquisition
Xuzhou	Fengming 2015-68 Land Lot B.	—	2,474	1	2,474	—
Nanjing	Nanjing Land Lot No. 2018G01.	30%	7,025	3	21,074	Bidding and auction
Hangzhou	Yu Zheng Chu Chu [2018] No. 9	33%	50,888	1.2	61,066	Bidding and auction
Wuhan	Meihao Dengjia Village Land Lot No. NK1, NK7	55%	Land Lot No. NK1: 9.4 mu Land Lot No. NK7: 185 mu	Land Lot No. NK1: 3.44 Land Lot No. NK7: 3.85	496,914	Acquisition
Nanjing	Gaochun Land Lot No. 2018G02-03.	13%	102,787	1.4	143,901	Bidding and auction
Chongqing	Chongqing Bishan Guanyin Tang Land Lot No. 2018-J1-05	49%	14,785	2.81	41,557	Acquisition
Jurong	Land Lot No. 2018-J1-06	19%	38,731	1.8	69,716	Bidding and auction
Jurong	Land Lot No. 2018-J1-06	33%	72,609	1.8	130,696	Bidding and auction
Chongqing	Shapingba District Dayangshi Group Subregion C No. C11-1/03	100%	8,749	2.31	20,210	Bidding and auction
Chengdu	Dujiangyan DJY2017-09	100%	26,393	2	52,785	Bidding and auction
Chengdu	Dujiangyan DJY2017-10	100%	39,064	2	78,128	Bidding and auction
Shaoxing	Zhuji Land Lot No. 2018-11 . . .	100%	49,492	1.02	50,482	Bidding and auction
Chongqing	Bishan Land Lot No. 295	100%	106,259	2	212,519	Bidding and auction
Huzhou	Huzhou 2018-43	51%	48,652	1.3	63,248	Bidding and auction
Kaifeng	Longting District Six Avenue. . .	100%	63,533	2.79	177,257	Acquisition
Changshu	Land Lot No. 2018B-004	50%	39,410	1.5–1.7	73,363	Bidding and auction
Changshu	Land Lot No. 2018B-005	33%	17,361	1.8–2.0	36,738	Bidding and auction
Huzhou	Land Lot No. 2018-58	51%	102,218	1.3	132,883	Bidding and auction
Foshan	Foshan Land Lot No. TD2018(NH)WG0020	100%	63,132	2.5	157,830	Bidding and auction
Nantong	Land Lot No. R18023	38%	47,405	1.6	75,848	Bidding and auction
Nanchang	Land Lot No. DADJ2018029. . .	49%	29,452	3.08	90,712	Bidding and auction
Bengbu	Land Lot No. 2018-46	50%	32,646	2.2	71,821	Bidding and auction
Yizheng	Land Lot No. 2018[17] 2017-38, 39.	50%	136,146	2	272,292	Bidding and auction
Changzhou	Land Lot No. JZX20181401 . . .	33%	108,486	2.2	238,576	Bidding and auction
Nanchang	Land Lot No. DAIJ2018031 . . .	100%	13,717	2	27,911	Bidding and auction
Ningbo	Chang Feng Land Lot No. L5.	50%	11,368	2.1	23,873	Bidding and auction
Total			<u>1,571,514</u>		<u>3,717,796</u>	

DEFINITIONS

“Board”	the board of Directors
“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
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Fitch”	Fitch Ratings, Inc. and its affiliates
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Securities Act”	the United States Securities Act of 1933, as amended
“Senior Notes”	the senior notes proposed to be issued by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	certain subsidiaries of the Company which will on the issue date of the Senior Notes provide guarantees to secure the Company’s obligations under the Senior Notes

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

Hong Kong, 25 February 2019

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. Auyeung Po Fung are the independent non-executive Directors.