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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the circular of Redsun Properties Group Limited dated 19 March 2019 in relation to, among other things, the acquisition of 39.75% equity interest in Mingliu Properties Wuhan Company Limited* (名流置業武漢有限公司) by Nanjing Redsun Real Estate Development Company Limited* (南京紅太陽房地產開發有限公司) (the “Circular”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Circular.

The Board wishes to clarify that certain numbers on pages III-6 and III-7 of Appendix III to the Circular in relation to the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group shall read as follows (with the amendments stated in the boxes for ease of reference):

* For identification purpose only

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES OF THE ENLARGED GROUP**

	The Group as at 30 June 2018	The Target Company as at 31 December 2018	Pro forma adjustments		Unaudited pro forma total for the Enlarged Group as at 30 June 2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	
NON-CURRENT ASSETS					
Property, plant and equipment	970,547	353	—	—	970,900
Investment properties	9,228,800	—	—	—	9,228,800
Prepaid land lease payments	29,556	—	—	—	29,556
Other intangible assets	12,478	—	—	—	12,478
Investments in joint ventures	644,826	—	—	—	644,826
Investments in associates	1,413,479	—	—	—	1,413,479
Deferred tax assets	262,240	62,116	—	—	324,356
Other long-term assets	14,800	—	—	—	14,800
Total non-current assets	<u>12,576,726</u>	<u>62,469</u>	<u>—</u>	<u>—</u>	<u>12,639,195</u>
CURRENT ASSETS					
Properties under development	20,032,209	2,333,157	1,163,368	—	23,528,734
Completed properties held for sale	874,569	191,537	—	—	1,066,106
Trade receivables	13,579	—	—	—	13,579
Amounts due from related parties	4,643,337	3,013	—	—	4,646,350
Prepayments, deposits and other receivables	3,016,492	12,096	—	—	3,028,588
Tax recoverable	227,708	7,146	—	—	234,854
Financial assets at fair value through profit or loss	594,933	—	—	—	594,933
Inventories	1,408	—	—	—	1,408
Restricted cash	1,204,773	395,117	—	—	1,599,890
Pledged deposits	1,053,045	—	—	—	1,053,045
Cash and cash equivalents	2,252,439	649,173	(1,959,909)	—	941,703
Total current assets	<u>33,914,492</u>	<u>3,591,239</u>	<u>(796,541)</u>	<u>—</u>	<u>36,709,190</u>

	The Group as at 30 June 2018	The Target Company as at 31 December 2018	Pro forma adjustments		Unaudited pro forma total for the Enlarged Group as at 30 June 2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
CURRENT LIABILITIES					
Trade and bills payables	2,039,758	227,726	—	—	2,267,484
Other payables, deposits received and accruals	2,785,146	51,419	—	5,025	2,841,590
Contract liabilities	11,845,275	1,428,187	—	—	13,273,462
Amounts due to related parties	3,560,330	371,459	—	—	3,931,789
Interest-bearing bank loans and other borrowings	3,824,074	—	—	—	3,824,074
Tax payable	1,143,844	—	—	—	1,143,844
Total current liabilities	25,198,427	2,078,791	—	5,025	27,282,243
NET CURRENT ASSETS	8,716,065	1,512,448	(796,541)	(5,025)	9,426,947
TOTAL ASSETS LESS CURRENT LIABILITIES	21,292,791	1,574,917	(796,541)	(5,025)	22,066,142
NON-CURRENT LIABILITIES					
Interest-bearing bank loans and other borrowings	9,022,347	550,000	—	—	9,572,347
Deferred tax liabilities	1,959,074	—	290,842	—	2,249,916
Total non-current liabilities	10,981,421	550,000	290,842	—	11,822,263
NET ASSETS	10,311,370	1,024,917	(1,087,383)	(5,025)	10,243,879

Save as disclosed above, all other information contained in the Circular remains unchanged.

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

Hong Kong, 19 March 2019

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