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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 FURTHER ISSUANCE OF 9.95%
SENIOR NOTES DUE 2022
(TO BE CONSOLIDATED AND FORM A SINGLE CLASS
WITH THE US\$300,000,000 9.95% SENIOR NOTES DUE 2022
ISSUED ON 11 APRIL 2019)
(STOCK CODE: 5964)**

Reference is made to the announcements issued by the Company on 8 April 2019, 9 April 2019 and 11 April 2019 in relation to the Original Notes.

The Company proposes to conduct the Proposed Further Issue on terms and conditions of the Original Notes, save for the issue date and offer price. Completion of the Proposed Further Issue is subject to, among other things, market conditions and investor interest. Details of the New Notes, including the aggregate principal amount and the offer price, will be determined through a book building exercise to be conducted by the joint bookrunners and the joint lead managers in respect of the Proposed Further Issue. Upon finalization of the terms of the New Notes, the Purchase Agreement will be entered into between the Company, the Subsidiary Guarantors and the joint lead managers. Further announcements in respect of the Proposed Further Issue will be made by the Company should the Purchase Agreement be signed. The Company intends to use the net proceeds of the New Notes for refinancing existing indebtedness and general corporate purposes.

The Company will seek a listing of the New Notes on the Stock Exchange. Listing 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.

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

THE PROPOSED FURTHER ISSUE

Introduction

Reference is made to the announcements issued by the Company on 8 April 2019, 9 April 2019 and 11 April 2019 in relation to the Original Notes.

The Company proposes to conduct the Proposed Further Issue on terms and conditions of the Original Notes, save for the issue date and offer price. Completion of the Proposed Further Issue is subject to, among other things, market conditions and investor interest. Details of the New Notes, including the aggregate principal amount and the offer price, will be determined through a book building exercise to be conducted by the joint bookrunners and the joint lead managers in respect of the Proposed Further Issue. Upon finalization of the terms of the New Notes, the Purchase Agreement will be entered into between the Company, the Subsidiary Guarantors and the joint lead managers. Further announcements in respect of the Proposed Further Issue will be made by the Company should the Purchase Agreement be signed.

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 and none of the New Notes will be placed to any connected persons of the Company.

Proposed Use of Proceeds

The Company intends to use the net proceeds from the Proposed Further Issue for refinancing existing indebtedness and general corporate purposes.

The Company may adjust its development plans in response to changing market conditions and therefore reallocate the use of the proceeds.

Listing and Ratings

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

The Original Notes are listed on the Stock Exchange and are rated “B+” by Fitch and “BB-” by Lianhe Global. The New Notes are expected to be rated the same as the Original Notes. In addition, the Notes are also expected to be rated “B3” by Moody’s. The ratings do not constitute a recommendation to purchase, hold or sell the New Notes and may be subject to suspension, reduction or withdrawal at any time by Fitch, Lianhe Global and Moody’s.

As no binding agreement regarding the New Notes has been entered into as of the date of this announcement, the issuance of the New 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 New Notes will be made by the Company should the Purchase Agreement be signed.

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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lianhe Global”	Lianhe Ratings Global Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Moody’s”	Moody’s Investors Service Inc. and its successors
“New Notes”	the 9.95% guaranteed senior notes due 2022 proposed to be issued by the Company and to be consolidated and form a single class with the Original Notes
“Notes”	the Original Notes together with the New Notes
“Original Notes”	the 9.95% guaranteed senior notes due 2022 in the aggregate principal amount of US\$300,000,000 issued by the Company on 11 April 2019
“Proposed Further Issue”	the proposed issue of the New Notes by the Company
“Purchase Agreement”	the purchase agreement proposed to be entered into between, among others, the Company and the joint lead managers in relation to the Proposed Further 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 will on the issue date of the New Notes provide guarantees to secure the Company’s obligations under the New Notes
“United States”	The United States of America
“US\$”	United States dollars

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

Hong Kong, 7 November 2019

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