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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)

CONTINUING CONNECTED TRANSACTIONS

BACKGROUND

References are made to the announcements of the Company dated 8 December 2022 and 7 June 2023 respectively in relation to (i) the Existing Parking Space Sales and Leasing Agency Services Framework Agreement; (ii) the Existing Property Management Services Master Framework Agreement; and (iii) the Existing Supplemental Parking Space Sales and Leasing Agency Services Framework Agreement entered into between the Company and Redsun Services for a term from 1 January 2023 to 31 December 2025.

It is expected that the Group will from time to time continue to enter into transactions of a nature similar to the Existing Continuing Connected Transactions after the expiry of the agreements to which the Existing Continuing Connected Transactions relate. Accordingly, the Group now seeks to enter into relevant new agreements on substantially the same terms and has entered into the (i) the New Parking Space Sales and Leasing Agency Services Framework Agreement; and (ii) the New Property Management Services Master Framework Agreement on 8 December 2025 (after trading hours).

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Redsun Services is indirectly held as to 72.77% by Mr. Zeng, a controlling Shareholder and an executive Director of the Company. Accordingly, Redsun Services is an associate of Mr. Zeng and therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement and the New Property Management Services Master Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The New Parking Space Sales and Leasing Agency Services Framework Agreement

As the receipt of the Refundable Deposits by the Group are conducted on normal commercial terms or better and not secured by assets of the Group, the receipt of such refundable deposits are fully exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.90. However, since one or more of the applicable percentage ratios in respect of the proposed annual caps in respect of the agency fees under the New Parking Space Sales and Leasing Agency Services Framework Agreement exceed 5% but are less than 25%, the transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement constitutes continuing connected transactions of the Company and are subject to the reporting, annual review, announcement, circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The New Property Management Services Master Framework Agreement

Since one or more of the applicable percentage ratios in respect of the proposed annual caps in respect of the Property Management Services under the New Property Management Services Master Framework Agreement for the three years ending 31 December 2028 exceed 25% but are less than 100%, the transactions contemplated under the New Property Management Services Master Framework Agreement constitutes continuing connected transactions of the Company and are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

The Company has established the Independent Board Committee to consider whether the Non-exempt Continuing Connected Transactions is entered into on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Company has appointed Merdeka Corporate Finance Limited as the independent financial adviser to advise the Independent Board Committee and independent Shareholders. The Company will convene a general meeting in due course.

A circular containing, among other things, (i) further details of the Non-exempt Continuing Connected Transactions contemplated and its annual caps; (ii) the letter from the independent financial adviser in which the independent financial adviser provides advice and recommendation to the Independent Board Committee; (iii) recommendation from the Independent Board Committee to the independent Shareholders; and (iv) a notice of the general meeting, is expected to be despatched to the Shareholders on or before 5 January 2026, as additional time is required to prepare certain information in the circular.

INTRODUCTION

References are made to the announcements of the Company dated 8 December 2022 and 7 June 2023 respectively in relation to (i) the Existing Parking Space Sales and Leasing Agency Services Framework Agreement; (ii) the Existing Property Management Services Master Framework Agreement; and (iii) the Existing Supplemental Parking Space Sales and Leasing Agency Services Framework Agreement entered into between the Company and Redsun Services for a term from 1 January 2023 to 31 December 2025.

It is expected that the Group will from time to time continue to enter into transactions of a nature similar to the Existing Continuing Connected Transactions after the expiry of the agreements to which the Existing Continuing Connected Transactions relate. Accordingly, the Group now seeks to enter into relevant new agreements on substantially the same terms and has entered into the (i) the New Parking Space Sales and Leasing Agency Services Framework Agreement; and (ii) the New Property Management Services Master Framework Agreement on 8 December 2025 (after trading hours). The above transactions constitute the New Continuing Connected Transactions of the Company and the details of which are as follows.

I. New Parking Space Sales and Leasing Agency Services Framework Agreement

The principal terms of the New Parking Space Sales and Leasing Agency Services Framework Agreement are set out below:

Date: 8 December 2025 (after trading hours)

Parties: (a) Redsun Services (as services provider)
(b) the Company (as services recipient)

Term: From 1 January 2026 to 31 December 2028, subject to renewal by mutual agreement of the parties thereto and compliance with the requirements of the Listing Rules and all other applicable laws and regulations.

Scope of services:

- (a) Members of the Redsun Services Group shall provide sales and leasing agency services to the Group in respect of the unsold parking spaces owned by the Group.
- (b) Members of Redsun Services Group shall pay to members of the Group the Refundable Deposits in an amount equal to sales reserve prices of the relevant parking spaces (in the case of the unsold parking spaces) in connection with the Parking Space Sales and Leasing Agency Services contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement.

Definitive service agreements will be entered into between the relevant members of the Group and the relevant members of the Redsun Services Group for the Parking Space Sales and Leasing Agency Services and the payment of Refundable Deposits in respect of the unsold parking spaces owned by the Group. Each definitive agreement will set out the relevant services to be provided by the relevant members of the Redsun Services Group to the relevant members of the Group and the service fees, as well as the associated Refundable Deposits. The definitive service agreements may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the New Parking Space Sales and Leasing Agency Services Framework Agreement.

Pricing policy:

- (a) The agency fees for the provision of sales and leasing agency services in respect of unsold parking spaces shall be calculated based on the following:

Sales/leasing agency fee = contract prices of the sales/leasing of the subject parking spaces x agreed rate of agency fee

The contract prices of the sales/leasing of the subject parking spaces shall be determined with reference to the prevailing market price charged by other independent third party services providers to the Group in respect of comparable locations. The rate of the sales/leasing agency fee in respect of the parking spaces of each specific project is subject to the relevant definitive agreements to be entered into between the relevant members of the Group and the relevant members of the Redsun Services Group, and shall be determined after arm's length negotiations between the relevant parties with reference to prevailing market price taking into account of prices charged by independent third parties services providers in respect of comparable services and locations.

- (b) With respect to the unsold parking spaces, the amount of the Refundable Deposits shall be equal to total sales reserve price of such unsold parking spaces, which is a unified standard of the Company applicable to the refundable deposits payable by an independent third party to them in respect of the same services and is in line with the industry practices. The total sales reserve price is calculated according to the formula below:

<i>Total selling/ sales reserve price</i>	<i>= sales reserve price of each unsold parking space</i>	<i>* number of unsold parking spaces under the relevant definitive sales agency services agreement(s)</i>
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The sales reserve price for the unsold parking spaces is determined with reference to (i) the popularity of the unsold parking spaces; (ii) the real estate market condition and the scope of services provided; and (iii) the location of the unsold parking spaces.

Other terms:

With respect to the unsold parking spaces, the Refundable Deposits shall be refunded to Redsun Services Group as follows:

- (a) for the parking spaces sold by Redsun Services Group, the amount of the Refundable Deposits shall be set-off by the total sales reserve price for such parking spaces received by Redsun Services Group;
- (b) for the parking spaces failed to be sold by Redsun Services Group, the Refundable Deposits shall be refunded in full in 30 working days after the expiration of the New Parking Space Sales and Leasing Agency Services Framework Agreement on 31 December 2028 or on the date(s) as agreed by parties under the relevant definitive sales agency services agreement(s) (whichever is earlier).

The transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement shall be on normal commercial terms, on terms no less favorable to the Group than those offered by independent third party services providers in respect of comparable services and on terms that are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Historical transaction amounts

The table below sets forth the historical transaction amounts of (i) the total agency fees paid by the Group and its associates to the Redsun Services Group; and (ii) the historical Refundable Deposits paid by the Redsun Services Group to the Group for the two years ended 31 December 2024 and 10 months ended 31 October 2025, pursuant to the Existing Parking Space Sales and Leasing Agency Services Framework Agreement (as supplemented by the Existing Supplemental Parking Space Sales and Leasing Agency Services Framework Agreement):

	Actual amount incurred (in RMB'000)		
	For the year ended 31 December 2023	For the year ended 31 December 2024	For the period from 1 January 2025 to 31 October 2025
The total agency fees paid by the Group and its associates to the Redsun Services Group	3,340	2,136	1,780
Maximum daily balance of the Refundable Deposits	282,459	287,914	299,746

As far as the Directors are aware, it is expected that the actual amount for the year ending 31 December 2025 will not exceed the respective annual caps under the Existing Parking Space Sales and Leasing Agency Services Framework Agreement (as supplemented by the Existing Supplemental Parking Space Sales and Leasing Agency Services Framework Agreement).

Proposed annual caps and basis of determination for annual caps

Taking into account the changes in the parking space sales/leasing market and the increase in the size of parking space assets, the Group, after renegotiation with Redsun Services, has made a change in the parking space sales business model since 2023. Redsun Services mainly provides parking space sales/leasing agency services for various projects of the Group and its associates, such as the formulation and promotion of parking space sales/leasing plans, etc.. The Group will enter into sales/leasing agency service contracts with Redsun Services, and settle the relevant sales/leasing agency fees with Redsun Services upon the completion of the sales/leasing of the parking spaces.

The proposed annual caps for the transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement for the three years ending 31 December 2028 and the basis of determination for such annual caps are set out as follows:

	For the year ending 31 December 2026 (RMB'000)	For the year ending 31 December 2027 (RMB'000)	For the year ending 31 December 2028 (RMB'000)
Expected maximum aggregate agency fees to be charged by the Redsun Services Group to the Group and its associates pursuant to the New Parking Space Sales and Leasing Agency Services Framework Agreement	15,200	15,200	15,200
Maximum daily balance of the Refundable Deposits	<u>304,002</u>	<u>304,002</u>	<u>304,002</u>
	<u>319,202</u>	<u>319,202</u>	<u>319,202</u>

The annual caps under the New Parking Space Sales and Leasing Agency Services Framework Agreement are determined based on the estimated transaction amount for the provision of sales and leasing agency services by the Redsun Services Group to the Group for each of the three years ending 31 December 2028, which were determined with reference to:

- (i) the projected number in respect of the parking spaces owned by the Group for which the Redsun Services Group was expected to be engaged to provide parking space sales and leasing agency service based on arm's length negotiations between the Group and the Redsun Services Group as at 31 December 2025;
- (ii) the estimated contract prices of the sales/leasing for the parking spaces held and to be held by the Group; and
- (iii) the rate of agency fee based on arm's length negotiations between the Group and the Redsun Services Group with reference to prevailing market price taking into account of prices and rates charged by independent third parties services providers in respect of comparable services and locations.

Meanwhile, in arriving at the abovementioned proposed annual caps for the Refundable Deposits, the Directors have taken into account, among others:

- (i) the amount and balance of historical Refundable Deposits during the relevant period;
- (ii) the estimated value of the unsold parking spaces of the Group available for sale by Redsun Services Group as an agent for the three years ending 31 December 2028; and
- (iii) the cash flow and working capital of the Group.

II. New Property Management Services Master Framework Agreement

The principal terms of the New Property Management Services Master Framework Agreement are set out below:

Date: 8 December 2025 (after trading hours)

Parties: (a) Redsun Services (as services provider)
(b) The Company (as services recipient)

Term: From 1 January 2026 to 31 December 2028, subject to renewal by mutual agreement of the parties thereto and compliance with the requirements of the Listing Rules and all other applicable laws and regulations.

Scope of services: (a) **Pre-delivery property management and related services**

Members of the Redsun Services Group shall provide pre-delivery property management and related services to members of the Group, including but not limited to planning and design, equipment selection, inspection for each unit, cleaning, gardening, maintenance of public order and security in the phases of property preparation, general layout as well as construction drawings, execution, completion and delivery period in respect of the property projects of the Group.

(b) Display units and property sales venues management services

Members of the Redsun Services Group shall provide management and related services to the display units and property sales venues of the property projects during the sales period of the property projects of the Group, including but not limited to cleaning, gardening, maintenance of public order and security services to the aforesaid venue.

(c) Pre-delivery property management services for unsold properties

Members of the Redsun Services Group shall provide pre-delivery property management services to members of the Group for unsold properties (including car parking spaces), including but not limited to security, cleaning, gardening, repair and maintenance.

(d) Housing repair management services

Members of the Redsun Services Group shall provide routine maintenance and repair management services to the properties under warranty sold by the Group, including but not limited to housing safety management, housing repair plan management, housing repair quality management, housing repair budget management, housing repair tender management, housing repair cost management, housing repair factor management, housing repair construction management and housing repair construction supervision services.

Definitive service agreements will be entered into between the relevant members of the Group and the relevant members of the Redsun Services Group for the provision of the Property Management Services. Each definitive agreement will set out the relevant services to be provided by the relevant members of the Redsun Services Group to the relevant members of the Group and the service fees. The definitive service agreements may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the New Property Management Services Master Framework Agreement.

Pricing policy:

The relevant members of the Redsun Services Group shall, where they are selected following the relevant tender processes and other quotation procedures for selection of services providers, provide management and related services to the Group according to the tender and quotation documents and definitive management services agreements to be entered into between relevant members of the Redsun Services Group and the Group from time to time.

The management fees payable by the Group shall be determined based on arm's length negotiation between the members of the Group and members of the Redsun Services Group, with reference to a wide range of factors including but not limited to (i) nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties; (ii) prevailing market price charged by other independent third party services providers to the Group in respect of comparable services; and (iii) any applicable rates recommended by the relevant government authorities.

The transactions contemplated under the New Property Management Services Master Framework Agreement shall be on normal commercial terms, on terms no less favorable than those offered by independent third party services providers in respect of comparable services and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Historical transaction amounts

The table below sets forth the historical transaction amounts of transactions under the Existing Property Management Services Master Framework Agreement:

	Actual amount incurred (<i>in RMB'000</i>)		
	For the year ended 31 December 2023	For the year ended 31 December 2024	For the period from 1 January 2025 to 31 October 2025
The total service fees paid by the Group and its associates to the Redsun Services Group	159,131	79,756	56,705

As far as the Directors are aware, it is expected that the actual amount for the year ending 31 December 2025 will not exceed the annual cap under the Existing Property Management Services Master Framework Agreement.

Proposed annual caps and basis of determination for annual caps

The proposed annual caps for the transactions contemplated under the New Property Management Services Master Framework Agreement for the three years ending 31 December 2028 and the basis of determination for such annual caps are set out as follows:

	For the year ending 31 December 2026 (RMB'000)	For the year ending 31 December 2027 (RMB'000)	For the year ending 31 December 2028 (RMB'000)
Expected maximum aggregate service fees paid by the Group and its associates to the Redsun Services Group pursuant to the New Property Management Services Master Framework Agreement	102,051	96,598	95,029

The annual caps under the New Property Management Services Master Framework Agreement are determined with reference to the following factors:

- (i) the historical transaction amounts in respect of the Property Management Services between the Group and the Redsun Services Group;
- (ii) the total GFA of properties developed by the Group under the management of the Redsun Services Group and the properties under development held by the Group to be managed by the Redsun Services Group based on existing service contracts as at 31 December 2025;
- (iii) the land bank held by the Group as at 31 December 2025 and its projected change for the next three years based on publicly available information;
- (iv) the estimated service fee to be charged by the Redsun Services Group in respect of pre-delivery property management and related services, display units and property sales venues management services and pre-delivery property management services for unsold properties based on historical amount and existing contracts; and
- (v) the expected unoccupied rate for property units and car parking spaces under the management of the Redsun Services Group based on historical amount.

INTERNAL CONTROL

The Company has implemented the following internal control measures for monitoring the pricing and other terms of the continuing connected transactions, including the transactions contemplated under the New Continuing Connected Transactions and for ensuring that the transactions conducted under such agreements will be entered into based on normal commercial terms:

- (1) Before entering into the continuing connected transactions of the Group, the procurement department of the Group will review and verify whether the price is fair and reasonable. In addition, if the pricing terms in respect of the relevant agreement are applied for the first time or the pricing terms are different from those applied previously, the cost management department of the Group also reviews the above works conducted by the procurement department when settling the agreements.
- (2) The financial management department of the Group is mainly responsible for reviewing and monitoring the continuing connected transactions to ensure that the annual caps of the relevant continuing connected transactions would not be exceeded and are implemented pursuant to the pricing policy or mechanism under the respective framework agreements. The financial management department of the Group will consult the internal control units of the Group, external lawyers and compliance adviser regarding compliance issues of the continuing connected transactions.
- (3) The financial management department of the Group will prepare an annual report to the supervisor of the financial management department of the Group. The supervisor of the financial management department will report to the audit committee of the Group and submit a confirmation letter to the audit committee, confirming the continuing connected transactions of the Group (which are subject to the annual review and disclosure requirements under the Listing Rules) are all (a) entered into in the ordinary and usual course of business of the Group; (b) entered into on normal commercial terms or better; and (c) pursuant to the relevant agreements governing such transactions, entered into on the basis that the terms are fair and reasonable and are in the interests of the Shareholders as a whole; and the internal monitoring procedures of the Group regarding continuing connected transactions are adequate and effective in ensuring such transactions are conducted in such manner stated above. The audit committee will consider on such basis.

The Board is of the view that the above internal control measures can ensure that the continuing connected transactions of the Group under the New Continuing Connected Transactions are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION ON THE RELEVANT PARTIES

The Company, through its subsidiaries, is a comprehensive property developer established in the Yangtze River Delta region and operating in the PRC, focusing on the development of residential properties and the development, operation and management of commercial and comprehensive properties.

Redsun Services is a company incorporated in the Cayman Islands and is principally engaged in the provision of property management services and parking space sales and leasing agency services. As at the date of this announcement, it is indirectly held as to 72.77% by Mr. Zeng.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

New Parking Space Sales and Leasing Agency Services Framework Agreement

The Company, through its subsidiaries, is a comprehensive property enterprise with established presence in the Yangtze River Delta region which owns a big amount of saleable and leaseable parking spaces. The Redsun Services Group is principally engaged in the provision of property management services as well as parking space sales and leasing agency services, and has extensive business coverage and strong customer loyalty by virtue of its quality property management services provided to a large number of residents in the relevant residential properties. With the professional knowledge, quality services and competitive agency fees of the Redsun Services Group, it is believed that the entering into of the New Parking Space Sales and Leasing Agency Services Framework Agreement is conducive to the Group's recovery of expenses incurred in maintaining the parking spaces and diversifying the revenue streams of the Group. In addition, based on the established long-term cooperation relationship between the Redsun Services Group and the Group, the Redsun Services Group has a track record of providing reliable, efficient and satisfactory services to the Group. As compared to other services providers who are independent third parties of the Company, the Redsun Services Group generally has better and more efficient communications with the Group and more thorough understanding of the conditions of the Group's property projects and requirements of the services needed.

New Property Management Services Master Framework Agreement

Based on the established long-term cooperation relationship between the Redsun Services Group and the Group, Redsun Services Group has a track record of providing reliable, efficient and satisfactory pre-delivery property management services to the Group. As compared to other services providers who are independent third parties of the Company, it generally has better and more efficient communications with the Group and more thorough understanding of the conditions of our property projects and the Group's requirements of the services needed. Taking into account the above factors, the entering into of the New Property Management Services Master Framework Agreement and the terms and conditions thereof are in line with the business needs and commercial objectives of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the New Parking Space Sales and Leasing Agency Services Framework Agreement and the New Property Management Services Master Framework Agreement were determined through arm's length negotiations amongst the parties thereto, are fair and reasonable and are based on normal commercial terms, and that the entering into of the New Parking Space Sales and Leasing Agency Services Framework Agreement and the New Property Management Services Master Framework Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

DIRECTORS' CONFIRMATION

Since Redsun Services is indirectly held as to 72.77% by Mr. Zeng (an executive Director), Mr. Zeng was considered to have a material interest in, and has abstained from voting on, the resolutions of the Board to approve the New Parking Space Sales and Leasing Agency Services Framework Agreement and the New Property Management Services Master Framework Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in, or was required to abstain from voting on, the resolutions of the Board to approve the New Parking Space Sales and Leasing Agency Services Framework Agreement and the New Property Management Services Master Framework Agreement and the transactions contemplated thereunder.

The Directors (excluding the independent non-executive Directors, who will form their view after taking into account recommendations of an independent financial adviser) are of the view that the terms of each of the New Continuing Connected Transactions were determined through arm's length negotiations amongst the parties thereto, are based on normal commercial terms, and that the entering into of the New Continuing Connected Transactions is in the ordinary and usual course of business of the Group, and together with the proposed annual caps under each of the New Continuing Connected Transactions, are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Redsun Services is indirectly held as to 72.77% by Mr. Zeng, a controlling Shareholder and an executive Director of the Company. Accordingly, Redsun Services is an associate of Mr. Zeng and therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement and the New Property Management Services Master Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The New Parking Space Sales and Leasing Agency Services Framework Agreement

As the receipt of the Refundable Deposits by the Group are conducted on normal commercial terms or better and not secured by assets of the Group, the receipt of such refundable deposits are fully exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.90. However, since one or more of the applicable percentage ratios in respect of the proposed annual caps in respect of the agency fees under the New Parking Space Sales and Leasing Agency Services Framework Agreement exceed 5% on but are less than 25%, the transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement constitutes continuing connected transactions of the Company and are subject to the reporting, annual review, announcement, circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The New Property Management Services Master Framework Agreement

Since one or more of the applicable percentage ratios in respect of the proposed annual caps in respect of the Property Management Services under the New Property Management Services Master Framework Agreement for the three years ending 31 December 2028 exceed 25% but are less than 100%, the transactions contemplated under the New Property Management Services Master Framework Agreement constitutes continuing connected transactions of the Company and are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

In view of the above, the Company will seek the approval of the independent Shareholders in relation to the transactions contemplated under the Non-exempt Continuing Connected Transactions. Ordinary resolution will be proposed at the EGM to approve by way of poll the Non-exempt Continuing Connected Transactions and its annual caps.

As at the date of this announcement, Redsun Properties Group (Holdings) Limited is a controlling Shareholder, directly holding approximately 71.88% of the entire issued share capital of the Company. Redsun Properties Group (Holdings) Limited is wholly owned by Hong Yang Group Company Limited, which in turn is wholly owned by Hong Yang International Limited, which in turn is owned as to 50% and 50% by Hong Yang Group (Holdings) Limited (a company wholly owned by Mr. Zeng) and Mr. Zeng, respectively. Accordingly, Redsun Properties Group (Holdings) Limited and its associates will be required to abstain from voting on the ordinary resolution to be proposed at the EGM in respect of the Non-exempt Continuing Connected Transactions and its annual caps.

The Company has established the Independent Board Committee to consider whether the Non-exempt Continuing Connected Transactions is entered into on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Company has appointed Merdeka Corporate Finance Limited as the independent financial adviser to advise the Independent Board Committee and independent Shareholders. The Company will convene a general meeting in due course.

A circular containing, among other things, (i) further details of the Non-exempt Continuing Connected Transactions contemplated and its annual caps; (ii) the letter from the independent financial adviser in which the independent financial adviser provides advice and recommendation to the Independent Board Committee; (iii) recommendation from the Independent Board Committee to the independent Shareholders; and (iv) a notice of the general meeting, is expected to be despatched to the Shareholders on or before 5 January 2026, as additional time is required to prepare certain information in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“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 of Hong Kong Limited (stock code: 1996)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider, among other things, the ordinary resolutions to be proposed to approve the Non-exempt Continuing Connected Transactions
“Existing Continuing Connected Transactions”	collectively, (i) the Existing Parking Space Sales and Leasing Agency Services Framework Agreement (as supplemented by the Existing Supplemental Parking Space Sales and Leasing Agency Services Framework Agreement); and (ii) the Existing Property Management Services Master Framework Agreement
“Existing Parking Space Sales and Leasing Agency Services Framework Agreement”	the existing parking space sales and leasing agency services framework agreement dated 8 December 2022 entered into between the Company and Redsun Services in relation to the provision of parking space sales and leasing agency services by Redsun Services Group to the Group for a term from 1 January 2023 to 31 December 2025

“Existing Property Management Services Master Framework Agreement”	the existing property management services master framework agreement dated 8 December 2022 entered into between the Company and Redsun Services in relation to the provision of property management services by Redsun Services Group to the Group for a term from 1 January 2023 to 31 December 2025
“Existing Supplemental Parking Space Sales and Leasing Agency Services Framework Agreement”	The existing supplemental parking space sales and leasing agency services framework agreement dated 7 June 2023 entered into between the Company (for itself and on behalf of its subsidiaries and associates) and Redsun Services (for itself and on behalf of its subsidiaries) in relation to, among other things, the payment of Refundable Deposits in connection with the Parking Space Sales and Leasing Agency Services under the Existing Parking Space Sales and Leasing Agency Services Framework Agreement for a term from 1 January 2023 to 31 December 2025
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors (namely, Mr. Lee Kwok Tung Louis, Mr. Leung Yau Wan John and Mr. Au Yeung Po Fung) established for the purpose of reviewing the Non-exempt Continuing Connected Transactions
“independent third party(ies)”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Zeng”	Mr. Zeng Huansha (曾煥沙), the controlling Shareholder and the executive Director
“New Continuing Connected Transactions”	collectively, (i) the New Parking Space Sales and Leasing Agency Services Framework Agreement; and (ii) the New Property Management Services Master Framework Agreement

“New Parking Space Sales and Leasing Agency Services Framework Agreement”	the parking space sales and leasing agency services framework agreement dated 8 December 2025 entered into between the Company and Redsun Services in relation to the provision of parking space sales and leasing agency services by Redsun Services Group to the Group for a term from 1 January 2026 to 31 December 2028
“New Property Management Services Master Framework Agreement”	the property management services master framework agreement dated 8 December 2025 entered into between the Company and Redsun Services in relation to the provision of property management services by Redsun Services Group to the Group for a term from 1 January 2026 to 31 December 2028
“Non-exempt Continuing Connected Transactions”	the transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement and the New Property Management Services Master Framework Agreement
“Parking Space Sales and Leasing Agency Services”	the services to be provided by Redsun Services Group to the Group as contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement, the details of which are set out in the paragraph headed “The New Parking Space Sales and Leasing Agency Services Framework Agreement – Scope of Services”
“PRC”	the People’s Republic of China
“Property Management Services”	the scope of services contemplated to be provided by members of Redsun Services Group to the Group under the New Property Management Services Master Framework Agreement, as described in the paragraph headed “The New Property Management Services Master Framework Agreement – Scope of Services”
“Redsun Services”	Redsun Services 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 (stock code: 1971)
“Redsun Services Group”	Redsun Services Group Limited and its subsidiaries

“Refundable Deposits”	the refundable deposits paid or to be paid to relevant members of the Group in connection with the Parking Space Sales and Leasing Agency Services pursuant to the Existing Parking Space Sales and Leasing Agency Services Framework Agreement (as supplemented by the Existing Supplemental Parking Space Sales and Leasing Agency Services Framework Agreement) and the New Parking Space Sales and Leasing Agency Services Framework Agreement (as the case may be)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Redsun Properties Group Limited
Zeng Huansha
Chairman

Hong Kong, 8 December 2025

As at the date of this announcement, the executive Directors are Mr. Zeng Huansha, Mr. Chen Bin and Ms. Hu Fang; and the independent non-executive Directors are Mr. Lee Kwok Tung Louis, Mr. Leung Yau Wan John and Mr. Au Yeung Po Fung.