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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)

FURTHER ISSUANCE OF US\$155,000,000 9.70% SENIOR NOTES DUE 2023

**(TO BE CONSOLIDATED AND FORM A SINGLE CLASS WITH THE
US\$300,000,000 9.70% SENIOR NOTES DUE 2023 ISSUED ON
16 JANUARY 2020)
(STOCK CODE: 40126)**

The Board is pleased to announce that on 16 July 2020 (after trading hours), the Company and the Subsidiary Guarantors entered into the Purchase Agreement with China International Capital Corporation, Deutsche Bank, Credit Suisse, UBS, ABC International, Barclays, CCB International, China CITIC Bank International, CMB International, Guotai Junan International, Haitong International, Orient Securities (Hong Kong) and Standard Chartered Bank in relation to the Further Notes Issue.

The estimated net proceeds of the Further Notes Issue, after deducting the underwriting discounts and commissions and other estimated expenses payable in connection with the Further Notes Issue, will be approximately US\$150.9 million. The Company intends to use the net proceeds for refinancing certain medium to long-term existing indebtedness which will become due within one year. The Company may adjust its development plans in response to market conditions and therefore reallocate the use of proceeds.

The Company will seek a listing of the New Notes on the Stock Exchange. Listing of the New Notes on the Stock Exchange is not to be taken as an indication of the merits of the Company or the New Notes. The New Notes, when issued, will be consolidated and form a single class with the Original Notes.

Reference is made to the announcements issued by the Company on 13 January 2020, 14 January 2020 and 16 January 2020 in relation to the Original Notes and 16 July 2020 in respect of the Further Notes Issue. The Board is pleased to announce that on 16 July 2020 (after trading hours), the Company and the Subsidiary Guarantors entered into the Purchase Agreement with China International Capital Corporation, Deutsche Bank, Credit Suisse, UBS, ABC International, Barclays, CCB International, China CITIC Bank International, CMB International, Guotai Junan International, Haitong International, Orient Securities (Hong Kong) and Standard Chartered Bank in relation to the Further Notes Issue. The New Notes, when issued, will be consolidated and form a single class with the Original Notes.

THE PURCHASE AGREEMENT

Date: 16 July 2020 (after trading hours)

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors; and
- (c) China International Capital Corporation, Deutsche Bank, Credit Suisse, UBS, ABC International, Barclays, CCB International, China CITIC Bank International, CMB International, Guotai Junan International, Haitong International, Orient Securities (Hong Kong) and Standard Chartered Bank.

China International Capital Corporation, Deutsche Bank, Credit Suisse, UBS, ABC International, Barclays, CCB International, China CITIC Bank International, CMB International, Guotai Junan International, Haitong International, Orient Securities (Hong Kong) and Standard Chartered Bank have been appointed as the joint lead

managers and joint bookrunners. 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, Deutsche Bank, Credit Suisse, UBS, ABC International, Barclays, CCB International, China CITIC Bank International, CMB International, Guotai Junan International, Haitong International, Orient Securities (Hong Kong) and Standard Chartered Bank 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, 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 terms for the New Notes will be the same as those for the Original Notes in all respects except for the first interest payment date, the issue date and offer price.

New Notes Offered

Subject to certain conditions to completion, the Company will issue the New Notes in the aggregate principal amount of US\$155,000,000 which will mature on 16 April 2023, unless redeemed earlier pursuant to the terms thereof.

Offering Price

The offering price of the New Notes will be 98.852% of the principal amount of the New Notes, plus accrued interest from (and including) 16 July 2020 to (but excluding) 21 July 2020.

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

The Group is a comprehensive property developer with a strong foothold in the Yangtze River Delta Region and a national strategic layout, focusing on the development of residential properties and the development, operation and management of commercial and comprehensive properties. The regional penetration strategy of “penetrating the Greater Jiangsu Region, strengthening foothold in the Yangtze River Delta Region and expanding into major metropolitan areas” (做透大江蘇、深耕長三角、佈局都市圈) and the Group's strong cash position has brought it to the stage of rapid development.

The estimated net proceeds of the Further Notes Issue, after deducting the underwriting discounts and commissions and other estimated expenses payable in connection with the Further Notes Issue, will be approximately US\$150.9 million. The Company intends to use the net proceeds for refinancing certain medium to long-term existing indebtedness which will become due within one year.

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

LISTING AND RATINGS

The Company will seek a listing of the New Notes on the Stock Exchange. Listing of the New Notes on the Stock Exchange is not to be taken as an indication of the merits of the Company or the New Notes.

The Original Notes are listed on the Stock Exchange and are rated “B+” by Fitch, “B3” by Moody’s and “BB-” by Lianhe Global. The New Notes are expected to be rated the same as the Original Notes. 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, Moody’s and Lianhe Global.

DEFINITIONS

“ABC International”	ABCI Capital Limited, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser of the New Notes
“Barclays”	Barclays Bank PLC, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser of the New Notes
“Board”	the board of Directors
“CCB International”	CCB International Capital Limited, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser of the New Notes
“China CITIC Bank International”	China CITIC Bank International Limited, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser of the New Notes
“China International Capital Corporation”	China International Capital Corporation Hong Kong Securities Limited, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser of the New Notes

“CMB International”	CMB International Capital Limited, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser of the New Notes
“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
“Credit Suisse”	Credit Suisse (Hong Kong) Limited, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser of the New Notes
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser of the New Notes
“Directors”	the directors of the Company
“Fitch”	Fitch Ratings, Inc. and its affiliates
“Further Notes Issue”	the further issuance of the New Notes by the Company
“Group”	the Company and its subsidiaries
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser of the New Notes
“Haitong International”	Haitong International Securities Company Limited, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser of the New Notes
“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
“Moody’s”	Moody’s Investors Service Inc. and its successors
“New Notes”	the US\$155,000,000 9.70% senior notes due 2023 to be consolidated and form a single class with the Original Notes

“Orient Securities (Hong Kong)”	Orient Securities (Hong Kong) Limited, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser of the New Notes
“Original Notes”	the US\$300,000,000 9.70% senior notes due 2023 issued by the Company on 16 January 2020
“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 among the Company, the Subsidiary Guarantors and the joint lead managers in relation to the Further Notes Issue on 16 July 2020 (after trading hours)
“Regulation S”	means Regulation S under the Securities Act
“Securities Act”	the United States Securities Act of 1933, as amended
“Standard Chartered Bank”	Standard Chartered Bank, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser of the New Notes
“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
“UBS”	UBS AG Hong Kong Branch, one of the joint bookrunners and joint lead managers in respect of the Further Notes Issue and an initial purchaser 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, 17 July 2020

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.