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REDCO PROPERTIES GROUP LIMITED

力高地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1622)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
REDCO HEALTHY LIVING COMPANY LIMITED
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**PUBLICATION OF THE PROSPECTUS ISSUED BY
REDCO HEALTHY LIVING COMPANY LIMITED AND
EXPECTED SIZE OF THE GLOBAL OFFERING AND
OFFER PRICE RANGE**

In connection with the Proposed Spin-off and the Global Offering, Redco Healthy Living published the Prospectus on March 22, 2022.

As disclosed in the Prospectus, the total number of the Redco Healthy Living Shares to be offered pursuant to the Global Offering will be 50,000,000, representing approximately 25% of the total number of the Redco Healthy Living Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), and 57,500,000, representing approximately 27.71% of the total number of the Redco Healthy Living Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is exercised in full).

INTRODUCTION

Reference is made to the announcements of the Company dated March 7, 2022, March 10, 2022 and March 18, 2022 (the “**Announcements**”) in relation to the Proposed Spin-off. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

PUBLICATION OF THE PROSPECTUS

In connection with the Proposed Spin-off and the Global Offering, Redco Healthy Living published the Prospectus on March 22, 2022. The Prospectus contains, among other things, (a) details of the number of the Redco Healthy Living Shares to be offered in the Global Offering, the offer price range, other details of the Global Offering and (b) certain business and financial information in relation to the Redco Healthy Living and its subsidiaries.

Redco Healthy Living has adopted a fully electronic application process for the Hong Kong Public Offering. Redco Healthy Living will not provide any printed copies of the Prospectus or any printed copies of application forms to the public in relation to the Hong Kong Public Offering. The Prospectus is available for viewing and downloading from Redco Healthy Living’s website (www.redcohealthy.com) and the Stock Exchange’s website (www.hkexnews.hk).

PREFERENTIAL OFFERING

Qualifying Shareholders are being invited to apply for an aggregate of 4,180,000 Reserved Redco Healthy Living Shares in the Preferential Offering, representing approximately 8.36% of the Offer Shares available under the Global Offering (without taking into account of the Shares which may be issued and allotted pursuant to the exercise of the Over-allotment Option) and the basis of the Assured Entitlement is one (1) Reserved Redco Healthy Living Shares for every integral multiple of 850 Shares held by Qualifying Shareholders as at 4:30 p.m. on Friday, March 18, 2022, being the Record Date. The Reserved Redco Healthy Living Shares will be offered out of the Redco Healthy Living Shares initially being offered for subscription and purchase under the International Offering and will not be subject to reallocation.

A blue application form, together with a printed copy of the Prospectus, has been despatched to each Qualifying Shareholder at the address of such Qualifying Shareholder as shown on the register of members of the Company on the Record Date. The procedures for applying for the Reserved Redco Healthy Living Shares pursuant to the Preferential Offering are set out in the Prospectus.

EXPECTED SIZE OF THE GLOBAL OFFERING AND OFFER PRICE RANGE

As disclosed in the Prospectus, the total number of the Redco Healthy Living Shares to be offered pursuant to the Global Offering will be 50,000,000, representing approximately 25% of the total number of the Redco Healthy Living Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), and 57,500,000, representing approximately 27.71% of the total number of the Redco Healthy Living Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is exercised in full).

The offer price for the Redco Healthy Living Shares in the Global Offering is expected to be not less than HK\$4.10 per Redco Healthy Living Shares and not more than HK\$5.10 per Redco Healthy Living Shares (exclusive of brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.005% and FRC transaction levy of 0.00015%).

On the basis of the number of the Redco Healthy Living Shares to be offered pursuant to the Global Offering and the expected offer price range as stated above, if the Global Offering proceeds:

- (a) the market capitalisation of Redco Healthy Living will be between approximately HK\$820.0 million and approximately HK\$1,020.0 million; and
- (b) the Company, through its wholly-owned subsidiary, will hold 75.0% of the total issued share capital of Redco Healthy Living immediately upon completion of the Global Offering and the Capitalisation Issue (taking no account of the Redco Healthy Living Shares which may be issued pursuant to the exercise of the Over-allotment Option).

GENERAL

In connection with the Global Offering, the price of the Redco Healthy Living Shares may be stabilised in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be contained in the Prospectus.

The Global Offering (including the Preferential Offering) is conditional upon, amongst others, (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Redco Healthy Living Shares; (ii) the final offer price for the Redco Healthy Living Shares in the Global Offering having been agreed between Redco Healthy Living and the Sole Representative (for itself and on behalf of the Underwriters) on or about Friday, March 25, 2022 and in any event, not later than Tuesday, March 29, 2022 (“**Price Determination Date**”); (iii) the execution and delivery of the International Underwriting Agreement on or before the Price Determination Date; and (iv) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

The Proposed Spin-off is subject to, among others, the approval of the Stock Exchange for listing of, and permission to deal in, the Redco Healthy Living Shares and the final decision of the Board and of the board of directors of Redco Healthy Living, which are dependent upon, among others, market conditions and other considerations. Accordingly, the Proposed Spin-off may or may not occur. Shareholders and other investors should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not proceed. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.

This announcement is not intended to, and does not, constitute an offer to sell or a solicitation of an offer to subscribe for or purchase any Redco Healthy Living Shares in connection with the Global Offering or otherwise. Any such offer or solicitation is made solely through the Prospectus or other offering documents that may be issued in compliance with applicable laws and any decision to subscribe for or purchase the Redco Healthy Living Shares in connection with the Global Offering or otherwise should be made solely on the basis of the information contained in the Prospectus and such other offering documents. No action has been or will be taken in any jurisdiction (other than in Hong Kong) that would permit a public offering of the Redco Healthy Living Shares to be offered in the Global Offering in any jurisdiction where action for that purpose is required.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off and the Global Offering as and when appropriate.

DEFINITION

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

“Capitalisation Issue”	the issue of 149,999,996 Redco Healthy Living Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of Redco Healthy Living Shares
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement in relation to the Hong Kong Public Offering entered into by, among others, Redco Healthy Living and the Hong Kong Underwriters on March 21, 2022
“International Underwriters”	the underwriters of the International Offering
“International Underwriting Agreement”	the underwriting agreement in relation to the International Offering which is expected to be entered into by, among others, Redco Healthy Living and the International Underwriters
“Offer Share(s)”	the Redco Healthy Living Shares initially offered for subscription by the public in Hong Kong and conditionally offered to institutional and professional investors outside of the United States in reliance on Regulation S under the U.S. Securities Act, as further described in the Prospectus
“Over-allotment Option”	the option expected to be granted by Redco Healthy Living to the International Underwriters, exercisable by the Sole Representative (for itself and on behalf of the International Underwriters) under the International Underwriting Agreement, pursuant to which Redco Healthy Living may be required to allot and issue up to an aggregate of 7,500,000 additional Shares at the Offer Price to, among other things, cover over-allocations in the International Offering, if any
“SFC”	the Securities and Futures Commission
“Sole Representative”	ABCI Capital Limited

“Underwriters”

the Hong Kong Underwriters and the International Underwriters

On behalf of the Board
Redco Properties Group Limited
Wong Yeuk Hung
Chairman

Hong Kong, March 22, 2022

As at the date of this announcement, the executive directors of the Company are Mr. Wong Yeuk Hung JP, Mr. Huang Ruoqing and Mr. Tang Chengyong; and the independent non-executive directors of the Company are Mr. Chau On Ta Yuen SBS, BBS, Dr. Tam Kam Kau GBS, SBS, JP and Mr. Yip Tai Him.