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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

Reference is made to the announcement of the Company dated 11 March 2020 in relation to (i) the Existing Parking Space Sales and Leasing Agency Services Framework Agreement; and (ii) the Existing Property Management Services Master Framework Agreement, entered into between Nanjing Hong Yang Property Management and the Company for a term from 11 March 2020 to 31 December 2022.

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 2022 (after trading hours). The above transactions constitute the New Continuing Connected Transactions of the Company and the details of which are as follows.

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. 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 Property Management Services Master Framework Agreement and the Parking Space Sales and Leasing Agency Services 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

Since one or more of the applicable percentage ratios in respect of the proposed annual caps under the New Parking Space Sales and Leasing Agency Services Framework Agreement exceed 0.1% but are less than 5% on an annual basis, the transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement are subject to the reporting, annual review and announcement requirements but will be exempt from the circular and independent shareholders' approval requirement 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 2025 exceed 5%, the transactions contemplated thereunder will be subject to the reporting, annual review, announcement, circular and the 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 Transaction 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 Transaction contemplated and its annual caps; (ii) the letter from the independent financial advisor in which the independent financial advisor 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 3 January 2023.

INTRODUCTION

Reference is made to the announcement of the Company dated 11 March 2020 in relation to (i) the Existing Parking Space Sales and Leasing Agency Services Framework Agreement; and (ii) the Existing Property Management Services Master Framework Agreement, entered into between Nanjing Hong Yang Property Management and the Company for a term from 11 March 2020 to 31 December 2022.

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 2022 (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 2022 (after trading hours)

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

Term: from 1 January 2023 to 31 December 2025, subject to renewal by mutual agreement of the parties thereto and compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Scope of services: 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.

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 sales and leasing agency services 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. 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:

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 × 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.

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 transactions under the Existing Parking Space Sales and Leasing Agency Services Framework Agreement:

Actual amount incurred (in RMB'000)			For the period from
For the year ended	For the year ended	For the year ended	1 January 2022 to
31 December 2020	31 December 2021	31 December 2022	30 September 2022

The total agency fees paid by the Group and its associates to the Redsun Services Group

<u> — </u>	<u> — </u>	<u> — </u>
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As far as the Directors are aware, Redsun Services has directly provided intermediary services for the location and price negotiation of parking spaces for customers in the previous sales/leasing process, and entered into service contracts and settlements with customers directly, therefore no relevant transactions have been entered into with the Group and its associates in previous periods and the actual amount is expected to be nil for the year ending 31 December 2022.

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 confirmed a change in the parking space sales business model since 2023. Redsun Services will mainly provide 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 2025 and the basis of determination for such annual caps are set out as follows:

	For the year ending 31 December 2023 (RMB'000)	For the year ending 31 December 2024 (RMB'000)	For the year ending 31 December 2025 (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	<u>36,007</u>	<u>36,007</u>	<u>36,007</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 2025, which were determined with reference to:

- (i) the projected number in respect of the parking spaces owned by the Group for which the Nanjing Hong Yang Property Management 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 2022;
- (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.

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 2022 (after trading hours)

Parties: (a) Redsun Services (as services provider)

(b) The Company (as services recipient)

Term: from 1 January 2023 to 31 December 2025, subject to renewal by mutual agreement of the parties thereto and compliance with the requirements under Chapter 14A 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) Commercial properties management services

Members of the Redsun Services Group shall provide management and related services to the commercial properties including office areas, hotels and shopping malls owned or operated by the Group and relevant common areas, including but not limited to cleaning, gardening, maintenance of public order and security services to the aforesaid venues.

(e) 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 (in RMB'000)		
	For the year ended 31 December 2020	For the year ended 31 December 2021	For the period from 1 January 2022 to 30 September 2022
The total service fees paid by the Group and its associates to the Redsun Services Group	<u>205,670</u>	<u>241,985</u>	<u>142,284</u>

As far as the Directors are aware, it is expected that the actual amount for the year ending 31 December 2022 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 2025 and the basis of determination for such annual caps are set out as follows:

	For the year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
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	<u>232,919</u>	<u>214,734</u>	<u>183,323</u>

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 additional scope of management services which may be required by the Group from the Redsun Services Group, including housing repair management services;
- (iii) 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 2022;
- (iv) the land bank held by the Group as at 31 December 2022 and its projected change for the next three years based on publicly available information;
- (v) 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;
- (vi) the expected unoccupied rate for property units and car parking spaces under the management of the Redsun Services Group based on historical amount; and
- (vii) the expected number of contracts in respect of the commercial properties held by the Group for which the Redsun Services Group had been or was expected to be engaged to provide property management services as at 31 December 2022.

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 leading 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 (a controlling Shareholder and an executive Director).

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), each of Mr. Zeng and Mr. Zeng Junkai, the son of Mr. Zeng and an executive Director, was considered to have a material interest in, and has abstained from voting on, the resolutions of the Board to approve the Property Management Services Master Framework Agreement and the Parking Space Sales and Leasing Agency Services 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 Property Management Services Master Framework Agreement and the Parking Space Sales and Leasing Agency Services Framework Agreement and the transactions contemplated thereunder.

The Directors (excluding Mr. Zeng and Mr. Zeng Junkai) are of the view that the terms of the Non-exempt Continuing Connected Transaction was determined through arm's length negotiations amongst the parties thereto, are based on normal commercial terms, and that the entering into of the Parking Space Sales and Leasing Agency Services Framework Agreement is in the ordinary and usual course of business of the Group, and together with the proposed annual caps under the Parking Space Sales and Leasing Agency Services Framework Agreement, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (excluding Mr. Zeng, Mr. Zeng Junkai and the independent non-executive Directors who will form their view after taking into account recommendations of the independent financial adviser) are of the view that the terms of the Non-exempt Continuing Connected Transaction was determined through arm's length negotiations amongst the parties thereto, are based on normal commercial terms, and that the entering into of the Non-exempt Continuing Connected Transaction 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 Company 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. 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 Property Management Services Master Framework Agreement and the Parking Space Sales and Leasing Agency Services 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

Since one or more of the applicable percentage ratios in respect of the proposed annual caps under the New Parking Space Sales and Leasing Agency Services Framework Agreement exceed 0.1% but are less than 5% on an annual basis, the transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement are subject to the reporting, annual review and announcement requirements but will be exempt from the circular and independent shareholders' approval requirement 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 2025 exceed 5%, the transactions contemplated thereunder will be subject to the reporting, annual review, announcement, circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In order to ensure the compliance of the requirements of Chapter 14A of the Listing Rules, during the period from 1 January 2022 to the date when the independent Shareholders' approval is obtained, the amount payable by the parties pursuant to the

Non-exempt Continuing Connected Transaction is expected to fall below the de minimis threshold as stipulated under Rule 14A.76(2) of the Listing Rules, therefore such transactions will be exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules for continuing connected transactions and such information will be disclosed in the poll results announcement to be published for the EGM.

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 Transaction. Ordinary resolution will be proposed at the EGM to approve by way of poll the Non-exempt Continuing Connected Transaction 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 Transaction and its annual caps.

The Company has established the Independent Board Committee to consider whether the Non-exempt Continuing Connected Transaction 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 Transaction contemplated and its annual caps; (ii) the letter from the independent financial advisor in which the independent financial advisor 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 3 January 2023.

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 Transaction
“Existing Continuing Connected Transactions”	collectively, (i) the Existing 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 11 March 2020 entered into between Nanjing Hong Yang Property Management and the Company in relation to the provision of parking space sales and leasing agency services by Nanjing Hong Yang Property Management Group to the Group for a term from 11 March 2020 to 31 December 2022

“Existing Property Management Services Master Framework Agreement”	the existing property management services master framework agreement dated 11 March 2020 entered into between Nanjing Hong Yang Property Management and the Company in relation to the provision of property management services by Nanjing Hong Yang Property Management Group to the Group for a term from 11 March 2020 to 31 December 2022
“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 New Property Management Services Master Framework Agreement
“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
“Nanjing Hong Yang Property Management”	Nanjing Hong Yang Property Management Co., Ltd. (南京弘陽物業管理有限公司), a limited liability company established in the PRC on 30 July 2003, and an indirect wholly-owned subsidiary of Mr. Zeng
“Nanjing Hong Yang Property Management Group”	Nanjing Hong Yang Property Management and its subsidiaries
“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 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
“New Property Management Services Master Framework Agreement”	the 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
“Non-exempt Continuing Connected Transaction”	the transactions contemplated under the New Property Management Services Master Framework Agreement
“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
“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

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

Hong Kong, 8 December 2022

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