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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)

**UPDATE ON ANNOUNCEMENT UNDER RULES 13.25(1) OF
THE LISTING RULES AND PASSIVE DISPOSAL OF 24%
INTEREST IN REDCO HEALTHY LIVING COMPANY LIMITED**

Reference is made to the announcement (the “**Announcement**”) of the Redco Properties Group Limited (the “**Company**”) dated 22 May 2026 in relation to, among other things, the proposed enforcement of security and acquisition by China Billion International Limited, being the lender (the “**Lender**”), of 48,000,000 ordinary shares (the “**Target Shares**”) in Redco Healthy Living Company Limited (“**Redco Healthy**”) out of the Charged Share, representing 24% of the issued share capital of Redco Living, for a consideration of HKD45,120,000 (the “**Sale**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

On 3 July 2026, the Company had received a letter from the Receivers, and it was stated therein that the Lender had completed acquisition of the Target Shares on 2 July 2026 at the gross valuation of HKD45,120,000, exclusive of all stamp duty, agent fees, transactions fees, legal fees, receivers’ fees and disbursements, and any other third-party fees and expenses incurred in connection with the Sale and the enforcement of the security over the Target Shares, and only the net balance remaining after deduction of the said fees, costs and expenses will be applied towards the partial settlement and reduction of the liabilities owed by the Company to the Lender. Accordingly, the interest of the Company in Redco Healthy has been reduced from 75% to 51% upon the completion of such Sale by the Lender and the Receivers (while the remaining 51% issued shares in Redco Healthy shall continue to be held by the Receivers).

The Company had enquired with the Receivers on the enforcement plan regarding the remaining interest in Redco Healthy and was informed that the Receivers have been looking for further sales of the remaining 51% share in Redco Healthy. The Company shall continue its effort in liaising with the Lender and the Receivers for an amicable solution of the liabilities. However, given the existing financial condition of the Company, there is no guarantee that the Company would be able to fully settle the remaining outstanding liabilities with the Lender. The Company will closely monitor the situation and developments and provide an update to the Shareholders and potential investors as and when appropriate.

Financial impact of the enforcement and disposal

Following the enforcement of the security and the disposal of the Target Shares, 24% of the interest in Redco Healthy is confirmed to have been disposed of and therefore the Company financial interest in Redco Healthy has been reduced by 24%, while the liabilities of the Company due to the Lender has also been reduced by the net balance of the gross valuation of the Target Shares after deducting the relevant fees, costs and expenses by the Receivers. The Company considers such disposal would have a negative impact on its financial performance.

Set out below are the financial information of Redco Healthy:

As at 31 December 2025, the audited net asset value of the Redco Healthy was approximately RMB284,019,000.

The audited financial results of the Redco Healthy for the two years ended 31 December 2024 and 2025 are as follows:

	For the year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Approximately)</i>	<i>(Approximately)</i>
Net loss before tax	(4,195)	(11,254)
Net loss after tax	(9,253)	(20,090)

Information on the parties

The Lender

To the best of the knowledge and information of the Company having made all reasonable enquiries, the Lender is a company incorporated in Hong Kong with limited liabilities and is ultimately owned by parties independent of the connected persons of the Company and their associates.

The Receivers

To the best of the knowledge and information of the Company having made all reasonable enquiries, the Receivers are professional receivers in Hong Kong and are parties independent of the connected persons of the Company and their associates.

Redco Healthy

Redco Healthy is a company incorporated in the Cayman Islands with limited liabilities. It is principally engaged in property management business, and is a subsidiary of the Company, the issued shares of which are listed on the Main Board of the Stock Exchange (Code: 2370).

Listing Rules Implications

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Sale exceeds 5% but are below 25%, the Sale constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

By Order of the Board
Redco Properties Group Limited
Wong Yeuk Hung
Chairman

Hong Kong, 3 July 2026

As at the date of this announcement, the executive Directors are Mr. Wong Yeuk Hung JP, Mr. Huang Ruqing and Mr. Tang Cheng Yong; the non-executive Director is Ms. Fan Carol; and the independent non-executive Directors are Mr. Chau On Ta Yuen SBS, BBS, Dr. Tam Kam Kau GBS, SBS, JP and Mr. Yip Tai Him.