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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)

UPDATES ON THE DISCLAIMER OF OPINION SET OUT IN THE ANNUAL REPORT

References are made to the annual report (the “**Annual Report**”) of Redco Properties Group Limited (the “**Company**”, together with its subsidiaries the “**Group**”) for the year ended 31 December 2025, the interim results announcement dated 28 August 2026 (the “**Interim Results Announcement**”), announcements of the Company dated 31 March 2026, 30 June 2026 and 25 August 2026 (the “**Announcements**”) and the interim report (the “**Interim Report**”) of the Company for the period ended 30 June 2026 which was published by the Company on 29 September 2026. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Annual Report, the Interim Results Announcement, the Announcements and the Interim Report.

The board of directors (the “**Board**”) of the Company would like to provide updates in respect of the Disclaimer of Opinion set out in the Annual Report.

During the period from 28 April 2026, being the date of publication of the Annual Report, and up to the date of this announcement, the Board has undertaken a comprehensive assessment of the implementation progress of the Plans and Measures against the assumptions, timelines and key performance indicators set out in the Forecast.

1. Offshore and Onshore Debt Restructuring Plan

As at 30 June 2026, the Group’s total bank and other borrowings amounted to approximately RMB16,708.7 million. The contractual maturity profile of the bank and other borrowings based on the scheduled repayment dates set out in the relevant loan agreements was disclosed in Note 20 to the Interim Report. After taking into account breaches of loan covenants, cross-defaults and repayment-on-demand clauses, approximately RMB16,410.4 million of the bank and other borrowings was classified as current liabilities in the condensed consolidated statement of financial position as at 30 June 2026.

The Group's offshore bank and other borrowings of approximately RMB10,864.0 million and the related interest payable of approximately RMB1,064.0 million as at 30 June 2026 falling due within the Forecast period, are expected to be restructured through parallel and inter-conditional schemes of arrangement in Hong Kong and Cayman Islands under the Offshore Debt Restructuring Plan. As at the date of this Announcement, the Company has obtained leave from the Hong Kong court and the Cayman court to convene a meeting of the scheme creditors for the purpose of considering and, if thought fit, approving (with or without modification) the schemes (the "Scheme Meeting"). Subject to outcome of the Scheme Meeting and the courts' availability, the current timetable and progress of the Offshore Debt Restructuring Plan remain consistent with the assumption in the Forecast such that, barring unforeseen circumstances, the Offshore Debt Restructuring Plan will be implemented in the second quarter of 2027. The Company will make further announcements on the progress of the Offshore Debt Restructuring Plan as and when appropriate.

The onshore borrowings with an aggregate principal amount of approximately RMB5,278.9 million as at 30 June 2026, falling due within the Forecast period, are expected to be addressed through ongoing negotiations with local bankers and creditors regarding possible extensions, refinancing or adjustments to repayment terms. Of this amount, the Group has successfully extended borrowings with an aggregate principal amount of approximately RMB1,102.5 million. For the remaining onshore borrowings that fall due within the Forecast period, discussions remain ongoing, and no material formal extension agreements have been entered into as at the date of this Announcement. This is in line with the Forecast, which contemplated continued negotiations rather than immediate completion of specific settlement or extension agreements. Successful implementation of the Offshore Debt Restructuring Plan is expected to facilitate the gradual resolution of existing onshore facilities.

2. Project Selling Plan

The Group remains committed to accelerating the sale of its existing property inventory and ensuring timely delivery. The Group's aggregated contracted sales for the eight months ended 31 August 2026 amounted to approximately RMB633.6 million. The pressure on delivery tasks has been substantially alleviated, providing a solid foundation for the Group's operational stability and sustainable business condition.

The Forecast assumed cash inflows from the sale of existing property inventory through contracted sales. As at 31 August 2026, actual cash inflows from property inventory contracted sales amounted to approximately RMB460.9 million. This amount is consistent with the assumptions adopted in the Forecast, with the timing of collections being in line with and slightly faster than the collection timetable assumed in the Forecast.

Save as disclosed below, there has been no material deviation from the Forecast.

A delay has occurred in the progress of the Onshore Debt Restructuring Plan, principally attributable to the prolonged duration of negotiations with onshore creditors amid the challenging operating environment in the PRC property sector.

In addition, on 25 August 2026 the Company received a statutory demand and a draft winding-up petition from China Billion International Limited (“**China Billion**”) in respect of an outstanding offshore facility of approximately US\$82.6 million (as announced on 26 August 2026). This represents a deviation from the assumptions in the Forecast regarding the continued suspension of offshore debt repayments, pending completion of the holistic offshore restructuring. The relevant loan owing to China Billion has been included as in-scope debt under the Offshore Debt Restructuring Plan. The Company is maintaining an open dialogue with China Billion while continuing to pursue the overall Offshore Debt Restructuring Plan. Corresponding follow-up actions taken or to be taken by senior management include continuously using its best endeavours to liaise and negotiate with China Billion with a view to reaching an amicable resolution, and providing more frequent updates to the Board and Audit Committee.

Up to the date of this announcement, the Company is given to understand that China Billion does not currently intend to present a winding-up petition at this stage.

Independent Work Performed by the Audit Committee

The Audit Committee has exercised due care and diligence in monitoring the integrity of the Group’s financial reporting. Independent assessment included regularly following up with the Chairman of the Board, the finance department and senior management to understand the status of the Plans and Measures and pushing for actions to resolve the liquidity issues.

In view of the Disclaimer of Opinion, the Audit Committee has given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern in order to form the Audit Committee’s view.

The Audit Committee has critically reviewed the Forecast, and raised specific queries and performed verifications on the sales velocity, payment schedules, progress of the Offshore Debt Restructuring Plan and Onshore Debt Restructuring Plan. Following receipt of the statutory demand on 25 August 2026, the Audit Committee immediately discussed the matter with senior management, assessed its potential impact on the Forecast and the Group’s liquidity position, and considered the Company’s intended course of action. A Board meeting was held on 28 August 2026, during which the latest status of negotiations with China Billion was further discussed.

The Audit Committee has:

- a. discussed with senior management the progress of each of the Plans and Measures (including the delay in the Onshore Debt Restructuring Plan and the statutory demand received on 25 August 2026) and monitored actual progress against the Forecast;
- b. assessed the underlying reasons for the deviations; and
- c. taken follow-up actions comprising continued close monitoring of both the onshore negotiations and the statutory demand, together with requests for more frequent updates from management in light of the changing business and operating environment as well as the latest development of demand and recovery action from the creditors.

After reviewing and considering the above, the Audit Committee agrees with the view of the Board on the going concern basis. The Audit Committee and the Board will continue to monitor the implementation of the Plans and Measures and actual progress against the Forecast.

The Company will publish an announcement in every quarter to provide updates until the Disclaimer of Opinion is resolved. Further announcement(s) may also be made by the Company for any material update(s) as and when appropriate.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 30 September 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.