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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\$150,000,000 9.95% SENIOR NOTES DUE 2022

**(TO BE CONSOLIDATED AND FORM A SINGLE CLASS WITH THE
US\$300,000,000 9.95% SENIOR NOTES DUE 2022 ISSUED ON
11 APRIL 2019)
(STOCK CODE: 5964)**

The Board is pleased to announce that on 7 November 2019 (after trading hours), the Company and the Subsidiary Guarantors entered into the Purchase Agreement with China International Capital Corporation, UBS, Barclays, Deutsche Bank, Credit Suisse, Guotai Junan International, Haitong International and HSBC 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\$140.9 million. The Company intends to use the net proceeds for refinancing its existing indebtedness and general corporate purposes. 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 8 April 2019, 9 April 2019 and 11 April 2019 in relation to the Original Notes and 7 November 2019 in respect of the Further Notes Issue. The Board is pleased to announce that on 7 November 2019 (after trading hours), the Company and the Subsidiary Guarantors entered into the Purchase Agreement with China International Capital Corporation, UBS, Barclays, Deutsche Bank, Credit Suisse, Guotai Junan International, Haitong International and HSBC 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: 7 November 2019 (after trading hours)

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors; and
- (c) China International Capital Corporation, UBS, Barclays, Deutsche Bank, Credit Suisse, Guotai Junan International, Haitong International and HSBC.

China International Capital Corporation, UBS, Barclays, Deutsche Bank, Credit Suisse, Guotai Junan International, Haitong International and HSBC 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, UBS, Barclays, Deutsche Bank, Credit Suisse, Guotai Junan International, Haitong International and HSBC 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 and none of the New Notes will be placed to any connected persons of the Company.

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 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\$150,000,000 which will mature on 11 April 2022, unless redeemed earlier pursuant to the terms thereof.

Offering Price

The offering price of the New Notes will be 94.416% of the principal amount of the New Notes, plus accrued interest from (and including) 11 October 2019 to (but excluding) 13 November 2019.

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

The Group 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. The regional penetration strategy of “strong foothold in Jiangsu, established presence in Yangtze River Delta region and modest coverage in metropolitan areas” and its strong cash position have 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\$140.9 million. The Company intends to use the net proceeds for refinancing its existing indebtedness and general corporate purposes.

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 and “BB-” by Lianhe Global. The New Notes are expected to be rated the same as the Original Notes. In addition, the Notes are expected to be rated “B3” by Moody’s. 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, Lianhe Global and Moody’s.

DEFINITIONS

“Board”	the board of Directors
“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
“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
“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
“HSBC”	The Hongkong and Shanghai Banking Corporation 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
“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\$150,000,000 9.95% senior notes due 2022 to be consolidated and form a single class with the Original Notes
“Notes”	the Original Notes together with the New Notes
“Original Notes”	the US\$300,000,000 9.95% senior notes due 2022 issued by the Company on 11 April 2019
“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 7 November 2019 (after trading hours)
“Regulation S”	means Regulation S under the Securities Act
“Securities Act”	the United States Securities Act of 1933, as amended
“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, 8 November 2019

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.