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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)

VOLUNTARY ANNOUNCEMENT

STRATEGIC INVESTMENT IN JIANGXI YIJU PROPERTY DEVELOPMENT CO., LIMITED

The board of directors of Redco Properties Group Limited (the “**Company**”) is pleased to announce that on 8 August 2014, Hong Kong Binjiang Industrial Limited (“**Hong Kong Binjiang**”), a wholly-owned subsidiary of the Company, entered into the development framework agreement with 南昌市國資置業有限公司 (Nanchang Guozi Zhiye Company Limited*) (“**Guozi Zhiye**”) and an independent investor (the “**Development Framework Agreement**”), pursuant to which, each of them agreed to inject capital to 江西怡居房地產開發有限公司 (Jiangxi Yiju Property Development Co., Ltd.)*(the “**Target Company**”), a wholly-owned subsidiary of Guozi Zhiye immediately prior to such capital injection (the “**Capital Injection**”). Following the completion of Capital Injection, the Target Company will be held as to 30%, 40% and 30% by Hong Kong Binjiang, Guozi Zhiye and the independent investor. As Hong Kong Binjiang shall have control of a majority of the board of directors of the Target Company pursuant to the terms of the Development Framework Agreement, the Target Company will become an indirect non-wholly owned subsidiary of the Company upon completion of the Capital Injection.

On 5 March 2014, the Target Company successfully bided for the land use right to the parcel of land located at Nanchang District, Jiangxi Province with the lot number DAJ2014014 (the “**Land**”) for commercial and residential use. The Land is located at Lianhua Road in Nanchang with a total site area of 126.24mu (approximately 84,094 sq.m.), planning, plot ratio ranging is 2.0 to 2.2 and the gross floor area of approximately 223,420 sq. m.. According to the Development Framework Agreement, Hong Kong Binjiang shall be principally in charge of the daily operations of the Target Company and procure the brand name “Redco” to be licensed to the Target Company at a fee, representing 1.7% of the contracted sales amount of the Target Company for the relevant year.

Given the location of the land and the planning purposes, the directors of the Company (“**Directors**”) consider that the investment in the Target Company and participation in the development of the Land are in line with the Group's business development strategy and its strategic plan. The Directors are of the view that the terms and conditions of the Development Framework Agreement are fair and reasonable, on normal commercial terms, and the Capital Injection is in the interest of the Company and its shareholders as a whole.

This announcement is made by the Company on a voluntary basis and does not constitute a notifiable transaction of the Company under Chapter 14 of the Rules' Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board
Redco Properties Group Limited
Huang Ruoqing
Executive Director

Hong Kong, 8 August 2014

As at the date of this announcement, the executive directors of the Company are Mr. Huang Ruoqing, Mr. Tang Chengyong, Mr. Hong Duxuan; and the independent non-executive directors of the Company are Dr. Wong Yau Kar, David BBS, JP, Mr. Chau On Ta Yuen, Mr. Yip Tai Him and Mr. Chow Kwong Fai, Edward, JP.

**For identification purposes only*