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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

COOPERATION FRAMEWORK AGREEMENT

The board of directors (the “**Board**”) of Redco Properties Group Limited (the “**Company**”) is pleased to announce that on 5 January 2015, Shenzhen Redco Hongye Property Development Co., Ltd (“**Redco Hongye**”), a wholly-owned subsidiary of the Company, entered into a cooperation framework agreement (the “**Framework Agreement**”) with Shenzhen Pinghu Joint Stock Corporation*(深圳市平湖股份合作公司) (“**Shenzhen Pinghu**”), pursuant to which both of the parties agreed to cooperate in the implementation of a urban renewal project (城市更新項目) at Jiangjunling in Longgang District, Shenzhen, the PRC (the “**Project**”).

The land of the Project (the “**Land**”) is located at the northeast corner of the juncture of Pinghu Avenue and Feng’an Road in Longgang District, Shenzhen, with a total site area of approximately 70,000 sq.m.. Pursuant to the Framework Agreement, Redco Hongye shall take the lead in the application for project approval to the local government and fund the demolition of old buildings on the Land, the compensation for the relocation of the existing households thereon, the land premium and the construction of the Project and bear the costs in relation to the application; and Shenzhen Pinghu shall assist Redco Hongye to accomplish all the above work and ensure that no disposal with respect to the Land (including land contract, joint operation, redevelopment and the signing of cooperation agreement with any party other than Redco Hongye) will be exercised prior to the dissolution or termination of the Framework Agreement, and that it shall bear any legal obligation or loss incurred by such disposal once exercised. Within 7 days after the signing of the Framework Agreement, Redco Hongye shall pay a lump sum of RMB15 million to Shenzhen Pinhu as good faith money, which shall be utilized for the relocation of the existing households if Redco Hongye successfully obtains the project approval from the local government. In the event that Redco Hongye fails to obtain the project approval from the local government within 5 years after the effective date of the Framework Agreement, the Framework Agreement shall terminate and the amount of RMB10 million of the good faith money shall be served as compensation to Shenzhen Pinghu for the layoff of the Land while Shenzhen Pinghu shall refund the remaining RMB5 million to Redco Hongye.

Given the superior location of the Land and the prosperous property market of Shenzhen, the directors of the Company (“**Directors**”) consider that the cooperation in respect of the Project is 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 Framework Agreement are fair and reasonable, on normal commercial terms, and the transaction contemplated under the Framework Agreement is in the interests of the Company and its shareholders as a whole.

This announcement is made by the Company on a voluntary basis and the transaction contemplated under the Framework Agreement 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

HongKong, 5 January2015

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*