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If you have sold or transferred all your shares in Redco Properties Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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REDCO PROPERTIES GROUP LIMITED

力高地产集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1622)

**PROPOSED SHARE SUB-DIVISION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice of the Extraordinary General Meeting to be held at Room 2001-2, Enterprise Square 3, 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong on Thursday, 27 October 2016 at 10 a.m. is set out on pages 8 to 9 of this circular. A form of proxy for use by the Shareholders at the Extraordinary General Meeting is enclosed with this circular.

Whether or not you intend to attend and vote at the Extraordinary General Meeting in person, please complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investors Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for the holding of the Extraordinary General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof should you so wish.

Hong Kong, 12 October 2016

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“Board”	the board of Directors;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Redco Properties Group Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	the directors of the Company;
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and approve the Share Sub-division of the Company;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	7 October 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company;
“Shareholders”	holders of the Shares;
“Share Option Scheme”	the share option scheme of the Company adopted on 14 January 2014;
“Share Sub-division”	the proposed sub-division of each existing issued and un-issued Shares of HK\$0.10 each into two Shares of HK\$0.05 each;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Sub-divided Shares”	Shares after the Share Sub-division of HK\$0.05 each; and
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Huang Ruoqing

Mr. Tang Chengyong

Mr. Hong Duxuan

Independent Non-executive Directors:

Dr. Wong Yau Kar, David

Mr. Chau On Ta Yuen

Mr. Yip Tai Him

Mr. Chow Kwong Fai, Edward

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Room 2001-2, Enterprise Square 3

39 Wang Chiu Road

Kowloon Bay

Kowloon

Hong Kong

12 October 2016

To the Shareholders

Dear Sir/Madam,

**PROPOSED SHARE SUB-DIVISION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information the proposed Share Sub-division.

THE SHARE SUB-DIVISION

The Board proposes that each of the existing issued and un-issued Shares be sub-divided into two Subdivided Shares.

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$5,000,000,000 divided into 50,000,000,000 Shares, of which 1,775,804,661 Shares are in issue.

LETTER FROM THE BOARD

Assuming that no further Shares will be issued or repurchased after the Latest Practicable Date and prior to the Share Sub-division becoming effective, the effect of the Share Sub-division is set out as follows:

	Prior to the Share Sub-division	Immediately upon completion of the Share Sub-division
Par value of each Share	HK\$0.10	HK\$0.05
Number of authorised Shares	50,000,000,000	100,000,000,000
Authorised share capital	HK\$5,000,000,000	HK\$5,000,000,000
Number of Shares in issue	1,775,804,661	3,551,609,322
Number of unissued Shares	48,224,195,339	96,448,390,678

The Sub-divided Shares will rank *pari passu* in all respects with one another and the Share Subdivision will not result in any change in the relative rights of the Shareholders. As at the Latest Practicable Date, no options have been granted under the Share Option Scheme.

LISTING APPLICATION

An application will be made to the Listing Committee of the Stock Exchange for the listing of and the permission to deal in the Sub-divided Shares.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Subject to the granting of the listing of, and permission to deal in, the Sub-divided Shares on the Stock Exchange, the Sub-divided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Sub-divided Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

CONDITIONS OF THE SHARE SUB-DIVISION

The Share Sub-division is conditional upon, *inter alia*,:

- (i) the passing of the resolution(s) by the Shareholders at the Extraordinary General Meeting to approve the relevant resolution(s) in respect of the Share Sub-division; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Sub-divided Shares.

LETTER FROM THE BOARD

The Share Sub-division will become effective on the trading day immediately after the conditions mentioned above are fulfilled.

BOARD LOT SIZE

The Shares are currently traded in board lots of 2,000 Shares. No change will be made to the board lot size for trading and upon the Share Sub-division becoming effective, the Subdivided Shares will be traded in board lots of 2,000 Sub-divided Shares. No odd lots of Subdivided Shares will be resulted from the Share Sub-division, other than those already existed before the Share Sub-division becoming effective. Accordingly, no arrangement will be made by the Company for matching of sale and purchase of odd lots in connection with the Share Sub-division.

TIMETABLE AND EXCHANGE FOR SHARE CERTIFICATES

The expected timetable for the Share Sub-division is set out below:

	2016
Date of despatch of the circular relating to the Share Sub-division	12 October 2016
Latest time for the lodging of form of proxy for the Extraordinary General Meeting	10:00 a.m. on 25 October 2016
Date of the Extraordinary General Meeting to approve the Share Sub-division	27 October 2016
Date of the publication of the announcement of poll results of the Extraordinary General Meeting	27 October 2016
Effective date of the Share Sub-division	28 October 2016
First day of free exchange of existing share certificates for new share certificates for Sub-divided Shares	28 October 2016
Dealing in Sub-divided Shares commences	9:00 a.m., 28 October 2016
Existing counter for trading in board lots of 2,000 Shares of HK\$0.10 each temporarily closes	9:00 a.m., 28 October 2016
Temporary counter for trading in board lots of 4,000 Sub-divided Shares (in the form of existing share certificates) opens	9:00 a.m., 28 October 2016
Existing counter for trading in 2,000 Sub-divided Shares (in the form of new share certificates (in brown colour) for Sub-divided Shares) re-opens	11 November 2016

LETTER FROM THE BOARD

2016

Parallel trading (in the form of new share certificate (in yellow colour) for Sub-divided Shares and existing certificates for Shares) commences 11 November 2016

Temporary counter for trading in Sub-divided Shares in board lot of 4,000 Sub-divided Shares (in the form of existing share certificates) closes 4:00 p.m., 1 December 2016

Parallel trading (in the form of new share certificate (in yellow colour) for Sub-divided Shares and existing certificates for Shares) ends 4:00 p.m., 1 December 2016

Last day for free exchange of share certificates 5 December 2016

FREE EXCHANGE OF SHARE CERTIFICATES

The Shareholders may, on or after 28 October 2016 until 5 December 2016, submit existing share certificates (in board lots of 2,000 Shares) in respect of the Shares to the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investors Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to exchange at the expenses of the Company, for the new shares certificate (in board lots of 2,000 Sub-divided Shares) for the Sub-divided Shares. After the expiry of such period, existing share certificates for the Shares will be accepted only on payment of a fee of HK\$2.5 (or such higher amount as may from time to time per permitted under the Listing Rules) per existing certificate cancelled or new certificate issued, by reference to the higher number of certificates may be.

It is expected that new certificates for the Sub-divided Shares will be available for collection on or after the 10th business day from the date of submission of the existing share certificates to the Company's share registrar and transfer office in Hong Kong at the above address. All existing share certificates in board lot of 2,000 Shares each will continue to be evidence of title to such Shares and may be exchanged for new certificates at any time.

OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME AND OTHER CONVERTIBLE SECURITIES OF THE COMPANY

As at the Latest Practicable Date, no outstanding share options have been granted under the Share Option Scheme and the Company has no other convertible securities outstanding.

LETTER FROM THE BOARD

REASONS FOR AND EFFECTS OF THE SHARE SUB-DIVISION

Upon the proposed Share Sub-division becoming effective, Based on the closing price of HK\$5.7 per Share as quoted on the Stock Exchange on the last trading day immediately before the Latest Practicable Date, the market value per board lot of 2,000 existing Shares is HK\$11,400. The estimated market value per board lot of 2,000 Sub-divided Shares will be theoretically reduced to HK\$5,700 immediately upon the Share Sub-division becoming effective. The Board expects that the reduction in trading price per board lot of Sub-divided Share will improve the liquidity and facilitate trading of the Sub-divided Shares, which will also enable the Company to attract more investors and broaden its Shareholders base. As such, the Directors (including independent non-executive Directors) are of the opinion that the Share Sub-division is in the interests of the Company and the Shareholders as a whole.

Other than the expenses incurred relating to the Share Sub-division, implementation of the Share Subdivision will not, in itself, alter the underlying assets, business operations, management or financial position of the Company. The Directors believe that the Share Sub-division will not have a material adverse effect on the financial and trading position of the Company and its subsidiaries.

EXTRAORDINARY GENERAL MEETING

A notice of the Extraordinary General Meeting is set out on pages 8 to 9 of this circular.

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, no Shareholders are required to abstain from voting at the Extraordinary General Meeting on the resolution in relation to the Share Sub-division.

Pursuant to the requirements of the Listing Rules, all votes to be taken at the Extraordinary General Meeting will be by poll.

A form of proxy for the Extraordinary General Meeting is despatched to the Shareholders with this circular. Whether or not you intend to attend and vote at the Extraordinary General Meeting in person, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investors Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event not later than 48 hours before the time appointed for the holding of the Extraordinary General Meeting. Completion of a form of proxy will not preclude you from attending and voting at the Extraordinary General Meeting or any adjournment thereof in person should you so wish.

RECOMMENDATION

The Directors consider that the proposed Share Sub-division is in the best interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolution to be proposed at the Extraordinary General Meeting to approve the Share Sub-division.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By order of the Board of
REDCO PROPERTIES GROUP LIMITED
Huang Ruoqing
Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of **REDCO PROPERTIES GROUP LIMITED** (the “**Company**”) will be held at Room 2001-2, Enterprise Square 3, 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong on Thursday, 27 October 2016 at 10 a.m., for the purposes of considering and, if thought fit, passing the following resolution (with or without modifications) as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Sub-divided Shares (as hereinafter defined) as a result of the Share Sub-division (as defined hereinafter), each of the issued and unissued shares of HK\$0.10 each (the “Shares”) in the share capital of the Company be and is hereby subdivided into two shares of HK\$0.05 each (the “Sub-divided Shares”) with effect from the business day immediately following the day on which this resolution is passed (the “Share Sub-division”) and the directors of the Company be and are authorized to issue new share certificates in respect of the Sub-divided Shares to holders of existing shares of the Company pursuant to the Share Sub-division and to do all things and execute all documents as they shall, in their absolute discretion, deem appropriate to effect and implement the Share Sub-division and any transactions contemplated thereunder.”

By Order of the Board
REDCO PROPERTIES GROUP LIMITED
Huang Ruoqing
Executive Director

12 October 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (2) In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the Company's branch registrar in Hong Kong, Computershare Hong Kong Investors Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
- (3) As at the date of this notice, 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.