

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

DISCLOSEABLE TRANSACTION ACQUISITION OF 35% INTEREST IN MAKATI CITY SUBWAY, INC.

Reference is made to the announcement of the Company dated 18 February 2020 (the “**Announcement**”) in relation to the Share Purchase Agreement. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as defined in the Announcement.

The Board wishes to provide additional information in relation to the Transactions as contemplated under the Share Purchase Agreement as follows:

Pursuant to the Share Purchase Agreement, the Subscriber conditionally agreed to (i) accept the assignment of the Assignment Shares in the consideration of US\$30,000,000; and (ii) subscribe for the Subscription Shares at the Subscription Price of US\$72,000,000. The Subscription Shares and the Assignment Shares are being acquired at par value and will be paid by the Group in stages based on the milestones to be satisfied by MCSI and Infradev. As at the date of this announcement, the conditions precedent to payment of the First Payment and the Second Payment as set out in paragraphs (ii), (iii), (iv), (vi) and (viii) have remained unsatisfied.

As at the date of the Share Purchase Agreement, MCSI has an authorized share capital of PHP16,000,000,000, divided into 160,000,000 common shares with a par value of PHP100 per common share. Out of which 106,000,000 common shares with a total par value of PHP10,600,000,000 have been subscribed by Infradev, with an amount of PHP8,100,000,000 remained unpaid by Infradev. The unpaid capital in MCSI will be satisfied by Infradev by way of injection of the Makati Properties in MCSI, subject to the valuation of the Makati Properties being approved by the SEC.

Upon receipt of the relevant regulatory approvals, the Makati Properties will be registered under the name of MCSI in satisfaction of the payment of the unpaid subscription of Infradev. Infradev will continue to be remained liable to fulfil its payment obligation to pay (in cash or in kind) of its unpaid capital in MCSI, including to pay any shortfall amount in the event that the valuation of the Makati Properties falls short of the amount of unpaid capital payable by Infradev.

ABG is a company incorporated under the Laws of the Republic of the Philippines with limited liability with Mr. Ren Youmin being the ultimate controlling shareholder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, ABG and its ultimate beneficial owners are independent third parties who are independent of the Company and connected persons of the Company.

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

Hong Kong, 18 March 2020

As at the date of this announcement, the executive directors of the Company are Mr. Wong Yeuk Hung, Mr. Huang Ruoqing, Mr. Tang Chengyong and Mr. Wang Weifeng; and the independent non-executive directors of the Company are Dr. Wong Yau Kar, David GBS, BBS, JP, Mr. Chau On Ta Yuen SBS, BBS and Mr. Yip Tai Him.