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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)

PROPOSED ISSUE OF USD DENOMINATED SENIOR NOTES

THE PROPOSED NOTES ISSUE

The Board announces that the Company proposes to conduct an international offering of guaranteed U.S. Dollar denominated senior fixed rate notes.

Completion of the Proposed Notes Issue is subject to, among others, market conditions and investors' interest. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. As at the date of this announcement, the principal amount, the interest rate, the payment date and certain other terms and conditions of the Proposed Notes Issue are yet to be finalised. Upon finalising the terms of the Notes, it is expected that Credit Suisse, Barclays, BNP PARIBAS, Haitong International, Standard Chartered Bank, UBS, Deutsche Bank, HeungKong Financial, Orient Securities (Hong Kong), China CITIC Bank International, CMBC Capital, The Bank of East Asia, Limited, the Subsidiary Guarantors and the Company will enter into the Purchase Agreement. The Company will make a further announcement in respect of the Proposed Notes Issue upon the signing of the Purchase Agreement.

The Notes and the Subsidiary Guarantees have not been, and will not be, registered under the Securities Act. The Notes and the Subsidiary Guarantees are being offered outside the United States in offshore transactions in accordance with Regulation S under the Securities Act, 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 requirements of the Securities Act. None of the Notes and the Subsidiary Guarantees will be offered to the public in Hong Kong.

MiFID II professionals/ECPs-only/No PRIIPs KID — Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as the Notes are not available to retail investors in the EEA or UK.

Reasons for the Proposed Notes Issue

The Group is an integrated property developer focusing on mid-to-high-end residential and commercial property development in the PRC.

The Company intends to use the net proceeds of the Proposed Notes Issue to refinance certain of its existing medium to long term offshore indebtedness which will become due within one year including the 2021 Notes by way of the Concurrent Offer to Purchase. The Company may adjust its plans in response to changing market conditions and, thus reallocate the use of the net proceeds.

Listing

Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. Approval-in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). No listing of the Notes has been or will be sought in Hong Kong.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set forth below unless the context requires otherwise:

“2021 Notes”	9.875% Senior Notes due 2021 (ISIN:XS1989092116) which were issued by the Company on 2 May 2019
“Barclays”	Barclays Bank PLC
“BNP PARIBAS”	BNP Paribas
“Board”	the board of Directors
“China CITIC Bank International”	China CITIC Bank International Limited
“CMBC Capital”	CMBC Securities Company Limited
“Company”	Redco 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
“Concurrent Offer to Purchase”	an offer to purchase for cash of the Company’s outstanding 2021 Notes
“Credit Suisse”	Credit Suisse (Hong Kong) Limited
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch
“Directors”	the directors of the Company
“EEA”	European Economic Area
“Group”	the Company and its subsidiaries
“Haitong International”	Haitong International Securities Company Limited
“HeungKong Financial”	HeungKong Securities Limited

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Notes”	the guaranteed U.S. Dollar denominated senior fixed rate notes to be issued by the Company
“Orient Securities (Hong Kong)”	Orient Securities (Hong Kong) Limited
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Proposed Notes Issue”	the proposed issue of the Notes by the Company
“Purchase Agreement”	the agreement proposed to be entered into by and among Credit Suisse, Barclays, BNP PARIBAS, Haitong International, Standard Chartered Bank, UBS, Deutsche Bank, HeungKong Financial, Orient Securities (Hong Kong), China CITIC Bank International, CMBC Capital, The Bank of East Asia, Limited, the Company and the Subsidiary Guarantors in relation to the Proposed Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Standard Chartered Bank”	Standard Chartered Bank
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors in respect of the Notes
“Subsidiary Guarantors”	the subsidiaries of the Company which guarantee the Notes
“The Bank of East Asia, Limited”	The Bank of East Asia, Limited
“UBS”	UBS AG Hong Kong Branch (UBS AG is incorporated in Switzerland with limited liability)
“UK”	the United Kingdom
“United States”	the United States of America

“U.S. Dollars” or “US\$”

United States dollar(s), the lawful currency of the United States

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

Hong Kong, 10 November 2020

As at the date of this announcement, the executive directors of the Company are Mr. Wong Yeuk Hung, Mr. Huang Ruoqing and Mr. Tang Chengyong; 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.