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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)

**ISSUANCE OF ADDITIONAL US\$65 MILLION
8.0% SENIOR SUSTAINABILITY NOTES DUE 2022
(TO BE CONSOLIDATED AND FORM A SINGLE SERIES
WITH THE US\$220 MILLION 8.0%
SENIOR SUSTAINABILITY NOTES DUE 2022)**

References are made to the announcements of the Company dated 7 April 2021, 8 April 2021 and 19 April 2021 and in respect of the issuance of the Original Notes by the Company and the announcement dated 7 May 2021 in respect of the proposed Additional Notes Issue.

On 7 May 2021, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with Standard Chartered Bank in connection with the Additional Notes Issue.

THE PURCHASE AGREEMENT

Date

7 May 2021

Parties to the New Notes Purchase Agreement

- (a) the Company;
- (b) the Subsidiary Guarantors; and
- (c) Standard Chartered Bank.

Standard Chartered Bank will be the sole global coordinator, sole bookrunner, sole lead manager and sustainability structuring advisor in respect of the offer and sale of the Additional Notes. Standard Chartered Bank is also the initial purchaser of the Additional Notes.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Standard Chartered Bank is an independent third party and not a connected person of the Company and its connected persons.

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.

UK MiFIR professionals/ECPs-only/No UK PRIIPs KID — Manufacturer target market (MiFIR 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 UK.

The Additional Notes have not been, and will not be, registered under the Securities Act. The Additional Notes will only be offered outside the United States in offshore transactions in compliance 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 Additional Notes will be offered to the public in Hong Kong.

Principal terms of the Additional Notes

The following is a summary of certain provisions of the Additional Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the Additional Notes, the guarantees provided by the Subsidiary Guarantors, and the JV Subsidiary Guarantors, if any.

Additional Notes offered

Subject to certain conditions to completion, the Company will issue the Additional Notes in the aggregate principal amount of US\$65 million. The Additional Notes will mature on 13 April 2022 unless earlier redeemed in accordance with the terms thereof.

Issue price

The issue price of the Additional Notes will be 99.644% of the principal amount of the Additional Notes plus accrued interest from (and including) 14 April 2021 to (but excluding) 14 May 2021.

Interest

The Additional Notes will bear interest from and including 14 April 2021 at the rate of 8.0% *per annum*, payable in arrears on October 13, 2021 and April 13, 2022.

Reasons for the Additional 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 Additional Notes Issue to refinance certain of its existing medium to long term offshore indebtedness which will become due within one year and in accordance with the Company's Sustainable Finance Framework.

Listing

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

DEFINITIONS

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

“Additional Notes”	the additional US\$65 million 8.0% senior sustainability notes due 2022 (to be consolidated and form a single series with the Original Notes)
“Additional Notes Issue”	the issue of the Additional Notes by the Company
“Board”	the board of Directors
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EEA”	the European Economic Area

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the written agreement entered into between the Company, the Subsidiary Guarantors as guarantors and the trustee dated 14 April 2021, that specifies the terms and conditions of the Additional Notes including the covenants, events of default, interest rate of the Additional Notes and the maturity date
“JV Subsidiary Guarantor”	certain subsidiaries of the Company, other than the Subsidiary Guarantors, that guarantee the Company’s obligations under the Additional Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Original Notes”	the 8.0% senior sustainability notes due 2022 in the aggregate principal amount of US\$220 million issued on 14 April 2021 by the Company
“PRC”	the People’s Republic of China
“Purchase Agreement”	the agreement entered into by and among, inter alia, Standard Chartered Bank and the Company and the Subsidiary Guarantors in relation to the Additional Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantee”	guarantees for the Additional Notes to be provided by the Subsidiary Guarantors
“Subsidiary Guarantors”	certain existing non-PRC subsidiaries of the Company that on the issue date of the Additional Notes will provide guarantees for the Additional Notes

“U.S. Dollars” or “US\$”	United States dollar(s), the lawful currency of the United States
“UK”	the United Kingdom
“United States”	the United States of America
“%”	per cent.

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

Hong Kong, 7 May 2021

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 Mr. Chau On Ta Yuen SBS, BBS, Mr. Yip Tai Him and Dr. Tam Kam Kau GBS, SBS, JP.

** For identification purposes only*