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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)

INFORMATION UPDATE

As in the case of many other Chinese property developers, Redco Properties Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is faced with tightened liquidity. As shown in the condensed consolidated financial information of the Group for the six months ended 30 June 2022, the Group has experienced a significant decline in its contracted sales in the first half of 2022.

Since the third quarter, the industry has experienced further deterioration in its contracted sales and liquidity. While 16 supportive measures have been outlined in the Notice of the People’s Bank of China and the China Banking and Insurance Regulatory Commission on Providing Financial Support for the Stable and Healthy Development of the Real Estate Market (關於做好當前金融支持房地產市場平穩健康發展工作的通知) published in November 2022 with the objective of easing the liquidity issue faced by the industry, it is expected that it would take some time before their impact will be felt.

Against this background, to alleviate the liquidity issues, the Company is considering various measures including but not limited to the followings:

- (1) The Group will use its best endeavours to ensure normal business operations including the delivery of properties, which is beneficial to the long-term success of the Group and its stakeholders;

- (2) The Group will continue to implement measures to accelerate the pre-sale and sale of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and contract assets; and
- (3) The Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.

The Group aims to achieve a holistic solution of its offshore debts that ensures a fair and equitable treatment to its offshore creditors, and provides a sustainable capital structure. To this end, the Company will proactively and constructively engage with the Group's offshore creditors and seek their support. The Group's offshore creditors are also encouraged to contact its Investor Relations Department at ir@redco.cn.

In view of the tight liquidity, the Group will suspend its payment under its offshore debts. Such non-payment may lead to the Group's creditors demanding acceleration of repayment of their debts. As at the date of this announcement, the Group has not received any notice regarding acceleration of offshore repayment.

Shareholders and other investors of the Company should consider the relevant risks and exercise caution when dealing in the securities of the Company and, if in doubt, seek professional advice from their professional or financial advisers.

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

Hong Kong, 29 December 2022

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