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Redsun Properties Group Limited

弘陽地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1996)

PROFIT WARNING

This announcement is made by Redsun Properties Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

PROFIT WARNING

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the latest available unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Period**”), the Group is expected to record net loss during the Period in the range of approximately RMB3,000 million to RMB4,000 million (the corresponding period in 2021: net profit of RMB1,866 million).

The net loss of the Period was mainly attributable to the facts that (1) as the COVID-19 pandemic continued in 2022, the overall market size of the real estate industry declined, and the revenue and gross profit generated by the Group’s real estate projects decreased year-on-year; (2) under the influence of the market, the selling prices of the development projects of the Group and some associates and joint ventures of the Group fell short of expectation, and the provision for the impairment loss of assets based on the principle of prudence increased; (3) the economy slowed down as a result of the COVID-19 pandemic, and both the occupancy rate and rental income of investment properties decreased and as a result the fair value assessment of non-recurring profit or loss is estimated to be impaired; and (4) net exchange loss in respect of the USD-denominated debts of the Group increased due to foreign exchange fluctuation.

As at the date of this announcement, the Company is still in the process of finalizing the annual results of the Group for the Period. The information in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group for the Period, which have not been finalized or reviewed by the Company's auditor or the audit committee of the Company. The actual financial results of the Group for the Period may differ from what is disclosed in this announcement. Shareholders and potential investors of the Company are advised to carefully read the annual results announcement of the Company for the year ended 31 December 2022, which will be published by the Company by the end of March 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

On behalf of the Board
Redsun Properties Group Limited
Zeng Huansha
Chairman

Hong Kong, 17 March 2023

As of the date of this announcement, the executive Directors are Mr. Zeng Huansha, Mr. Zeng Junkai and Mr. Lui Wai Pang; and the independent non-executive Directors are Mr. Lee Kwok Tung Louis, Mr. Leung Yau Wan John and Mr. Au Yeung Po Fung.