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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)

(Debt Stock Codes: 40531 and 40690)

INSIDE INFORMATION

LEGAL PROCEEDINGS AGAINST AN INTERMEDIATE HOLDING COMPANY OF THE COMPANY

This announcement is made by Redsun Properties Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a), Rule 13.25(1)(b), Rule 37.47 and Rule 37.47B 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 Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 23 January 2024, the Company was informed by Hong Yang Group Company Limited, its controlling shareholder, that Serica Agency Limited (the “**Petitioner**”) filed a winding up petition dated 19 January 2024 (the “**Petition**”) against Hong Yang Group Company Limited in the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) for an order that Hong Yang Group Company Limited be wound up by the High Court under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) on the ground that Hong Yang Group Company Limited was unable to repay the Petitioner in the sum of USD288,578,125, being the amount of payment under the USD275,000,000 9.875% guaranteed senior notes due 2022 issued by Hong Seng Limited, inclusive of interest up to August 2022 (the “**Senior Notes**”). Hong Seng Limited is a direct wholly-owned subsidiary of Hong Yang Group Company Limited. Hong Yang Group Company Limited is the guarantor of the Senior Notes.

As at the date of this announcement, no hearing has taken place in relation to the Petition and no winding-up order has been made by the High Court against Hong Yang Group Company Limited.

To the best of the knowledge, information and belief of the directors of the Company after making reasonable enquiries, as at the date of this announcement, Hong Yang Group Company Limited has been in discussions with its creditors with a view to agreeing a realistic and holistic solution for its offshore indebtedness. Hong Yang Group Company Limited regrets that disagreements with certain creditors in respect of the commercial terms of the holistic solution have resulted in this unilateral action by the Petitioner but it understands the frustrations of the creditors. It remains of the view that a consensual restructuring is the best way to preserve value for, and is therefore in the best interests of, all of its stakeholders. It remains committed to continuing to engage with the creditors to explore ways to narrow the commercial gaps with a view to achieving an amicable settlement as soon as practicable. In the meantime, it is seeking legal advice in respect of its appropriate response to the Petition. The Company publishes this announcement in relation to the presentation of winding-up petition against its intermediate holding company pursuant to Rule 13.25(1)(b) of the Listing Rules.

Redsun Properties Group (Holdings) Limited is a controlling shareholder of the Company which holds 2,400,000,000 of the ordinary shares of the Company, which represents approximately 71.88% of the total issued shares of the Company. Redsun Properties Group (Holdings) Limited is the wholly-owned subsidiary of Hong Yang Group Company Limited. The sole shareholder of Hong Yang Group Company Limited is Hong Yang International Limited, and 100% of the issued share capital of Hong Yang International Limited is beneficially owned by Mr. Zeng Huansha individually and through Hong Yang Group (Holdings) Limited, a Cayman-incorporated entity.

The board of the directors of the Company (the “**Board**”) is of the view that the Petition has no material impact on the financial performance and operations of the Group.

The Board will closely monitor the development of the abovementioned matters and will further issue announcement(s) as and when appropriate.

The shareholders and potential investors of the Company 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, 23 January 2024

As at 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.