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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

UPDATES ON LEGAL PROCEEDINGS AGAINST INTERMEDIATE HOLDING COMPANY AND THE PROPOSED RESTRUCTURING OF SUCH INTERMEDIATE HOLDING COMPANY'S OFFSHORE DEBTS

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) 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).

Reference is made to the announcement of the Company dated 23 January 2024 (the “**Announcement**”) in relation to the winding up petition filed against its controlling shareholder, Hong Yang Group Company Limited (“**Hong Yang**”) in the High Court (the “**Hong Yang Petition**”) in respect of the US\$275,000,000 senior notes due 2022 issued by Hong Seng Limited (a directly wholly-owned subsidiary of Hong Yang) and guaranteed by Hong Yang (the “**Senior Notes**”).

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings defined in the Announcement.

By way of an update to the Announcement, the Company was informed by Hong Yang that the hearing of the Hong Yang Petition has been adjourned to 15 July 2024, following significant progress made regarding the restructuring of the Senior Notes.

2024 PROPOSED HONG SENG RESTRUCTURING

The Company was informed by Hong Yang that, following discussions between Hong Seng Limited, its advisers and certain holders of the Senior Notes (“**Ad Hoc Group**”), Hong Seng Limited has entered into a restructuring support agreement with, among others, the Ad Hoc Group (“**2024 RSA**”) to support the implementation of the proposed restructuring of the Senior Notes (the “**2024 Proposed Hong Seng Restructuring**”).

The 2024 Proposed Hong Seng Restructuring is expected to be principally implemented through a scheme of arrangement proposed to be effected in the British Virgin Islands and subject to the terms of the 2024 RSA, through parallel schemes of arrangement in other relevant jurisdiction(s) and/or recognition proceedings in other appropriate jurisdiction(s) for the purposes of obtaining cross-border recognition and relief.

A scheme of arrangement is a statutory mechanism which allows the relevant court to sanction a “compromise or arrangement” which has been voted upon by the relevant classes of creditors and approved by the required majorities; it is not an insolvency procedure.

As of 10 May 2024, holders representing approximately 93.8% of the aggregate outstanding principal amount of the Senior Notes have executed or acceded to the 2024 RSA, and have committed to supporting the 2024 Proposed Hong Seng Restructuring.

The Company was informed by Hong Yang that it will continue to work expeditiously with the parties involved to implement the terms of the 2024 Proposed Hong Seng Restructuring.

UPDATES ON THE HONG YANG PETITION

The Company was further informed by Hong Yang that, since the date of the Announcement, in view of the progress made on the 2024 Proposed Hong Seng Restructuring, the relevant parties to the Hong Yang Petition filed a joint application to the High Court to seek an adjournment of the Hong Yang Petition. On 26 April 2024, the High Court ordered, among others, for the hearing of the Hong Yang Petition to be adjourned to 15 July 2024.

The Board is of the view that the abovementioned matters do not have a material impact on the financial performance and operations of the Group.

The Board will keep its shareholders and investors informed of any significant developments, including in respect of the abovementioned matters, and the Company will issue further announcement(s) as and when appropriate or required under the Listing Rules.

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, 10 May 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.