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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)

UPDATE IN RELATION TO DISCLAIMER OF OPINION IN THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Redsun Properties Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to provide updates in relation to the disclaimer of opinion (“**Disclaimer of Opinion**”) expressed by the auditors of the Company (“**Auditors**”) on the consolidated financial statements of the Group for the year ended 31 December 2024.

DISCLAIMER OF OPINION

As disclosed on page 148 of the Company’s annual report for the year ended 31 December 2024 (“**2024 Annual Report**”), the Auditors expressed the Disclaimer of Opinion as follows: “*We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters as described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.*”

The basis for the Disclaimer of Opinion is “*material uncertainties relating to going concern*”, as more particularly set out on pages 149, 150, 161 to 163 of the 2024 Annual Report.

MEASURES TO ADDRESS THE DISCLAIMER OF OPINION

To address the material uncertainties relating to going concern, as set out in the 2024 Annual Report, various plans and measures (i.e., items (a) to (f) on pages 161 and 162 thereof, and collectively, the “**Measures**”) have been or were being implemented prior to the publication of the 2024 Annual Report.

As at the date of this announcement, the Company has been implementing the Measures on an ongoing basis, with the steps taken and progress made since the date of publication of the 2024 Annual Report as detailed below:

- (i) regarding negotiations with banks and financial institutions for the extension of borrowing repayments (item (a) thereof), the Group (including its certain joint ventures and associated companies) successfully completed the extension or slowdown of payment progress for nine loans in the first half of 2025, with a total loan amount of approximately RMB3 billion;
- (ii) regarding negotiations with financial institutions to obtain new loans at a reasonable cost for ensuring delivery of its property projects under development (item (b) thereof), the Group (including its certain joint ventures and associated companies) successfully secured two new financings in the first half of 2025, totaling approximately RMB90 million; and
- (iii) regarding suitable opportunities to dispose of its equity interests in certain project development companies to generate additional cash inflows (item (f) thereof), the Company has obtained approval from its shareholders (the “**Shareholders**”) by way of an ordinary resolution at an extraordinary general meeting dated 21 May 2025 to approve its sale of equity interests in certain target companies, along with certain parking spaces, to Redsun Services Group Limited. For further details, please refer to the Company’s announcements dated 17 February and 21 May 2025, as well as the circular dated 30 April 2025.

In addition, the Group has been continuing its effort in implementing the Measures, including seeking for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures; preparing and implementing a business strategy plan mainly focusing on the acceleration of the sales of properties; and implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses (items (c) to (e) thereof).

The Company will continue to take appropriate actions to resolve the issues relating to going concern regarding the financial statements of the Group. The Company will make further announcement(s) in relation to the above matters as and when appropriate or required.

The implementation of the Measures will be subject to further change and factors beyond the Company's control, and there is no assurance that the Measures will be successfully implemented. Therefore, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company. When in doubt, holders of securities and other investors of the Company are advised to seek professional advice from their own professional or financial advisors.

For and on behalf of the Board
Redsun Properties Group Limited
Zeng Huansha
Chairman

Hong Kong, 30 June 2025

As of the date of this announcement, the executive Directors are Mr. Zeng Huansha, Mr. Chen Bin and Ms. Hu Fang; and the independent non-executive Directors are Mr. Lee Kwok Tung Louis, Mr. Leung Yau Wan John and Mr. Au Yeung Po Fung.