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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)

PROPOSED SHARE SUB-DIVISION

The Board proposes that each of the existing Shares be sub-divided into two Sub-divided Shares. The Share Sub-division will become effective upon the fulfillment of the conditions set out under the paragraph headed “Conditions of the Share Sub-division” below.

The Shares are currently traded in board lots of 2,000 Shares. No change will be made to the board lot size for trading and upon the Share Sub-division becoming effective, each existing board lot size for trading on the Stock Exchange will be 2,000 Sub-divided Shares.

A circular containing, among other things, details of the Share Sub-division and the trading arrangement in respect of the Subdivided Shares together with a notice to convene the EGM will be despatched to the Shareholders as soon as practicable.

THE SHARE SUB-DIVISION

The Board proposes that each of the existing issued and un-issued Shares be sub-divided into two Subdivided Shares.

The Board considers that the Share Sub-division may facilitate trading and improve the liquidity of the Sub-divided Shares, thereby enabling the Company to attract more investors and broaden the Shareholders base. As such, the Directors (including independent non-executive Directors) are of the opinion that the Share Subdivision is in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the authorised share capital of the Company is HK\$5,000,000,000 divided into 50,000,000,000 Shares, of which 1,775,804,661 Shares are in issue. Assuming that no further Shares will be issued or repurchased after the date of this announcement and prior to the Share Sub-division becoming effective, the effect of the Share Sub-division is set out as follows:

	Prior to the Share Sub-division	Immediately upon completion of the Share Sub-division
Par value of each Share	HK\$0.10	HK\$0.05
Number of authorised Shares	50,000,000,000	100,000,000,000
Authorised share capital	HK\$5,000,000,000	HK\$5,000,000,000
Number of Shares in issue	1,775,804,661	3,551,609,322
Number of unissued Shares	48,224,195,339	96,448,390,678

The Sub-divided Shares will rank *pari passu* in all respects with one another and the Share Sub-division will not result in any change in the relative rights of the Shareholders. As at the date of this announcement, no options have been granted under the Share Option Scheme.

An application will be made to the Listing Committee of the Stock Exchange for the listing of and the permission to deal in the Sub-divided Shares.

CONDITIONS OF THE SHARE SUB-DIVISION

The Share Sub-division is conditional upon, *inter alia*,:

- (i) the passing of the resolution(s) by the Shareholders at the EGM to approve the relevant resolution(s) in respect of the Share Sub-division; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Sub-divided Shares.

The Share Sub-division will become effective on the trading day immediately after the conditions mentioned above are fulfilled.

BOARD LOT SIZE

The Shares are currently traded in board lots of 2,000 Shares. No change will be made to the board lot size for trading and upon the Share Sub-division becoming effective, the Subdivided Shares will be traded in board lots of 2,000 Sub-divided Shares. No odd lots of Subdivided Shares will be resulted from the Share Sub-division, other than those already existed before the Share Sub-division becoming effective. Accordingly, no arrangement will be made by the Company for matching of sale and purchase of odd lots in connection with the Share Sub-division.

TIMETABLE AND EXCHANGE FOR SHARE CERTIFICATES

The expected timetable for the Share Sub-division is set out below:

2016

Expected date of despatch of the circular relating to the Share Sub-division	On or before 12 October 2016
Latest time for the lodging of form of proxy for the EGM.....	10:00a.m. on 25 October 2016
Expected date of the EGM to approve the Share Sub-division	10:00a.m. on 27 October 2016
Expected date of the publication of the announcement of poll results of the EGM.....	27 October 2016
Effective date of the Share Sub-division.....	28 October 2016
First day of free exchange of existing share certificates for new share certificates for Sub-divided Shares	28 October 2016
Dealing in Sub-divided Shares commences.....	9:00 a.m., 28 October 2016
Existing counter for trading in board lots of 2,000 Shares of HK\$0.10 each temporarily closes	9:00 a.m., 28 October 2016
Temporary counter for trading in board lots of 4,000 Sub-divided Shares (in the form of existing share certificates) opens	9:00 a.m., 28 October 2016
Existing counter for trading in 2,000 Sub-divided Shares (in the form of new share certificates (in yellow colour) for Sub-divided Shares) re-opens	11 November 2016
Parallel trading (in the form of new share certificate (in yellow colour) for Sub-divided Shares and existing certificates for Shares) commences	11 November 2016

Temporary counter for trading in Sub-divided
Shares in board lot of 4,000 Sub-divided
Shares (in the form of existing share
certificates) closes 4:00 p.m., 1 December 2016

Parallel trading (in the form of new share
certificate (in yellow colour) for Sub-divided
Shares and existing certificates for Shares)
ends 4:00 p.m., 1 December 2016

Last day for free exchange of share certificates 5 December 2016

FREE EXCHANGE OF SHARE CERTIFICATES

The Shareholders may, on or after 28 October 2016 until 5 December 2016, submit existing share certificates (in board lots of 2,000 Shares) in respect of the Shares to the Company’s share registrar and transfer office in Hong Kong, Computershare Hong Kong Investors Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong to exchange at the expenses of the Company, for the new shares certificates (in board lots of 2,000 Sub-divided Shares) for the Sub-divided Shares. After the expiry of such period, existing share certificates for the Shares will be accepted only on payment of a fee of HK\$2.5 (or such higher amount as may from time to time per permitted under the Listing Rules) per existing certificate cancelled or new certificate issued, by reference to the higher number of certificates may be.

It is expected that new certificates for the Sub-divided Shares will be available for collection on or after the 10th business day from the date of submission of the existing share certificates to the Company’s share registrar and transfer office in Hong Kong at the above address. All existing share certificates in board lot of 2,000 Shares each will continue to be evidence of title to such Shares and may be exchanged for new certificates at any time.

OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME AND OTHER CONVERTIBLE SECURITIES OF THE COMPANY

As at the date of this announcement, no outstanding share options have been granted under the Share Option Scheme and the Company has no other convertible securities outstanding.

EFFECTS OF THE SHARE SUB-DIVISION

Other than the expenses incurred relating to the Share Sub-division, implementation of the Share Subdivision will not, in itself, alter the underlying assets, business operations, management or financial position of the Company. The Directors believe that the Share Sub-division will not have a material adverse effect on the financial and trading position of the Company and its subsidiaries.

GENERAL

A circular containing, among other things, details of the Share Sub-division and the trading arrangement in respect of the Subdivided Shares, together with a notice to convene the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

“Board”	the board of Directors;
“Company”	Redco Properties Group Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and approve the Share Sub-division and the increase in the authorised share capital of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company;
“Shareholders”	holders of the Shares;
“Share Option Scheme”	the share option scheme of the Company adopted on 14 January 2014;
“Share Sub-division”	the proposed sub-division of each existing issued and un-issued Shares of HK\$0.10 each into two Shares of HK\$0.05 each;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Sub-divided Shares”	Shares after the Share Sub-division of HK\$0.05 each; and
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong.

By order of the Board of
Redco Properties Group Limited
Huang Ruoqing
Executive Director

30 September 2016

As at the date of this announcement, the executive directors of the Company are Mr. Huang Ruoqing, Mr. Tang Chengyong, Mr. Hong Duxuan; and the independent non-executive directors of the Company are Dr. Wong Yau Kar, David BBS, JP, Mr. Chau On Ta Yuen, Mr. Yip Tai Him and Mr. Chow Kwong Fai, Edward, JP.