

**REDCO PROPERTIES GROUP LTD:
THIS MEDIUM IS UNIMPRESSED BY THIS PROPERTY DEVELOPER**

Never has there been such an overt situation as that which has been précised in the Global Offering Prospectus of Redco Properties Group Ltd () (Code: 1622, Main Board, The Stock Exchange of Hongkong Ltd).

Redco Properties is the latest company to seek a listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

As the name of this Company suggests, it is a property developer that focuses on residential property projects in the PRC, proper, being separate and distinct from the HKSAR of the PRC.

At Page 248 of the Global Offering Prospectus, it is stated:

'OUR CONTROLLING SHAREHOLDER AS A WITNESS IN A TRIAL

'Mr. Wong (Mr Wong Yeuk Hung []) gave testimony in relation to the trial of Lin Changyuan (), a former chief of Youxi county (), Fujian Province. In 2008, Lin Changyuan was prosecuted by Fujian Province Xiamen People's Procuratorate () for receiving bribes.

'Mr. Wong came to know Lin Changyuan through a construction project of a section of a public road undertaken by Forever China (Forever China [Quanzhou] Construction Company Ltd [], formerly a subsidiary of Redco Properties) in Youxi county in 1997. Lin Changyuan was the chief of Youxi county at the relevant time. Mr. Wong confirmed in his testimony that, he was asked by Lin Changyuan to advance a sum in the amount of RMB200,000 for Lin Changyuan to purchase a property and that he did not do so of his own initiative. Mr. Wong also confirmed in his testimony that he had asked Lin Changyuan to repay the money on several occasions, and that Lin Changyuan had, until early 2007, always indicated that he wanted to repay the said RMB200,000 and settle the matter. Lin Changyuan submitted to the court that the amount of RMB200,000 obtained from Mr. Wong was a loan.

'In 2009, the court found that despite having ample funds at his disposal at all times to effect repayment, Lin Changyuan never intended to repay the amount, and had a subjective intention to unlawfully usurp such money. The court found the reason for Lin Changyuan's defence insufficient and did not accept his defence. The court found Lin Changyuan guilty of receiving bribes.'

Due to this case and the testimony of Mr Wong Yeuk Hung, The Listing Committee of The Stock Exchange of Hongkong Ltd determined that Mr Wong was not suitable to act as a Director of Redco Properties.

However, Mr Wong Yeuk Hung has been designated as the Non-Executive Honorary Chairman of the Company *'and (he) will not participate in meetings ... unless invited by our Board ...'* (Page 257 of the Global Offering Prospectus)

TARGET (), of course, cannot and shall not comment of the above, historical events except to state that this

medium has never read such a statement in the Prospectus of an Initial Public Offering (IPO) in its 43 years of existence in the HKSAR.

The IPO

Redco Properties is making a Global Offering of 400 million, 10-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK2.10 to a high of \$HK2.60.

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