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**(1) FURTHER DELAY IN PUBLICATION OF  
AUDITED 2022 ANNUAL RESULTS;  
(2) DELAY IN DESPATCH OF THE 2022 ANNUAL REPORT;  
AND  
(3) CONTINUED SUSPENSION OF TRADING**

This announcement is made by the board of directors (the “**Board**”) of SRE Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2) and 13.49(3) 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 29 March 2023 (the “**Delay Announcement**”) in relation to, among others, the delay in publication of the annual results of the Company for the year ended 31 December 2022 (the “**2022 Annual Results**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Delay Announcement.

**FURTHER DELAY IN PUBLICATION OF AUDITED 2022 ANNUAL RESULTS**

The Board wishes to announce that as additional time is required to finalize the 2022 Annual Results, it is currently expected that the 2022 Annual Results will be published on or before 31 May 2023. In this regard, the Board would like to provide further information to its shareholders and potential investors regarding the delay in publication of the 2022 Annual Results. Additional time will be required before outstanding assessment by the management of the Company and relevant audit procedures could be completed before the publication of the 2022 Annual Results for the reasons set out below.

As mentioned in the Company’s announcement dated 27 March 2022 (the “**Jinxin Announcement**”) and related announcements made by the Company thereafter, Shanghai Jinxin Real Estate Company Limited\* (上海金心置業有限公司) (“**Shanghai Jinxin**”) (a

company established under the laws of the PRC with limited liability, which is held as to 51% equity interest by the Company and is not a subsidiary of the Company) entered into a series of syndicated loan agreements and extension agreements in respect of the Loan (as defined in the Jinxin Announcement). As Shanghai Jinxin has been in default of the Loan, the Lenders commenced legal proceedings against Shanghai Jinxin and guarantors to the Loan. The parties thereafter agreed to extend the repayment date of the Loan and related sums to 30 June 2023. In light of the upcoming extended repayment date of 30 June 2023 for the Loan as described in the Company's announcement dated 11 January 2023, Shanghai Jinxin is actively seeking financing channels for the repayment of such Loan. As Shanghai Jinxin is in default of the Loan and members of the Group are guarantors to such Loan as disclosed in the Jinxin Announcement, the Group also has payment obligations in respect of the Loan. Specifically, the Group pledged its 51% equity interest in Shanghai Jinxin to the relevant Lenders and such Lenders may apply to court for the disposal of the pledged equity in the event of default by Shanghai Jinxin. As at 22 April 2023, being the latest practicable date prior to the publication of this announcement (the "**Latest Practicable Date**"), the outstanding amount of the Loan amounted to RMB4,452 million and the interest and relevant fees accrued thereon for the Loan amounted to approximately RMB187.6 million.

Apart from the Loan, a subsidiary of the Company and joint venture entities in which the Group has interest also took out other loans with upcoming repayment dates in 2023 (the "**Other Loans**"). As at the Latest Practicable Date, the outstanding amount of the Other Loans amounted to RMB541 million and the accrued interest thereon amounted to RMB4 million. The Group has been liaison with relevant parties and extended certain repayment dates. The management of the Company has entered into a term sheet for financing with a potential lender with regards to new financing solutions in the amount of RMB597 million part of which would be used to replace the loan amount of RMB441 million among the Other Loans. One of the Other Loans taken out by a subsidiary of the Company in the amount of RMB100 million has also been extended for one year upon maturity, of which (i) RMB12.5 million is repayable within 2023, (ii) another RMB12.5 million is repayable by 15 March 2024, and (iii) the remaining RMB75 million is repayable by 21 April 2024. However, the default of the Loan by Shanghai Jinxin and the obligation of the Group to repay the Loan as guarantors coupled with the maturity of Other Loans taken out by the Group and relevant parties may bring uncertainty as to whether the Group will be able to continue as a going concern.

In this respect, the management of the Company considered selling the 51% equity interest in Shanghai Jinxin to increase the liquidity of the Group and also to release the guarantees provided by the Group in respect of the Loan, alongside taking out other facilities for repayment of the Group's loans. However, having consulted stakeholders of the Company who conveyed that they did not support the aforementioned plan of sale in late March 2023, the management is currently liaising with banks and other parties in the lookout for

alternative financing solutions and therefore would need further time for the preparation of the revised cash flow forecast of the Group and for assessment of the going concern basis of preparation of the financial statements of the Group.

Further, the auditors of the Company (the “**Auditors**”) will have to review (i) the revised cash flow forecast for a period of not less than twelve (12) months starting from 31 December 2022, which is yet to be finalised by management based on its plans of financing and refinancing the above aforementioned loans; and (ii) the relevant disclosures about the going concern basis for preparing the Group’s consolidated financial statements in its 2022 Annual Results. In connection with their review and in light of the aforementioned loans and based on the financing and refinancing plans the Group may establish, the Auditors would also conduct interviews with relevant lenders to ascertain whether the lenders will, among other things, enforce any security or auction pledged interest or take any other legal actions in order to assess any impacts on the going concern basis of the Company.

As aforementioned, the Group provided guarantees in respect of the Loan which involved the pledge of its 51% equity interest in Shanghai Jinxin. As a result of the default of the Loan by Shanghai Jinxin and the abovementioned legal proceedings, there is an increased financial guarantee credit risks and the enforcement of the security provided by the Group may result in the loss of the equity interest and properties of the Group which may have a significant impact on the financial statements of the Company. In this connection, the management of the Company is in the process of assessing related impairment on which the Auditors would have to carry out audit procedures. As the Group is also awaiting the advice of its legal advisers in respect of the aforementioned legal proceedings or other actions which may be taken by relevant lenders (including analysis of possible outcomes), the management was not able to assess the possible outcome of related legal proceedings or other possible actions taken by the relevant lenders and therefore the impairment impact of the default before 31 March 2023, and thus the management would require further time to assess the financial implications such defaults may have on the Group. The Auditors will carry out necessary audit procedures on management’s assessment of such financial impact arising from defaults after the assessment is finalised.

Other audit procedures to be completed include, but are not limited to, obtaining certain remaining confirmations from parties with material balances or transactions, updated subsequent event review and management representation letters.

Save as disclosed above and as at the date hereof, there is so far no disagreement with the audit committee on the accounting treatment. The Board and the management of the Company are doing their utmost to complete the assessment and finalize the management accounts, and to provide all the requisite information and documents for the Auditors to complete the audit procedures as soon as practicable.

Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to issue its preliminary results in accordance with Rules 13.49(1) and (2) of the Listing Rules, it must announce its results based on the financial results that have yet to be agreed with the Auditor (so far as the information is available). As the management accounts have yet to be finalized due to reasons set out above, the Company will not be publishing the unaudited consolidated management accounts of the Group at this stage.

The Company will make further announcement(s) to provide updates on the above matters as and when appropriate and in accordance with the requirements of the Listing Rules.

### **DELAY IN DESPATCH OF THE 2022 ANNUAL REPORT**

Pursuant to Rule 13.46(2)(a) of the Listing Rules, the Company is required to despatch its annual report for the year ended 31 December 2022 (the “**2022 Annual Report**”) to the shareholders of the Company (the “**Shareholders**”) no later than four months after the end of the financial year (i.e. on or before 30 April 2023). Due to the delay in the publication of the 2022 Annual Results for reasons set out in this announcement, it is expected that there will be a delay in the despatch of the 2022 Annual Report. The possible delay in despatch of the 2022 Annual Report will constitute a non-compliance with Rule 13.46(2)(a) of the Listing Rules.

The Company will publish further announcement(s) to inform the Shareholders of the date of despatch of the 2022 Annual Report as and when appropriate.

### **CONTINUED SUSPENSION OF TRADING**

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 April 2023 and will remain suspended until further notice.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**SRE Group Limited**  
**Hong Zhihua**  
*Chairman*

Hong Kong, 28 April 2023

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Hong Zhihua, Mr. Kong Yong, Mr. Xu Ming and Mr. Jiang Qi; two non-executive directors, namely Mr. Lu Jianhua and Mr. Pan Pan; and three independent non-executive directors, namely Mr. Zhuo Fumin, Mr. Ma Lishan and Mr. Chui Man Lung, Everett.*

\* *For identification purpose only*