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(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

QUARTERLY UPDATE ON RESUMPTION, INSIDE INFORMATION AND ANNOUNCEMENT PURSUANT TO RULE 13.19 OF THE LISTING RULES

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, 13.19 and 13.24A 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).

References are made to the announcements of the Company (i) dated 29 March 2023 in relation to the delay in publication of Annual Results announcement for the year ended 31 December 2022, further postponement of the Board meeting, and suspension of trading; (ii) dated 3 April 2023 in relation to the trading suspension; (iii) dated 28 April 2023 in relation to further delay in publication of audited 2022 annual results, further delay in despatch of the 2022 Annual Report, and continued suspension of trading; and (iv) dated 25 May 2023 in relation to the resumption guidance from the Stock Exchange (the “**Resumption Guidance**”) (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

OUTSTANDING FINANCIAL RESULTS

The Company is using its best endeavours to assist the auditors of the Company to complete their audit work in relation to the 2022 Annual Results. The Company will publish further announcement(s) to inform the Shareholders of the progress of the publication of the 2022 Annual Results as and when appropriate.

As the Company will require more time to complete the procedures of financial reporting and auditing due to the matter and the relevant limitations as mentioned in the Company's announcement dated 28 April 2023, as such, the Company expects that the publication of the 2022 Annual Results and the 2022 Annual Report will be further delayed.

As a result, the meeting of the Board to approve, among others, the 2022 Annual Results will be postponed accordingly. Under Rule 13.46(2)(b) of the Listing Rules, the Company is required to lay its annual financial statements before its members at its annual general meeting within the period of 6 months after the end of the financial year (i.e. 30 June 2023) (the "2022 AGM"). Due to the further delay in publication of the 2022 Annual Results and the 2022 Annual Report, the Company expects that the 2022 AGM will also be delayed.

UPDATES ON BUSINESS OPERATION

The Group is principally engaged in property and land development, property investment and property management in China.

As at the date of this announcement, the Group is carrying on its normal day-to-day operations. The Group will continue to review its existing businesses from time to time and strive to improve the business operation and financial position of the Group. The operations of the Group have not been affected by the delay in the publication of the 2022 Annual Results. Further updates in respect of business operations of the Group will be announced as and when appropriate.

UPDATE ON FINANCIAL SITUATION

As disclosed in the Company's announcement dated 28 April 2023, 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.

Therefore Shanghai Jinxin shall pay by 30 June 2023: (i) the outstanding principal of the Loan in the amount of approximately RMB4,452 million (equivalent to approximately HK\$4,838 million), and (ii) the outstanding accrued interest, management fee and service fee in the amount of approximately RMB234 million in total (equivalent to approximately HK\$254 million) (collectively, the "**Outstanding Payment**"). As at the date of this announcement, Shanghai Jinxin has not made any repayment under the aforesaid Outstanding Payment. The Company is actively communicating and approaching relevant Lenders to seek extensions, redemptions or discuss other feasible means in order to expedite the implementation of a mutually agreed solution to address the financial challenges currently faced by the Group. The Company sent a letter to the relevant Lenders on 29 June 2023 seeking support, including but not limited to an extension of the repayment of Outstanding Payment, for 6 months.

As Shanghai Jinxin is in default of the Outstanding Payment and members of the Group are Guarantors to the Loan, the Group also has payment obligations in respect of the Loan, therefore it is possible that cross-defaults under other loan agreements entered into by the Group may be triggered. As at the date of this announcement, the Company has assessed that the relevant lenders may demand the repayment of RMB890 million (equivalent to approximately HK\$967 million) in respect of such potential cross-defaults (including outstanding and possible breach of other loan facilities). The Group is making its best efforts to communicate and negotiate with the relevant lenders to obtain waiver or confirmation that the Outstanding Payment does not constitute events that trigger cross-defaults in the relevant agreements. As at the date of this announcement, the Group has yet to obtain waiver or confirmation from the relevant lenders. Based on the Group's communication with the relevant lenders as at the date of this announcement, it is understood that whether the lenders would demand immediate repayment from the Group under standard terms of agreement after having determined that events triggering cross-default have occurred would generally be based primarily on their judgment of the Group's operating conditions and financial position. As at the date at this announcement, the Group has not been required by the relevant lenders to make immediate repayment in respect of such potential cross-defaults.

The Company is continuously assessing the legal, financial and operational impact of the default on the Outstanding Payment on the Group. The Company will closely monitor the development of the abovementioned matters and will keep the shareholders of the Company and potential investors updated by way of further announcement(s) in accordance with the Listing Rules as and when appropriate.

RESUMPTION PLAN

In order to fulfill the Resumption Guidance, the Company is in the progress of devising a resumption plan with actions that it intends to take to remedy the issues causing its trading suspension and to fulfill the Resumption Guidance. As mentioned above, the Company is making effort to prepare the 2022 Annual Results and continues to strive for satisfaction of the requirements of the Resumption Guidance. The Company will seek to resume trading of its Shares on the Stock Exchange as soon as possible. Further announcements will be made by the Company to update the shareholders of the Company and the public on, among others, the progress of the resumption plan of the Company as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 3 April 2023 and will remain suspended until further notice.

Shareholders of the Company and potential investors should exercise caution when dealing in the Company's shares.

By Order of the Board
SRE Group Limited
Hong Zihua
Chairman

Hong Kong, 30 June 2023

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Hong Zihua, 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.

Unless otherwise specified, conversion of RMB to HK\$ in this announcement is based on the exchange rate of RMB1.00 = HK\$1.0868 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ can be or could have been converted at the relevant dates at the above rate or any other rates at all.

** For identification purpose only*