

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1207)**

**(1) QUARTERLY UPDATE ON RESUMPTION;  
(2) INSIDE INFORMATION; AND  
(3) CONTINUED SUSPENSION OF TRADING**

**QUARTERLY UPDATE ON RESUMPTION**

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 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 27 March 2022 in relation to, among other things, the Overdue Payment with regard to the Loan Agreements and Guarantees Provided by the Group (including the Company) pursuant to the Syndicated Loan Extension Agreement; (ii) dated 29 March 2023 in relation to, among other things, the delay in publication of the annual results announcement for the year ended 31 December 2022 and the suspension of trading in the shares of the Company; (iii) dated 3 April 2023 in relation to the suspension of trading in the shares of the Company; (iv) dated 28 April 2023 in relation to the further delay in publication of the audited 2022 annual results, further delay in despatch of the 2022 Annual Report, and the continued suspension of trading in the shares of the Company; (v) dated 25 May 2023 in relation to the Resumption Guidance; (vi) dated 30 June 2023 in relation to the quarterly update pursuant to the Resumption Guidance; (vii) dated 23 August 2023 in relation to inside information and the delay in publication of interim results and despatch of interim report for the six months ended 30 June 2023; (viii) dated 25 August 2023 in relation to the annual results announcement for the year ended 31 December 2022 (the “**2022 Annual Results Announcement**”); (ix) dated 18 September 2023 in relation to the retirement of auditors; (x) dated 28 September 2023 in relation to the quarterly update on resumption, postponement of Annual General Meeting and change of book closure period for the Annual General Meeting; (xi) dated 10 November 2023 in relation to the poll results of the annual general meeting; and (xii) dated 27 December 2023 in relation to the appointment of auditor of the Company (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

## **Proposed appointment of auditors**

As disclosed in the announcement of the Company dated 10 November 2023, an ordinary resolution granting authority to the Board of Directors to appoint auditors of the Company and fix their remuneration was passed by shareholders of the Company at the AGM.

As disclosed in the announcement of the Company dated 27 December 2023, the Board has resolved to appoint SHINEWING (HK) CPA Limited (“**SHINEWING**”) as the auditor of the Company on 22 December 2023 to fill the vacancy following the retirement of PwC and to hold office until the conclusion of the next annual general meeting of the Company.

As disclosed in the clarification announcement of the Company dated 29 December 2023, the Board further announces that the audit committee of the Company has considered various factors, including but not limited to (i) the experience, knowledge and technical competence of SHINEWING in handling audit work for companies listed on the Stock Exchange; (ii) its independence from the Group and objectivity; (iii) its market reputation and track record; and (iv) its resources and capabilities. Based on the above, the audit committee has assessed and considered that SHINEWING is eligible and suitable to act as the auditors of the Company for the 2023 Audit. The Company will make a further announcement when the formal appointment is made after SHINEWING has seriously considered the possibility of acceptance as auditors after completing the relevant client acceptance procedures in accordance with the professional code of conduct.

## **Outstanding financial results**

As disclosed in the announcement of the Company dated 28 September 2023, the Company is making an effort to prepare the Interim Results and the Interim Report and expects these to be published on or before 15 December 2023. However, as SHINEWING will only be formally appointed as auditors of the Company after SHINEWING has seriously considered the possibility of acceptance as auditors after completing the relevant appropriate client acceptance procedures in accordance with the applicable professional code of conduct, additional time will be required for the Company to complete the 2023 Interim Results and Interim Report and hence the publication of the same will be further postponed. The Company will publish further announcement(s) to inform the Shareholders of the progress of the publication of the 2023 Interim Results as and when appropriate.

## **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. Further updates in respect of the business operations of the Group will be announced as and when appropriate.

## **Update on financial situation**

As disclosed in the announcement of the Company dated 23 August 2023, according to the result of the inquiries on the official website of public enforcement information (<http://zxgk.court.gov.cn>) of the Supreme People's Court of the People's Republic of China (the “**PRC**”), Shanghai Jinxin and certain subsidiaries of the Group, namely Shunlink Investment Limited\* (上聯投資有限公司), Gaken Investment Limited\* (嘉勤投資有限公司), SRE Jiaye Real Estate Development (Shanghai) Company Limited\* (上置嘉業房地產發展(上海)有限公司) and Shanghai Oasis Garden Real Estate Company Limited\* (上海綠洲花園置業有限公司) were listed as enforcees of certain enforcement proceedings.

As at the date of this announcement, the Group has not yet received any formal notice from the Court or the Lenders, therefore the Group has not acquired further information save as the public information above. Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules to keep its Shareholders and potential investors informed of any further material development of the Potential Enforcement Action.

## **Resumption plan**

In order to fulfil 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 fulfil the Resumption Guidance. As mentioned above, the Company is making effort to prepare the Interim Results and Interim Report for the six months ended 30 June 2023 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.

## **PROCEEDINGS INITIATED AGAINST THE COMPANY**

References are made to (i) the Company's announcement dated 27 March 2022 in relation to, inter alia, the Overdue Payment with regard to the Loan Agreements dated 20 October 2016 and Guarantees Provided by the Group (including the Company) pursuant to the Syndicated Loan Extension Agreement dated 24 December 2021; and (ii) Note 2.1 in the 2022 Annual Results Announcement in relation to, inter alia, the default of the Syndicated Loan Extension Agreement, the Banks Lawsuit filed by the relevant lenders and the Settlement Judgement.

On 22 December 2023, the Company received a statement of civil claim (民事起訴狀) (the “**Statement of Claim**”) from the Shanghai Financial Court (上海金融法院) (the “**Court**”) regarding the claims by the Lenders of the JV’s syndicated bank loan (namely, Industrial and Commercial Bank of China Limited, Shanghai Bund branch\* (中國工商銀行股份有限公司上海市外灘支行); Agricultural Bank of China Limited, Shanghai Jing’an branch\* (中國農業銀行股份有限公司上海靜安支行); China Construction Bank Corporation, Shanghai Huangpu branch\* (中國建設銀行股份有限公司上海黃浦支行); and Shanghai Pudong Development Bank Co., Ltd., Shanghai Huangpu branch\* (上海浦東發展銀行股份有限公司黃浦支行)) against the Company.

According to the Statement of Claim, the Lenders made requests to the Court that the Company shall take the joint liability for the repayment to the Lenders of:

- (i) the JV’s syndicated bank loan in the principal amount of RMB4,451.82 million;
- (ii) the overdue interest calculated from 13 January 2023 to the actual repayment date, based on the loan principal of: (a) RMB2,911.75 million, with a 50% increase in interest rate after deducting 37.5 benchmark points from the Loan Prime Rate quoted by the People’s Bank of China (“**LPR**”) for more than 5 years, and (b) RMB1,540.07 million, with a 50% increase in interest rate after adding 33.75 benchmark points to the LPR for more than 5 years; and
- (iii) the outstanding management fee and service fee of RMB145.05 million for the JV’s syndicated bank loan.

The Company is actively communicating and approaching the 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 Group is also making its best efforts to communicate and negotiate with the Lenders to obtain waiver or confirmation that the abovementioned outstanding payment of the JV’s syndicated bank loan does not constitute events that trigger cross defaults in the relevant agreements.

In order to meet its repayment liabilities, the Group has also planned various fund-raising actions, which mainly include (a) speeding up the presale or sale of the Group’s properties completed or under development and collection of relevant proceeds; (b) sale of its investments in certain other joint ventures, development projects, and financial assets at a reasonable price; (c) collecting certain shareholder loans and receivables from a joint venture, etc.

The Company is continuously assessing the legal, financial and operational impact of the Statement of Claim 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.

## **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**  
**Qin Guohui**  
*Chairman*

Hong Kong, 29 December 2023

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Qin Guohui, 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*