SRE GROUP LIMITED
上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

GROUP FINANCIAL HIGHLIGHTS

	For the six months ended 30 June 2024
Revenue (RMB'000)	151,672
Loss for the period attributable to owners of the Company (RMB'000)	(164,883)
Basic losses per share (RMB)	(0.008)
Dividend per share – Interim (RMB)	–

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of SRE Group Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2024 together with comparative figures for the previous corresponding period in 2023. The unaudited interim financial information for the six months ended 30 June 2024 has been reviewed by the audit committee of the Company (the "**Audit Committee**").

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

(Amounts presented in thousands of Renminbi unless otherwise stated)

		For the six months ended 30 June	
		2024	2023
	NOTES	**Unaudited**	Unaudited
Revenue	*2*	**151,672**	146,304
Cost of sales		**(88,060)**	(83,010)
Gross profit		**63,612**	63,294
Other income	*4*	**59,206**	38,511
Other gains and losses	*5*	**(14,022)**	(240,391)
Selling and marketing expenses		**(10,642)**	(9,554)
Administrative expenses		**(55,887)**	(61,891)
Operating profit/(loss)		**42,267**	(210,031)
Finance income		**507**	3,376
Finance costs		**(199,293)**	(170,042)
Finance costs – net		**(198,786)**	(166,666)
Share of results of associates		**–**	(535)
Share of results of joint ventures		**(968)**	(4,341)
Loss before income tax		**(157,487)**	(381,573)
Income tax expense	*6*	**(5,337)**	(14,031)
Loss for the period		**(162,824)**	(395,604)

	NOTES	For the six months ended 30 June 2024 Unaudited	2023 Unaudited
Other comprehensive income, net of tax			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**1,232**	23,189
Total comprehensive expense for the period		**(161,592)**	(372,415)
(Loss)/profit for the period attributable to:			
Owners of the Company		**(164,883)**	(408,801)
Non-controlling interests		**2,059**	13,197
		(162,824)	(395,604)
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		**(163,651)**	(385,612)
Non-controlling interests		**2,059**	13,197
		(161,592)	(372,415)
Losses per share attributable to owners of the Company	*7*		
– Basic		**RMB(0.008)**	RMB(0.0199)
– Diluted		**RMB(0.008)**	RMB(0.0199)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

(Amounts presented in thousands of Renminbi unless otherwise stated)

	NOTES	**30 June 2024 Unaudited**	31 December 2023 Audited
Non-current Assets			
Financial assets at fair value through other comprehensive income ("**FVTOCI**")		**28,542**	28,542
Property, plant and equipment		**290,757**	298,034
Right-of-use assets		**239,288**	243,878
Investment properties		**3,966,000**	3,966,000
Goodwill		**–**	–
Investments in associates		**971,803**	971,803
Investments in joint ventures		**2,472,106**	2,507,015
Deferred tax assets		**24,447**	24,882
		7,992,943	8,040,154
Current Assets			
Inventories of properties		**1,925,321**	2,015,627
Other Inventories		**1,674**	1,674
Trade receivables	*9*	**29,096**	58,012
Other receivables		**1,771,800**	1,736,992
Prepayments and other current assets		**50,945**	33,587
Financial assets at fair value through profit or loss ("**FVTPL**")		**36,059**	37,834
Prepaid income tax		**4,041**	4,040
Other financial assets at amortised cost		**1,137,204**	1,135,606
Restricted bank deposits		**4,181**	4,240
Bank balances and cash		**44,375**	126,455
		5,004,696	5,154,067

	NOTES	**30 June 2024 Unaudited**	31 December 2023 Audited
Current Liabilities			
Lease liabilities		**3,047**	3,047
Trade payables	*10*	**349,497**	350,058
Other payables and accruals		**2,504,082**	2,569,699
Contract liabilities		**221,001**	222,625
Bank and other borrowings		**2,349,678**	1,261,034
Provision for losses due to the default of a joint venture's syndicated bank loan and execution of the financial guarantee contract		**236,960**	236,960
Tax payable		**637,946**	582,360
		6,302,211	5,225,783
Net Current Liabilities		**(1,297,515)**	(71,716)
Total Assets Less Current Liabilities		**6,695,428**	7,968,438
Non-current Liabilities			
Lease liabilities		**25,337**	27,078
Bank and other borrowings		**2,718,234**	3,830,241
Deferred tax liabilities		**1,183,955**	1,181,625
Financial liabilities at FVTPL		**267,252**	267,252
		4,194,778	5,306,196
Net Assets		**2,500,650**	2,662,242

	NOTES	30 June 2024 Unaudited	31 December 2023 Audited
Capital And Reserves			
Issued share capital and share premium		**6,747,788**	6,747,788
Other reserves		**242,326**	241,094
Accumulated losses		**(4,790,785)**	(4,625,902)
Equity attributable to owners of the Company		**2,199,329**	2,362,980
Non-controlling interests		**301,321**	299,262
Total Equity		**2,500,650**	2,662,242

NOTES:
(Amounts presented in thousands of Renminbi unless otherwise stated)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

1.1 General information

SRE Group Limited (the "**Company**") was incorporated in Bermuda with limited liability on 11 August 1999 as an exempted company under the Bermuda Companies Act 1981. The shares of the Company are listed on the Main board of The Stock Exchange of Hong Kong Limited (the "**SEHK**"). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The addresses of the principal place of business of the Company in the People's Republic of China (the "**PRC**") and Hong Kong are Shanghai Headquarter address and Suite 2806A, 28/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, respectively.

The Company and its subsidiaries (collectively referred to as the "**Group**") are mainly engaged in real estate development and investment in the PRC, on projects located in gateway cities of developed and developing markets.

As at 30 June 2024, the Company's parent company is China Minsheng Jiaye Investment Co., Ltd. ("**China Minsheng Jiaye**"), and its ultimate holding company is China Minsheng Investment Corp., Ltd. ("**China Minsheng Investment**").

The interim condensed consolidated financial statements are presented in thousands of Renminbi ("**RMB**"), unless otherwise stated.

1.2 Principal accounting policies

The condensed consolidated financial information have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023 except as described below.

Application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

In the current reporting period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

- Amendments to HKFRS 16 – Lease Liability in a Sale and Leaseback
- Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
- Amendments to HKAS 1 – Non-current Liabilities with Covenants
- Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements

The application of the amendments HKFRSs in the current interim period has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

1.3 Basis of preparation

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of and for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

Going concern basis

The Group incurred a net loss of approximately RMB163 million for the six months ended 30 June 2024 and, as at 30 June 2024, the Group had net current liabilities of approximately RMB1,298 million.

As at 30 June 2024, the Group's current liabilities included approximately RMB2,350 million of bank and other borrowings, out of which approximately RMB1,185 million were defaulted and became immediately repayable if requested by the lenders. As at 30 June 2024, however, the Group's cash and cash equivalents was approximately RMB44 million only.

The defaults of these borrowings were triggered by (1) the deterioration of the financial conditions of China Minsheng Investment, the ultimate holding company of the Group since 2018; (2) the arrest of Mr. Peng Xinkuang, a former executive director and the former chief executive officer and chairman of the board of directors of the Company, and the detention of Mr. Chen Donghui, a former executive director of the Company, by the relevant authorities in the PRC in January and February 2020; and (3) the default of a joint venture namely Shanghai Jinxin Real Estate Co., Ltd. ("**Jinxin**") for its syndicated bank loan guaranteed by the Group. In addition, the continuous default of Jinxin's syndicated bank loan resulted in the relevant lenders having the right to demand, and the relevant lenders have demanded, the Group to fulfill its guarantee obligation to repay the loan, including an outstanding principal of approximately RMB4,451.8 million and related interests and bank fees as at 30 June 2024, and the relevant lenders will also have the right to apply for court's forcible execution, including but not limited to dispose of the Group's equity investment in Jinxin which were pledged as collateral of Jinxin's syndicated bank loan. The relevant lenders of Jinxin applied for the court to enforce their above rights as at 30 June 2024.

On 8 April 2024, the Group entered into a disposal agreement, to which the purchaser (the "**Purchaser**") conditionally agreed to acquire and the Group conditionally agreed to: (i) dispose of entire interest in Jinxin at a consideration of approximately RMB0.8 billion; and (ii) assign the rights to the Purchaser in relation to the debts as originally owed by Jinxin to the Group at a consideration of approximately RMB2.61 billion (the "**Disposal**"). The Purchaser namely Zhongchong Investment Group Co., Ltd. (中崇投資集團有限公司), is a limited liability company established in the PRC and held 63.7% equity interest in its joint venture partner of Jinxin namely Zhongchong Binjiang Industrial Development Co., Ltd. (上海中崇濱江實業發展有限公司). On 29 May 2024, the Company held a special general meeting (the "**Original SGM**") for the purpose of approving the Disposal. During the Original SGM, the board of directors of the Company announced that due to the lack of quorum was present within thirty minutes from the time appointed for the Original SGM, the Original SGM was adjourned and the board of directors of the Company announced that the adjourned special general meeting will be held on 13 June 2024 (the "**Adjourned SGM**"). On 13 June 2024, the Company held the Adjourned SGM which certain shareholders requested to further adjourn the special general meeting to a date, time and venue to be determined by the board of directors of the Company (the "**Further Adjourned SGM**"). As of the date of this announcement, the arrangement for the Further Adjourned SGM was not yet determined by the Company.

Pursuant to the sales and purchase agreement in relation to the Disposal (the "**Disposal Agreement**"), the Disposal Agreement shall become effective upon the Company having completed the announcement and approval procedures in respect of the transactions contemplated under the Disposal Agreement in accordance with the Listing Rules and obtained shareholders' approval for the Disposal Agreement and the Disposal (the "**Conditions Precedent**"). Under the Disposal Agreement, the Conditions Precedent shall be fulfilled on or before 15 June 2024 (the "**Proposed Effective Date**"), or else the Group shall pay the Purchaser liquidated damages calculated as follows: (i) in the event of a delay of up to and including 30 days after the Proposed Effective Date, the Group shall pay the Purchaser liquidated damages calculated at 0.01% per day with reference to RMB2 billion; (ii) in the event of a delay of over 30 days after the Proposed Effective Date, the Group shall pay the Purchaser liquidated damages calculated at 0.03% per day with reference to RMB2 billion; and (iii) in the event of a delay of more than 90 days, the Purchaser shall have the right to unilaterally terminate the Disposal Agreement, in which case the Group shall return all the amount received from the Purchaser, as well as pay the Purchaser liquidated damages calculated at 5% with reference to the total consideration as set out in the Disposal Agreement. As of the date of this announcement, the Group has not reached any agreement with the Purchaser in relation to the extension of the Proposed Effective Date or pay the liquidated damages as set out above or receive any notification from the Purchaser for termination of the Disposal Agreement.

The above events or conditions indicate material multiple uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient funds to fulfill its financial obligations and continue as going concern.

The Group has formulated the following plans and measures to mitigate the liquidity pressure arising from the default of Jinxin's syndicated bank loan:

(1) The Group communicated with the relevant lenders of Jinxin's syndicated bank loan on 29 June 2023 and 19 June 2024 seeking the relevant lenders' support including but not limited to a further extension for the repayments of principals and overdue interests of the Jinxin's syndicated bank loan, so that Jinxin and guarantors have more time to explore any other feasible means to arrange financing plans for Jinxin. The Group is also in negotiation with the other shareholder of Jinxin for the arrangement of providing additional shareholders' financing to Jinxin for interest repayments. For the enforcement of settlement judgement, the Group will continue to communicate with the relevant lenders for its plans and measures from time to time, including but not limited to restructuring of the syndicated bank loan, guidance from relevant government bodies and future development plan of the Jinxin's project and so on, so that to persuade the relevant lenders to suspend or cease the enforcement of settlement judgement and grant more time and extend the repayment date of Jinxin's syndicated bank loan. Neither the relevant lenders of Jinxin's syndicated bank loan nor the other shareholder of Jinxin have responded to these communications.

(2) The Group and its ultimate holding company has communicated with relevant government bodies to seek support for Jinxin's and the Group's various efforts in restructuring the syndicated bank loan, and to seek extension of the repayment from 26 December 2022 to 31 December 2024. The Group has not received response to such communication yet.

(3) The Group is also helping Jinxin to negotiate with other financial institutions to obtain future financing to restructure the syndicated bank loan and/or further development of the project of Jinxin. The Group is currently discussing these plans with all relevant parties including but not limited to the other shareholder of Jinxin, the relevant lenders of the Jinxin's syndicated bank loan, and participating financial institutions.

The Group has also formulated following plans and measures to mitigate the liquidity pressure arising from the other defaults and improve its cashflows:

(1) The Group has been proactively communicating with the other lenders of the Group to explain the Group's business, operations, financial condition and cash position. The directors of the Company are confident to convince the other lenders not to exercise their rights to request the Group for immediate repayment of the loans prior to their scheduled contractual repayment dates.

(2) The Group has been communicating with the Company's ultimate holding company and certain related parties to extend repayment of the certain borrowings which are repayable on demand. The directors are confident that the extension will be supported by the ultimate holding company and the related parties.

(3) The Group has also planned various actions to improve its cash flows, which mainly include (a) speeding up the presale or sale the Group's properties completed or under development and collection of relevant proceeds; (b) sale of Jinxin at a reasonable price; (c) collection of settlement for its other receivables from and loans to its related parties. The directors of the Company are confident that the Group will be able to successfully and timely generate cash inflows for the Group from the above-mentioned actions.

The directors of the Company have reviewed the Group's cash flow forecast prepared by the management, which covers a period of not less than twelve months from 30 June 2024. They are of the opinion that, taking into account the above-mentioned plans and measures, and the Group will have sufficient funds to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of issue of this interim results announcement. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

Notwithstanding the above, material multiple uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the followings:

(1) successfully persuading the relevant lenders of Jinxin's syndicated bank loan to suspend or cease the enforcement of settlement judgement and grant further necessary extension for repayment of overdue amounts under the syndicated bank loan, and agreement by the other shareholder of Jinxin to provide funds that are necessary for Jinxin's repayment of the interests of the syndicated bank loan;

(2) maintenance of a continuing and normal business relationship with the Group's existing lenders such that no action will be taken by these lenders to exercise their contractual rights to demand immediate repayment of the relevant loans;

(3) successful negotiation with the Company's parent company, ultimate holding company, intermediate holding company and certain related parties of the Group for extension of certain borrowings due on demand;

(4) successful speed-up and timely collection of proceeds from sales and presales activities of completed properties and properties under development, successful and timely sale of the Group's investments in certain joint ventures, development project, and financial assets at a reasonable price, as well as timely collection of loans to related parties and other receivables from a joint venture and related parties;

(5) successful in obtaining financial support from the Company's shareholders to finance the future development of Jinxin and the Group's existing properties under development for sales; and

(6) successful in receiving the full amount of consideration according to the milestone of the Disposal Agreement.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these interim condensed consolidated financial statements.

2. REVENUE

An analysis of revenue is as follows:

	(Unaudited) For the six months ended 30 June 2024	2023
Revenue from contracts with customers recognized at a point in time		
− Revenue from sale of properties	**67,887**	74,615
− Revenue from hospital service	**3,613**	3,764
	71,500	78,379
Revenue from contracts with customers recognized over time		
− Revenue from properties management service	**24,379**	19,448
− Revenue from hospital service	**10,578**	7,742
	34,957	27,190
Revenue from property leasing	**46,267**	40,928
Other revenue	**1,559**	904
Less: Tax and surcharges (a)	**(2,611)**	(1,097)
Total revenue	**151,672**	146,304

(a) Tax and surcharges

Tax and surcharges included government surcharges, comprising city maintenance and construction tax, education surtax and river way management fee, which are calculated at certain percentages of value-added tax ("**VAT**").

Effective from 1 May 2016, the Group's revenue is subject to VAT which is deducted directly from the revenue proceeds. The applicable VAT rate for the Group's revenue is as follows:

- Pursuant to the 'Public Notice on Relevant Policies for Deepening VAT Reform' jointly issued by the Ministry of Finance, State Taxation Administration and General Administration of Customs on 29 March 2019, the applicable tax rates of revenue arising from sale and lease of properties and revenue arising from construction of infrastructure for intelligent network are 9% from 1 April 2019, while they were 10% from 1 May 2018 to 31 March 2019, and 11% before 1 May 2018. Qualified old projects, which are those with construction commenced on or before 30 April 2016, can adopt a simplified VAT method at a rate of 5% with no deduction of input VAT. Revenue from property management services is subject to VAT at 6%.

3. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors of the Company monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. The board of directors of the Company has determined the operating segments based on the Group's products and services. The performance of each segment is evaluated based on its operating profit or loss before income tax and the methodology used for its calculation is the same as that for the consolidated financial statements. However, group financing (including finance costs and finance income), exchange loss, share of results of associates and joint ventures together with related impairment or losses, and income taxes are managed on a group basis and are not allocated to operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The reportable operating segments are as follows:

- The property development segment develops and sells residential and commercial properties.

- The property leasing segment leases offices and commercial properties owned by the Group which are classified as investment properties.

The other operations comprises, principally, the corporate activities that are not allocated to segments and miscellaneous insignificant operations.

	Six months ended 30 June 2024 (Unaudited)			
	Property development	**Property leasing**	**Other operations**	**Total**
Segment revenue				
Sales to external customers	**66,738**	**69,450**	**15,484**	**151,672**
Intersegment sales	**–**	**–**	**2,520**	**2,520**
	66,738	**69,450**	**18,004**	**154,192**
Reconciliation:				
Elimination of intersegment sales	**–**	**–**	**(2,520)**	**(2,520)**
Revenue	**66,738**	**69,450**	**15,484**	**151,672**
Segment profit/(loss)	**49,765**	**11,057**	**(13,475)**	**47,347**
Finance income				**507**
Finance costs				**(199,293)**
Finance costs – net				**(198,786)**
Share of results of joint ventures				**(968)**
Net foreign exchange loss				**(5,080)**
Loss before income tax				**(157,487)**

	Six months ended 30 June 2023 (Unaudited)			
	Property development	Property leasing	Other operations	Total
Segment revenue				
Sales to external customers	73,874	60,085	12,345	146,304
Intersegment sales	–	–	2,353	2,353
	73,874	60,085	14,698	148,657
Reconciliation:				
Elimination of intersegment sales	–	–	(2,353)	(2,353)
Revenue	73,874	60,085	12,345	146,304
Segment profit/(loss)	39,761	15,044	(20,024)	34,781
Finance income				3,376
Finance costs				(170,042)
Finance costs – net				(166,666)
Share of results of associates				(535)
Share of results of joint ventures				(4,341)
Net foreign exchange loss				(43,157)
Impairment losses in respect of investments in joint ventures				(201,655)
Loss before income tax				(381,573)

4. OTHER INCOME

An analysis of other income is as follows:

	(Unaudited) For the six months ended 30 June **2024**	2023
Interest income from loan receivables due from related parties	**59,206**	38,511

5. OTHER GAINS AND LOSSES

An analysis of other gains and losses is as follows:

	(Unaudited) For the six months ended 30 June **2024**	2023
Impairment losses in respect of investments in joint ventures	**–**	(201,655)
Net gain on disposal of property, plant and equipment	**56**	3
Gain from disposal of an associate	**–**	171
Loss on disposal of a subsidiary	**(6,693)**	–
Net foreign exchange loss	**(5,080)**	(43,157)
Others	**(2,305)**	4,247
	(14,022)	(240,391)

6. INCOME TAX EXPENSE

	(Unaudited) For the six months ended 30 June **2024**	2023
Current taxation		
– EIT (a)	**1,483**	13,450
– LAT (c)	**1,418**	(4,150)
	2,901	9,300
Deferred taxation		
– EIT	**2,436**	4,731
Income tax expense for the period	**5,337**	14,031

(a) EIT

The Group conducts a significant portion of its business in PRC and the applicable income tax rate of its subsidiaries operating in PRC is generally 25%, in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

For the pre-sale of properties under development, the tax authorities may impose income tax ahead of the completion of sale transactions and revenue recognition, based on certain estimations. Such prepaid taxes are initially recorded in the statement of financial position and later released to profit or loss upon revenue recognition.

(b) Other income tax

The Company is exempted from taxation in Bermuda until 2035. Taxes on profits assessable elsewhere are calculated at the rates of tax prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period (2023: Nil).

(c) LAT

LAT is incurred upon transfer of property and land ownership and is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs, taxes and all property development expenditures.

For the pre-sale of properties under development, the tax authorities may impose LAT ahead of the completion of transactions and revenue recognition, generally based on 1% to 3% (2023: 1% to 3%) on proceeds from the sale and pre-sale of properties. Such prepaid taxes are initially recorded in the statement of financial position and later released to profit or loss upon revenue recognition.

7. LOSSES PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted losses per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The share options issued in 2016 constitute dilutive shares. For the Company's share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The following reflects the loss and share data used in the basic and diluted losses per share computations:

	(Unaudited)	
	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Loss attributable to owners of the Company	**(164,883)**	(408,801)

	Number of shares	
	For the six months ended 30 June 2024 ***(Thousand shares)***	For the six months ended 30 June 2023 *(Thousand shares)*
Number of total Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted losses per share calculations	**20,564,713**	20,564,713

There have been no other transactions involving ordinary shares or potential ordinary shares between 30 June 2024 and the date of issuance of this interim financial information.

8. DIVIDEND

On 21 September 2024, the Board resolved not to declare an interim dividend for the six months ended 30 June 2024 (2023: Nil).

9. TRADE RECEIVABLES

	30 June 2024 Unaudited	31 December 2023 Audited
Trade receivables	**83,212**	112,128
Less: Allowance for impairment losses	**(54,116)**	(54,116)
	29,096	58,012

The following is the aging analysis of gross trade receivables, determined based on the date of the properties were delivered and sales were recognised and services were provided:

	30 June 2024 Unaudited	31 December 2023 Audited
Within 6 months	**26,540**	41,462
6 months to 1 year	**16,257**	10,414
1 to 2 years	**9,711**	28,634
Over 2 years	**30,704**	31,618
	83,212	112,128

Trade receivables are non-interest-generating. The credit terms offered by the Group are normally less than six months. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

10. TRADE PAYABLES

An aged analysis of trade payables as at the end of the reporting period, from the date when they were incurred, is as follows:

	30 June 2024 Unaudited	31 December 2023 Audited
Within 1 year	**138,767**	185,048
1 to 2 years	**72,757**	24,798
Over 2 years	**137,973**	140,212
	349,497	350,058

Trade payables are mainly payables arising from property construction and land development. The trade payables are non-interest-bearing and are normally settled within one year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the six months ended 30 June 2024 (the "**2024 Interim Period**"), the Group recorded a net revenue of approximately RMB152 million (six months ended 30 June 2023: RMB146 million), which represents an increase by approximately 4% compared with that of the corresponding period of last year. Loss attributable to owners of the Company for the six months ended 30 June 2024 amounted to approximately RMB165 million while loss attributable to owners of the Company for the corresponding period of last year was approximately RMB409 million. Such decrease in loss was mainly due to significant provision for impairment made on investments in certain joint ventures based on market situation for the six months ended 30 June 2023 while no such significant provision for impairment was made for the 2024 Interim Period.

The Board resolved not to declare an interim dividend for the six months ended 30 June 2024 (2023: Nil).

Liquidity and Financial Resources

As at 30 June 2024, bank balances and cash and restricted bank deposits amounted to approximately RMB49 million (31 December 2023: approximately RMB131 million). Working capital (net current liabilities) of the Group as at 30 June 2024 amounted to approximately RMB1,298 million (31 December 2023: approximately RMB72 million). Current ratio was at 0.79 (31 December 2023: 0.99).

As at 30 June 2024, the Group's gearing ratio was 70% (31 December 2023: 69%), calculated on the basis of the Group's net borrowings (comprising bank and other borrowings, non-trade other payables due to related parties, and deducting bank balances and cash and restricted bank deposits) divided by the sum of Group's total equity and net borrowings as above.

Bank and other borrowings and Their Composition

As at 30 June 2024, the Group's bank and other borrowings amounted to RMB5,068 million, representing 39% of total assets. In respect of financing sources, bank borrowings, shareholder loans and other borrowings accounted for 16%, 70% and 14% respectively. In respect of types of interest rates, liabilities with fixed interest rates accounted for 85% and liabilities with floating interest rates accounted for 15%. In respect of currencies, RMB liabilities and foreign currencies liabilities accounted for 63% and 37% respectively.

Charges on Assets and Contingent Liabilities

As at 30 June 2024, the Group's bank and other borrowings of approximately RMB2,837 million (31 December 2023: approximately RMB2,261 million) were secured by mortgage of the Group's property, plant and equipment, right-of-use assets, investment properties and inventories of properties, or by pledge of equity interests in a joint venture, certain equity interests in subsidiaries or bank deposits.

The Group provided guarantees in respect of the mortgage facilities granted by certain banks to the purchasers of the Group's properties. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee periods commence from the dates when the banks grant the relevant mortgage loans and end when the purchasers pledge related property certificates as security to the banks offering the mortgage loans. The Group entered into such guarantee contracts with principal amounts totalling approximately RMB61 million (31 December 2023: approximately RMB61 million) and these contracts were still effective as at 30 June 2024.

The Group did not incur any material losses during the 2024 Interim Period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's properties. On this basis, the Directors consider that the probability of default of purchasers is remote and even in case of default on payments, the net realizable value of the related properties is expected to be sufficient to cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty as the principal of each of the mortgage loans is normally below 70% of sales price of the respective property as at the date of the sales agreement, and therefore no provision has been made in connection with the guarantees.

As at 30 June 2024, the Group also provided guarantees to its joint venture's syndicated bank loan of approximately RMB4,452 million (31 December 2023: approximately RMB4,452 million).

As at 30 June 2024, the Group provided a guarantee to a joint venture's bank borrowings of approximately RMB377 million (31 December 2023: approximately RMB378 million).

Risk of Fluctuations in Exchange Rates

The Group conducts a majority of its business operations in the PRC, with most of the revenue and expenses denominated in RMB. The Group currently has no foreign currency hedging policies, but the management monitors risks of fluctuations in exchange rates and will consider hedging significant risks of fluctuations in exchange rates when necessary.

BUSINESS REVIEW

Since 2024, China's economy has tended to be stable upon the stage of recovery of the pandemic, but it still encounters issues such as insufficient overall effective demand, and therefore, there will be a trend of continuous adjustment to the real estate market. The Politburo meeting in April set tone for the direction of the property market policy, coordinated the studies on the policies and measures to digest existing properties and optimize new housing; the policy in May further focused on stabilizing the market and destocking; the State Council executive meeting in June once again clarified the idea of work on existing properties, land consumption and asset revitalization, etc.. Due to continued relaxed policies in terms of real estate, transactions of second-hand properties in certain core cities have first rebounded after several policies were implemented. Obvious improvement on sales of new properties has yet to be seen. Investment in properties remains weak while construction work stays sluggish. Real estate companies still face difficulties and challenges in terms of operation. For the year 2024, the Group continued to focus on its main business operation, increase sales revenue, control costs, coordinate with multiple parties to arrange capital, address and avoid operating risks, replenish liquidity and maintain operation and development of the Company, and endeavour to maintain stable operation despite tremendous pressure for industry survival.

During the 2024 Interim Period, there was a clear differentiation in the regional market in the industry. In response to the market situation, the Group focused on stable corporate operation, actively promoted development and construction of real estate projects in domestic and foreign key cities, and made progress in the orderly and steady operation of held-for-use commercial assets. Based on the specific operation data, in the first half of the year, the overall revenue of SRE Group remained relatively stable with better cost control. The primary focuses of business development of the Group were achieving stable cash flow and raising net profits.

PROPERTY DEVELOPMENT BUSINESS

Sales Progress

In the first half of 2024, major projects for sale of the Group and its joint ventures and associates mainly included 75 Howard in the USA, Shanghai Lake Malaren Mansion, Romduol City in Cambodia and Changsha Oasis Albany. During the first half of 2024, the Group together with its joint ventures and associates achieved total contract sales of approximately RMB212 million for a total floor area of 8,468 m^2.

Project	Amount of Sales Contracts *(RMB'000)*	Contractual Gross Area *(m^2)*
75 Howard Project in the USA	128,473	700
Shanghai Lake Malaren Mansion	33,326	1,114
Romduol City in Cambodia	24,774	2,311
Changsha Oasis Albany	22,294	2,409
Other projects	2,824	1,934
Total	211,691	8,468

Land Bank

As at 30 June 2024, the Group owned a land bank with a total gross floor area of approximately 1.38 million m^2 (including those of the Group's joint ventures and associates) in Shanghai, Changsha, Dalian, Beijing, San Francisco, Phnom Penh, etc.

Property Development Business

The key projects of the Group under development include Shanghai Lake Malaren World, Changsha Oasis Albany and Romduol City in Phnom Penh, Cambodia, etc.. Given the impact of continuously sluggish real estate market in 2024, a series of work was commenced in every key project which adheres to sales de-concentration, maintain stability of operating cash flow and guarantee delivery of projects. Meanwhile, the Group has strived to continuously improve the efficiency of development and operation to strengthen refined management and reasonably arrange for operating plans to ensure that development phases are completed as scheduled and construction work of the project is carried out in an orderly manner.

Shanghai Lake Malaren Mansion

In the first half of 2024, influenced by the overall slowdown of commercial office market in Shanghai, the project focused on destocking source of properties for sales returns while expanding sales channels. The Group actively negotiated with the government to gain access to more corporate resources, maintain loyalty of current clients and introduce new clients through continuous marketing activities. To guarantee stability of cash flow and capital security of the project, the Group proposed to push forward the development of subsequent sections of the project to offer sustainable sales value, and strive to realize subsequent sections as soon as practicable to form cash repatriation.

Changsha Oasis Albany

In the first half of 2024, delivery of buildings No. 4 and No. 5 of Phase I was completed, with delivery area of approximately 17,000 m^2. Since 2023, delivery of all buildings No. 1-6 of Phase I has been successfully completed, with the aggregate delivery area of 46,600 m^2. Since the delivery, the Group has followed up the demand of the owners and made timely response, focused on improving the reputation of the project in the market and sped up destocking properties. The construction of all single buildings No. 7-10 of Phase I was completed, with completed of 90% of the overall project. The overall project was proposed to be completed before the end of 2024. School in the neighborhood proposed to complete the transfer of an operator as scheduled and would be put into operation in fall semester.

Jiaxing Project

The project has entered the final stage of settlement. On the basis of reasonable arrangement of each settlement, the Group maintained stable operation of the project company and conducted re-visits to owners with delivered properties.

Dalian Albany Mansions

The project continued to promote preparation for pre-development, sorted out the preliminary information of the project and deepened the operation plan. Affected by unfavourable factors such as the downturn of overall real estate market, the project did not resume in the first half of the year. Following rounds of discussions on the matters of historical risks of the project, the Group successfully entered into the framework supplemental agreement with the local government, specified the direction to resolve historical problems and completed the progressive resolution on relevant risks, in order to realize development and construction of the project as soon as practicable.

Romduol City in Phnom Penh, Cambodia

The project has gained momentum since March and explored the market through the exhibition of existing properties and cooperation with large-scale distributors, becoming the top-selling project among apartments in Phnom Penh district in March and April. Since June, affected by local market factors, the overall sales volume of the project was unsatisfactory, and the sales team accordingly commenced self-expansion to secure annual sales performance. The subsequent projects were expected to strengthen the capabilities of sales and self-expansion, enhanced external resources to explore access and introduced quality channels and resources, maintained the flow and efficiency of sales of the project, and simultaneously kept track of mortgage facilities of clients granted by banks to safeguard the stability of cash flow and security of operation.

Howard 75 Howard in the USA

The project has obtained the financial completion certificate and is currently at the stage of selling the existing properties. In the first half of 2024, continuous effort was put in the project, focusing on sales and cooperating with partners on marketing plans, maintenance and expansion of existing channels, hosting of private domain activities and other directions to improve the efficiency of sales of projects.

Requisitioning

Shanghai Daxing Street Project

The requisitioning for the project has entered the final phase. During the year, the project company focused on the safety of the foundation and management of property resources. As of the first half of 2024, the aggregate signing rate of household requisitioning was approximately 99.5%, and the aggregate relocation rate was 99.1%. The aggregate signing rate of units requisitioning was 100%, and the aggregate relocation rate was 95.45%.

Shanty Town Renovation Project in Zhangjiakou

With reference to market conditions in the North, the project company has been negotiating with the government regarding revitalization plan, staying in touch with the local government and formulating solutions to address the historical investment costs related to the project. However, due to the current financial status of the local government and the downturn of the real estate market, the revitalization of the project has yet to make a breakthrough. In the first half of the year, the project company further lowered operating costs and increased operating efficiency by adjusting organizational structure, optimizing employee performance, consolidating management functions and such, and will subsequently discuss feasibility solutions for the revitalization of the project with the local government.

Commercial Property Operation

In the first half of 2024, at the recovery stage of the business environment from the impact of the COVID-19 pandemic, the customer traffic of commercial property, signing and occupancy rates and commercial revenue of the Group increased as a whole as compared with last year, and the overall operation remained stable. The various held commercial operation entities shall strive to enhance refined management capabilities through systematic monthly operation analysis, optimization of daily operation and property management procedures. The Group plans to further improve process efficiency and data transparency by adopting business management systems in the future, so as to maximize the value of commercial assets.

Shanghai Oasis Central Ring Center

As a landmark of the Shanghai Central Ring business district, the project is created by adopting the design of a complex eco-business cluster in form of a circular commercial street connected with office buildings. In the first half of 2024, the project focused on commercial brand upgrades by introducing prominent chain brands, further enhancing the vitality of commercial operation.

Shanghai Lake Malaren Exotic Street

In 2024, the project focuses on creating an exotic town with a "micro-vacation sports and leisure" theme, creating various functional areas with Nordic architectural style as a foundation, integrating services such as dining, sports and leisure, retail and cultural communities, and creating an open-air leisure space. In the first half of the year, the project has been attracting various quality merchants , increasing the operational competitiveness of the properties and continuously innovating marketing activities. This has driven customer traffic to a record high, and the project is gradually established as a new landmark for consumption in Baoshan District. In the first half of the year, the project was listed as one of the top 20 exceptional cultural tourism projects on the cultural tourism ranking list of Tourism Real-estate Ultra Evaluation, which attests to the growing regional brand cohesiveness and influence.

Lake Malaren Obstetrics and Gynecology Hospital

In recent years, Lake Malaren Obstetrics and Gynecology Hospital has been subject to the influence of market factors such as declining birth rates, and has been running at a loss despite continuous adjustments and optimization of operation strategies. In the first half of 2024, after negotiations and discussions with various parties, the Lake Malaren Obstetrics and Gynecology Hospital was rented out in its entirety.

Shenyang Rich Gate Shopping Mall

The project relies on children's education and parent-child themed service businesses, introduces merchants of major and renowned children's brands and gradually introduces engaging businesses related to healthy and enjoyable lifestyle to further enhance the competitiveness of commercial operation. In the first half of 2024, the overall operation of the project was stable, and we shall conduct more market research, introduce more brands, and strictly manage energy costs in terms of the runtime of heating in winter and air conditioners in summer and such to achieve conservation and control of energy costs.

BUSINESS OUTLOOK

In the second half of 2024, macro policies are expected to further stabilize the economy, while policies concerning real estate are expected to focus on "stabilization of the market" and "destocking" as always, and complementary polices can be expected to be further optimized and implemented. Under the continuous supporting influence of the policies, the decrease of new home sales nationwide is expected to be reduced year on year, and the downward trend of real estate sector has slowed, nevertheless, the improvement of declining housing price is yet to be seen. Looking forward, as the government speeds up the procuring and storing of properties and along with the thorough implementation of policies such as project "white list", a certain extent of supportive effect is expected to be seen on the real estate development and investment.

The Group will continuously seize the opportunities of positive changes in external environment, improve its main business and explore new paths, and strive to achieve stable corporate operation. Firstly, in terms of completion of financial indicators, the Group will improve operating revenue in all respects, reduce operation costs, control expenses, facilitate collection of sales returns of projects under development and maintain stability of operating cash flow, continuously enhance the vitality of held commercial properties, and expedite revitalization of inefficient and ineffective assets. Secondly, the Group will accelerate the progress of key targets for the year, continuously striving to persistently work on debt collection, resolution of debt risks, asset restructuring and revitalization. Thirdly, the Group will continuously adhere to the principle of "sales-based production" to key development projects to safeguard the delivery of constructing projects and be aware of operating risks to ensure the operating safety of the project company. Fourthly, in terms of commercial property operation, the Group will increase overall revenue in all respects and strengthen cash flow management through four aspects, namely "asset operation", "asset revitalization", "performance management" and "incentive system". The Group will also rely on establishment of property service management platform to commence transformation of parking lot operation and try to explore management rights of held properties to create profits from new business. Fifthly, in terms of corporate management, the Group will optimize its accountability system as and where appropriate to match the changes of business development of the Company, strictly control human resources and human costs, optimize the personnel structure, enhance capabilities of talents, comply with the principle of "one person with multiple positions and one specialty with multiple capabilities" to continuously improve individual productivity, and enhance overall professional competitiveness of the team. Meanwhile, the Group will constantly focus on key matters such as debt extension, reduction of interest rate, repayment of principal and interest and resolution of major risks to facilitate stable resolution of major risks and transformation of the Company, thereby improving the Company's capability to operate on an on-going basis and create profits from new business.

HUMAN RESOURCES

As at 30 June 2024, the Group had 218 employees in Hong Kong and Mainland China. Total staff costs of the Group excluding Directors' remuneration, for the six months ended 30 June 2024 amounted to approximately RMB40 million. Staff remuneration packages were in line with the prevailing market practice and were determined on the basis of the performance and experience of individual employees.

MAJOR TRANSACTIONS AND SIGNIFICANT INVESTMENT DURING THE REPORTING PERIOD

On 6 February 2024, the Company announced that, Sinopower Investment Limited (the "**Seller**", an direct wholly-owned subsidiary of the Company), CMI Financial Holding Corporation (the "**Buyer**", an indirect wholly owned subsidiary of China Minsheng Investment Corp. Ltd.* (中國民生投資股份有限公司), a controlling Shareholder and ultimate holding company of the Group), SREUS NAPA LLC (a direct wholly-owned subsidiary of Bowin) and the Company entered into a sale and purchase agreement ("**Agreement A**"), pursuant to which, (i) the Seller has agreed to sell and the Buyer has agreed to purchase 100% equity interest of Bowin International Limited (寶威國際有限公司*) (the "**Bowin**", a direct wholly-owned subsidiary of the Seller) at the consideration of approximately US$15.37 million; and (ii) the Seller has agreed to assign, and the Buyer has agreed to acquire a loan together with all rights, title, interest and benefits attached thereto and/or arising therefrom and free from all claims and encumbrances at the consideration of approximately US$5.93 million. On the same day, the Company announced that, the Seller, the Buyer and the Company entered into another sale and purchase agreement ("**Agreement B**"), pursuant to which, the Seller has agreed to sell and the Buyer has agreed to purchase 7.66% equity interest of Cheswing Limited (the "**Cheswing**", a direct wholly-owned subsidiary of the Seller) at the consideration of US$4 million. Immediately upon completion of the transactions contemplated under the Agreement A and Agreement B, (i) the Group will cease to have any equity interest in Bowin, which will cease to be a subsidiary of the Company, and accordingly and (ii) the Group will have 92.34% equity interest in Cheswing, which will remain as a subsidiary of the Company. On 20 June 2024, the Buyer issued a letter to the Group requesting a negotiation for an extension of the original long-stop date (i.e. 31 May 2024) of the Agreement A and Agreement B for a period of not more than six months. For further details in relation to the Agreement A and Agreement B and the transactions contemplated thereunder, please refer to the Company's announcements dated 6 February 2024, 28 March 2024, 10 May 2024 and 21 June 2024. As at the date of this announcement, the aforesaid transactions contemplated under the Agreement A and Agreement B have not been completed and are subject to independent Shareholders' approval at a general meeting.

On 8 April 2024, the Company announced that the Company and certain indirect wholly owned subsidiaries of the Company (the "**Vendors**") and Zhongchong Investment Group Co., Ltd.* (中崇投資集團有限公司) (the "**Purchaser**") entered into the equity interest and loan transfer agreement (the "**Disposal Agreement**", the transaction contemplated under the Disposal Agreement, the "**Disposal**"), pursuant to which the Purchaser conditionally agreed to acquire and the Vendors conditionally agreed to: (i) dispose of the 51% of equity interest of Shanghai Jinxin Property Co., Ltd.* (上海金心置業有限公司) (the "**Shanghai Jinxin**"); and (ii) assign the rights under all the debts owed by Shanghai Jinxin to certain subsidiaries of the Company, at an aggregate consideration of RMB3.41 billion less Shanghai Jinxin's payment obligation to Ningbo Zhongqing Trading Co., Ltd.* (寧波眾慶貿易有限公司) in the amount of approximately RMB32.5 million. As at the date of this announcement, Shanghai Jinxin was indirectly owned as to 51% by the Company but is not a subsidiary of the Company. Upon completion of the Disposal, the Company will not have any interest in Shanghai Jinxin. On 29 May 2024, the Company held an special general meeting (the "**Original SGM**") for the purpose of approving the aforesaid disposal transaction. During the Original SGM, the Board announced that due to the lack of quorum was present within thirty minutes from the time appointed for the Original SGM, the Original SGM was adjourned and the Board announced that the adjournment of the Original SGM (the "**Adjourned SGM**") will be held on 13 June 2024. On 13 June 2024, certain shareholders of the Company requested to further adjourn the special general meeting to a date, time and venue to be determined by the Board (the "**Further Adjourned SGM**") during the Adjourned SGM. As of the date of this announcement, the arrangement for the Further Adjourned SGM was not yet determined by the Company. As at the date of this announcement, the aforesaid transactions have not been completed and are subject to Shareholders' approval at the general meeting. For further details, please refer to the announcements published by the Company dated 8 April 2024, 29 April 2024, 29 May 2024 and 13 June 2024 and the Company's circular dated 10 May 2024.

Save for those disclosed in this announcement, there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries during the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sales of treasury shares (as defined in the Listing Rules)) during the six months ended 30 June 2024.

As at 30 June 2024, the Company did not hold any treasury shares.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Specific enquiry has been made of all Directors, who have confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2024.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Chui Man Lung, Everett, Mr. Zhuo Fumin, and Mr. Ma Lishan with written terms of reference in compliance with the Listing Rules. Mr. Chui Man Lung, Everett is the chairman of the Audit Committee. These unaudited condensed consolidated interim results for the six months ended 30 June 2024 have been reviewed by the Audit Committee.

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2024, the Board has reviewed its corporate governance practices and confirmed that the Company has complied with all principles and code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

(a) Change of chairman of the Board, chairman of the Nomination Committee, chairman of the Investment Committee, Process Agent and Authorised Representative

Mr. Qin Guohui has resigned from chairman of the Board, chairman of the Nomination Committee and the Investment Committee of the Company with effect from 3 August 2024, and has ceased to act as the authorised representative of the Company for accepting service of process and notices on behalf of the Company in Hong Kong ("**Process Agent**") and authorised representative of the Company ("**Authorised Representative**") under Rule 3.05 of the Listing Rules) with effect from 29 August 2024. As replacement, Mr. Xu Ming has been appointed as the chairman of the Board, chairman of the Nomination Committee and the Investment Committee of the Company with effect from 3 August 2024, and Process Agent and Authorised Representative with effect from 29 August 2024. For details, please refer to the Company's announcement dated 3 August 2024 in relation to the change of chairman of the Board, chairman of the Nomination Committee, chairman of the Investment Committee, and the Company's announcement dated 29 August 2024 in relation to the change in the Process Agent and Authorised Representative.

(b) Enforcement ruling of Jinxin

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) (altogether, the "**Enforcees**"), have received an enforcement ruling dated 12 September 2024 and numbered (2023) Hu 74 Zhi No.1509* ((2023) 滬74執1509號《執行裁定書》) (the "**Ruling**") from the Shanghai Financial Court (上海金融法院). It was stated in the Ruling that according to the civil mediation document numbered (2022) Hu 74 Minchu No. 2987* ((2022) 滬74民初 2987號《民事調解書》) (the "**Mediation Document**"), the enforcees and other relevant parties shall pay to the lenders the principal amount of the loan in the amount of approximately RMB4,451.8 million, together with corresponding interests and management fees and shall also bear the enforcement fee of approximately RMB4.5 million in respect of the action.

Pursuant to the Ruling, given that the defendants (including the Enforcees) failed to perform their obligations under Mediation Document, the Shanghai Financial Court has ruled to force actions on (i) the 18.80% equity interests in Jinxin, held by Shanghai Oasis Garden Real Estate Company Limited; (ii) the 18.42% equity interests in Jinxin held by Shunlink Investment Limited; (iii) the 7.89% equity interests in Jinxin held by Gaken Investment Limited; and (iv) the 5.89% equity interests in Jinxin held by SRE Jiaye Real Estate Development (Shanghai) Company Limited (the "**Enforcement Action**"). The equity interests in Jinxin held by the Enforcees are mainly enforced by way of transfer through judicial auction. The specific actions to be taken shall be subject to further notice from the Shanghai Financial Court. For details, please refer to the Company's announcement dated 18 September 2024 in relation to, among other things, the inside information regarding the Ruling and the Enforcement Action.

SHAREHOLDING STRUCTURE OF THE COMPANY AND SUFFICIENCY OF PUBLIC FLOAT

Based on public information available and enquiries made by the Company with its shareholders, the shareholding structure of the Company as at the date of this announcement is as follows:

Name of shareholders	**Number of shares held (based on voting rights controlled by the shareholder)**	**Approximate percentage of shareholding**
Jiashun (Holding) Investment Limited *(Note 1)*	12,500,000,000	60.78%
Zhi Tong Investment Limited Partnership *(Note 2)*	1,987,261,390	9.66%
Jiayou (International) Investment Limited *(Note 3)*	134,092,000	0.65%
Ms. He Pei Pei *(Note 4)*	160,000	0.0008%
Mr. Lu Jianhua *(Note 5)*	2,258,000	0.01%
Public *(Note 6)*	5,940,942,332	28.90%
Total	20,564,713,722	100.00%

Notes:

1. Jiashun (Holding) Investment Limited is an indirect subsidiary of China Minsheng Investment Corp., Ltd. ("**CMI**"). CMI holds approximately 67.26% direct interest in China Minsheng Jiaye Investment Co., Ltd. which, in turn, indirectly holds 100% interest of Jiashun (Holding) Investment Limited.

2. Zhi Tong Investment Limited Partnership is an indirect subsidiary of CMI.

3. Jiayou (International) Investment Limited is an indirect subsidiary of CMI.

4. Ms. He Pei Pei is the spouse of Zhuo Fumin, an independent non-executive Director.

5. Mr. Lu Jianhua is a non-executive Director.

6. This includes the 866,897,738 shares held by SRE Investment Holding Limited ("**SREI**") which are charged to Jia Yun Investment Limited (an indirect subsidiary of CMI). SREI retains the voting rights of shares.

As illustrated from the shareholding table above, as at the date of this announcement, 5,940,942,332 shares (representing approximately 28.90% of the issued share capital of the Company) are in the public hands. Therefore, the Company is in compliance with the public float requirement under Rule 8.08(1)(a) of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company (the "**Shares**") on the Stock Exchange was suspended from 9:00 a.m. on 3 April 2023 and will continue to be suspended, pending the fulfilment of the resumption guidance and the grant of approval of the Stock Exchange for the resumption of trading of the Shares.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement of the Company is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.sre.com.hk). The interim report of the Company for the six months ended 30 June 2024 containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the shareholders of the Company who request the printed copies and published on the above websites in due course.

By Order of the Board
SRE Group Limited
Xu Ming
Chairman

Hong Kong, 21 September 2024

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Xu Ming, Mr. Kong Yong, Mr. Qin Guohui 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*