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**SRE GROUP LIMITED**  
**上置集團有限公司\***  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 1207)

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF LOAN RECEIVABLES**

**THE LOAN RECEIVABLE TRANSFER AGREEMENT**

On 19 April 2018 (after trading hours), the Seller, a direct wholly-owned subsidiary of the Company, entered into the Loan Receivable Transfer Agreement with the Purchaser, pursuant to which the Seller agreed to sell, and the Purchaser agreed to acquire, the Loan Receivables at the Consideration of RMB330,000,000 (for illustration purpose only, equivalent to HK\$409,200,000 using the exchange rate of RMB1:HK\$1.24) which shall be settled by the Purchaser by stage payments in cash.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed(s) 5% but is/are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

**INTRODUCTION**

The Board wishes to announce that on 19 April 2018 (after trading hours), the Seller, a direct wholly-owned subsidiary of the Company, entered into the Loan Receivable Transfer Agreement with the Purchaser, pursuant to which the Seller agreed to sell, and the Purchaser agreed to acquire, the Loan Receivables at the Consideration of RMB330,000,000 (for illustration purpose only, equivalent to HK\$409,200,000 using the exchange rate of RMB1:HK\$1.24).

**THE LOAN RECEIVABLE TRANSFER AGREEMENT**

The principal terms of the Loan Receivable Transfer Agreement are set out as follows:

**Date** : 19 April 2018 (after trading hours)

**Parties** : Seller: SRE Jiaye Real Estate Development (Shanghai) Co., Ltd.\* (上置嘉業房地產發展(上海)有限公司), a direct wholly-owned subsidiary of the Company

Purchaser: Shanghai Dai Yong Industrial Co., Ltd.\* (上海戴永實業有限公司)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) is an Independent Third Party.

**Subject matter** : Pursuant to the Loan Receivable Transfer Agreement, the Seller agreed to sell and the Purchaser agreed to acquire the Loan Receivables subject to the terms and conditions of the Loan Receivable Transfer Agreement.

The Loan Receivables comprise loan receivables outstanding and due from seven companies (each being an Independent Third Party) (the “**Debtors**”) to the Seller in the aggregate amount of RMB360,745,175 as of 31 March 2018, consisting of (i) aggregate principal amount of RMB202,500,000; (ii) aggregate accrued interest (as of 31 March 2018) of RMB107,581,126; and (iii) an aggregate amount of RMB50,664,049 being penalty payable by the Debtors for delayed performance of effective judgement as adjudicated by the court.

**Consideration** : The Consideration for the Loan Receivables shall be RMB330,000,000 (for illustration purpose only, equivalent to HK\$409,200,000 using the exchange rate of RMB1:HK\$1.24), which shall be settled by the Purchaser in the following manner:

(i) RMB10,000,000 (the “**First Instalment**”) (for illustration purpose only, equivalent to HK\$12,400,000 using the exchange rate of RMB1:HK\$1.24) shall be payable by the Purchaser to the Seller in cash within three days from the date of the Loan Receivable Transfer Agreement;

(ii) RMB50,000,000 (the “**Second Instalment**”) (for illustration purpose only, equivalent to HK\$62,000,000 using the exchange rate of RMB1:HK\$1.24) shall be payable by the Purchaser to the Seller in cash within 15 days after the full payment of the First Instalment; and

(iii) the remaining RMB270,000,000 (for illustration purpose only,

equivalent to HK\$334,800,000 using the exchange rate of RMB1:HK\$1.24) shall be payable by the Purchaser to the Seller by one-off cash payment within 60 days after the full payment of the Second Instalment.

If the Purchaser fails to pay the Consideration in accordance with the payment schedule mentioned above, the Seller shall be entitled to terminate the Loan Receivable Transfer Agreement and all amounts paid by the Purchaser shall be forfeited by the Seller as liquidated damages.

The Consideration was determined after arm's length negotiations between the Seller and the Purchaser with reference to the book value of the Loan Receivables as at the date of the Loan Receivable Transfer Agreement and the aging and possibility of the recovery of the Loan Receivables.

The Board is of the view that the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Loan Receivable Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

**Completion** : Completion shall take place within 5 business days after the Consideration has been settled by the Purchaser in full. Upon Completion, the Seller shall cease to have any interest in the Loan Receivables, and the Purchaser shall bear all potential loss, damage, risk and liability arising from or in relation to the Loan Receivables.

**Costs of collection of the Loan Receivables** : All costs and expenses (including litigation or arbitration fees, attorney fees and other fees) arising from or in relation to the collection of the Loan Receivables incurred and paid by the Seller before Completion shall be borne by the Seller, and the Purchaser is not liable to reimburse the Seller for the same.

All fees, costs, expenses and losses arising from or in relation to the collection of the Loan Receivables incurred, payable or overdue on or after Completion shall be borne solely by the Purchaser.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS**

It is expected that the Group will recognize an unaudited gain (before taxation) from the Disposal of approximately RMB125 million, which is calculated with reference to the net proceeds from the Disposal and the unaudited book value of the Loan Receivables as at 31 March 2018.

The Loan Receivables were previously acquired by the Seller from a bank in the PRC as overdue loans

lent by the bank to the Debtors. The Company considers that the Disposal will enable the Group to have more liquid financial resources and flexibility to explore other investment opportunities with higher investment return. It is intended that the proceeds from the Disposal will be used as general working capital of the Group.

Having regard to the reasons for and benefits of the Disposal, the Board is of the view that the Disposal and the terms of the Loan Receivable Transfer Agreement, which have been reached after arm's length negotiations between the parties, are fair and reasonable, and the Disposal is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE GROUP AND THE SELLER**

The Group is an integrated real estate developer focusing on high-quality development projects and renewal projects in first-tier cities and second-tier cities with high potential in the PRC. While the Group is mainly focusing on high-quality property development, it is also seeking to explore new opportunities in urban development and renewal, medical and senior properties and cultural tourism and innovative technology properties. The Group will also expand its investment businesses, accelerate the investment-withdrawal and gain-capturing process by adopting the “financing, investment, management and withdrawal” approach and operate in a “light and heavy assets in parallel” model. The Group is also putting the strategy of internationalization into practice by seeking high-quality assets overseas, and will prudently attempt limited diversification, including the cultivation of real estate-related internet, funds and finance businesses, striving to become a fully integrated trans-sector real estate and finance group.

The Seller is a company incorporated in the PRC and is principally engaged in investment businesses.

## **INFORMATION OF THE PURCHASER**

The Purchaser is a company incorporated in the PRC and is principally engaged in investment advisory services.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed(s) 5% but is/are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

To the best of the Board's knowledge, information and belief having made all reasonable enquiries, no Director has a material interest in the Loan Receivable Transfer Agreement, and no Director has abstained from voting on the board resolutions approving the Loan Receivable Transfer Agreement.

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the

following meanings:

“Board”	the board of Directors
“Company”	SRE Group Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal pursuant to the Loan Receivable Transfer Agreement
“Consideration”	RMB330,000,000 (for illustration purpose only, equivalent to HK\$409,200,000 using the exchange rate of RMB1:HK\$1.24), being the consideration of the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Loan Receivables pursuant to the Loan Receivable Transfer Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	an independent third party not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Receivable Transfer Agreement”	a loan receivable transfer agreement dated 19 April 2018 and entered into between the Seller and the Purchaser in relation to the Disposal
“Loan Receivables”	loan receivables due from seven companies (each being an Independent Third Party) to the Seller in the aggregate amount of RMB360,745,175 as of 31 March 2018
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

“Purchaser”	Shanghai Dai Yong Industrial Co., Ltd.* (上海戴永實業有限公司), a company incorporated in the PRC with limited liability, an Independent Third Party
“RMB”	renminbi, the lawful currency of the PRC
“Seller”	SRE Jiaye Real Estate Development (Shanghai) Co., Ltd.* (上置嘉業房地產發展(上海)有限公司), a company incorporated in the PRC with limited liability, a direct wholly-owned subsidiary of the Company
“Shareholders”	registered holders of the Shares from time to time
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board  
**SRE Group Limited**  
**Peng Xinkuang**  
*Chairman*

Hong Kong, 19 April 2018

*As at the date of this announcement, the Board comprises seven executive directors, namely Mr. Peng Xinkuang, Mr. Liu Feng, Mr. Chen Donghui, Mr. Chen Chao, Mr. Shi Janson Bing, Mr. Zhu Qiang and Ms. Qin Wenying; and four independent non-executive directors, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai, Mr. Ma Lishan and Mr. Han Gensheng.*

*\*For identification purpose only*