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SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 1207)

MAJOR TRANSACTION

DEBT ASSIGNMENT DOCUMENTS

DEBT ASSIGNMENT DOCUMENTS

The Board announces that on 30 September 2020, Shanghai Oasis (an indirect wholly-owned subsidiary of the Company) entered or will enter into a series of agreements and confirmation letters (i.e. the Debt Assignment Documents) for the purpose of concluding the disputes with the Debtors Group and assigning the Debts to China Orient at the consideration of RMB270,000,000.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentages (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction is more than 25% but less than 75%, the Transaction constitutes a major transaction for the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates has a material interest in the Transaction, thus no Shareholders is required to abstain from voting for the resolution if the Company were to convene a special general meeting to approve the Transaction.

The Company has obtained written approval from Jiashun Holding in respect of the Transaction. Pursuant to Rule 14.44 of the Listing Rules, such written approval from Jiashun Holding can be accepted in lieu of holding a general meeting for the purpose of approving the Transaction. Jiashun Holding is the controlling shareholder of the Company, holding 12,500,000,000 Shares with voting rights (representing approximately 60.78% of the total issued shares with voting rights of the Company based on a total of 20,564,713,722 Shares in issue as at the date of this announcement).

GENERAL

A circular containing, amongst others, (i) further information on the Debt Assignment Documents and the Transaction; and (ii) other information required to be disclosed under the Listing Rules, will be despatched to the Shareholders within 15 business days after the publication of this announcement, which is, on or before 23 October 2020.

Shareholders and potential investors should note that Completion is subject to the satisfaction and/or, where applicable, waiver of the Condition Precedents. As the Transaction may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board announces that on 30 September 2020, Shanghai Oasis (an indirect wholly-owned subsidiary of the Company) entered or will enter into a series of agreements and confirmation letters (i.e. the Debt Assignment Documents) for the purpose of concluding the disputes with the Debtors Group and assigning the Debts to China Orient.

The Debts relate to certain amounts owed by the Debtors Group to Shanghai Oasis which were in disputes over the years, details of these disputes are set out below. Over the past years, Shanghai Oasis has commenced or defended various court cases in the PRC to protect its interests in the Debts. For the reasons set out in the paragraph headed “Reasons for and benefits of the Transaction below, Shanghai Oasis has decided to conclude the disputes and assign the Debts to China Orient.

On 30 September 2020, Shanghai Oasis entered into the First-Stage Agreements (i.e. First Debt Confirmation Letter, the Second Debt Confirmation Letter, the Mediation Agreement and the Pre-contract of Creditor’s Rights Transfer), and upon fulfilling certain conditions as more particularly disclosed below, Shanghai Oasis will enter into the remaining Debt Assignment Documents (i.e. the Third Debt Confirmation Letter, the Final Debt Confirmation Agreement, the Creditor’s Rights Transfer Agreement, the Escrow Agreement and the Financial Compensation Agreement).

Principal terms of each of the Debt Assignment Documents are set out below:

(1) FIRST DEBT CONFIRMATION LETTER

Date

30 September 2020

Parties

Shanghai Oasis, Debtor 1, Debtor 2 and Debtor 4

Background

The First Debt Confirmation Letter concerns a concluded dispute in relation to a loan given by Shanghai Oasis to Debtor 1 (“**Debtor 1 Loan**”) pursuant to the memorandum, the payment instruction letter and the letter of undertaking related to a sale and purchase agreement entered into between Shanghai Oasis and Debtor 4 in respect of Shanghai Oasis’ sale of its 80% equity interest in Debtor 1 (subsequently demerged to form Debtor 1 and Debtor 2) (“**Equity Sale**”).

On 27 December 2017, the Supreme People’s Court of the PRC ruled in favor of Shanghai Oasis in respect of the Debtor 1 Loan, whereby it was held, that:–

- (a) Debtor 1 shall repay to Shanghai Oasis the loan principal in the amount of RMB131,040,000 and interest accrued up to the date of actual repayment;
- (b) Debtor 2 and Debtor 4 shall assume joint liability and guarantee Debtor 1’s debt described in (a) above; and
- (c) Debtor 1 shall bear 90% of the litigation fee of the first and second instance of the litigation.

Subject matter

Pursuant to the First Debt Confirmation Letter, Shanghai Oasis, Debtor 1, Debtor 2 and Debtor 4 agree and confirm that Debtor 1, Debtor 2 and Debtor 4 owe Shanghai Oasis a total amount of approximately RMB193,019,500 as at 24 September 2020 (“**First Litigation Debt**”).

(2) SECOND DEBT CONFIRMATION LETTER

Date

30 September 2020

Parties

Shanghai Oasis, Debtor 3 and Mr. Wang

Background

The Second Debt Confirmation Letter concerns a concluded dispute in relation to a loan agreement signed between Shanghai Oasis, Debtor 3 and Mr. Wang ("**Loan Agreement**").

On 12 January 2017, Shanghai Oasis filed a written arbitration request with SHIAC against Debtor 3 and Mr. Wang claiming that they had failed to fulfill the obligations they had undertaken pursuant to the Loan Agreement. On 26 June 2017, SHIAC ruled in favor of Shanghai Oasis in respect of the Loan Agreement provided by Shanghai Oasis to Debtor 3 and Mr. Wang, whereby it was held that:–

- (a) Debtor 3 shall repay to Shanghai Oasis the loan principal in the amount of RMB20,000,000, interest and default payment, both accrued up to the date of actual repayment;
- (b) Debtor 3 shall repay to Shanghai Oasis the legal cost, arbitration fee and property preservation fee; and
- (c) Mr. Wang shall assume liability and guarantee Debtor 3's debt described in (a) and (b) above.

Subject matter

Pursuant to the Second Debt Confirmation Letter, Shanghai Oasis, Debtor 3 and Mr. Wang agree and confirm that Debtor 3 and Mr. Wang owe Shanghai Oasis a total amount of approximately RMB39,674,400 as at 24 September 2020 ("**Arbitration Award Debt**").

(3) MEDIATION AGREEMENT

Date

30 September 2020

Parties

Shanghai Oasis and Debtor 4

Background

The Mediation Agreement concerns an ongoing court case commenced by Debtor 4 against Shanghai Oasis in relation to the consideration for the sale shares in the Equity Sale (“**Court Proceedings**”). Shanghai Oasis also raised counterclaim against Debtor 4 in the court case (“**Counterclaim**”).

On 6 April 2020, Haikou Intermediate People’s Court of the PRC (“**Hainan Intermediate Court**”) ruled in favor of Debtor 4 in respect of certain claims relating to the Equity Sale (“**Haikou Judgment**”).

Shanghai Oasis is in the process of appealing the Haikou Judgment to the Hainan Provincial Higher People’s Court of the PRC (“**Appeal**”, “**Hainan Higher Court**”).

Subject matter

Pursuant to the Mediation Agreement, Shanghai Oasis and Debtor 4 agree that:–

- (a) Debtor 4 shall renounce all its claims under the Haikou Judgment;
- (b) Debtor 4 shall pay a sum of RMB219,000,000 to Shanghai Oasis as mediation settlement in respect of Shanghai Oasis’ Counterclaim and Appeal (“**Mediation Settlement**”); and
- (c) Upon payment of the Mediation Settlement, Debtor 4 and Shanghai Oasis shall have no claim against each other in respect of the Equity Sale and the Court Proceedings;

Other terms

- (a) Debtor 4 shall pay the Mediation Settlement to Shanghai Oasis’s designated bank account by way of bank of transfer within 45 Business Days;
- (b) Debtor 4 and Shanghai Oasis shall bear their own litigation fees, property preservation fees and all other relevant costs;

- (c) Debtor 4 and Shanghai Oasis shall lodge the Mediation Agreement with the Hainan Higher Court within 3 Business Days of signing of the Mediation Agreement and receiving the notice of acceptance from the Hainan Higher Court in respect of the Appeal and request the issuance of the civil mediation order by collegiate body of judges in accordance with the terms of the Mediation Agreement (“**Civil Mediation Order**”); and
- (d) Shanghai Oasis shall apply to the Hainan Intermediate Court or any other court with jurisdiction to release all property preservation measures against Debtor 4’s property within 3 Business Days upon the issuance and receipt of the Civil Mediation Order.

(4) THIRD DEBT CONFIRMATION LETTER

Date

After the issuance of the Civil Mediation Order, the Third Debt Confirmation Letter shall be entered into at the same time as the Creditor’s Rights Transfer Agreement.

Parties

Shanghai Oasis and Debtor 4

Background

The Third Debt Confirmation Letter will be signed after the issuance of the Civil Mediation Order.

Subject matter

Pursuant to the Third Debt Confirmation Letter, Shanghai Oasis and Debtor 4 agree that Debtor 4 owes Shanghai Oasis a total amount of approximately RMB219,000,000 as at 24 September 2020 (“**Second Litigation Debt**”).

(5) FINAL DEBT CONFIRMATION AGREEMENT

Date

To be entered into at the same time as the Creditor’s Rights Transfer Agreement.

Parties

Shanghai Oasis and the Debtors Group

Subject matter

Pursuant to the Final Debt Confirmation Agreement, Shanghai Oasis and the Debtors Group agree, that:–

- (a) the Debtors Group owes Shanghai Oasis a total amount of approximately RMB451,693,900 in respect of the First Litigation Debt, the Arbitration Award Debt and the Second Litigation Debt;
- (b) save for the Debts and the Shanghai Wingo Debt, Shanghai Oasis and its related companies do not have any other debts, right or interest against the Debtors Group;
- (c) in the event Shanghai Oasis has any debts against the Debtors Group other than the Debts and the Shanghai Wingo Debt, Shanghai Oasis shall unconditionally forfeit such debts and shall not enforce them against the Debtors Group; and
- (d) Shanghai Oasis' right under the Financial Compensation Agreement is not restricted under the Final Debt Confirmation Agreement.

(6) PRE-CONTRACT OF CREDITOR'S RIGHTS TRANSFER

Date

30 September 2020

Parties

Shanghai Oasis (as transferor), China Orient (as transferee) and Debtors Group

Subject matter

Pursuant to the Pre-contract of Creditor's Rights Transfer, Shanghai Oasis, China Orient, the Debtors Group shall sign the Creditor's Rights Transfer Agreement within 3 Business Days from the date of despatch of the circular in respect of the Transaction or the date the Company obtains Shareholders' approval in accordance with the Listing Rules and other applicable laws (whichever is the later), whereby Shanghai Oasis shall assign, and China Orient shall accept the assignment of the Debts.

In the event the Creditor's Rights Transfer Agreement is not signed by the parties for reasons unrelated to Shanghai Oasis within 2 months from the effective date of the Civil Mediation Order or within 3 Business Days from the date of despatch of the circular in respect of the Transaction or the date the Company obtains Shareholders' approval in accordance with the Listing Rules and other applicable laws (whichever is the later), the Pre-contract of Creditor's Rights Transfer shall automatically terminate (unless otherwise agreed among the parties in writing).

Subject to Shanghai Oasis' written consent, China Orient shall have the right to designate a third party to enter into the Creditor's Rights Transfer Agreement on its behalf.

The principal terms of the Creditor's Rights Transfer Agreement are disclosed below.

(7) CREDITOR'S RIGHTS TRANSFER AGREEMENT

Date

To be signed within 2 months from the effective date of the Civil Mediation Order or within 3 Business Days from the date of despatch of the circular in respect of the Transaction or the date the Company obtains Shareholders' approval in accordance with the Listing Rules and other applicable laws (whichever is the later) (whichever is the later).

Parties

Shanghai Oasis (as transferor), China Orient (as transferee) and Debtors Group

Subject matter

Subject to the terms and conditions of the Creditor's Rights Transfer Agreement, Shanghai Oasis shall assign, and China Orient shall accept the assignment of the Debts.

Consideration

The consideration for Shanghai Oasis' assignment of the Debts is RMB270,000,000 ("**Consideration**").

Shanghai Oasis, China Orient and the Custodian Bank shall enter into the Escrow Agreement and China Orient shall deposit the full amount of the Consideration to the Escrow Account, whereupon the Creditor's Rights Transfer Agreement shall come into effect ("**Effective Date**").

China Orient shall be entitled to all interest generated in the Escrow Account.

Basis of Consideration

The consideration of the Transaction was arrived at after arm's length negotiations between the parties and was determined with reference to the internal assessment of the prospects to recover the Debts from the Debtors Group.

Condition Precedents

Completion of the Transaction shall be subject to and conditional upon the fulfillment of all the Condition Precedents (or waiver by written notice of China Orient, if applicable), as summarized below:–

- (a) The Creditor's Rights Transfer Agreement becoming effective and all rights and interests in relation to the Debts having been assigned to China Orient;

- (b) Information pertaining to the Debts having been transferred to China Orient within 5 Business Days from the Effective Date;
- (c) There being no material breach of the terms and conditions of the Creditor's Rights Transfer Agreement;
- (d) Shanghai Oasis having applied to the relevant courts with jurisdiction to release, and said courts having so released, all property preservation measures against the following properties of the Debtors Group:–
 - (i) A parcel of land in Haikou city, the PRC, held under the name of Debtor 1;
 - (ii) The shares of Debtor 1 held by Debtor 3; and
 - (iii) The shares of Debtor 2 held by Debtor 3.
- (e) The Mortgage Contract of Maximum Amount having come into effect, been duly registered with the relevant registry and China Orient having obtained the corresponding registration proof of other property rights;
- (f) China Orient having obtained valid corporate authorization documents from Shanghai Oasis and the Debtors Group in respect of their signing of the Creditor's Rights Transfer Agreement and the legal documents referred to in this sub-section;
- (g) China Orient having obtained the documents requested from Shanghai Oasis and the Debtors Group in relation to the Debts or fulfillment of the aforementioned condition precedents.

The Parties shall jointly procure the fulfillment of the Condition Precedents before the Long-stop Date. If the Condition Precedents are not fulfilled by the Long-stop Date for reasons unrelated to China Orient, China Orient shall reassign all rights and interests in relation to the Debts back to Shanghai Oasis.

Completion

Within 5 Business Days upon satisfaction of all the Condition Precedents (or waived by written notice of China Orient, if applicable), China Orient shall arrange to release the Consideration in the Escrow Account to Shanghai Oasis ("**Completion Date**").

Conduct after Completion

With 5 Business Days of the Release, Shanghai Oasis shall provide to China Orient the proof of bank remittance and a written confirmation that Shanghai Oasis has received the Consideration.

Other terms

Shanghai Oasis agrees that any future debts incurred by the Debtors Group in favor of Shanghai Oasis (including the payment of RMB30,000,000 stipulated in the Financial Compensation Agreement) shall rank after and be subordinate to those incurred by the Debtors Group in favor of China Orient and Zhuhai Cang Shan in respect of certain loan agreements and debt confirmation agreements.

(8) FINANCIAL COMPENSATION AGREEMENT

Date

To be signed at the same time as the Creditor's Rights Transfer Agreement.

Parties

Shanghai Oasis, Debtor 3, Mr. Wang and Shanghai Wensheng

Subject matters

Pursuant to the Financial Compensation Agreement, Debtor 3 and Mr. Wang shall pay to Shanghai Oasis an amount of RMB30,000,000 as compensation for the loss incurred by Shanghai Oasis in the Transaction upon the earlier of:–

- (i) 3 years after the Financial Compensation Agreement has been signed; or
- (ii) 10 days after Shanghai Oasis has served written notice to Debtor 3 and Mr. Wang upon Shanghai Oasis receiving written notice from Shanghai Wensheng that Shanghai Wensheng intends to withdraw from the cooperation agreement to which it is a party alongside Debtor 3 and Mr. Wang.

(9) ESCROW AGREEMENT

Date

To be signed at the same time as the Creditor's Rights Transfer Agreement.

Parties

Shanghai Oasis, China Orient and the Custodian Bank

Subject matters

Pursuant to the Escrow Agreement, the Custodian Bank shall release the Consideration paid into the Escrow Account to Shanghai Oasis pursuant to the payment instructions given by China Orient.

INFORMATION OF THE PARTIES INVOLVED IN THE TRANSACTION

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries:–

- (a) each of China Orient, the Debtor 1, Debtor 2, Debtor 3, Debtor 4, Shanghai Wensheng and Custodian Bank and their respective ultimate beneficial owners is an Independent Third Party;
- (b) Mr. Wang is an Independent Third Party.

The principal business activities and ultimate beneficial owners of the counterparties are as follows:–

	Principal business activities	Ultimate beneficial owner(s)
China Orient	Acquisition, entrusted operation of non-performing assets of financial institutions, management, investment and disposal of non-performing assets, debt-to-equity swaps, management, investment and disposal of equity assets	China Orient Asset Management Company Limited
Debtor 1	Development and management of real estate, yacht operations, yacht repair and maintenance	Debtor 4
Debtor 2	Development and management of real estate, property services, marketing planning	Debtor 4
Debtor 3	Agriculture and tourism project development, real estate information consulting services	Mr. Wang

	Principal business activities	Ultimate beneficial owner(s)
Debtor 4	Equity investment in non-listed companies, holding shares of listed companies by subscribing for non-public issuance of shares or acquisition of shares and related consulting services	海南碧桂園房地產開發有限公司 (Hainan Biguiyuan Real Estate Development Co., Ltd.*)
Shanghai Wensheng	Asset management, corporate management consultancy, investment management consultancy	浙江文華股份有限公司 (Zhejiang Wenhua Co., Ltd.*)
Custodian Bank	Provision of corporate and personal banking, assets management and other financial services	Industrial and Commercial Bank of China Limited

INFORMATION OF THE GROUP

The Group is an integrated real estate developer focusing on real estate investment and development business in first and second-tier cities in the PRC, particularly in the Shanghai Metropolitan Area, which is geographically the base for the Group’s property development business and popular cities in the Yangtze River Economic Belt. The Group is committed to expanding the project by virtue of integration development of “Industry + Real Estate + Finance” under the models of the Financial City and the “Primary and secondary co-development in industrial-urban integration”. The Group will also expand its investment businesses, accelerate the investment-withdrawal and profit-making process by adopting the “financing, investment, management and exit” approach, and operate in a “light and heavy assets in parallel” model. The Group also focuses on investment opportunities in the high-growth regions along the “One Belt, One Road”, striving to become a fully integrated trans-sector finance and real estate group.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The terms of the Debt Assignment Documents were negotiated on an arm’s length basis between the parties. Having considered that (i) it is uncertain whether the Debtors Group is able to pay the First Litigation Debt, the Arbitration Award Debt and the Second Litigation Debt; (ii) it may not be in the Group’s best interest to continue the lengthy and costly Appeal and Counterclaim; (iii) Shanghai Oasis can receive the immediate payment of RMB270 million upon completion of Transaction, the Directors consider that the Transaction is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

* For identification purposes only

FINANCIAL EFFECT OF THE TRANSACTION AND USE OF PROCEEDS

The unaudited book value of the Debts as at 30 June 2020, as shown in the Group's consolidated financial statements for the six months ended 30 June 2020, was approximately RMB109,993,000.

Subject to further audit procedures to be performed by the auditors of the Company, the Group is expected to record an unaudited gain from the Transaction of approximately RMB160 million, which is calculated with reference to the Consideration of RMB270 million and the unaudited book value of the Debts as at 30 June 2020. The proceeds to be received by the Company from the Transaction will be applied towards the general working capital of the Group.

IMPLICATION UNDER THE LISTING RULES

As one of the applicable percentages (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction is more than 25% but less than 75%, the Transaction constitutes a major transaction for the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates has a material interest in the Transaction, thus no Shareholders is required to abstain from voting for the resolution if the Company were to convene a special general meeting to approve the Transaction.

The Company has obtained written approval from Jiashun Holding in respect of the Transaction. Pursuant to Rule 14.44 of the Listing Rules, such written approval from Jiashun Holding can be accepted in lieu of holding a general meeting for the purpose of approving the Transaction. Jiashun Holding is the controlling shareholder of the Company, holding 12,500,000,000 Shares with voting rights (representing approximately 60.78% of the total issued shares with voting rights of the Company based on a total of 20,564,713,722 Shares in issue as at the date of this announcement).

GENERAL

A circular containing, amongst others, (i) further information on the Debt Assignment Documents and the Transaction; and (ii) other information required to be disclosed under the Listing Rules, will be despatched to the Shareholders within 15 business days after the publication of this announcement, which is, on or before 23 October 2020.

Shareholders and potential investors should note that Completion is subject to the satisfaction and/or, where applicable, waiver of the Condition Precedents. As the Transaction may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday or general public holiday in the PRC, except any Saturday or Sunday designated as a working day by the State Council of the PRC)
“Company”	SRE Group Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“China Orient”	China Orient Asset Management Company Limited (Hainan Branch)* (中國東方資產管理股份有限公司海南省分公司), a branch set up in Hainan by China Orient Asset Management Company Limited* (中國東方資產管理股份有限公司) (a limited liability company incorporated in the PRC)
“Completion”	completion of the Transaction in accordance with the terms of the Creditor’s Rights Transfer Agreement
“Completion Date”	has the meaning ascribed to it in the paragraph headed “Completion” in this announcement
“Condition Precedents”	the condition precedents to the Creditor’s Rights Transfer Agreement
“Creditor’s Rights Transfer Agreement”	The agreement to be entered into among Shanghai Oasis, China Orient, the Debtors Group and Mr. Wang pursuant to the Pre-contract of Creditor’s Rights Transfer in relation to the assignment of the Debts
“Custodian Bank”	the sub-branch of ICBC in Haidian, Haikou City, the PRC
“Debtor 1”	Haikou Century Harbour City Real Estate Company Limited* (海口世紀海港城置業有限公司), a limited liability company incorporated in the PRC
“Debtor 2”	Haikou Luchuang Real Estate Company Limited* (海口綠創置業有限公司), a limited liability company incorporated in the PRC
“Debtor 3”	Hainan Guosheng Investment Co., Ltd.* (海南國升投資有限公司), a limited liability company incorporated in the PRC

“Debtor 4”	Huoguoersi Rui Hong Equity Investment Company Limited* (霍爾果斯銳鴻股權投資有限公司), a limited liability company incorporated in the PRC
“Debtors Group”	Debtor 1, Debtor 2, Debtor 3, Debtor 4 and Mr. Wang
“Debts”	the First Litigation Debt; the Arbitration Award Debt; and the Second Litigation Debt.
“Debt Assignment Documents”	the First Debt Confirmation Letter, the Second Debt Confirmation Letter, the Mediation Agreement, the Pre-contract of Creditor’s Rights Transfer, the Third Debt Confirmation Letter, the Final Debt Confirmation Agreement, the Creditor’s Rights Transfer Agreement, the Financial Compensation Agreement and the Escrow Agreement
“Director(s)”	the director(s) of the Company
“Escrow Account”	the bank account for the payment of the Consideration as set forth in the Escrow Agreement
“Escrow Agreement”	the escrow agreement to be signed at the same time as the Creditor’s Rights Transfer Agreement by Shanghai Oasis, China Orient and the Custodian Bank
“Financial Compensation Agreement”	the financial compensation agreement to be entered into at the same time as the Creditor’s Rights Transfer Agreement by Shanghai Oasis, Debtor 3, Mr. Wang and Shanghai Wensheng
“First Debt Confirmation Letter”	the confirmation letter dated 30 September 2020 and signed by Shanghai Oasis, Debtor 1, Debtor 2 and Debtor 4 in relation to the First Litigation Debt
“First-Stage Agreements”	the First Debt Confirmation Letter; the Second Debt Confirmation Letter; the Mediation Agreement; and the Pre-contract of Creditor’s Rights Transfer
“Final Debt Confirmation Agreement”	the confirmation letter to be signed at the same time as the Creditor’s Rights Transfer Agreement by Shanghai Oasis, the Debtors Group and Mr. Wang, in relation to the First Litigation Debt, the Arbitration Award Debt and the Second Litigation Debt
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICBC”	Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability
“Independent Third Party”	third party independent of the Company and its connected persons (as defined in the Listing Rules)
“Jiashun Holding”	嘉順(控股)投資有限公司(Jiashun (Holding) Investment Limited), a company incorporated in Hong Kong and the controlling shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long-stop Date”	the end date of the escrow period (or such extended period) pursuant to the Escrow Agreement
“Mediation Agreement”	the mediation agreement dated 30 September 2020 and entered into between Shanghai Oasis and Debtor 4
“Mortgage Contract of Maximum Amount”	the contract entered into between Debtor 1 and China Orient, pursuant to which China Orient shall provide Debtor 1 with loans and assist in its debt repayment, guaranteed by mortgage of land under Debtor 1’s name
“Mr. Wang”	Wang Dongsheng* (王東升)
“Parties”	Shanghai Oasis, China Orient, the Debtors Group, Mr. Wang
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Pre-contract of Creditor’s Rights Transfer”	the pre-contract to the Creditor’s Rights Transfer Agreement, dated 30 September 2020 and entered into among Shanghai Oasis, China Orient, the Debtors Group and Mr. Wang
“RMB”	Renminbi, the lawful currency of PRC
“Second Debt Confirmation Letter”	the confirmation letter dated 30 September 2020 and signed by Shanghai Oasis, Debtor 4 and Mr. Wang in relation to the Arbitration Award Debt

“Shanghai Oasis”	Shanghai Oasis Garden Real Estate Co., Ltd. (上海綠洲花園置業有限公司), a company incorporated in the PRC
“Shanghai Wensheng”	Shanghai Wensheng Asset Management Company Limited* (上海文盛資產管理股份有限公司), a company incorporated in the PRC
“Shanghai Wingo”	Shanghai Wingo Infrastructure Company Limited (上海永高建設有限公司), an indirect wholly-owned subsidiary of the Company
“Shanghai Wingo Debt”	the construction payment debt owed to Shanghai Wingo by Debtor 1 pursuant to certain agreements entered into between Shanghai Wingo and Debtor 1
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Shareholders”	registered holders of the Shares from time to time
“SHIAC”	Shanghai International Economic and Trade Arbitration Commission
“Third Debt Confirmation Letter”	the confirmation letter to be signed at the same time as the Creditor’s Rights Transfer Agreement by Shanghai Oasis, and Debtor 4 in relation to the Second Litigation Debt
“Transaction”	the assignment of the Debts
“Zhuhai Cang Shan”	Zhuhai Cangshan Honghao Investment Management Center (Limited Partnership)* (珠海藏山弘皓投資管理中心(有限合夥)), a limited partnership formed in the PRC

By Order of the Board
SRE Group Limited
Lei Dechao
Chairman

Hong Kong, 4 October 2020

As at the date of this announcement, the Board comprises five executive directors of the Company, namely Mr. Lei Dechao, Mr. Zhu Qiang, Ms. Qin Wenyong, Mr. Jiang Qi and Ms. Jiang Chuming; and four independent non-executive directors of the Company, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai, Mr. Ma Lishan and Mr. Han Gensheng.

* For identification purpose only