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(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

**INSIDE INFORMATION AND
ANNOUNCEMENT PURSUANT TO RULE 13.19 OF THE LISTING RULES
AND RESUMPTION OF TRADING**

This announcement is made by SRE Group Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) and Rule 13.19 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Shanghai Jinxin Real Estate Company Limited* (上海金心置業有限公司) (“**Shanghai Jinxin**”) (a company incorporated under the laws of the PRC with limited liability, which is held as to 51% equity interest by the Company and 49% by Zhongchong Binjiang Industrial Development Co., Ltd.* (上海中崇濱江實業發展有限公司) (“**Zhongchong Binjiang**”) and to which the Company and Zhongchong Binjiang have equal capital contribution responsibilities and obligations to provide shareholders’ loans to fulfill funding needs of Shanghai Jinxin), the Lenders (as defined hereinafter) and the Guarantors (as defined hereinafter) have entered into a series of syndicated loan agreements and the related extension agreements (collectively, the “**Loan Agreements**”) in respect of the loan (the “**Loan**”) in the maximum principal amount of RMB5 billion (equivalent to approximately HK\$6.150 billion), of which the principal amount of RMB4.45 billion (equivalent to approximately HK\$5.473 billion) has been drawn down. There was an accrued interest of RMB181.5 million (equivalent to approximately HK\$223.2 million) under the Loan (the “**Accrued Interest**”) due for repayment by Shanghai Jinxin on 21 March 2022. However, the Accrued Interest has not been settled as at 21 March 2022 and the date of this announcement (the “**Overdue Payment**”).

The Company and certain subsidiaries of the Group provided guarantees and equity pledges to the Loan (collectively, the “**Guarantees Provided by the Group**”) pursuant to the syndicated loan extension agreement dated 24 December 2021 (the “**Syndicated Loan Extension Agreement**”).

Loan Agreements

A summary of the principal terms of the Loan Agreements is set out below:

Date:	20 October 2016
Borrower:	Shanghai Jinxin
Lenders:	Industrial and Commercial Bank of China Limited, Shanghai Bund branch* (中國工商銀行股份有限公司上海市外灘支行); Agricultural Bank of China Limited, Shanghai Jing'an branch* (中國農業銀行股份有限公司上海靜安支行); China Construction Bank Corporation, Shanghai Huangpu branch* (中國建設銀行股份有限公司上海黃浦支行); Shanghai Pudong Development Bank Co., Ltd., Shanghai Huangpu branch* (上海浦東發展銀行股份有限公司黃浦支行) (collectively, the “ Lenders ”)
Loan Amount:	Loan facility in the maximum of RMB5 billion (equivalent to approximately HK\$6.15 billion)
Extended Maturity Date:	26 December 2022
Interest Rate	Loans issued before (and excluding) 7 August 2018: 4.275%; Loans issued after 7 August 2018: 4.9875%
Overdue Interest Rate	In the event Shanghai Jinxin fails to repay the principal loan amount and the Accrued Interest, the Lenders are entitled to increase the interest rate by 50%

Guarantors: The Company;

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);

Shanghai Oasis Garden Real Estate Company Limited* (上海綠洲花園置業有限公司);

China Minsheng Jiaye Investment Co., Ltd* (中民嘉業投資有限公司), a controlling shareholder of the Company;

Zhongchong Group Co., Ltd* (中崇集團有限公司)

Qiu Yufeng (仇瑜峰)

(collectively, the “**Guarantors**”)

Events of default:

1. Failure by Shanghai Jinxin to meet the target progress on a project related to immovable property in Shanghai as described in the Syndicated Loan Extension Agreement; and
2. Failure by Shanghai Jinxin to pay the Accrued Interest on the agreed interest payment date, being 21 March 2022

If any of the abovementioned events of default occurs, the Lenders shall have the right to declare the early maturity of the syndicated loan, or to take other remedies subject to Loan Agreements.

Guarantees Provided by the Group

A summary of the Guarantees Provided by the Group in respect of the repayment of the Loan and the principal terms thereof are set out as follows:

Guarantor	Type of Guarantee
The Company	Corporate guarantee
Shunlink Investment Limited* (上聯投資有限公司)	Pledge over the equity interest in Shanghai Jinxin (subject to the terms and conditions of the Loan Agreements) [#]
Gaken Investment Limited* (嘉勤投資有限公司)	Pledge over the equity interest in Shanghai Jinxin (subject to the terms and conditions of the Loan Agreements) [#]
SRE Jiaye Real Estate Development (Shanghai) Company Limited* (上置嘉業房地產發展(上海)有限公司)	Pledge over the equity interest in Shanghai Jinxin (subject to the terms and conditions of the Loan Agreements) [#]
Shanghai Oasis Garden Real Estate Company Limited* (上海綠洲花園置業有限公司)	Corporate guarantee and pledge over the equity interest in Shanghai Jinxin (subject to the terms and conditions of the Loan Agreements) [#]

[#] 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) are all indirect wholly-owned subsidiaries of the Company, and together are interested in 51% of the equity interest in Shanghai Jinxin.

The Guarantors are jointly and severally liable for the repayment of the principal amount of the Loan, the Accrued Interest and any penalty interest thereof.

On 22 March 2022, the Lender issued a demand letter (the “**Reminder**”) to Shanghai Jinxin and the Guarantors requesting that Shanghai Jinxin and each of the Guarantors shall fulfill their relevant payment or guarantee obligations to pay the Accrued Interest and the related overdue interest by 31 March 2022. The Group is in active discussion with Shanghai Jinxin and Zhongchong Binjiang with respect to the payment plan of the Accrued Interest and with the Lenders in respect of the Overdue Payment and the revision of the relevant payment terms.

As the Company has received the Reminder from the Lenders, it is possible that cross-defaults under other loan agreements entered into by the Group may have been triggered. As at the date of this announcement, the Company has assessed that the relevant lenders may demand the repayment of RMB284.9 million (equivalent to approximately HK\$350.4 million) in respect of such potential cross-defaults (including outstanding and possible breach of other loan facilities). The Group is making its best efforts to communicate and negotiate with the relevant lenders to obtain waiver or confirmation that the Overdue Payment and/or receipt of the Reminder do not constitute events that trigger cross-default in the relevant agreements. As at the date of this announcement, the Group has yet to obtain waiver or confirmation from the relevant lenders. Based on the Group's communication with the relevant lenders as at the date of this announcement, it is understood that whether the lenders would demand immediate repayment from the Group under standard terms of agreement after having determined that events triggering cross-default have occurred would generally be based primarily on their judgment of the Group's operating conditions and financial position. As at the date at this announcement, the Group has not been required by the relevant lenders to make immediate repayment in respect of such potential cross-defaults.

In order to meet its repayment obligations, the Company has been considering a number of fund raising activities including but not limited to the disposal of assets, accelerated recovery of other receivables and planned equity financing. The Group's current operating financial position and cash position remain stable and the overall operating position is healthy. As at the date of this announcement, the Overdue Payment and the aforementioned potential cross-defaults have not had any material impact on the operation or the financial position of the Group.

The Company is continuously assessing the legal, financial and operational impact of the Overdue Payment over the Group. The board of directors of the Company (the "**Board**") will closely monitor the development of the abovementioned matters and will further issue announcement as and when appropriate pursuant to the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading of shares of the Company was halted with effect from 9:00 a.m. on Tuesday, 22 March 2022. Application has been made by the Company to the Stock Exchange for the resumption of trading of the shares of the Company with effect from 9:00 a.m. on Monday, 28 March 2022.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
SRE GROUP LIMITED
Hong Zhihua
Chairman

Hong Kong, 27 March 2022

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Hong Zhihua, Mr. Kong Yong, Mr. Xu Ming and Mr. Jiang Qi, two non-executive directors, namely Mr. Lu Jianhua and Mr. Luo Guorong, and three independent non-executive directors, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai and Mr. Ma Lishan.

Unless otherwise specified, conversion of RMB to HK\$ in this announcement is based on the exchange rate of RMB1.00 = HK\$1.2299 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ can be or could have been converted at the relevant dates at the above rate or any other rates at all.

** For identification purpose only*