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**(Stock Code: 1207)**

**SUPPLEMENTAL ANNOUNCEMENT**  
**VERY SUBSTANTIAL DISPOSAL IN RELATION TO**  
**(1) THE DISPOSAL OF 51% EQUITY INTEREST IN SHANGHAI JINXIN;**  
**AND**  
**(2) THE ASSIGNMENT OF RIGHTS UNDER THE JINXIN DEBTS**

Reference is made to (1) the announcement of SRE Group Limited (the “**Company**”) dated 8 April 2024 (the “**Announcement**”) in relation to, among others, the Disposal Agreement and the Disposal, (2) the circular of the Company (the “**SGM Circular**”), the notice (the “**Original SGM Notice**”) of the special general meeting (the “**SGM**”) and the proxy form of the Company all dated 10 May 2024 in respect of the SGM previously scheduled to be convened on 29 May 2024 in relation to the Disposal Agreement and the Disposal, (3) the announcement of the Company dated 29 May 2024 in relation to the adjournment of the SGM (the “**Adjourned SGM**”) which had been scheduled to be convened on 13 June 2024, and (4) the announcement of the Company dated 13 June 2024 in relation to the poll results of the Adjourned SGM on the adjournment resolution to further adjourn the Adjourned SGM to a date, time and venue to be determined by the Board in due course. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the SGM Circular.

## **THE SUPPLEMENTAL AGREEMENT TO THE DISPOSAL AGREEMENT**

The Company announced the Disposal Agreement and the Disposal on 8 April 2024, dispatched the SGM Circular on 10 May 2024 and gave the Original SGM Notice to the Shareholders for the SGM to be convened on 29 May 2024 for the purpose of considering and, if thought fit, approving, among other things, the Disposal Agreement and transaction contemplated thereunder.

As is disclosed in the Company's announcement dated 29 May 2024, pursuant to Article 62 of the bye-laws of the Company, due to the lack of quorum present within thirty (30) minutes from the time appointed for the SGM, the Adjourned SGM was scheduled to be held on 13 June 2024. As is disclosed in the Company's announcement dated 13 June 2024, before the resolutions set out in the Original SGM Notice were put to vote, certain Shareholder had requested and the chairman of the Adjourned SGM had agreed to put forward an adjournment resolution (the "**Adjournment Resolution**") to further adjourn the SGM (the "**Further Adjourned SGM**") to a date, time and venue to be determined by the Board in due course pursuant to Article 64 of the bye-laws of the Company. As more than 50% of the votes were cast in favour of the Adjournment Resolution, the Adjournment Resolution was duly passed by way of poll at the Adjourned SGM, and the voting of the resolutions set out in the Original SGM Notice has accordingly been adjourned to a date, time and venue to be determined by the Board in due course.

On 19 October 2024, the Vendors and the Purchaser entered into a supplemental agreement to the Disposal Agreement (the "**Supplemental Agreement**") to amend certain terms of the Disposal Agreement.

A summary of amendments to the terms and conditions of the Disposal Agreement are set out below:

| Subject Matter                            | Terms in the Disposal Agreement as disclosed in the SGM Circular  | Key amendments made to the Disposal Agreement in the Supplemental Agreement   |
|---|---|---|
| <p><b>Conditions to Effectiveness</b></p> | <ul style="list-style-type: none"> <li>• 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 at the SGM.</li> <li>• As is further disclosed in the Company's announcement dated 13 June 2024 in relation to, among other things, update on the Disposal Agreement, the aforesaid announcement and approval procedures and obtaining Shareholders' approval at the SGM shall be completed on or before 15 June 2024 (the "<b>Proposed Effective Date</b>"), or else the Vendors shall pay the Purchaser liquidated damages calculated as follows:               <ol style="list-style-type: none"> <li>(1) in the event of a delay of up to and including 30 days after the Proposed Effective Date, the Vendors shall pay the Purchaser liquidated damages calculated at 0.01% per day with reference to RMB2 billion;</li> <li>(2) in the event of a delay of over 30 days after the Proposed Effective Date, the Vendors shall pay the Purchaser liquidated damages calculated at 0.03% per day with reference to RMB2 billion; and</li> </ol> </li> </ul> | <ul style="list-style-type: none"> <li>• The Purchaser has waived the Vendors from the obligation of the payment of any liquidated damages previously occurred due to the delay in completion of the announcement and approval procedures and obtaining Shareholders' approval at the SGM.</li> <li>• The deadline for the completion of the announcement and approval procedures and obtaining Shareholders' approval at the SGM has been changed to 15 November 2024, and the Purchaser has agreed to grant a further extension of 30 days thereafter upon request.</li> <li>• If the Company has not completed the relevant announcement and approval procedures and obtained Shareholders' approval at the SGM in the aforesaid period, the Vendors shall still pay the Purchaser liquidated damages (calculation of which remains unchanged).</li> </ul> |

| Subject Matter  | Terms in the Disposal Agreement as disclosed in the SGM Circular  | Key amendments made to the Disposal Agreement in the Supplemental Agreement   |
|---|---|---|
|   | <p>(3) in the event of a delay of more than 90 days, the Purchaser shall have the right to unilaterally terminate this Disposal Agreement, in which case the Vendors 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 of the Disposal Agreement.</p> |   |
| <p><b>The Consideration Determination Benchmark Date and the Outstanding Amount of the Jinxin Debts</b></p> | <ul style="list-style-type: none"> <li>• The consideration determination benchmark date was 30 June 2024.</li> <li>• The outstanding amount of the Jinxin Debt was approximately RMB2,499.1 million and approximately RMB 2,577.6 million as at 29 February 2024 and 30 June 2024, respectively.</li> </ul>   | <ul style="list-style-type: none"> <li>• The consideration determination benchmark date has been changed to 15 November 2024.</li> <li>• Adding the outstanding amount of the Jinxin Debts as at 15 November 2024 and 30 August 2025, being approximately RMB2,673.7 million and approximately RMB2,767.1 million, respectively.</li> </ul>   |
| <p><b>Consideration and Payment Term</b></p>  | <ul style="list-style-type: none"> <li>• The consideration for the Disposal was RMB3.41 billion (subject to adjustment), which comprised the consideration for the disposal of the Target Equity Interest (RMB0.8 billion) and the consideration for the assignment of the Jinxin Debts (approximately RMB2.61 billion), less the Ningbo Zhongqing Payment.</li> </ul>  | <ul style="list-style-type: none"> <li>• The consideration for the Disposal comprises the consideration for the disposal of the Target Equity Interest and the consideration for the assignment of the Jinxin Debts.</li> <li>• The consideration for the disposal of the Target Equity Interest remains unchanged.</li> <li>• The consideration for the assignment of the Jinxin Debts has been changed to the total outstanding amount of the Jinxin Debts as at the actual completion date of the assignment of the Jinxin Debts.</li> </ul> |

| Subject Matter | Terms in the Disposal Agreement as disclosed in the SGM Circular  | Key amendments made to the Disposal Agreement in the Supplemental Agreement   |
|----------------|---|---|
|                | <ul style="list-style-type: none"> <li>The first installment of RMB2.00 billion, part of which shall be offset by the fulfillment of Shanghai Jinxin’s payment obligation to Ningbo Zhongqing (as defined below) in the amount of approximately RMB32.5 million, shall be paid into the Escrow Account within three business days after the Disposal Agreement has taken effect (and in any event no later than 30 June 2024).</li> </ul> | <ul style="list-style-type: none"> <li>The amount of the first installment remains unchanged, while the payment deadline has been changed to: three business days after the Disposal Agreement and the Supplemental Agreement have taken effect.</li> </ul>   |
|                | <ul style="list-style-type: none"> <li>The second installment of RMB0.64 billion shall be paid into the Escrow Account no later than 31 December 2024.</li> <li>The third installment: the Vendors shall have the options to determine the settlement of the remaining RMB0.77 billion of the consideration of the Disposal in kind or in cash.</li> </ul>  | <ul style="list-style-type: none"> <li>The second installment has been changed to the total consideration for the Disposal as at the actual completion date of the assignment of the Jinxin Debts plus the Ningbo Zhongqing Payment and less the first installment, which shall be paid into the Escrow Account (i) no later than 30 days after Shanghai Jinxin obtains any land use right certificate for the Shanghai Daxing Road Project (i.e., the land located at nos. 717-719, Daxing Road, Huangpu District, Shanghai), or (ii) 30 August 2025 (whichever is earlier). The parties shall confirm the actual completion date and the consideration of the assignment of the Jinxin Debts at least 30 days in advance.</li> <li>There will be no third installment.</li> </ul> |

| <b>Subject Matter</b>  | <b>Terms in the Disposal Agreement as disclosed in the SGM Circular</b>   | <b>Key amendments made to the Disposal Agreement in the Supplemental Agreement</b>  |
|--|---|---|
| <p><b>The Release of the Consideration from the Escrow Account</b></p> | <ul style="list-style-type: none"> <li>• The first installment aforesaid shall be released to the Vendors on the same day on which the registration of the transfer of the Target Equity Interest is completed.</li> <li>• The second installment aforesaid shall be released to the Vendors on the same day of the completion of the assignment of the Jinxin Debts.</li> </ul>  | <ul style="list-style-type: none"> <li>• The release of the first installment remains unchanged.</li> <li>• The release of the second installment has been changed to: after the payment of the second installment into the Escrow Account, the Vendors shall release or procure the release of the pledged 49% equity interest of Shanghai Jinxin held by the relevant Jinxin Debts Vendors or their designated party in accordance with the section headed “Performance Guarantee” below in this announcement. Subsequently, the second installment shall be released to the Vendors, and the Jinxin Debts Vendors shall deliver to the Purchaser the debt documents of the Jinxin Debts at the same time.</li> </ul> |
| <p><b>Performance Guarantee</b></p>                                    | <ul style="list-style-type: none"> <li>• Pursuant to the Disposal Agreement, the Purchaser has agreed to the following as guarantee for its performance thereunder: <ul style="list-style-type: none"> <li>(1) within 3 business days after the Disposal Agreement has taken effect, the Purchaser shall procure Zhongchong Binjiang (or such other shareholding company controlled by the Purchaser) to pledge the 5% equity interest in Shanghai Jinxin to the relevant Jinxin Debts Vendors or their designated party as guarantee to the fulfillment of the Purchaser’s payment obligation of the second installment of the consideration;</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• The Purchaser agreed to the following new guarantee arrangement for the fulfillment of the Purchaser’s payment obligation of the second installment of the consideration: <ul style="list-style-type: none"> <li>(1) within 7 business days after the registration of the transfer of the Target Equity Interest is completed, the Purchaser shall procure Zhongchong Binjiang (or such other shareholding company controlled by the Purchaser) to pledge the 41% equity interest in Shanghai Jinxin to the relevant Jinxin Debts Vendors or their designated party;</li> </ul> </li> </ul>  |

| Subject Matter | Terms in the Disposal Agreement as disclosed in the SGM Circular   | Key amendments made to the Disposal Agreement in the Supplemental Agreement   |
|----------------|--|---|
|                | <p>(2) the Purchaser shall procure the pledge of the rest of the 44% equity interest in Shanghai Jinxin held by Zhongchong Binjiang (or such other shareholding company controlled by the Purchaser) to the relevant Jinxin Debts Vendors or their designated party as guarantee for fulfillment of the Purchaser's payment obligation of the second and the third installments of the consideration and the relevant liabilities in the following manners:</p> <p>(i) upon the completion of the transfer registration of the Target Equity Interest, the Purchaser shall arrange for the 36% equity interest in Shanghai Jinxin held by Zhongchong Binjiang (or a separately established shareholding platform company) to be pledged to the relevant Jinxin Debts Vendors or their designated party. The pledge of 36% equity interest in Shanghai Jinxin and the transfer registration of the Target Equity Interest will be completed simultaneously;</p> | <p>(2) within 7 business days after the release of the Seized Equity Interest is completed, the Purchaser shall procure to pledge the 8% equity interest in Shanghai Jinxin to the relevant Jinxin Debts Vendors or their designated party; and</p> <p>(3) relevant pledgee (relevant Jinxin Debts Vendors or their designated party) of the equity interest pledges above shall release the pledges over the 49% equity interest in Shanghai Jinxin within 3 business days after the payment of the second installment of the consideration to the Escrow Account.</p> |

| Subject Matter | Terms in the Disposal Agreement as disclosed in the SGM Circular   | Key amendments made to the Disposal Agreement in the Supplemental Agreement |
|----------------|--|---|
|                | <p>(ii) the Purchaser shall arrange for the Seized Equity Interest (being 8% equity interest in Shanghai Jinxin) to be pledged to the relevant Jinxin Debts Vendors or their designated party on the same day the Seized Equity Interest is released (within 5 business days after the effectiveness of the Disposal Agreement);</p> <p>(iii) the registration of the transfer of and the pledge of equity interest stated in the above paragraph (i), and the release of the Seized Equity Interest shall be conducted simultaneously; and</p> <p>(3) relevant pledgee (relevant Jinxin Debts Vendors or their designated party) of the equity interest pledges above shall: (i) release the pledge of 18.9% equity interest in Shanghai Jinxin within 3 business days after the payment of the second installment of the consideration, and (ii) release the pledge of the rest of 30.1% equity interest in Shanghai Jinxin within 3 business days after the payment of the third installment of the consideration which is taken to have been completed when a certificate of registration issued by the relevant governmental department in relation to the release of the pledge has been obtained.</p> |   |



| Subject Matter   | Terms in the Disposal Agreement as disclosed in the SGM Circular  | Key amendments made to the Disposal Agreement in the Supplemental Agreement  |
|--|---|--|
| <p><b>Conditions Precedent to the Completion of the Transfer of Target Equity Interest</b></p> | <ul style="list-style-type: none"> <li>• Completion of the transfer of the Target Equity Interest is subject to the following conditions, among others, having been fulfilled:               <ol style="list-style-type: none"> <li>(1) 5% equity interest in Shanghai Jinxin having been pledged to the relevant Jinxin Debts Vendors or their designated party pursuant to paragraph (1) in the section headed “Performance Guarantee” in the SGM Circular and the relevant pledge registration filing process having been completed;</li> <li>(2) the first installment of the consideration, being RMB2.00 billion, having been paid into the Escrow Account fully in accordance with the terms of the Disposal Agreement; and</li> <li>(3) the Purchaser shall have obtained and provided to the Vendors relevant legal documents (including but not limited to the certificate of settlement of the Syndicated Loan) confirming or explaining that the Vendors and related parties have been released/exempted from the liability of Guarantees Provided by the Group under the Syndicated Loan.</li> </ol> </li> </ul> | <ul style="list-style-type: none"> <li>• Completion of the transfer of the Target Equity Interest is subject to the fulfillment of the following conditions instead:               <ol style="list-style-type: none"> <li>(1) the first installment of RMB2 billion having been paid in full and on time to the Escrow Account; and</li> <li>(2) the Purchaser shall have obtained and provided to the Vendors relevant legal documents (including but not limited to the certificate of settlement of the Syndicated Loan) confirming or explaining that the Vendors and related parties have been released/exempted from the liability of Guarantees Provided by the Group under the Syndicated Loan.</li> </ol> </li> </ul> |

| Subject Matter  | Terms in the Disposal Agreement as disclosed in the SGM Circular  | Key amendments made to the Disposal Agreement in the Supplemental Agreement   |
|---|---|---|
| <p><b>Conditions</b><br/> <b>Precedent to the Completion of the Assignment of the Rights under the Jinxin Debts</b></p> | <ul style="list-style-type: none"> <li>• Completion of the assignment of the Jinxin Debts is subject to the following conditions, among others, having been fulfilled: <ul style="list-style-type: none"> <li>(1) the obligations of Shanghai Jinxin under the agreement in respect of the Syndicated Loan having been settled;</li> <li>(2) the Purchaser having pledged 49% equity interest of Shanghai Jinxin to the relevant Jinxin Debts Vendors or their designated party in accordance with the section headed “Performance Guarantee” in the SGM Circular; and</li> <li>(3) the first installment of the consideration having been fully and timely paid with the completion of the release of the first installment and second installment of the consideration having been fully paid into the Escrow Account in accordance with the terms set out under the Disposal Agreement.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• The conditions set out in the paragraph (2) in the left column has been deleted, while other conditions remain unchanged.</li> </ul> |

As a result of the abovementioned amendments, the following disclosures in the SGM Circular are hereby updated and supplemented to reflect the amendments set out above:

**(a) Conditions to Effectiveness**

The section headed “Conditions to Effectiveness” on page 8 of the SGM Circular shall be amended as:

“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, ***the Supplemental Agreement*** and the Disposal at the SGM, ***which shall be completed on or before the Proposed Effective Date, or else the Vendors shall pay the Purchaser liquidated damages calculated as follows:***

- (1) in the event of a delay of up to and including 30 days after the Proposed Effective Date, the Vendors shall pay the Purchaser liquidated damages calculated at 0.01% per day with reference to RMB2 billion;***
- (2) in the event of a delay of over 30 days after the Proposed Effective Date, the Vendors shall pay the Purchaser liquidated damages calculated at 0.03% per day with reference to RMB2 billion; and***
- (3) in the event of a delay of more than 90 days, the Purchaser shall have the right to unilaterally terminate this Disposal Agreement, in which case the Vendors 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 of the Disposal Agreement.”***

(b) **The Consideration Determination Benchmark Date and the Outstanding Amount of the Jinxin Debts**

The 3rd paragraph on page 7 of the SGM Circular shall be amended as:

“The rights under the Jinxin Debts to be assigned is to receive the payment of debts owed by Shanghai Jinxin to the Jinxin Debts Vendors, which will increase from time to time due to the **increase in the accrued interest and relevant service fee**. The aggregate outstanding amount of the Jinxin Debts is approximately RMB2,499.1 million as at 29 February 2024, approximately RMB2,577.6 million as at 30 June 2024, **approximately RMB2,673.7 million as at 15 November 2024 (being the consideration determination benchmark date of the Disposal), and approximately RMB2,767.1 million as at 30 August 2025,** respectively, details of which are set out in the table below:

| Vendor   | The outstanding amount of the Jinxin Debts  |   |   |   |
|----------|---|---|---|---|
|          | as at<br>29 February<br>2024<br>RMB million | as at<br>30 June<br>2024<br>RMB million | <b><u>as at</u></b><br><b><u>15 November</u></b><br><b><u>2024</u></b><br><b><u>RMB million</u></b> | <b><u>as at</u></b><br><b><u>30 August</u></b><br><b><u>2025</u></b><br><b><u>RMB million</u></b> |
| Vendor 2 | 106.2                                       | 106.2                                   | <b><u>106.2</u></b>   | <b><u>106.2</u></b>   |
| Vendor 5 | 818.7                                       | 856.4                                   | <b><u>907.5</u></b>   | <b><u>907.5</u></b>   |
| Vendor 6 | 1,373.2                                     | 1,411.7                                 | <b><u>1,454.2</u></b>   | <b><u>1,542.5</u></b>   |
| Vendor 7 | <u>201.0</u>                                | <u>203.3</u>                            | <b><u>205.8</u></b>   | <b><u>210.9</u></b>   |
| Total    | <u>2,499.1</u>                              | <u>2,577.6</u>                          | <b><u>2,673.7</u></b>   | <b><u>2,767.1</u></b>   |

(c) **Consideration and Payment Term and the Release of the Consideration from the Escrow Account**

The 1st paragraph on page 6 of the SGM Circular shall be amended as:

“On 8 April 2024, the Vendors and the Purchaser entered into the Disposal Agreement (**which was amended by the Supplemental Agreement dated 19 October 2024**), pursuant to which the Purchaser conditionally agreed to acquire and the Vendors conditionally agreed to: (i) dispose of the Target Equity Interest **at a consideration of RMB0.8 billion**; and (ii) assign the rights under the Jinxin Debts **at a consideration equals to the total outstanding amount of the Jinxin Debts as at the actual completion date of the assignment of the Jinxin Debts (being approximately RMB2.67 billion and approximately RMB2.77 billion calculated up to 15 November 2024 and 30 August 2025, respectively). As the total outstanding amount of the Jinxin Debts will increase from time to time due to the increase in the accrued interest and relevant service fee thereunder, the consideration of the assignment of Jinxin Debts will accordingly increase from time to time.**”

The content in the section headed “Consideration and Payment Term” on pages 8-9 and in the 1st paragraph on page 10 of the SGM Circular shall be amended (while contents in the 2nd paragraph on page 10 and the contents on pages 11-12 of the SGM Circular remain unchanged) as:

“The consideration for the Disposal **consists of (i) the consideration for the disposal of the Target Equity Interest (being RMB0.8 billion), and (ii) the consideration for the assignment of the Jinxin Debts equals to the total outstanding amount of the Jinxin Debts as at the actual completion date of the assignment of the Jinxin Debts (being approximately RMB2.67 billion and approximately RMB2.77 billion calculated up to 15 November 2024 and 30 August 2025, respectively, and will increase from time to time in accordance with the increase in the total outstanding amount of the Jinxin Debts)**, shall be paid by the Purchaser to the Vendors in the following manners:

- (1) the first installment: an amount of RMB2.00 billion, part of which shall be offset by the fulfillment of Shanghai Jinxin’s payment obligation to Ningbo Zhongqing (as defined below) in the amount of approximately RMB**34.0** million (including the outstanding loan principal of RMB24.8 million and the estimated interests of RMB**9.2** million as of **15 November** 2024 without any guarantees or pledge provided for the loan by Shanghai Jinxin or the Group) by the payment of Shanghai Jinxin to Ningbo Zhongqing Trading Co., Ltd.\* (寧波眾慶貿易有限公司) (“**Ningbo Zhongqing**”), being ultimately owned by Sheng Qing (盛晴) and Ruan Zaizhong (阮再中), an Independent Third Party, as a result of the legal proceedings in relation to a loan dispute between the Ningbo Zhongqing and Shanghai Jinxin (case number: [2023]滬0101民初21203號).

The abovementioned amount shall be determined in accordance with the amount stipulated in the final effective legal document in relation thereto, and the remaining part shall be paid into the Escrow Account **within three business days after the Disposal Agreement and the Supplemental Agreement has taken effect**, and shall be released to the Vendors on the same day on which the registration of the transfer of the Target Equity Interest is completed.

Given that Ningbo Zhongqing is one of Shanghai Jinxin’s creditors and the court’s ruling on Shanghai Jinxin’s payment obligation would be taken into account in determining the consideration of the Disposal as agreed by the parties of the Disposal Agreement, in order to expedite the resolution of the dispute between Shanghai Jinxin and Ningbo Zhongqing, streamline the payment process and ensure efficient use of funds, the parties to the Disposal Agreement have agreed to transfer the amount due to Ningbo Zhongqing from the Escrow Account to the account of Shanghai Jinxin before payment to Ningbo Zhongqing. In light of the above, the Directors are of the view that such payment arrangement is in the interests of the Company and the Shareholders as a whole.

- (2) the second installment: an amount **equals to the total consideration for the Disposal as at the actual completion date of the assignment of the Jinxin Debts plus the Ningbo Zhongqing Payment and less the first installment, which shall be paid into the Escrow Account (i) no later than 30 days after Shanghai Jinxin obtains any land use right certificate for the Shanghai Daxing Road Project (i.e., the land located at nos. 717-719, Daxing Road, Huangpu District, Shanghai), or (ii) 30 August 2025 (whichever is earlier).**

**The parties shall confirm the actual completion date and the consideration of the assignment of the Jinxin Debts at least 30 days in advance. After the payment of the second installment into the Escrow Account, the Vendors shall release or procure the release of the pledged 49% equity interest of Shanghai Jinxin held by the relevant Jinxin Debts Vendors or their designated party in accordance with the section headed “Performance Guarantee” in this circular. Subsequently, the second installment shall be released to the Vendors, and the Jinxin Debts Vendors shall deliver to the Purchaser the debt documents of the Jinxin Debts to complete the assignment of Jinxin Debts at the same time.**

Pursuant to the Disposal Agreement, within 10 days of the date of the circular in relation to the Disposal, an escrow account (the “**Escrow Account**”) for holding the above first installment and second installment of the consideration for the Disposal Agreement shall be established under the name of the entity designated by the Group, and be jointly managed with the Purchaser or a person designated by the Purchaser. The Vendors and the Purchaser (or their designated parties) shall each appoint a manager of the Escrow Account, totalling two managers and withdrawal of any sum from the Escrow Account shall require the signature of both of the managers appointed by the parties. The Purchaser and the Vendors will jointly set up the Escrow Account and the funds under the Escrow Account will be released by the related bank in accordance with the escrow agreement.

The consideration was determined after arm’s length negotiations among the Vendors and the Purchaser after taking into account (i) the total assets and total liabilities of Shanghai Jinxin as at 29 February 2024, being approximately RMB9,593.19 million and RMB7,549.79 million respectively; (ii) the valuation of the property interest held by Shanghai Jinxin as at 29 February 2024 of approximately RMB10,763.0 million by the Independent Valuer; (iii) the entire equity interest valuation of Shanghai Jinxin as at 29 February 2024 by an independent professional valuer (valued at approximately RMB1,713.1 million) multiplied by 51%, being approximately RMB873.7 million; (iv) the total **actual** amount owed by Shanghai Jinxin to the Jinxin Debts Vendors under the Jinxin Debts as at **15 November 2024** (being the consideration determination benchmark date of the Disposal), **with the interest and relevant service fee increasing from time to time**; and (v) the paid-up registered capital of Shanghai Jinxin, being RMB2,660 million. **The consideration of the assignment of the Jinxin Debts will be the total outstanding amount of the Jinxin Debts as at the actual completion date of the assignment of the Jinxin Debts (i.e., will be adjusted from time to time to reflect the increase in the total outstanding amount of the Jinxin Debts).** As the above consideration determination benchmark date of the Disposal provides a relatively certain basis for both parties to evaluate the consideration of the Disposal, and the consideration adjustment mechanism also takes into account the necessary adjustments required to be made due to the possible delay in the process of the Disposal which would lead to the increase in the accrued interest **and relevant service fee** of the Jinxin Debts, the Company is of the view that the consideration of the Disposal is fair and reasonable.”

**(d) Performance Guarantee**

The content in section headed “Consideration and Payment Term” on page 13 of the SGM Circular shall be amended (while contents on page 14 of the SGM Circular remain unchanged) as:

“Pursuant to the Disposal Agreement, the Purchaser has agreed to the following as guarantee for its performance thereunder:

- (1) **within 7 business days after the registration of the transfer of the Target Equity Interest is completed, the Purchaser shall procure Zhongchong Binjiang (or such other shareholding company controlled by the Purchaser) to pledge the 41% equity interest in Shanghai Jinxin to the relevant Jinxin Debts Vendors or their designated party;**
- (2) **within 7 business days after the release of the Seized Equity Interest is completed, the Purchaser shall procure to pledge the 8% equity interest in Shanghai Jinxin to the relevant Jinxin Debts Vendors or their designated party; and**
- (3) relevant pledgee (relevant Jinxin Debts Vendors or their designated party) of the equity interest pledges above shall **release the pledges over the 49% equity interest in Shanghai Jinxin within 3 business days after the payment of the second installment of the consideration to the Escrow Account.”**

**(e) Conditions Precedent to the Completion of the Transfer of Target Equity Interest**

The section headed “Conditions Precedent to the Completion of the Transfer of Target Equity Interest” on pages 14-15 of the SGM Circular shall be amended as:

“Completion of the transfer of the Target Equity Interest is subject to the following conditions, among others, having been fulfilled:

- (1) **the first installment of RMB2 billion having been paid in full and on time to the Escrow Account; and**
- (2) the Purchaser shall have obtained and provided to the Vendors relevant legal documents (including but not limited to the certificate of settlement of the Syndicated Loan) confirming or explaining that the Vendors and related parties have been released/exempted from the liability of Guarantees Provided by the Group under the Syndicated Loan. For the avoidance of doubt, the Transfer of Target Equity Interest will not happen if the Purchaser fails to provide the aforesaid legal documents to the Vendors.

As at the Latest Practicable Date, the Disposal Agreement has not become effective yet as the conditions to effectiveness of the Disposal Agreement disclosed in the paragraph headed “Conditions to Effectiveness” on page 8 of this circular have not been fulfilled, and therefore none of the aforesaid conditions precedent to the completion of the transfer of Target Equity Interest has been fulfilled.”

**(f) Completion of the Transfer of Target Equity Interest**

The section headed “Completion of the Transfer of Target Equity Interest” on page 15 of the SGM Circular shall be amended as:

“***Upon*** the fulfillment of the abovementioned conditions precedent to the completion of the transfer of the Target Equity Interest, relevant parties shall ***immediately arrange*** the registration of the transfer of the Target Equity Interest. Transfer of the documents, assets, rights and the control of Shanghai Jinxin shall also be arranged in accordance with the terms set out under the Disposal Agreement.”

**(g) Conditions Precedent to the Completion of the Assignment of the Rights under the Jinxin Debts**

The original paragraph (2) under section headed “Conditions Precedent to the Completion of the Assignment of the Rights under the Jinxin Debts” on page 15 of the SGM Circular shall be deleted, and the section shall be amended as:

“Completion of the assignment of Jinxin Debts is subject to the following conditions, among others, having been fulfilled:

- (1) the obligations of Shanghai Jinxin under the agreement in respect of the Syndicated Loan having been settled; ***and***
- (2) the first installment of the consideration having been fully and timely paid with the completion of the release of the first installment and second installment of the consideration having been fully paid into the Escrow Account in accordance with the terms set out under the Disposal Agreement.”

As at the Latest Practicable Date, the Disposal Agreement has not become effective yet as the conditions to effectiveness of the Disposal Agreement disclosed in the paragraph headed “Conditions to Effectiveness” on page 8 of this circular have not been fulfilled, and therefore none of the aforesaid conditions precedent to the completion of the assignment of the rights under the Jinxin Debts has been fulfilled.”



## (h) Definitions

The relevant definitions of the following term on pages 1 and 2 of the SGM Circular shall be amended as:

“Disposal Agreement” the equity interest and debts transfer agreement dated 8 April 2024 ***(as amended by the Supplemental Agreement, and as amended, restated and supplemented from time to time)*** entered into between the Vendors and the Purchaser, pursuant to which the Purchaser conditionally agreed to acquire and the Vendors conditionally agreed to (i) dispose of the Target Equity Interest; and (ii) assign the rights under the Jinxin Debts

“Ningbo Zhongqing Payment” Shanghai Jinxin’s payment obligation to Ningbo Zhongqing in the amount of approximately RMB**34.0** million ***as of 15 November 2024***, as a result of the legal proceedings in relation to a loan dispute between Ningbo Zhongqing and Shanghai Jinxin (case number: [2023] 滬0101民初21203號), which shall be paid by Shanghai Jinxin to Ningbo Zhongqing pursuant to paragraph (1) in the section headed “Consideration and Payment Term” in the “Letter from the Board” in this circular

The relevant definitions of the following terms shall be added to the appropriate places on pages 1-4 of the SGM Circular:

***“Litigation and Enforcement Proceedings”*** ***certain litigation and enforcement proceedings with the case numbers being “(2023) Hu 74 Zhi No.1509\*” ((2023) 滬74執1509號) and “(2023) Hu 74 Minchu No. 875\*” ((2023) 滬74民初875號) initiated by the Lenders against Shanghai Jinxin and the guarantors under the Syndicated Loan, including the Company and certain subsidiaries of the Group, details of which please refer to the Company’s announcement dated 30 September 2024 in relation to, among other things, the inside information regarding updates on financial situation and proceedings initiated against the Company***

***“Proposed Effective Date”*** ***15 November 2024, which may be further extended for a period of 30 days in accordance with the Supplemental Agreement***

***“Supplemental Agreement”*** ***the supplemental agreement to the Disposal Agreement dated 19 October 2024 entered into between the Vendors and the Purchaser, pursuant to which the parties agreed to amend certain terms in the Disposal Agreement.***

Save as disclosed above, all other terms and conditions of the Disposal Agreement set out in the SGM Circular remain unchanged and in full force and effect.

The terms and conditions of the Supplemental Agreement were arrived at based on normal commercial terms and after arm's length negotiations between the Purchaser and the Vendors. As (1) in the Supplemental Agreement, the consideration for the disposal of the Target Equity Interest remains unchanged compared to the original Disposal Agreement (before being amended by the Supplemental Agreement), while the consideration for the assignment of the Jinxin Debts increases synchronously with the increase in the actual amount of the Jinxin Debts, thereby allowing the Group to receive a higher consideration; and (2) compared to the original Disposal Agreement (before being amended by the Supplemental Agreement), the Supplemental Agreement simplifies the payment process and cancels the deferred payment arrangement, enabling the Group to realise its investment in Jinxin more quickly, and also provides a solution to resolve the Syndicated Loan and the Guarantees Provided by the Group, as well as the Litigation and Enforcement Proceedings against the Group arising therefrom, which will significantly reduce the overall debt level, replenish general working capital, and mitigates the legal and operational risks currently faced by the Group, the Directors consider that the terms of the Supplemental Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors still recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Further Adjourned SGM of the Company to approve the Disposal Agreement, the Supplemental Agreement and the transactions contemplated under the Disposal Agreement (as amended by the Supplemental Agreement).

## **INFORMATION ON THE VENDORS**

Each of the Vendors is a member of the Group. Vendor 1 is the Company.

Vendor 2, SRE Jiaye Real Estate Development (Shanghai) Company Limited\* (上置嘉業房地產發展(上海)有限公司), is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company which holds approximately 5.89% equity interest in Shanghai Jinxin as at the date of this announcement. Vendor 2 is principally engaged in property management, asset management, enterprise management consulting, industrial investment, investment consulting, financial consulting and the investment and operation of real estate properties.

Vendor 3, Shunlink Investment Limited\* (上聯投資有限公司), is a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company. Vendor 3 is an investment holding company with its main assets being the 18.42% equity interest in Shanghai Jinxin, and has no other material assets or business activities.

Vendor 4, Gaken Investment Limited\* (嘉勤投資有限公司), is a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company. Vendor 4 is an investment company with its main assets being the 7.89% equity interest in Shanghai Jinxin, and has no other material assets or business activities.

Vendor 5, Shanghai Oasis Garden Real Estate Company Limited\* (上海綠洲花園置業有限公司), is a limited liability company established in the PRC, an indirect wholly-owned subsidiary of the Company which holds approximately 18.80% equity interest in Shanghai Jinxin as at the date of this announcement. Vendor 5 is principally engaged in the development and sale of rural and commercial residential properties, property management and the provision of real estate intermediary and consulting services.

Vendor 6, Shangzhi Yijia Investment Management (Shanghai) Company Limited\* (上置毅家投資管理(上海)有限公司), is a limited liability company established in the PRC, an indirect wholly-owned subsidiary of the Company. Vendor 6 is principally engaged in investment management.

Vendor 7, Shanghai SRE Real Estate Development Co., Ltd.\* (上海上置房地產發展有限公司), is a limited liability company established in the PRC, an indirect wholly-owned subsidiary of the Company. Vendor 7 is principally engaged in property investment.

## **SGM ARRANGEMENT**

In light of the supplemental information to the Disposal as set out in this announcement and in order to comply with the minimum notice period of 10 business days before the date of the relevant general meeting to consider the subject matter as required by Rule 13.73 of the Listing Rules, the Further Adjourned SGM will be convened at 3rd Floor, Building 5, Oasis Central Ring Center, Lane 1628, Jinshajiang Road, Putuo District, Shanghai, China on or before 15 November 2024 for the purpose of, among other matters, considering and, if thought fit, approving the Disposal Agreement, the Supplemental Agreement and the transactions contemplated under the Disposal Agreement (as amended by the Supplemental Agreement) in accordance with the Listing Rules and the by-laws of the Company.

## **NO SUPPLEMENTAL CIRCULAR**

Pursuant to the notes to Rule 13.73 of the Listing Rules, the Company, after assessing the scale of revisions and updating required and materiality of the supplemental information, considers that this announcement should suffice and no supplemental circular will be dispatched to the Shareholders on the supplemental information. The resolutions set out in the Original SGM Notice and the form of proxy will be changed in light of the Supplemental Agreement and the supplemental information to the Disposal as set out in this announcement. The Company will issue a new notice (the “**New SGM Notice**”) setting out the date, time and venue of the Further Adjourned SGM as soon as reasonably practicable. A revised form of proxy will also be dispatched to the Shareholders.

**As the Disposal is subject to the satisfaction or waiver of the conditions as set out in the Disposal Agreement (as amended by the Supplemental Agreement), and the Disposal may or may not proceed, the Shareholders and potential investors are reminded to exercise caution in dealing in the Shares.**

**This announcement is supplemental to and should be read in conjunction with the SGM Circular. Save as specified herein, the above supplemental information does not affect other information and contents set out in the SGM Circular.**

By Order of the Board  
**SRE Group Limited**  
**Xu Ming**  
*Chairman*

Hong Kong, 19 October 2024

*As at the date of this announcement, the Board comprises three executive directors, namely Mr. Xu Ming, Mr. Kong Yong and Mr. Qin Guohui; 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*