



SRE GROUP LIMITED  
上置集團有限公司

(Stock Code: 1207)

INTERIM REPORT

2015



# Group Financial Highlights

For the six months ended  
30 June 2015

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Revenue (HK\$'000)	535,568
Loss attributable to owners of the parent (HK\$'000)	(261,646)
Basic loss per share (HK cents)	(4.62)
Dividend per share – Interim (HK cents)	–

## Interim Results

The Board of Directors (the “Board”) of SRE Group Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2015 together with comparative figures for the previous corresponding period in 2014. The unaudited interim financial statements for the six months ended 30 June 2015 have been reviewed by the Company’s Audit Committee.

## Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015 (Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

	Notes	For the six months ended 30 June	
		2015 Unaudited	2014 Unaudited
Revenue	3	535,568	1,029,089
Cost of sales		(440,909)	(607,341)
<b>Gross profit</b>		<b>94,659</b>	421,748
Other gains – net		5,659	9,115
Selling and marketing expenses		(108,285)	(28,738)
Administrative expenses		(110,575)	(124,339)
<b>Operating (loss)/profit</b>		<b>(118,542)</b>	277,786
Finance income		27,394	26,658
Finance costs		(232,875)	(207,137)
Finance costs – net		(205,481)	(180,479)
Share of profits of associates		88	322
<b>(Loss)/profit before tax</b>		<b>(323,935)</b>	97,629
Income tax expense	4	4,941	(67,525)
<b>(Loss)/profit for the period</b>		<b>(318,994)</b>	30,104
<b>Other comprehensive income</b>			
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of financial statements into presentation currency		2,885	(90,757)
<b>Other comprehensive income for the period, net of tax</b>		<b>2,885</b>	(90,757)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(316,109)</b>	(60,653)

## Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015 (Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

	Notes	For the six months ended 30 June	
		2015 Unaudited	2014 Unaudited
(Loss)/profit attributable to:			
Owners of the parent		(261,646)	9,512
Non-controlling interests		(57,348)	20,592
		<b>(318,994)</b>	30,104
Total comprehensive income attributable to:			
Owners of the parent		(258,839)	(77,971)
Non-controlling interests		(57,270)	17,318
		<b>(316,109)</b>	(60,653)
(Loss)/earnings per share attributable to ordinary equity holders of the parent	5		
– Basic		<b>(HK\$4.62 cents)</b>	HK\$0.17 cents
– Diluted		<b>(HK\$4.62 cents)</b>	HK\$0.17 cents

The accompanying notes are an integral part of these interim consolidated financial statements.

# Interim Consolidated Statement of Financial Position

As at 30 June 2015 (Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

		30 June 2015	31 December 2014
	Notes	Unaudited	Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,677,349	1,672,425
Investment properties		6,670,141	6,709,310
Prepaid land lease payments		130,917	133,023
Goodwill		569,545	569,329
Investments in associates		56,367	57,512
Deferred tax assets		394,482	394,332
Non-current prepayments		6,340	6,338
Available-for-sale investments		12,681	12,676
Other non-current assets		32,177	34,225
		<b>9,549,999</b>	9,589,170
<b>Current assets</b>			
Prepaid land lease payments		12,058,443	12,193,194
Properties held or under development for sale		10,473,024	9,367,652
Inventories		23,104	18,014
Prepayments and other current assets		3,525,540	3,372,619
Other receivables		445,752	389,118
Trade receivables	7	48,452	47,356
Prepaid income tax		235,976	240,763
Cash and bank balances	8	2,240,484	2,108,997
		<b>29,050,775</b>	27,737,713
<b>Total assets</b>		<b>38,600,774</b>	37,326,883

## Interim Consolidated Statement of Financial Position

As at 30 June 2015 (Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

		30 June 2015	31 December 2014
	Notes	Unaudited	Audited
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Issued capital and premium		6,000,738	6,000,738
Other reserves		1,691,064	1,688,257
Retained profits		1,086,090	1,347,736
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Equity attributable to owners of the parent		8,777,892	9,036,731
Non-controlling interests		509,534	566,804
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<b>Total equity</b>		<b>9,287,426</b>	9,603,535
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<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing bank and other borrowings	9	11,318,345	12,365,003
Deferred tax liabilities		2,139,727	2,154,852
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		<b>13,458,072</b>	14,519,855
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<b>Current liabilities</b>			
Interest-bearing bank and other borrowings	9	7,853,179	7,229,169
Advances received from the pre-sale of properties under development		3,328,821	1,542,255
Trade payables	10	1,938,739	2,135,637
Other payables and accruals		1,219,675	721,529
Current income tax liabilities		1,514,862	1,574,903
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		<b>15,855,276</b>	13,203,493
<hr/>			
<b>Total liabilities</b>		<b>29,313,348</b>	27,723,348
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<b>Total equity and liabilities</b>		<b>38,600,774</b>	37,326,883
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<b>Net current assets</b>		<b>13,195,499</b>	14,534,220
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<b>Total assets less current liabilities</b>		<b>22,745,498</b>	24,123,390
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The accompanying notes are an integral part of these interim consolidated financial statements.

# Interim Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015 (Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

(Unaudited)

From 1 January 2015 to 30 June 2015

Attributable to owners of the parent

	Issued capital and premium	Asset revaluation reserve	Surplus reserve	Exchange fluctuation reserve	Other reserves	Retained profits	Total	Non- controlling interests	Total Equity
At 1 January 2015	6,000,738	1,211	368,511	1,709,198	(390,663)	1,347,736	9,036,731	566,804	9,603,535
Total comprehensive income for the period	-	-	-	2,807	-	(261,646)	(258,839)	(57,270)	(316,109)
At 30 June 2015	6,000,738	1,211	368,511	1,712,005	(390,663)	1,086,090	8,777,892	509,534	9,287,426

(Unaudited)

From 1 January 2014 to 30 June 2014

Attributable to owners of the parent

	Issued capital and premium	Asset revaluation reserve	Surplus reserve	Exchange fluctuation reserve	Other reserves	Equity component of convertible bonds	Retained profits	Proposed final dividends	Total	Non- controlling interests	Total Equity
At 1 January 2014	6,000,738	1,211	367,249	1,740,855	(397,261)	2,810	1,454,952	60,046	9,230,600	322,755	9,553,355
Total comprehensive income for the period	-	-	-	(87,483)	-	-	9,512	-	(77,971)	17,318	(60,653)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	21,911	21,911
2013 final dividends	-	-	-	-	-	-	-	(60,046)	(60,046)	-	(60,046)
At 30 June 2014	6,000,738	1,211	367,249	1,653,372	(397,261)	2,810	1,464,464	-	9,092,583	361,984	9,454,567

## Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2015 (Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

	Notes	For the six months ended 30 June	
		2015 Unaudited	2014 Unaudited
<b>Cash flows from operating activities</b>			
Cash from/(used in) operations	12	1,271,155	(1,143,074)
Interest paid		(697,554)	(451,138)
Income tax paid		(66,673)	(161,987)
Net cash flows from/(used in) operating activities		<b>506,928</b>	(1,756,199)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(16,612)	(219,192)
Proceeds from disposal of property, plant and equipment		31	163
Acquisition of subsidiaries, net of cash acquired		–	(14,746)
Disposal of subsidiaries		–	145,199
Decrease in time deposits with original maturity of over three months		–	2,544
Interest received		46,349	13,495
Net cash flows from/(used in) investing activities		<b>29,768</b>	(72,537)
<b>Cash flows from financing activities</b>			
(Decrease)/increase in borrowings		(425,273)	1,412,096
Decrease in pledged bank deposits		83,502	18,124
Decrease/(increase) in restricted deposits in relation to bank borrowings		29,638	(4,069)
Net cash flows (used in)/from financing activities		<b>(312,133)</b>	1,426,151
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>224,563</b>	(402,585)
Cash and cash equivalents at beginning of period		572,179	1,382,220
Effect of foreign exchange rate changes, net		760	(12,329)
<b>Cash and cash equivalents at end of period</b>		<b>797,502</b>	967,306

# Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

## 1. Basis of preparation and accounting policies

### 1.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2014.

### 1.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014, except for the adoption of new and revised standards and interpretations as of 1 January 2015, as described below:

Amendments to HKAS 19

Amendments to HKAS 19 – *Defined Benefit Plans: Employee Contribution*

*Annual Improvements 2010-2012 Cycle*

Amendments to a number of HKFRSs

*Annual Improvements 2011-2013 Cycle*

Amendments to a number of HKFRSs

Adoption of these new HKFRS did not have any material effect on the financial position or performance of the Group, nor resulted in restatement of comparative figures.

The Group has not early adopted any other standards, interpretation or amendment that was issued but is not yet effective.

## Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

### 2. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- The property development segment develops and sells residential and commercial properties;
- The property leasing segment leases offices and commercial properties owned by the Group which are classified as investment properties;
- The hotel operations segment provides hotel accommodation, hotel catering and conference hall services; and
- The corporate and other operations segment comprises, principally, the provision of property management services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. The performance of each segment is evaluated based on its operating profit or loss before tax and the methodology used for its calculation is same as that for the consolidated financial statements. However, group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

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

## Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

### 2. Operating Segment Information (continued)

An analysis by business segment is as follows:

	Six months ended 30 June 2015 (unaudited)				Total
	Property development	Property leasing	Hotel operations	Corporate and other operations	
<b>Segment revenue</b>					
Sales to external customers	261,767	60,879	97,990	114,932	535,568
Intersegment sales	–	–	–	2,438	2,438
	<b>261,767</b>	<b>60,879</b>	<b>97,990</b>	<b>117,370</b>	<b>538,006</b>
<i>Reconciliation:</i>					
Elimination of intersegment sales					(2,438)
Revenue					<b>535,568</b>
<b>Segment (loss)/profit</b>	<b>(154,530)</b>	<b>34,244</b>	<b>11,060</b>	<b>(9,316)</b>	<b>(118,542)</b>
Finance income					27,394
Finance costs					(232,875)
Finance costs – net					(205,481)
Share of profits of associates					88
<b>Loss before tax</b>					<b>(323,935)</b>

## Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

## 2. Operating Segment Information (continued)

	Six months ended 30 June 2014 (unaudited)				Total
	Property development	Property leasing	Hotel operations	Corporate and other operations	
<b>Segment revenue</b>					
Sales to external customers	808,806	48,582	85,218	86,483	1,029,089
Intersegment sales	–	–	–	1,407	1,407
	808,806	48,582	85,218	87,890	1,030,496
<i>Reconciliation:</i>					
Elimination of intersegment sales					(1,407)
Revenue					1,029,089
<b>Segment profit/(loss)</b>	256,632	28,233	6,593	(13,672)	277,786
Finance income					26,658
Finance costs					(207,137)
Finance costs – net					(180,479)
Share of profits of associates					322
<b>Profit before tax</b>					97,629

## Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

### 3. Revenue

An analysis of revenue during the period is as follows:

	(unaudited)	
	For the six months	
	ended 30 June	
	2015	2014
Sale of development properties	<b>277,160</b>	855,024
Hotel operations	<b>103,858</b>	90,319
Revenue from property leasing	<b>65,692</b>	52,448
Property management income	<b>100,441</b>	91,571
Revenue from construction of infrastructure for an intelligent network	<b>7,233</b>	691
Other revenue	<b>14,184</b>	2,519
	<b>568,568</b>	1,092,572
Less: Business tax and surcharges (a)	<b>(33,000)</b>	(63,483)
Total revenue	<b>535,568</b>	1,029,089

#### (a) Business tax and surcharges

Business tax is calculated at 5% of the revenue from the sale of properties, hotel operations, the provision of property management services and property leasing and at 3% of the net income received from the construction of infrastructure for an intelligent network after deducting amounts payable to subcontractors.

Government surcharges, comprising City Maintenance and Construction Tax, Education Surtax and River Way Management Fee, are calculated at certain percentages of business tax.

**Notes to the Financial Statements**

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

**4. Income Tax**

	<b>(unaudited)</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
Current taxation		
– Mainland China income tax (a)	<b>4,908</b>	25,555
– Mainland China LAT (c)	<b>6,057</b>	45,211
	<b>10,965</b>	70,766
Deferred taxation		
– Mainland China income tax	<b>(8,377)</b>	164
– Mainland China LAT	<b>(623)</b>	(1,609)
– Mainland China withholding tax (d)	<b>(6,906)</b>	(1,796)
	<b>(15,906)</b>	(3,241)
Total tax charge for the period	<b>(4,941)</b>	67,525

## Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

### 4. Income Tax (continued)

#### (a) Mainland China income tax

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

For the pre-sale of properties under development, the tax authorities may impose income tax ahead of the completion of sale transactions and revenue recognition, based on certain estimations.

#### (b) Other income tax

The Company is exempted from taxation in Bermuda until 2016. Taxes on profits assessable elsewhere are calculated at the rates of tax prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

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

#### (c) Mainland China land appreciation tax ("LAT")

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

For the pre-sale of properties under development, the tax authorities may impose LAT ahead of the completion of transactions and revenue recognition, generally based on 1.5% to 5% on proceeds of the sale and pre-sale of properties.

**Notes to the Financial Statements**

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

**4. Income Tax (continued)****(d) Mainland China Withholding tax**

Pursuant to the PRC Corporate Income Tax Law which became effective on 1 January 2008, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax arrangement between the PRC and the jurisdiction of the foreign investors. On 22 February 2008, Caishui (2008) No. 1 was promulgated by the tax authorities to specify that dividends declared and remitted out of the PRC from the retained profits as at 31 December 2007 are exempted from withholding tax.

**5. (Loss)/earnings per Share attributable to ordinary equity holders of the parent**

The calculation of basic (loss)/earnings per share amount is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 5,664,713 thousand (2014: 5,664,713 thousand) in issue during the period.

For the period ended 30 June 2014, the calculation of diluted earnings per share amount did not take into account the convertible bonds, because they were anti-dilutive. As all of such convertible bonds were redeemed on 23 July 2014 and the Company had no dilutive potential ordinary shares in issue for the period ended 30 June 2015, the diluted (loss)/earnings per share are the same as the basic (loss)/earnings per share for the periods ended 30 June 2015 and 2014.

## Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

### 5. (Loss)/earnings per Share attributable to ordinary equity holders of the parent (continued)

The following reflects the income and share data used in the basic and diluted (loss)/earnings per share computations:

	<b>For the six months ended 30 June 2015</b>	For the six months ended 30 June 2014
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<b>Earnings</b>		
(Loss)/profit attributable to ordinary equity holders of the parent used in the basic and diluted (loss)/earnings per share calculations	<b>(261,646)</b>	9,512
	<hr/>	
	<b>Number of shares</b>	
	<b>For the six months ended 30 June 2015</b>	For the six months ended 30 June 2014
	<b>(Thousand shares)</b>	(Thousand shares)
<hr/>		
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted (loss)/earnings per share calculations	<b>5,664,713</b>	5,664,713
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There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

## Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

### 6. Dividend

On 27 August 2015, the Board resolved not to declare an interim dividend for the six months ended 30 June 2015 (2014: Nil).

### 7. Trade Receivables

	<b>30 June 2015 Unaudited</b>	31 December 2014 Audited
Trade receivables	<b>58,599</b>	57,498
Less: Provision for impairment	<b>(10,147)</b>	(10,142)
	<b>48,452</b>	47,356

An aged analysis of trade receivables as at the end of the reporting period, from the date when they were recognised, is set out below:

	<b>30 June 2015 Unaudited</b>	31 December 2014 Audited
Within 6 months	<b>9,015</b>	37,164
6 months – 1 year	<b>582</b>	1,632
1 – 2 years	<b>37,361</b>	1,019
Over 2 years	<b>11,641</b>	17,683
	<b>58,599</b>	57,498

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

## Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

### 8. Cash and bank balances

	<b>30 June 2015 Unaudited</b>	31 December 2014 Audited
Cash on hand	<b>3,285</b>	2,623
Demand and notice deposits	<b>794,217</b>	569,556
Cash and cash equivalents	<b>797,502</b>	572,179
Time deposits with original maturity of more than 3 months	–	–
Pledged bank deposits (a)	<b>1,418,209</b>	1,501,711
Restricted bank deposits under a development project (b)	<b>21,348</b>	2,044
Restricted bank deposits relating to bank borrowings (c)	<b>3,425</b>	33,063
Cash and bank balances	<b>2,240,484</b>	2,108,997

- (a) As at 30 June 2015, bank deposits of approximately HK\$1,418 million (31 December 2014: HK\$1,502 million) were pledged as securities for bank borrowings.
- (b) These restricted bank deposits are mainly funds designated for relocating existing residents under a development project. As at 30 June 2015, such funds amounted to approximately HK\$21 million (31 December 2014: approximately HK\$2 million).
- (c) An amount of RMB2.7 million (equivalent to HK\$3.4 million) (31 December 2014: RMB26 million, equivalent to HK\$33 million) is restricted in connection with bank borrowings.

## Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

### 9. Interest-bearing Bank and Other Borrowings

Interest-bearing bank and other borrowings include bank loans, trust loans and corporate bonds issued to various investors, each with a denomination of HK\$10 million and a tenor of 7 years.

As at 30 June 2015, the aggregate bank and other borrowings of the Group amounted to approximately HK\$19,172 million (31 December 2014: approximately HK\$19,594 million), approximately HK\$18,156 million (31 December 2014: approximately HK\$19,070 million) of which were secured by mortgage of the Group's leasehold land, investment properties, property, plant and equipment and properties held or under development for sale, or by pledge of equity interest in subsidiaries and bank deposits.

As at 30 June 2015, bank deposits of approximately HK\$1,418 million (31 December 2014: approximately HK\$1,502 million), leasehold land of approximately HK\$9,038 million (31 December 2014: approximately HK\$7,711 million), investment properties of approximately HK\$6,650 million (31 December 2014: approximately HK\$6,488 million), properties held or under development for sale of approximately HK\$7,932 million (31 December 2014: approximately HK\$6,822 million), property, plant and equipment of approximately HK\$1,672 million (31 December 2014: approximately HK\$1,668 million) and equity interests in certain subsidiaries of the Group of approximately HK\$3,182 million (31 December 2014: approximately HK\$3,181 million) were pledged as collateral for the Group's borrowings and banking facilities.

## Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

### 10. Trade Payables

	<b>30 June 2015 Unaudited</b>	31 December 2014 Audited
Trade payables	<b>1,938,739</b>	2,135,637

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

	<b>30 June 2015 Unaudited</b>	31 December 2014 Audited
Within 1 year	<b>1,364,721</b>	1,426,815
1 – 2 years	<b>460,120</b>	371,478
Over 2 years	<b>113,898</b>	337,344
	<b>1,938,739</b>	2,135,637

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

### 11. Related Party Transactions

As at 30 June 2015, a bank loan with a principal amount of HK\$200 million (31 December 2014: HK\$220 million) was secured by pledge of a number of properties including a private property held by Mr. Shi Jian, the Chairman of the Company, and Md. Si Xiao Dong, the spouse of Mr. Shi Jian.

Term loans totalling HK\$3,210 million are guaranteed by SRE Investment Holding Limited, Mr. Shi Jian and Md. Si Xiao Dong (31 December 2014: HK\$3,204 million).

## Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

## 12. Notes to the Consolidated Statement of Cash Flows

Reconciliation of (loss)/profit before tax to cash from/(used in) operations:

	For the six months ended 30 June	
	2015 Unaudited	2014 Unaudited
<b>(Loss)/profit before tax</b>	<b>(323,935)</b>	97,629
Adjustments for:		
Depreciation of property, plant and equipment	<b>24,998</b>	24,080
Share of profits of associates	<b>(88)</b>	(322)
Finance income	<b>(27,394)</b>	(26,658)
Finance costs	<b>232,875</b>	207,137
	<b>(93,544)</b>	301,866
(Increase)/decrease in restricted bank deposits	<b>(19,304)</b>	1,563
Decrease/(increase) in prepaid land lease payments	<b>141,206</b>	(178,720)
(Increase)/decrease in properties held or under development for sale	<b>(649,330)</b>	52,050
Increase in inventories	<b>(5,070)</b>	(15,286)
Increase in prepayments and other current assets	<b>(151,275)</b>	(687,939)
Increase in other receivables	<b>(42,745)</b>	(282,563)
Increase in trade receivables	<b>(756)</b>	(101,908)
Decrease in trade payables	<b>(183,879)</b>	(369,961)
Increase in other payables and accruals	<b>492,125</b>	364,061
Increase/(decrease) in advances received from the pre-sale of properties under development	<b>1,781,687</b>	(226,237)
Decrease in other non-current assets	<b>2,040</b>	–
<b>Cash from/(used in) operations</b>	<b>1,271,155</b>	(1,143,074)

## Notes to the Financial Statements

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

### 13. Commitments

	<b>30 June</b>	31 December
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>Unaudited</b>	Audited
<b>Contracted, but not provided for</b>		
Properties held or under development for sale	<b>3,939,355</b>	3,753,672
Property, plant and equipment and leasehold land	<b>4,813</b>	27,697
	<b>3,944,168</b>	3,781,369
<b>Authorised, but not contracted for</b>		
Properties held or under development for sale	<b>233,477</b>	805,955
Property, plant and equipment and leasehold land	<b>87,548</b>	87,515
	<b>321,025</b>	893,470
	<b>4,265,193</b>	4,674,839

### 14. Fair Value and Fair Value Hierarchy of Financial Instruments

#### Fair value of financial assets and financial liabilities

Fair value estimates are made at a specific point in time based on relevant market information and information about the various financial instruments. When an active market exists, such as an authorised securities exchange, the market value is the best reflection of the fair values of financial instruments. For financial instruments where there is no active market or when current market prices are not available, fair value is determined using valuation techniques.

The Group's financial assets mainly include cash and bank balances and receivables.

The Group's financial liabilities mainly include interest-bearing bank and other borrowings and payables.

The fair values of the Group's financial instruments are not materially different from their carrying amounts. Fair value estimates are made at a specific point in time and are based on relevant market information and appropriate valuation models.

**Notes to the Financial Statements**

(Amounts expressed in Hong Kong dollar and rounded to nearest thousand unless otherwise stated)

**14. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)****Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

*Asset measured at fair value:*

The Group did not have any financial asset measured at fair value as at 30 June 2015 and 31 December 2014.

*Liabilities measured at fair value:*

The Group did not have any financial liability measured at fair value as at 30 June 2015 and 31 December 2014.

**15. Approval of the Interim Condensed Consolidated Financial Statements**

The interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 August 2015.

## Management Discussion and Analysis

### FINANCIAL REVIEW

During the period under review, the Group recorded a net revenue of approximately HK\$536 million (2014: HK\$1,029 million), a decrease of approximately 48% compared with that of the corresponding period of last year. Loss attributable to owners of the parent for the six months ended 30 June 2015 amounted to approximately HK\$262 million while profit attributable to owners of the parent for the corresponding period of last year was approximately HK\$10 million. These were mainly due to the reason that major projects of the Group are still under development and have yet to hand over the properties to buyers such that presale proceeds received thereunder have yet to be recognised as revenue under the current period.

The Board resolved not to declare an interim dividend for the six months ended 30 June 2015 (2014: Nil).

### Liquidity and Financial Resources

As at 30 June 2015, cash and bank balances amounted to approximately HK\$2,240 million (31 December 2014: approximately HK\$2,109 million). Working capital (net current assets) of the Group as at 30 June 2015 amounted to approximately HK\$13,195 million (31 December 2014: approximately HK\$14,534 million), a decrease by approximately 9% as compared with the previous year. Current ratio was at 1.83x (31 December 2014: 2.10x).

As at 30 June 2015, the gearing ratio, being the Group's net borrowings (total borrowings minus cash and bank balance) to total capital (total equity plus net borrowings), was 65% (31 December 2014: 65%).

### Charges on Assets and Contingent Liabilities

As at 30 June 2015, bank and other borrowings of approximately HK\$18,156 million (31 December 2014: approximately HK\$19,070 million) were secured by mortgage of the Group's leasehold land, investment properties, property, plant and equipment and properties held or under development for sale, or by pledge of equity interest in subsidiaries and bank deposits.

The Group provided guarantees in respect of the mortgage facilities granted by certain banks to certain purchasers of the Group's properties. Pursuant to the terms of the guarantee agreements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee periods commence from the dates of grant of

## Management Discussion and Analysis

the relevant mortgage loans and end when the purchasers pledge related property certificates as securities to the banks for the mortgage loans granted by the banks. The Group entered into guarantee contracts of principal amounts totalling RMB97 million (equivalent to HK\$123 million) and these contracts were still valid on 30 June 2015 (31 December 2014: RMB111 million, equivalent to HK\$140 million).

The Group did not incur any material losses during the period in question in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's properties. The Directors consider that the probability of default of purchasers is remote and even in case of default on payments, the net realisable value of the related properties is expected to be sufficient to cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty, because the mortgage principals were normally below 70% of sales price of the properties at date of sales agreement, and therefore no provision was made in connection with the guarantees under these financial statements.

### **BUSINESS REVIEW**

In the first half of 2015, the monetary and credit policy continued to gain traction, helped reduce inventory, stabilize investment and economic growth. Under the influence of easy monetary and vigorous fiscal policies, transactions in real estate recovered and the average price of residential properties for each of the selected one hundred cities rebounded. While the first-tier cities were leading in the rise of prices, the home prices in second-tier and third-tier cities continued to make adjustments. During this period, the Group strengthened its sales efforts for its new projects including Shanghai Albany Oasis Garden Phase III, Shanghai Huating Project and Shenyang Albany Oasis Garden Phase II, and a significant increase in contract sales was recorded for the period. Contract sales increased by 1,406% as compared with the corresponding period of last year. As sales were getting momentum, the Group concurrently and aptly adjusted its development strategies and endeavored to usher in new strategic investors so as to help maintain a sound development of the Company.

## Management Discussion and Analysis

### Real Estate Development

#### Sales Progress

In the first half of 2015, the Group's major projects put up for sale included Shanghai Albany Oasis Garden, Huating Project, Oasis Central Ring Centre, Jiaxing Project, Jiang Nan Rich Gate Wuxi and Shenyang Albany Oasis Garden. From January to June 2015, the Group achieved contract sales of approximately RMB3,075.3 million for a total floor area of 100,556 m<sup>2</sup>, which, inter alia, included:

#### *Shanghai Albany Oasis Garden*

Shanghai Albany Oasis Garden is situated on Zhong Xing Road of Zhabei District in Shanghai and is a large-scale urban renewal project. 176 units with a total area of 30,015 m<sup>2</sup> were sold in the first half of 2015, and the total contract sum amounted to RMB1,838.95 million (averaging RMB61,236 per m<sup>2</sup>).

#### *Huating Project*

Huating Project is situated on Eastern Xie Tu Road of Huangpu District in Shanghai and is a high-end residential project. 57 units with a total area of 7,544 m<sup>2</sup> were sold in the first half of 2015, and the total contract sum amounted to RMB554.86 million (averaging RMB73,550 per m<sup>2</sup>).

#### *Oasis Central Ring Centre*

As a landmark of the Shanghai Central Ring business district, the Oasis Central Ring Centre, with the qualities of Grade 5A office buildings and being well equipped with all sorts of facilities, it has attracted an increasing number of companies to move in. 8 units with a total area of 1,305 m<sup>2</sup> were sold in the first half of 2015 for RMB50.88 million (averaging RMB22,684 per m<sup>2</sup>).

#### *Jiaxing Project*

Jiaxing Project is situated in Nanhu District of Jiaxing City in Zhejiang Province. In keeping with the Group's focus on high-end products-the project forged a high quality, exquisite and luxurious residential community. A total of 26 units with a total area of 6,521 m<sup>2</sup> were sold in the first half of 2015 for RMB59.31 million (averaging RMB9,096 per m<sup>2</sup>).

## Management Discussion and Analysis

### *Jiang Nan Rich Gate Wuxi*

Jiang Nan Rich Gate Wuxi is situated in the northeastern part of the Wuxi New Town, and is an exquisite townhouse project. A total of 28 units with a total area of 8,345 m<sup>2</sup> were sold in the first half of 2015 for RMB82.04 million (averaging RMB9,831 per m<sup>2</sup>).

### *Shenyang Albany Oasis Garden*

Shenyang Albany Oasis Garden is situated on South Heping Road of Heping District in Shenyang City, Liaoning Province, and is a residential community with an excellent location geographically and with well-developed transportation networks. A total of 385 units with a total area of 45,638 m<sup>2</sup> were sold in the first half of 2015 for RMB436.71 million (averaging RMB9,521 per m<sup>2</sup>).

## Progress of Construction

Adhering to development plans and construction schedules outlined at the beginning of 2015, the Group and its subsidiaries have been carrying out construction works in an orderly and standardized manner, while making every effort to improve the construction quality. Major projects under construction include:

### *Shanghai Albany Oasis Garden*

As of June 2015, all underground construction of Shanghai Albany Oasis Garden Phase III had been completed, block 1 to 7 and block 10 to 12 had been topped out, and the main structure of block 8 and block 9 was built to its 28th floor. Water and electricity embedment and interior and exterior wall insulation works are currently underway.

### *Huating Project*

As of June 2015, block 1 to 5 and block 7 of Huating Project had been topped out and works such as interior and exterior wall painting, installation of aluminum alloy doors and windows and installation and insulation works of exterior walls had begun. The fitting-out work of the show flats of block 1 and 2 was completed.

## Management Discussion and Analysis

### *Shenyang Albany Oasis Garden*

The total gross floor area of Phase II is 180,000 m<sup>2</sup>, and it is divided into section A and section B. As of June 2015, the construction of the main structure of the high-rise buildings in section A was completed and the coating work of the exterior walls was underway. The attics of Block 7 of Section B was being constructed and was about 80% completed. The plastering work of 1st to 3rd floor of Carrefour (家樂福) was completed.

### Progress of Relocation

#### *Shanghai Albany Oasis Garden*

As at the end of June 2015, save for parcel A for which the evacuation and demolition has not yet started, 6,214 households representing 98.1% of the total had been relocated while all economic enterprises had been relocated.

#### *Rich Gate I (Qinbai Oasis Garden)*

As at the end of June 2015, with inhabitants of a total of 848 authorized certificates and enterprises of 16 authorized certificates relocated, households relocation for Rich Gate I project was 45.6% completed and enterprises relocation for Rich Gate I project was 28.1% completed. The project was included in the precinct for 2014 urban renewal for both Shanghai Municipality and Huangpu District, and the House Acquisition Agreement had been signed with Shanghai Huangpu District Construction and Traffic Committee.

#### *Shenyang Albany Oasis Garden*

As of the end of June 2015, Shenyang Albany had signed relocation contracts with 1,399 households and 13 enterprises (including schools), with negotiations for 101 households and 12 enterprises and schools still in progress. The relocation was about 93% completed for households and 52% completed for enterprises and schools respectively.

## Management Discussion and Analysis

### Commercial Property Operation

During the first half of 2015, the Group continued to enhance the management and operation of its commercial properties to cope with the changing market conditions and opportunities, expeditiously adjusted the operation strategies, utilized its brand advantages and management capabilities, and strived to improve profitability with the benefits of the experiences earned, including:

#### *Shanghai Skyway Pullman Hotel*

From January to June 2015, the hotel recorded revenue of RMB82.10 million, comprising room revenue of RMB42.13 million and revenue from food and beverages of RMB32.90 million. Gross profit amounted to approximately RMB26.56 million and the occupancy rate was about 86%.

#### *Shenyang Rich Gate Shopping Mall*

Shenyang Rich Gate Shopping Mall offers a wide range of varieties, such as shopping, fine food, leisure, entertainment, culture, sports & recreation and services. As of June 2015, a total area of 68,204 m<sup>2</sup> were leased, accounting for 61% of the total rentable area, and rental income totaled RMB26.90 million.

#### *Central Ring Centre*

During the first half of 2015, Central Ring Centre had made tremendous efforts in attracting tenants. Currently, commercial and office spaces of 39,000 m<sup>2</sup>, and an underground parking garage of 57,000 m<sup>2</sup> are for lease. As at the end of June 2015, rental income totaled RMB24.64 million, RMB21.49 million of which were lease income from commercial area and office spaces while parking fee income totaled RMB2.70 million.

## BUSINESS OUTLOOK

In 2015, under the backdrop of the Central Government's policy of stabilizing the economic growth, adjusting its structure and stimulating consumption, the Central Bank has repeatedly trimmed the reserve requirement ratio and the interest rate, lowered the thresholds for extending credits and adjusted the period for the exemption of business tax for home transfer, creating an easy market environment; a series of policies in relation to the relaxation for provident funds, financial subsidies and others were also launched by regional governments; under the cumulative

## Management Discussion and Analysis

effect of these policies from different levels of authorities, the trend of recovery in the real estate market was basically set. In the second half of the year, under the expectation that the growth rate of the economy will cascade down, the monetary conditions will remain easy and stable. Such a sound macro-environment is beneficial to the continuous recovery of the real estate market. As the market recovers, especially for the mid to high-end market where the sale of completed but unsold units has been accelerating, the Group will continue to allow full play to the unique advantage of the quality brand names of Shanghai Albany Oasis Garden Phase III and Shanghai Huating Project, and, to cope with the demand of the market, will further strengthen its sales efforts and help the sales results of the second half of the year to achieve a record high.

According to the statistics published by the China National Statistics Bureau, total investments in real estate development in the first half of 2015 amounted to RMB4.3955 trillion, representing a nominal increase of 4.6% over the same period of last year. Out of this total amount, investment in residential property development amounted to RMB2.9506 trillion, representing an increase of 2.8% over the same period of last year, and total gross floor area of commodity apartments sold amounted to 50,264 m<sup>2</sup>, representing an increase of 3.9% over the same period of last year. The financial easing policies helped lift both supply and demand, and as the sales volume rebounded and prices stopped to drop, the market turns benignant.

While the market conditions have been improving, drastic changes are underway in the real estate industry. Polarization emerged as a result of the competition among domestic housing enterprises. The competitive advantages of the leading housing enterprises gradually became more obvious after they unprecedentedly cooperated amongst each other. In face of such alliances between the mammoth enterprises and the difficulties to survive, small to medium sized housing enterprises strove to survive by selling their shares and the degree of industry concentration further increased. 2015 is destined to be a year of transformation, and as transformation continues to be the theme, the Group will gradually adapt to the new environment. The previous asset-heavy business model is no longer sustainable and transformation into asset-light business model is undoubtedly the direction for development for the Group in the future. The Group will enhance its cost control, optimize its work flow and promote the preciseness of its operation by using Internet technologies and by improving its management capabilities, aiming at profits, sales volume and healthiness in its cashflow. The Group will, taking the opportunity arising from the real estate market becoming more market oriented, continue to actively look for strategic partners and implement reorganization and transformation. In the second half of the year, to cope with the new market “commonalities”, the Group will adopt a four-dimensional approach in rejuvenating its business, namely profit and scale, product and distribution, sales and di-stocking as well as management and innovation.

## Management Discussion and Analysis

### Directors' and Chief Executives' Interests in Equity or Debt Securities

As at 30 June 2015, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (i) were required to be made known to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), to be made known to the Company and the Stock Exchange, were as follows:

#### Long position in Shares of the Company

Name of Director	Personal interests	Family interests	Corporate interests	Total	Approximate percentage of shareholding
Shi Jian	13,006,991	2,324 (Note 1)	2,889,659,128 (Note 2)	2,902,668,443	51.24%
Zhuo Fumin	–	160,000 (Note 3)	–	160,000	0.003%

Notes:

- These Shares were held by Md. Si Xiao Dong, the spouse of Mr. Shi Jian.
- These 2,889,659,128 Shares were held by SRE Investment Holding Limited ("SRE Investment"). As Mr. Shi Jian and his spouse, Md. Si Xiao Dong together beneficially own 66% of the issued share capital of SRE Investment as at 30 June 2015, Mr. Shi was deemed to be interested in these 2,889,659,128 Shares.
- These Shares were held by Md. He Pei Pei, the spouse of Mr. Zhuo Fumin.

Save as disclosed above, as at 30 June 2015, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the HKEx pursuant to Divisions 7 and

## Management Discussion and Analysis

8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO) or the Model Code or which were required to be entered in the register required to be kept under Section 352 of the SFO.

### Substantial Shareholders' Interests

As at 30 June 2015, so far as is known to any Director or chief executives of the Company, the following persons, other than a Director or chief executives of the Company, had interests of the Company or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under the Section 336 of Part XV of the SFO:

#### Long positions in Shares

Name of Shareholder	Capacity	Number of issued ordinary shares held (Note 1)	Approximate percentage of shareholding
Si Xiao Dong	Beneficial owner, spouse and corporate interest	2,902,668,443 (L) (Note 2)	51.24%
SRE Investment	Beneficial owner	2,889,659,128 (L)	51.01%

Notes:

- (1) "L" represents long positions in Shares.
- (2) These Shares comprised 2,324 Shares held by Md. Si Xiao Dong, 13,006,991 Shares held by her spouse, Mr. Shi Jian and 2,889,659,128 Shares which SRE Investment was interested in.

Save as disclosed above, none of the Directors nor the chief executives of the Company was aware of any other person (other than a Director or chief executive of the Company) or corporation who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO.

## Management Discussion and Analysis

### Employees

As at 30 June 2015, the Group had retained 1,929 employees in Hong Kong and the PRC. Total staff costs of the Group excluding directors' remuneration, for the period under review amounted to approximately HK\$85 million. Staff remuneration packages were in line with the prevailing market practice and were determined on the basis of the performance and experience of individual employee.

### Share Option Scheme

The share option scheme adopted by the Company had been lapsed on 22 May 2012. The Company has not adopted any share option scheme currently and no share options were outstanding as at 30 June 2015.

### Purchase, Sale or Redemption of the Company's Listed Shares

Neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2015.

### Change of Information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, change in the information of Directors since the date of the Annual Report 2014 and up to the date of release of the interim results of the Company is set out below:

On 17 July 2015, Mr. Zhang Hongfei has resigned as an Executive Director. On the same day, Mr. Wang Zi Xiong, a Vice-chairman of the Board has been re-designated as the Co-chairman of the Board and he will continue to act as the Chief Executive Officer of the Group. On the same day, Shi Janson Bing has been appointed as an Executive Director and a Vice-chairman of the Board.

### Directors' Compliance with the Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made of all Directors, who have confirmed that they complied with required standard set out in the Model Code.

## Management Discussion and Analysis

### Audit Committee

The audit committee of the Company (the “**Audit Committee**”) has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control and reporting matters. The Group’s unaudited consolidated financial statements for the six months ended 30 June 2015 have been reviewed by the Audit Committee.

### Corporate Governance

Throughout the financial period, the Board has reviewed its corporate governance practices and confirmed that the Company has complied with all principles and code provisions of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix 14 of the Listing Rules except for the following deviations:

#### Code Provision A.6.7

Pursuant to code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings. Mr. Guoping, an Independent Non-executive Director, did not attend the annual general meeting for the year 2015 due to other business engagements.

#### Code Provision E.1.2

Pursuant to code provision E.1.2, the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. Mr. Shi Jian, the Chairman of the Board and the Chairman of the Nomination Committee, did not attend the annual general meeting for the year 2015 due to other business engagements. Vice-chairman of the Board and the Chief Executive Officer, other directors of the Board, the Chief Financial Officer of the Company, the Company Secretary and the auditors had attended the meeting to answer questions at the meeting.

## Management Discussion and Analysis

### Disclosure of Information on the Website of the Stock Exchange

The interim report for 2015 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.equitynet.com.hk/sre/>) in due course.

On behalf of the Board

**Wang Zi Xiong**

*Co-chairman and Chief Executive Officer*

Hong Kong, 27 August 2015

## Property Details

### Details of projects under development:

Project	Location	Land Use	GFA (sqm)	Expected	Completion	Holding
				Date of	Rate of	Proportion
				Completion	Construction	of SRE
The Bund Center Haikou	No.18 Taihua Road,	Hotel	45,458	2015	95%	79%
	Longhua District, Haikou City, Hainan	Residential Phase II	212,545	2018	0%	79%
	Province, The PRC	Commercial Phase II	16,316	2018	0%	79%
Minhang Project	No. 3888, Kunyang Northern Road, Maqiao Town, Minhang District, Shanghai, The PRC	Residential	103,164	yet to be decided	0%	27.70%
Albany Oasis Garden	No. 699, Zhong Xing Road, Zhabei District, Shanghai, The PRC	Residential Phase III	159,500	2016	42%	100%
		Residential Phase IV	45,000	2018	0%	100%
		Commercials	40,000	2018	0%	100%
		Office & Hotel	100,500	2018	0%	100%
Shenyang Albany	South Heping Road, Heping District, Shenyang City, Liaoning Province, The PRC	Residential Phase IIA	87,801	2015	87%	97.50%
		Residential Phase IIB	90,100	2016	65%	97.50%
		Commercial Phase IIB	3,038	2016	65%	97.50%
		Super Market Phase IIIA	24,231	2015	70%	97.50%
		Residential Phase IIIB	120,003	2017	0%	97.50%
		Commercial Phase IIIB	7,754	2017	0%	97.50%
		Residential Phase IIIC	85,700	2018	0%	97.50%
Commercial Phase IIIC	1,890	2018	0%	97.50%		

## Property Details

Project	Location	Land Use	GFA (sqm)	Expected Date of Completion	Completion Rate of Construction	Holding Proportion of SRE
SRE Pudong Coastal Project (previously named as “Pudong Project”)	Yongfa Road, Pudong New District, Shanghai, The PRC	Residential	58,178	yet to be decided	0%	98.75%
Huating Project (previously named as “Bairun Project”)	Lane 68, Eastern Xie Tu Road, Huangpu District, Shanghai, The PRC	Residential	27,119	2016	70%	50.36%
		Commercials	4,152	2016	90%	50.36%
		Parking	5,681	2016	90%	50.36%
Rich Gate I (Qinhai Oasis Garden)	Daxing Road, Huangpu District, Shanghai, The PRC	Residential	75,757	2019	0%	100%
		Office	41,820	2019	0%	100%
		Service Apartment	12,000	2019	0%	100%
		Underground	83,000	2019	0%	100%
Shenyang Yosemite Oasis Community	the town of Lee Sang Lane, Dongling District, Shenyang City, Liaoning Province, The PRC	Town House Phase I (Shuangxing section)	97,612	2015	85%	98.95%
		Residential Phase III	203,960	2017	0%	98.95%
Jiaxing Project	No.1, Linghu Road, Nanhu District, Jiaxing City, Zhejiang Province, The PRC	Residential and Commercial – 1# Phase II	73,144	2017	0%	98.75%
Wuxi Yongqing	Within Wuxi Hongshan New Town	Residential	204,219	2018	0%	98.75%

## Property Details

Project	Location	Land Use	GFA (sqm)	Expected Date of Completion	Completion Rate of Construction	Holding Proportion of SRE
Dalian Oasis City Garden	Dalian WaFang Dian City in Liaoning Province, West outer ring street west of south of north ring Road	Residential Phase I	154,001	2017	0%	50.36%
		Commercial Phase I	20,234	2017	0%	50.36%
		Underground Phase I	78,039	2017	0%	50.36%
		Office Phase II	18,000	2018	0%	50.36%
		Commercial Phase II	65,136	2018	0%	50.36%
		Underground Phase II	47,950	2018	0%	50.36%
		Residential Phase III	271,623	2019	0%	50.36%
		Underground Phase III	102,830	2019	0%	50.36%
PuDi Prime	No. 518, LuXi Road, Chuanshan, Pudong New Area	Residential	36,883	2017	0%	98.75%
		Service Apartment	15,000	2018	0%	98.75%
		Hotel	30,000	2018	0%	98.75%
		Commercials	42,650	2016	0%	98.75%
		Cinema	5,000	2016	0%	98.75%
		Supermarket	18,000	2016	0%	98.75%
		Underground	59,082	2016	0%	98.75%

## Property Details

## Details of completed investment properties:

Project	Location	Land Use	GFA (sqm)	Group's Equity Interest (%)
Shenyang Rich Gate	No.118, Harbin Road, Shenhe District, Shenyang City, Liaoning Province, The PRC	Commercial	245,252	100%
Oasis Central Ring Center	Lane 1628, Jinshajiang Road, Putuo District, Shanghai, The PRC	Retail & Office	32,602	95.79%
Oasis Central Ring Center	No. 1678, Jinshajiang Road, Putuo District, Shanghai, The PRC	Retail	6,499	95.79%
Oasis Central Ring Center	Lane 1628, Jinshajiang Road, Putuo District, Shanghai, The PRC	Car Park	57,045	95.79%
Unit 2605, 2606, 26(3A), 2803, 2806 and 28(3A) of Universal Mansion	No. 172 Yuyuan Road, Jing'An District, Shanghai, The PRC	Office	732	98%
Shanghai Shuocheng supermarket	No. 350, Zhong Hua Xin Road, Zhabei District, Shanghai, The PRC	Retail	Approx. 24,000	100%
SRE Financial Centre	No.15 Dapu Road, Luwan District, Shanghai, The PRC	Office	Approx. 27,300	55.42%

## Details of hotels:

Project	Location	Land Use	GFA (sqm)	Group's Equity Interest (%)
Shanghai Skyway Pullman Hotel	No.15 Dapu Road, Luwan District, Shanghai, The PRC	Hotel	64,047	55.42%

## Corporate Information

### Board of Directors

Shi Jian (*Chairman*)

Wang Zi Xiong (*Co-chairman & Chief Executive Officer*)

Shi Janson Bing (*Vice-chairman*)

Ma Dayu

Li Genfa

Shi Lizhou

Cheung Wing Yui\*

Jin Bing Rong\*

Zhuo Fumin\*\*

Chan, Charles Sheung Wai\*\*

Yang Chao\*\*

Guoping\*\*

\* Non-executive Directors

\*\* Independent Non-executive Directors

### Authorized Representatives

Shi Jian

Wang Zi Xiong

### Company Secretary

Chan Yim Shan

### Hong Kong Office

Suite 4006, 40/F

Central Plaza

18 Harbour Road

Wanchai, Hong Kong

### Registered Office

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

### Principal Registrar and Transfer Office

MUFG Fund Services (Bermuda) Limited

The Belvedere Building,

69 Pitts Bay Road,

Pembroke HM08, Bermuda

### Hong Kong Branch Registrar and Transfer Office

Tricor Tengis Limited

Share Registration

Level 22, Hopewell Centre,

183 Queen's Road East,

Hong Kong

### Legal Adviser

Woo, Kwan, Lee & Lo

### Auditor

Ernst & Young

### Principal Bankers

Hong Kong: The Agricultural Bank of China  
CITIC Bank International Limited

PRC: The Agricultural Bank of China  
The Industrial and Commercial Bank of China  
The Bank of China  
Shanghai Pudong Development Bank  
China Minsheng Bank

### Stock Code

1207

### Internet Web Site

[www.sre.com.cn](http://www.sre.com.cn)

### E-mail

[general@sregroup.com.hk](mailto:general@sregroup.com.hk)