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SRE GROUP LIMITED



上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

ANNOUNCEMENT

TERMINATION OF THE CONNECTED TRANSACTION FOR THE ACQUISITION OF THE REMAINING 49% INTEREST IN

上海住富房地產發展有限公司

(SHANGHAI ZHUFU PROPERTY DEVELOPMENT CO., LTD.*)

As one of the Conditions, namely obtaining or completion of all approvals and/or consents necessary or reasonably required by the Transferee for the Acquisition, has not been fulfilled, Wellton, a wholly-owned subsidiary of the Company and the Vendor have agreed to abort the Acquisition and have entered into an agreement to such an effect (the "Termination Agreement").

Reference is made to the announcement of the Company dated 3 July, 2007 in relation to the acquisition of the remaining 49% interest in Shanghai Zhufu Property Development Co., Ltd., which constitutes, inter alia, a connected transaction of the Company. Unless the context otherwise requires, capitalised terms used in this announcement have the same meanings as defined in the said announcement.

The board of Directors announces that owing to the non-fulfillment of the Condition Precedent (iv) that all approvals and/or consents necessary or reasonably required by the Transferee for the Acquisition has not been fulfilled, Wellton and the Vendor have agreed to abort the Acquisition and have entered into the Termination Agreement dated 3 December, 2008 to terminate the Acquisition. Accordingly, Wellton and the Vendor will not proceed with the Acquisition and the Vendor has already refunded the advance payment of HK\$40 million to the Transferee.

Pursuant to the terms of the Transfer Agreement, the termination of the Acquisition will not subject the Company to any penalty and/or liability and the Company will be released from all obligations and undertakings therein stated immediately upon the execution of the Termination Agreement.

The Directors consider that the termination of the Acquisition by the Termination Agreement will not have any material adverse impact on the Group and on its business in the field of property development in Shanghai.

By Order of the Board
SRE GROUP LIMITED
Shi Jian
Chairman

Hong Kong, 3 December, 2008

* For identification purpose only

As at the date hereof, the Board comprises ten Directors, five of whom are executive Directors, namely Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong and Mr. Lee Wai Man; two of whom are non-executive Directors, namely Mr. Cheung Wing Yui and Mr. Jin Bing Rong; and three of whom are independent non-executive Directors, namely Mr. Yeung Kwok Wing, Mr. Jiang Xie Fu and Mr. E Hock Yap.