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SRE GROUP LTD.

SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

**ANNOUNCEMENT
AUTOMATIC TERMINATION OF THE MAJOR AND
CONNECTED TRANSACTION
FOR THE ACQUISITION OF QUALICO INVESTMENTS LIMITED
MATERIAL DILUTION OF A MAJOR SUBSIDIARY
AND DEEMED DISPOSAL**

As the Conditions (c) completion of the Transfer Agreement and the receipt by China Edifice Ltd (“the Purchaser”) of documentation to the satisfaction of the Purchaser evidencing such completion, and (e) the receipt by the Purchaser of a legal opinion issued by a firm of qualified lawyers in the PRC in such form and content as may be satisfactory to the Purchaser, have not been fulfilled as of 30 June 2009, the extended Long Stop Date for the fulfillment of the Conditions, the Acquisition Agreement has lapsed and is of no further effect and the Acquisition is automatically terminated.

Reference is made to the announcement of the Company dated 31 January, 2008 in relation to acquisition of the entire issued share capital of and outstanding loan due from Qualico Investments which constitutes, inter alia, a major and connected transaction of the Company. Capitalised terms used in this announcement have the same meanings as defined in the said circular.

The board of Directors announces that owing to the Conditions (c) completion of the Transfer Agreement and the receipt by or on behalf of the Purchaser of documentation to the satisfaction of the Purchaser evidencing such completion, and (e) the receipt by or on behalf of the Purchaser of a legal opinion issued by a firm of qualified lawyers in the PRC in such form and content as may be satisfactory to the Purchaser, have not been fulfilled as of 30 June 2009, the extended Long Stop Date for the fulfillment of the Conditions, the Acquisition Agreement has lapsed and is of no further effect and the Acquisition is automatically terminated.

* For identification purpose only

Pursuant to the Acquisition Agreement, neither party shall have any claim against or liability or obligation to the other party in respect of the termination of Acquisition Agreement.

The Directors consider that the termination of the Acquisition will not have any material adverse impact on the Group and on its business.

By Order of the Board
SRE GROUP LIMITED
Shi Jian
Chairman

30 June 2009

As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong and Mr. Yue Wai Leung, Stan; two non-executive directors, namely Mr. Cheung Wing Yui and Mr. Jin Bing Rong and three independent non-executive directors, namely Mr. Jiang Xie Fu, Mr. E Hock Yap and Mr. Pan Long Qing.