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INSIDE INFORMATION

TERMINATION OF MEMORANDUM OF UNDERSTANDING WITH POLY REAL ESTATE

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

Reference is made to the Company’s announcement (the “**Announcement**”) dated 9 June 2015 in relation to the non-binding MOU entered into between the Company, Poly Real Estate and SREI (the “**Parties**”) on 5 June 2015 for the expression of interest by Poly Real Estate to subscribe for Shares under the Possible Subscription. Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Announcement.

TERMINATION OF NON-BINDING MOU

As the Parties cannot reach a consensus regarding the terms and conditions of the Possible Subscription, on 14 August 2015 (after trading hours), the Parties entered into a termination agreement (the “**Termination Agreement**”) to terminate the non-binding MOU by mutual consent with immediate effect. Under the terms of the Termination Agreement, (a) all the provisions of the MOU (save in respect of the Parties’ confidentiality obligations) shall cease to have any effect on signing of the Termination Agreement; and (b) no Party shall owe any liability to the others or be entitled to any damages, compensation or other remedies in law as a result of the termination of the MOU.

As a result of the termination of the MOU, the negotiation between the Parties will be discontinued, no Binding Agreement will be entered into by the Parties, and no Whitewash Waiver will be applied for.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 14 August 2015 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 17 August 2015.

By order of the Board
SRE Group Limited
Wang Zi Xiong
Co-Chairman and Chief Executive Officer

Hong Kong, 14 August 2015

As at the date of this announcement, the Board comprises six executive directors, namely Mr. Shi Jian, Mr. Wang Zi Xiong, Mr. Shi Janson Bing, Mr. Shi Lizhou, Mr. Ma Dayu and Mr. Li Genfa; two non-executive directors, namely Mr. Cheung Wing Yui and Mr. Jin Bing Rong; and four independent non-executive directors, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai, Mr. Yang Chao and Mr. Guoping.

The directors of SRE Group Limited jointly and severally accept full responsibility for the accuracy of the information in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

* *For identification only*