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# **SRE GROUP LIMITED**

## **上置集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1207)**

### **MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF 60% EQUITY INTEREST IN MAYSON RESOURCES LIMITED AND 60% OF SHAREHOLDER'S LOAN**

#### **DISPOSAL**

The Board wishes to announce that on 30 October 2015, after trading hours, the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed conditionally to sell and the Purchaser agreed conditionally to acquire the Sale Shares and the Sale Loan at a total consideration of RMB547,872,000 (equivalent to approximately HK\$668,403,840).

#### **Consideration and Payment Conditions**

##### *Consideration*

Subject to the satisfaction of all the payment conditions, the total consideration of RMB547,872,000 shall be paid in the following manner:

- (1) on the date of signing of the formal Sale and Purchase Agreement, the Purchaser has to pay a deposit of RMB10,000,000 to the Vendor which has to be refunded to the Purchaser;
- (2) RMB487,872,000 shall be paid and the aforesaid RMB10,000,000 shall be refunded by the Vendor to the Purchaser upon the satisfaction of all the Payment Conditions; and

(3) On the date falling three months from the date on which the Purchaser or its nominee(s) has been registered as a shareholder of the Target Company or 31 January 2016 (whichever is later), subject to the provision of evidence by the Vendor to the Purchaser to its satisfaction confirming that liabilities of Shanghai Shuo Cheng under guarantees to external parties (“**Shanghai Shuo Cheng’s External Guarantees**”) has not been crystallized including (i) external guarantees provided for companies in the Group, namely Shanghai Oasis Garden Real Estate Co., Ltd. and Shanghai Skyway Hotel Co., Ltd. (together known as “**Shanghai Shuo Cheng’s External Guarantees for Group Companies**”); and (ii) external guarantees provided for companies outside the Group, namely Shanghai Lake Malaren Commercial Management Co., Ltd. and Shanghai Lake Malaren Hospital Investment Co., Ltd. (together known as “**Shanghai Shuo Cheng’s External Guarantees for External Companies**”) (please see the table on P.8 in relation to the details of Shanghai Shuo Cheng External Guarantees) (i.e. no Shanghai Shuo Cheng’s External Guarantees has been enforced prior to the date aforementioned, no creditor has claimed against Shanghai Shuo Cheng under Shanghai Shuo Cheng’s External Guarantees, and Shanghai Shuo Cheng has made no payment to any creditor under the Shanghai Shuo Cheng’s External Guarantees), and all Shanghai Shuo Cheng’s External Guarantees have been duly and irrevocably rescinded in full, the remaining balance of the consideration for the subject equity interest of RMB60,000,000 shall be paid by the Purchaser to the Vendor within ten business days after the full release of these guarantee obligations.

#### *Consideration Adjustment*

The Vendor and the Company undertakes that, in the event that on or before the Completion Date, in respect of all the Shanghai Shuo Cheng’s External Guarantees provided by Shanghai Shuo Cheng before the completion Date, Shanghai Shuo Cheng has actually assumed payment obligations towards the main creditors of those guarantees, the Purchaser has the right to request the amount which Shanghai Shuo Cheng has been obliged to pay under the Shanghai Shuo Cheng External Guarantees to be deducted from the total consideration of RMB547,872,000. In the event that the amount is not enough for such deduction, in addition to having a right to claim against the respective debtors, the Purchaser and Shanghai Shuo Cheng also have the right to, on a parallel basis and at the option of the Purchaser, claim against the Vendor and/or the Company.

#### *Basis of Consideration*

The consideration is determined between the Purchaser and the Vendor after arm’s length negotiations with reference to, among others (i) the preliminary valuation of 100% equity interest in the Target Group (the “Preliminary Valuation”) prepared by an independent professional valuer (the “Valuer”); (ii) the Sale Loan; and (iii) the reasons for and benefits of the acquisition stated in the section headed “Reasons for and benefits of the acquisition” in this announcement.

The Board is of the view that the consideration is fair and reasonable and on normal and commercial terms and the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder are in the interests of the Company and its shareholders as a whole.

### *Completion*

Completion shall take place three business days following the satisfaction or waiver of the conditions for Completion pursuant to the Sale and Purchase Agreement.

Upon Completion, the Target Company will no longer be a subsidiary of the Company and its financial results will no longer be consolidated into the financial statements of the Group.

### **LISTING RULES IMPLICATIONS**

As the applicable ratios in respect of the Disposal are greater than 25% but less than 75% pursuant to Chapter 14 of the Listing Rules, the Disposal constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

Since to the best of the Directors' knowledge and information, and having made all reasonable enquires, no Shareholders have any material interest in the Sale and Purchase Agreement, no Shareholders are required to abstain from voting if a general meeting of the Company were to convene to approve the relevant resolution regarding the transactions contemplated under the Sale and Purchase Agreement. The Company has received a written approval from SRE Investment, the controlling Shareholder which holds 2,889,659,128 Shares with voting rights (representing approximately 51.01% of the issued share capital and voting rights of the Company based on the 5,664,713,722 Shares in issue as at the date of this announcement) in connection with the Disposal Pursuant to Rule 14.44 of the Listing Rules, such written approval from SRE Investment can be accepted in lieu of holding a general meeting for purpose of approving the Disposal.

### **GENERAL**

A circular containing, among other things, (i) further information on the Disposal and the Sale and Purchase Agreement; (ii) the valuation report of the Property prepared by an independent valuer; and (iii) other disclosure requirements under the Listing Rules will be despatched to the Shareholders on or before 20 November 2015.

## **DISPOSAL**

The Board wishes to announce that on 30 October 2015, after trading hours, the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed conditionally to sell and the Purchaser agreed conditionally to acquire the Sale Shares and the Sale Loan at a total consideration of RMB547,872,000 (equivalent to approximately HK\$668,403,840).

## **THE SALE AND PURCHASE AGREEMENT**

### **Date**

30 October 2015 (after trading hours)

### **Parties**

- (i) Sinopower Investment Limited as the Vendor;
- (ii) Mainlandcn Ten Company Limited as the Purchaser; and
- (iii) the Company, as the Guarantor.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party as at the date of this announcement.

### **Assets to be Disposed of**

- (a) the Sale Shares represent 60% equity interest in the Target Company; and
- (b) the Sale Loan represents 60% of the Shareholder's Loan owed by the Target Company to the Vendor as at 30 April 2015 amounting to approximately HK\$274,604,679.

The principal assets of the Target Company are its equity interest in Shanghai Shuo Cheng.

## Conditions for Completion

The Sale and Purchase Agreement is conditional upon the satisfaction of the following conditions, or otherwise being waived by the Purchaser on or before the Long Stop Date:

- (1) all consent(s), approval(s), waiver(s) and authorisation(s) from any relevant government authorities or other relevant third party(ies) in Hong Kong, Bermuda (if applicable), the PRC or any other place(s) as may be considered necessary or required by the Purchaser for the entering into and execution of the Sale and Purchase Agreement having been obtained on terms acceptable to the Purchaser;
- (2) receipt by the Vendor and the Group of all relevant consent(s) and approval(s) from third party(ies) as may be necessary in relation to the proposed transfer of the Sale Shares and the Sale Loan to ensure that assets and other rights of the Group under all existing contracts will remain intact (including the written consent from the main creditor of Shanghai Shuo Cheng) upon Completion;
- (3) none of the these consent(s), approval(s), waiver(s) or authorisation(s) having been cancelled, revoked or amended in a manner not acceptable to the Purchaser at any time before Completion;
- (4) if required under the Listing Rules, independent shareholders of the Company and the Purchaser having approved the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
- (5) if required under the Listing Rules, publication by the Company and the Purchaser of announcement(s) and circular(s) acceptable to the Purchaser in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the Listing Rules (the contents of which shall be agreed by the parties to the Sale and Purchase Agreement);
- (6)
  - (i) maintenance of the listing status of the shares of the Company on the Stock Exchange, and trading of the shares of the Company having not been suspended for more than three consecutive business days following the date of the Sale and Purchase Agreement and on or before the date of Completion;
  - (ii) none of the parties having received any indication from the Securities and Futures Commission in Hong Kong or the Stock Exchange on or before Completion (unless such indication has been revoked within five business days) that the Sale and Purchase Agreement or the transactions contemplated thereunder may result in the revocation of or objection against the listing status of the shares of the Company on the Stock Exchange (or the imposition of extraordinary or onerous conditions); and
  - (iii) compliance with all requirements imposed by the Stock Exchange and the Securities and Futures Commission in Hong Kong in relation to the terms of the Sale and Purchase Agreement and the Sale Shares and the Sale Loan under the Sale and Purchase Agreement;

(7) the Target Company having issued ninety-nine (99) new shares to the Vendor, appointed two new directors and duly completed all relevant procedures;

The Purchaser may at any time and in writing waive any condition(s) for Completion (other than items (1) to (5) above) on such terms as it may require.

Non-satisfaction of Conditions to Completion: If any Condition for Completion is not satisfied (and not waived by the Purchaser) on or before the Long Stop Date, the Sale and Purchase Agreement shall immediately be rescinded, and the Purchaser shall have the right by a notice to the Vendor (without prejudice to any other rights or remedies as might be available to the Purchaser) to:

(1) waive the conditions to Completion unsatisfied at the time;

(2) postpone Completion and the Long Stop Date; or

terminate the Sale and Purchase Agreement, and if the Purchaser chooses to postpone Completion in accordance with paragraph (2) above, the provisions of the Sale and Purchase Agreement shall apply, as if the postponed date of Completion is the date of Completion specified in the Sale and Purchase Agreement.

## **Completion**

Completion shall take place three business days following the satisfaction or waiver of the conditions to the Sale and Purchase Agreement.

Upon Completion, the Target Company will no longer be a subsidiary of the Company and its financial results will no longer be consolidated into the financial statements of the Group.

## **Consideration and Payment Conditions**

### *Payment Conditions*

The Purchaser is not obliged to settle the consideration until the following payment conditions have been satisfied (or waived by the Purchaser) on or before the Long Stop Date:

(1) Completion has taken place;

(2) the guarantees by way of mortgage or pledge of assets (1)(i), (1)(ii), (1)(iii) and (1)(viii) set out under the section headed “Guarantee” of this announcement have been executed and remain in full force and effect on terms acceptable to the Purchaser and the relevant procedures for registration have been completed; the Guarantor and the Vendor shall continue to procure the execution of the guarantees by way of mortgage or pledge of assets (1)(iv), (1)(v), (1)(vi) and (1)(vii) set out under the section headed “Guarantee” of this announcement;

- (3) the original copies of land use right certificates of Wuxi Yongqing Real Estate Co., Ltd. and Jiaxing Lake Richgate project held by Jiaxing Lake Richgate Real Estate Co., Ltd. have been handed over to the Purchaser.

### *Consideration*

Subject to the satisfaction of all the payment conditions above, the total consideration of RMB547,872,000 shall be paid in the following manner:

- (1) on the date of signing of the formal Sale and Purchase Agreement, the Purchaser had paid a deposit of RMB10,000,000 to the Vendor which has to be refunded to the Purchaser;
- (2) RMB487,872,000 shall be paid and the aforesaid RMB10,000,000 shall be returned by the Vendor to the Purchaser upon the satisfaction of all the conditions precedent for payment; and
- (3) On the date falling three months from the date on which the Purchaser or its nominee(s) has been registered as a shareholder of the Target Company or to 31 January 2016 (whichever is later), subject to the provision of evidence by the Vendor to the Purchaser to its satisfaction confirming that the liabilities of Shanghai Shuo Cheng under guarantees to external parties (“**Shanghai Shuo Cheng’s External Guarantees**”) have not been crystallised including (i) external guarantees provided for companies in the Group, namely Shanghai Oasis Garden Real Estate Co., Ltd. and Shanghai Skyway Hotel Co., Ltd. (together known as “**Shanghai Shuo Cheng’s External Guarantees for Group Companies**”); and (ii) external guarantees provided for companies outside the Group, namely Shanghai Lake Malaren Commercial Management Co., Ltd. and Shanghai Lake Malaren Hospital Investment Co., Ltd. (together known as “**Shanghai Shuo Cheng’s External Guarantees for External Companies**”) (please see the table on P.8 in relation to the details of Shanghai Shuo Cheng External Guarantees) (i.e. no Shanghai Shuo Cheng’s External Guarantees has been enforced prior to the date aforementioned, no creditor has claimed against Shanghai Shuo Cheng under Shanghai Shuo Cheng’s External Guarantees, and Shanghai Shuo Cheng has made no payment to any creditor under the Shanghai Shuo Cheng’s External Guarantees), and all Shanghai Shuo Cheng’s External Guarantees have been duly and irrevocably rescinded in full, the remaining balance of the consideration for the subject equity interest of RMB60,000,000 shall be paid by the Purchaser to the Vendor within ten business days after the full release of these guarantee obligations.

The following table sets out the Shanghai Shuo Cheng's External Guarantees as at the date of this announcement:

No.	Host Contract		Guarantee Contract		
	Debtor	Creditor	Amount of Creditor's Rights as at 31 August 2015 (in RMB million)	Guarantor	Date of Guarantee Contract
<b>Shanghai Shuo Cheng's External Guarantees for Group Companies</b>					
1.	Shanghai Oasis Garden Real Estate Co., Ltd. (上海綠洲花園置業有限公司)	Bank A	500.00	Shanghai Shuo Cheng	2014
2.	Shanghai Skyway Hotel Co., Ltd. (上海斯格威大酒店有限公司)	Bank B	1,451.60	Shanghai Shuo Cheng	March 2014
<b>Shanghai Shuo Cheng's External Guarantees for External Companies</b>					
3.	Shanghai Lake Malaren Commercial Management Co., Ltd. (上海美蘭湖商業管理有限公司)	Bank B	380.00	Shanghai Shuo Cheng	30 July 2014
4.	Shanghai Lake Malaren Hospital Investment Co., Ltd. (上海美蘭湖醫院投資有限公司)	Bank B	299.14	Shanghai Shuo Cheng	30 July 2014
Total amount of guarantee			2,630.74		

### Consideration Adjustment

The Vendor and the Company undertakes that, in the event that on or before the Completion Date, in respect of all the Shanghai Shuo Cheng's External Guarantees provided by Shanghai Shuo Cheng before the completion Date, Shanghai Shuo Cheng has actually assumed payment obligations towards the main creditors of those guarantees, the Purchaser has the right to request the amount which Shanghai Shuo Cheng has been obliged to pay under the Shanghai Shuo Cheng External Guarantees to be deducted from the total consideration of RMB547,872,000. In the event that the amount is not enough for such deduction, in addition to having a right to claim against the respective debtors, the Purchaser and Shanghai Shuo Cheng also have the right to, on a parallel basis and at the option of the Purchaser, claim against the Vendor and/or the Company.



## Guarantee

The Company (as the Guarantor under the Sale and Purchase Agreement) has unconditionally and irrevocably undertaken to the Purchaser that the Company will procure the Vendor to timely perform all of its obligations and duties under the Sale and Purchase Agreement, and has undertaken to indemnify in full the Purchaser against any liabilities, losses, damages, fees and expenses incurred by the Purchaser as a result of the non-performance or delayed performance by the Vendor (whether or not specified in the Sale and Purchase Agreement).

Major undertakings include but not limited to:

- (1) In consideration of the undertakings provided under Shanghai Shuo Cheng's External Guarantees and in order to protect the interests of the Purchaser, the Company shall procure the relevant owners to provide guarantee by way of mortgage or pledge of the following assets to: (i) cover obligations and liabilities of the Vendor under the Sale and Purchase Agreement (collectively, the "Guaranteed Obligations"); and/or (ii) act as a counter-indemnity to indemnify Shanghai Shuo Cheng in relation to, as a result of the performance and fulfilment of its guarantee obligations (except the Shanghai Shuo Cheng's External Guarantees for External Companies), the principal and interest of debts, liquidated damages, damages, default interest, fees for the annulment of the guarantee and/or expenses paid to the creditors up to the date of Completion.
  - (i) Shanghai Zhufu Property Development Co., Ltd. (上海住富房地產發展有限公司): 51% equity interest in Shanghai Bairun Real Estate Co., Ltd. (上海百潤房地產有限公司) held by it will have been pledged in favour of Shanghai Shuo Cheng as the counter guarantee for the guarantee provided by Shanghai Shuo Cheng;
  - (ii) Wuxi Zhongqing Real Estate Co., Ltd. (無錫仲慶房地產開發有限公司): 100% equity interest in Wuxi Yongqing Real Estate Co., Ltd. held by it will have been pledged in favour of Shanghai Shuo Cheng as the counter guarantee for the guarantee provided by Shanghai Shuo Cheng;
  - (iii) Shanghai Oasis Garden Real Estate Co., Ltd. (上海綠洲花園置業有限公司): 100% equity interest in Jiaxing Lake Richgate Real Estate Co., Ltd. (嘉興湖畔華府置業有限公司) held by it will have been pledged in favour of Shanghai Shuo Cheng as the counter guarantee for the guarantee provided by Shanghai Shuo Cheng;
  - (iv) Qizhan Investment Co., Ltd. (啟展投資有限公司): upon the release of the existing pledge, 56% equity interest in Shanghai Skyway Hotel Co., Ltd. held by it will have been pledged in favour of Shanghai Shuo Cheng as the counter guarantee for the guarantee provided by Shanghai Shuo Cheng;

- (v) Gaken Investment Limited (嘉勤投資有限公司) and Shunlink Investment Limited (上聯投資有限公司): upon the release of the existing pledge, total equity interest in Shanghai Jinxin Real Estate Co., Ltd. (上海金心置業有限公司) held by them, amounting to total capital contribution of RMB700 million, will have been pledged in favour of Shanghai Shuo Cheng as the counter guarantee for the guarantee provided by Shanghai Shuo Cheng;
- (vi) Wuxi Yongqing Real Estate Co., Ltd.: the land use rights for Wuxi project held by it (land use right certificate no.: Xi Xin Guo Yong (2011) No. 030 (錫新國用(2011)第030號)) will have been pledged in favour of Shanghai Shuo Cheng or the Purchaser;
- (vii) Jiaxing Lake Richgate Real Estate Co., Ltd. (嘉興湖畔華府置業有限公司): the land use rights for Jiaxing Lake Richgate project held by it and the construction in progress erected thereon (land use right certificate no.: Jia Tu Guo Yong (2010) Nos. 413114 and 413113 (嘉土國用(2010)第413114號, 嘉土國用(2010)第413113號)) will have been pledged in favour of Shanghai Shuo Cheng or the Purchaser; and
- (viii) the Vendor agreed to pledge 40% equity interest in the Target Company held by it in favour of the Purchaser to secure its obligations and liabilities under the Sale and Purchase Agreement and a counter guarantee for the guarantee provided by Shanghai Shuo Cheng. The Vendor shall complete the relevant procedures for registration within the term specified in the deed of pledge.

Shanghai Shuo Cheng or the Purchaser shall unconditionally revoke all of the above counter guarantee measures if they have been put in place and cancel their registration (if such registration have been completed) immediately upon Shanghai Shuo Cheng's External Guarantees for Group Companies having been completely repealed.

- (2) After the Completion Date and in respect of the Shanghai Shuo Cheng External Guarantees (excluding the Shanghai Shuo Cheng's External Guarantee for External Companies) provided by Shanghai Shuo Cheng before the Completion Date, in the event that Shanghai Shuo Cheng has made good its payment obligations in favour of the creditors, in addition to having the right to claim against the respective debtor(s), the Purchaser and Shanghai Shuo Cheng also have the right to claim from the Vendor and/or the Company, at the option of the Purchaser. The Vendor and the Company shall reimburse Shanghai Shuo Cheng for all such payments which it has made immediately.

### **Basis of Consideration**

The consideration is determined between the Purchaser and the Vendor after arm's length negotiations with reference to, among others (i) the preliminary valuation of 100% equity interest in the Target Group (the "Preliminary Valuation") prepared by an independent professional valuer (the "Valuer"); (ii) the Sale Loan; and (iii) the reasons for and benefits of the acquisition stated in the section headed "Reasons for and benefits of the acquisition" in this announcement.

The Board is of the view that the consideration is fair and reasonable and on normal and commercial terms and the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder are in the interests of the Company and its shareholders as a whole.

### **INFORMATION ON THE PURCHASER, THE VENDOR, THE TARGET COMPANY, SHANGHAI SHUO CHENG AND SHANGHAI ALBANY OASIS**

The Purchaser is a company incorporated in the British Virgin Islands and is principally engaged in investment holding. The Purchaser is a wholly-owned subsidiary of China Vanke Co., Ltd., listed on both the Shenzhen Stock Exchange and the Stock Exchange.

The Vendor is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company. It is principally engaged investment holding.

The Target Company is a wholly-owned subsidiary of the Company. It is principally engaged in investment holding. The principal assets of the Target Company are its equity interests in Shanghai Shuo Cheng. According to the unaudited financial statements of the Target Company prepared under the generally accepted accounting standards in Hong Kong, the Target Company recorded (i) net loss before taxation of approximately HK\$4,758 and net loss before taxation of approximately HK\$4,758 for the two years ended 31 December 2013 and 2014 respectively; and (ii) net loss after taxation of approximately HK\$4,758 and net loss after taxation of approximately HK\$4,758 for the two years ended 31 December 2013 and 2014 respectively. As at 30 April 2015, the unaudited net liabilities of the Target Company amounted to approximately HK\$38,056.

Shanghai Shuo Cheng is a company established and existing under the PRC laws with limited liability and a wholly-owned subsidiary of the Target Company. It is principally engaged in the real estate and development, construction, operation, lease of properties and property management and club management of related commercial facilities.

The principal assets of Shanghai Shuo Cheng are the land use rights for land parcels located in Block 162 (Qiu 29 and 22), Block 251 (Qiu 21 and 1/911), Block 254 (Qiu 15/1, 15/2 and 15/3), Block 257 (Qiu 40) and Block 163 (Qiu 3), Baoshanlu Street, Zhabei District, Shanghai, China. The name of the project under development is SRE • Albany Oasis Garden (上置•綠洲雅賓利花園). According to the properties details as set out in the 2014 annual report of the Company, the project has a total gross floor area of 480,000 sq.m., among which, the total gross area of Phase III Land which under-development and sale (but not delivered) was 159,500 sq.m., while the total gross area of Phase IV Land which has not started relocation was 185,500 sq.m. Besides, the sale of Phase I and Phase II of the project have been completed.

According to the unaudited financial statements of Shanghai Shuo Cheng prepared under the generally accepted accounting standards in Hong Kong, Shanghai Shuo Cheng recorded (i) revenue of approximately RMB13,905,086 and approximately RMB19,624,400, (ii) net profit before taxation of approximately RMB15,402,864 and net loss before taxation of approximately RMB10,792,519, and (iii) net profit after taxation of approximately RMB11,034,758 and net loss after taxation of approximately RMB10,628,193 for the two years ended 31 December 2013 and 2014 respectively. As at 30 June 2015, the unaudited net asset value of Shanghai Shuo Cheng amounted to approximately RMB917,183,142.

As at the date of this announcement, the Vendor holds the legal and beneficial interest in 100% equity interest in the Target Company, which in turn holds 100% legal and beneficial interest in Shanghai Shuo Cheng, Shanghai Shuo Cheng holds the legal and beneficial interest in Shanghai Albany Oasis.

## **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE SALE AND PURCHASE AGREEMENT**

The Group is an integrated property developer and is principally engaged in the development and sale of residential and commercial properties in Shanghai, Shenyang and Haikou, the PRC, with a specific focus on the middle-to high-end residential properties. As an integrated property developer with a number of property projects at different stages of development, the Directors have considered that it is key for the Group to optimise its resources to enhance the overall return for the Shareholders. Having considered that the estimated net proceeds from the Disposal amount to approximately RMB547,872,000 (equivalent to approximately HK\$667,485,380), the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and the entering into of the Sale and Purchase Agreement is in the interest of the Company and Shareholders as a whole.

The Purchaser is the wholly-owned subsidiary of China Vanke Co., Ltd.. China Vanke Co., Ltd. and its subsidiaries are professional real estate companies, mainly engaged in real estate development and property services and is one of the biggest real estate development operators in China. The Group intends to develop strategic cooperation with it, and the Disposal represents the first step of their strategic cooperation.

## **LISTING RULES IMPLICATIONS**

As the applicable ratios in respect of the Disposal are greater than 25% but less than 75% pursuant to Chapter 14 of the Listing Rules, the Disposal constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

Since to the best of the Directors' knowledge and information, and having made all reasonable enquires, no Shareholders have any material interest in the Sale and Purchase Agreement, accordingly, no Shareholders are required to abstain from voting if a general meeting of the Company were to convene to approve the relevant resolution regarding the transactions contemplated under the Sale and Purchase Agreement. The Company has received a written approval from SRE Investment, the controlling Shareholder which holds 2,889,659,128 Shares with voting rights (representing approximately 51.01% of the issued share capital and voting rights of the Company based on the 5,664,713,722 Shares in issue as at the date of this announcement) in connection with the Disposal pursuant to Rule 14.44 of the Listing Rules, such written approval from SRE Investment can be accepted in lieu of holding a general meeting for purpose of approving the Disposal.

## **GENERAL**

A circular containing, among other things, (i) further information on the Disposal and the Sale and Purchase Agreement; (ii) the valuation report of the Property prepared by an independent valuer; and (iii) other disclosure requirements under the Listing Rules will be despatched to the Shareholders on or before 20 November 2015.

## **DEFINITIONS**

“Company”	SRE Group Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement
“Completion Date”	date of the Completion
“Conditions for Completion”	as defined in the paragraph headed “Conditions to Completion” in this announcement
“Consideration”	the consideration in aggregate of RMB547,872,000 (equivalent to approximately HK\$668,403,840) (subject to adjustment) to be satisfied by the Purchaser for the acquisition of the Sale Shares and Sales Loan under the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Shareholder's Loan by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	To the best knowledge, information and belief of the Directors having made all reasonable enquires, third parties independent to the Company and its related parties (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Long Stop Date”	date of expiry of two months following the date of the Sale and Purchase Agreement, or such later date as agreed by the parties
“Payment Conditions”	as defined in the paragraph headed “Payment Conditions” in this announcement
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Mainlandcn Ten Company Limited, a company incorporated in the British Virgin Islands
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement dated 30 October 2015, entered into between the Vendor, the Purchaser and the Company in relation to the sale and purchase of the Sale Shares
“Sale Loan”	60% of the principal owed by the Target Company to the Vendor, amounting to HK\$274,604,679 as at 30 April 2015
“Sale Shares”	60% equity interest in the Target Company
“Shanghai Albany Oasis”	Shanghai Albany Oasis Real Estate Ltd.* (上海綠洲雅賓利置業有限公司), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of Shanghai Shuo Cheng

“Shanghai Shuo Cheng”	Shanghai Shuo Cheng Real Estate Co., Ltd.* (上海碩誠置業有限公司), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	the holders of Shares
“SRE Investment”	SRE Investment Holding Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Mayson Resources Limited, a company incorporated in the British Virgin Island with limited liability and an indirect wholly-owned subsidiary of the Company
“Vendor”	Sinopower Investment Limited (華通投資有限公司), a company incorporated in the British Virgin Islands

*Unless otherwise specified in this announcement, amounts denominated in RMB have been converted, for illustrative purpose only, into HK\$ at an exchange rate of RMB1.00 = HK\$1.22. Such exchange rate is for the purpose of illustration only and do not constitute a representation that any amount has been, could have been or may be converted at any of the above rate and any other rate or at all.*

By Order of the Board  
**SRE Group Limited**  
**Wang Zi Xiong**  
*Co-chairman & Chief Executive Officer*

Hong Kong, 30 October 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. Ma Dayu, Mr. Li Genfa and Mr. Shi Lizhou; 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.*

\* *For identification purpose only*