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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 ACQUISITION AND CONNECTED TRANSACTION

THE ACQUISITION

The Board is pleased to announce that on 20 April 2016 (after trading hours), the Company entered into the Acquisition Master Agreement with CNTD and SREI, pursuant to which CNTD has, among others, conditionally agreed to sell or procure the sale of, and the Company has conditionally agreed to purchase or procure the purchase of, the Target Assets. Pursuant to the Acquisition Master Agreement, the Consideration for the Acquisition is RMB1,315,198,723 in cash.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is 25% or more but less than 100%, the Acquisition constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and therefore is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, (a) SREI is a shareholder of CNTD holding approximately 14.91% of the total issued share capital of CNTD; and (b) CNTD (being the seller of the Target Assets) and its ultimate beneficial owner (except for SREI) are third parties independent of the Company. In addition, SREI is a substantial Shareholder holding approximately 14.05% of the issued share capital of the Company and therefore is a connected person of the Company. Although the sale and purchase of the Target Assets as between CNTD as the seller and the Company as the purchaser does not constitute a connected transaction of the Company, the Company would, for the purpose of good corporate governance, deem the Acquisition as a whole a connected transaction of the Company in light of the involvement of SREI in it. Therefore, the Acquisition is also subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be convened at which a resolution will be proposed for the Independent Shareholders to consider and, if thought fit, approve the Acquisition. SREI, Mr. Shi Jian and Madam Si Xiao Dong (who together hold 69% equity interest in SREI), their respective associates, and any person who has a material interest in the Acquisition, are required to abstain from voting with respect to the resolution for approving the Acquisition.

WARNING

The Acquisition is subject to a number of conditions including but not limited to the approval by the Shareholders, which may or may not be fulfilled, and therefore the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing or contemplating in dealing in the Shares. If in doubt, Shareholders and potential investors of the Company are recommended to consult their professional adviser(s).

BACKGROUND

On 10 October 2013, CNTD and SREI entered into an agreement (the “**Disposal Agreement**”), pursuant to which CNTD conditionally agreed to sell, and SREI conditionally agreed to purchase certain assets (the “**Disposal Assets**”). The Disposal Agreement also provides that the parties thereto may after discussion agree to dispose of any part of the Disposal Assets to a third party other than SREI and its subsidiaries. As at the date of this announcement, completion for the sale and purchase of all the Disposal Assets has not taken place.

The Board is pleased to announce that on 20 April 2016 (after trading hours), the Company entered into the Acquisition Master Agreement with CNTD and SREI, pursuant to which CNTD has, among others, conditionally agreed to sell or procure the sale of, and the Company has conditionally agreed to purchase or procure the purchase of, the Target Assets (which form part of the Disposal Assets). Pursuant to the Acquisition Master Agreement, the Consideration for the Acquisition is RMB1,315,198,723 in cash, comprising approximately RMB238 million as consideration for the Target Assets, and the repayment of approximately RMB1,077 million of the Loan.

THE ACQUISITION

The principal terms of the Acquisition Master Agreement are set out as follows:

Date

20 April 2016 (after trading hours)

Parties

- (a) the Company (as purchaser);
- (b) CNTD (as seller); and
- (c) SREI

SREI is a substantial Shareholder holding approximately 14.05% of the total issued share capital of the Company as at the date of the Acquisition Master Agreement, and therefore is a connected person of the Company under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, (a) SREI is a shareholder of CNTD holding approximately 14.91% of the total issued share capital of CNTD; and (b) CNTD and its ultimate beneficial owner (except for SREI) are third parties independent of the Company and connected persons of the Company (except for SREI).

Subject matter

CNTD has conditionally agreed to sell or procure the sale of, and the Company has conditionally agreed to purchase or procure the purchase of, the Target Assets and the repayment of the Loan, subject to the terms and conditions of the Acquisition Master Agreement.

Set out below are detailed information of the Target Assets.

(a) 100% equity interest in Chengdu Real Estate

Chengdu Real Estate is a limited liability company established in the PRC on 20 December 2012 and is a wholly-owned subsidiary of Luodian Co. The registered capital of Chengdu Real Estate is RMB20,000,000 which has been fully paid up. The principal activities of Chengdu Real Estate are real estate development and operation, import and export of goods and technology and property management.

Chengdu Real Estate holds the entire interest in Chengdu Albany Oasis Garden Project, a commercial and residential development under construction with a site area of approximately 90,981.84 square meters. The development is held with land use rights for terms due to expire on 28 December 2050, 28 December 2060 and 28 December 2080 for commercial use, public service use and residential use, respectively. Phase 1 of Chengdu Albany Oasis Garden Project had been completed in February 2015, while Phase 2 of the project is currently under development and is expected to be completed in the year 2017.

(b) 100% equity interest in Malaren Hospital

Malaren Hospital is a limited liability company established in the PRC on 16 March 2009 and is a wholly-owned subsidiary of Luodian Co. The registered capital of Malaren Hospital is RMB200,000,000 which has been fully paid up. The principal activities of Malaren Hospital are hospital investment, healthcare consultation and public facilities.

Malaren Hospital holds the entire interest in Lake Malaren Hospital Project located in Shanghai Luodian New Town, a hospital development with a site area of approximately 34,192 square meters. The development is held with land use rights for a term of 50 years due to expire on 4 March 2062 for health care and sanitary use. Construction of Lake Malaren Hospital Project had been completed in the year 2013.

Malaren Hospital also holds 100% equity interest in Shanghai Lake Malaren Obstetrical and Gynecological Hospital Co., Ltd. (上海美蘭湖婦產科醫院有限公司).

(c) 72.63% equity interest in Malaren Commercial

Malaren Commercial is a limited liability company established in the PRC on 8 April 2014 by way of de-merger of Luodian Co. Malaren Commercial is owned as to 45.26% by Meeko Investment Limited (美高投資有限公司) and 27.37% by Shanghai Jiatong Enterprises Co., Ltd. (上海嘉通實業有限公司), both being wholly-owned subsidiaries of CNTD. Accordingly, CNTD in aggregate indirectly holds 72.63% equity interest in Malaren Commercial. The registered capital of Malaren Commercial is RMB70,000,000 which has been fully paid up. The principal activities of Malaren Commercial are property management, business administration, investment consultation and conference and exhibition services.

Pursuant to the relevant de-merger agreement and industrial and commercial registration for the de-merger of Luodian Co, Malaren Commercial shall have legal ownership of the entire interest in (i) Retail Street of Luodian New Town (北歐風情街) and (ii) Lake Malaren Convention Centre.

(i) Retail Street of Luodian New Town (北歐風情街)

Retail Street is comprised of various shops and public utilities in Shanghai Luodian New Town, with a site area of approximately 90,329 square meters. The property was completed in the year 2004 and renovation works were completed in the year 2008. The property is held with land use rights for a term of 50 years from 26 October 2005 to 25 October 2055 for public facilities use.

(ii) Lake Malaren Convention Centre

Lake Malaren Convention Centre is a 5-storey convention centre complex located in Shanghai Luodian New Town, with a site area of approximately 26,116 square meters. Completed in the year 2004, Lake Malaren Convention Centre is comprised of 4 convention halls, 2 multifunctional halls, 22 conference rooms, an exhibition hall, theatre, restaurants, 76 guest rooms, other entertainment facilities and underground car parking spaces. The property is held

with land use rights for a term of 50 years from 26 October 2005 to 25 October 2055 for public facilities use.

(d) 72.63% equity interest in Malaren Corporate

Malaren Corporate is a limited liability company established in the PRC on 8 April 2014 by way of de-merger of Luodian Co. Malaren Corporate is owned as to 45.26% by Meeko Investment Limited (美高投資有限公司) and 27.37% by Shanghai Jiatong Enterprises Co., Ltd. (上海嘉通實業有限公司), both being wholly-owned subsidiaries of CNTD. Accordingly, CNTD in aggregate indirectly holds 72.63% equity interest in Malaren Corporate. The registered capital of Malaren Corporate is RMB70,000,000 which has been fully paid up. The principal activities of Malaren Corporate are real estate development and operation, property management and investment and corporate management consultation.

Pursuant to the relevant de-merger agreement and industrial and commercial registration for the de-merger of Luodian Co, Malaren Corporate shall have legal ownership of the entire interest in the retail portion and the unsold office portion of Transport Centre located in Shanghai. Transport Centre, completed in the year 2010, has a site area of approximately 17,969 square meters. The property is held with land use rights for terms of 50 years and 40 years from 15 December 2009 for transport use and commercial use, respectively.

(e) Certain rights and obligations relating to the lease of Lake Malaren Golf Course

Pursuant to a lease agreement entered into between the local government of Luodian Town, Baoshan District, Shanghai and Luodian Co on 15 September 2006, Lake Malaren Golf Course in Shanghai Luodian New Town is leased from the local government to Luodian Co for a term of 40 years from 23 October 2003. Lake Malaren Golf Course occupies a site area of approximately 1,146,081 square meters.

(f) 72.63% equity interest in Malaren Development

Malaren Development is a limited liability company established in the PRC on 8 April 2014 by way of de-merger of Luodian Co. Malaren Development is owned as to 45.26% by Meeko Investment Limited (美高投資有限公司) and 27.37% by Shanghai Jiatong Enterprises Co., Ltd. (上海嘉通實業有限公司), both being wholly-owned subsidiaries of CNTD. Accordingly, CNTD in aggregate indirectly holds 72.63% equity interest in Malaren Development. The registered capital of Malaren Development is RMB200,000,000 which has been fully paid up. The principal activities of Malaren Development are real estate development and operation and property management.

Pursuant to the relevant de-merger agreement and industrial and commercial registration for the de-merger of Luodian Co, Malaren Development shall have legal ownership of the entire interest in (i) Crowne Plaza Lake Malaren Shanghai Hotel and Golf Clubhouse and (ii) the unsold portion of Lake Malaren Silicon Valley Project.

(i) Crowne Plaza Lake Malaren Shanghai Hotel and Golf Clubhouse

Crowne Plaza Lake Malaren Shanghai Hotel and Golf Clubhouse are located in Shanghai Luodian New Town, with a site area of approximately 336,491 square meters. The properties are held with land use rights for a term of 40 years from 18 July 2003 to 17 July 2043 for commercial and service use.

(ii) The unsold portion of Lake Malaren Silicon Valley Project

Lake Malaren Silicon Valley Project occupies a site area of approximately 336,491 square meters. The property is held with land use rights for a term of 40 years from 18 July 2003 to 17 July 2043 for commercial use.

Conditions precedent

The Acquisition Master Agreement is subject to (i) approval having been obtained from the Independent Shareholders at the EGM for the Acquisition Master Agreement and the transactions contemplated thereunder; and (ii) approval having been obtained from the Headquarters of China Development Bank for the Acquisition Master Agreement and the transactions contemplated thereunder (the “**CDB Approval**”), such conditions precedent (collectively, the “**Conditions Precedent**”) not being waivable by the parties to the Acquisition Master Agreement.

Pursuant to the Acquisition Master Agreement, the Condition Precedents shall be fulfilled by 30 November 2016 or the Company shall procure an independent third party to enter into an agreement with CNTD for the acquisition of the Target Assets based on the same terms and conditions as the Acquisition Master Agreement by 30 November 2016. If the Conditions Precedent have not been fulfilled and the Company is unable to procure an independent third party to enter into an agreement with CNTD for the acquisition of the Target Assets by 30 November 2016, the Acquisition Master Agreement shall automatically terminate with immediate effect, and the Company shall pay CNTD 20% of the Consideration (which amounts to RMB263,039,744.6) as liquidated damages. The CDB Approval has been obtained on 20 April 2016.

CNTD shall or shall procure its relevant subsidiaries and the Company shall or shall procure its relevant subsidiaries to enter into further sale and purchase agreements in respect of the respective Target Assets, setting out, inter alia, any additional conditions precedent (if necessary based on the circumstances) in respect of the respective Target Assets. The content of such sale and purchase agreements shall not be contradictory to the provisions of the Acquisition Master Agreement.

Consideration

The aggregate Consideration payable by the Company to CNTD in respect of the Acquisition amounts to RMB1,315,198,723 in cash, comprising approximately RMB238 million as consideration for the Target Assets, and the repayment of approximately RMB1,077 million of the Loan, which shall be settled by the Company in stages in the following manner:

- (a) stage 1: 80% of the Consideration (which amounts to RMB1,052,158,978.4) shall be payable by the Company within 5 days after CNTD has obtained the CDB Approval (i.e. by 25 April 2016), out of which 20% of the Consideration (which amounts to RMB263,039,744.6) shall be paid to CNTD as deposit and the remaining 60% of the Consideration (which amounts to RMB789,119,233.8) shall be paid into an escrow account commonly administered by the Company and CNTD.
- (b) stage 2: The aforesaid 60% of the Consideration (which amounts to RMB789,119,233.8) paid into the escrow account commonly administered by the Company and CNTD shall be released and paid to CNTD within 19 days after CNTD has obtained the CDB Approval (i.e. by 9 May 2016).
- (c) stage 3: The remaining 20% of the Consideration (which amounts to RMB263,039,744.6) shall be payable by the Company to CNTD on or before 30 November 2016.

Pursuant to the Acquisition Master Agreement, if the Conditions Precedent have not been fulfilled and the Company is unable to procure an independent third party to enter into an agreement with CNTD for the acquisition of the Target Assets based on the same terms and conditions as the Acquisition Master Agreement by 30 November 2016, the Acquisition Master Agreement shall automatically terminate with immediate effect and CNTD shall return to the Company a sum equivalent to the amount of Consideration which has then been paid by the Company to CNTD less RMB263,039,744.6 (being 20% of the Consideration which CNTD is entitled to retain as liquidated damages).

On the other hand, if the Company has procured an independent third party to enter into an agreement with CNTD for the acquisition of the Target Assets, CNTD shall return, by each instalment of consideration paid by such independent third party, to the Company the aggregate amount of Consideration which has then been paid to it by the Company.

The Consideration was determined after arm's length negotiations between the Company and CNTD with reference to (i) the value and condition of the Target Assets as at 31 March 2016, (ii) the appreciation of properties of the Target Assets based on a preliminary appraisal by DTZ Cushman & Wakefield as at 31 March 2016, (iii) the Company's estimation of the value of the Target Assets with reference to the market value of similar properties located in the neighboring areas, and (iv) the amount of liabilities owed by the Target Assets.

The Directors (save and except for the independent non-executive Directors whose view will be contained in the Circular) are of the view that the terms of the Acquisition Master Agreement, which have been reached after arm's length negotiations among the parties, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The opinion of the Independent Board Committee, after taking into account the advice from the Independent Financial Adviser, will be contained in the Circular.

Special arrangements

Transitional period

In respect of each Target Asset, during the period between the date of the Acquisition Master Agreement and the date of completion of transfer of the relevant Target Asset, written consent from both CNTD and the Company is required for material events relating to the relevant Target Asset, including, inter alia, (i) amendments to company's articles; (ii) liquidation, merger, de-merger or reorganization; (iii) changes to registered capital and shareholding structure; (iv) change in principal business activities; (v) granting of guarantees by or creating of incumbrances upon the relevant Target Asset and (vi) other events which will significantly affect the value of the relevant Target Asset.

Deemed completion of the transfer of certain Target Assets

As for (i) the rights and obligations relating to the lease of Lake Malaren Golf Course and (ii) the 72.63% equity interest in Malaren Development (the "**Deemed Completion Target Assets**"), pursuant to the Acquisition Master Agreement, subject to:

- (i) fulfillment of the Conditions Precedent;
- (ii) release of the 60% of the Consideration from the escrow account commonly administered by the Company and CNTD to CNTD (please refer to the section headed "The Acquisition – Consideration" in this announcement); and
- (iii) the relevant Deemed Completion Target Asset fulfilling certain conditions (including, inter alia, establishment of separate accounting books and bank accounts, internal management segmentation and separate use of company chops) indicating management and operational independence from CNTD and its other subsidiaries and thus suitability for the Deemed Completion (as defined below),

within 20 days after CNTD has received a written request from the Company, CNTD shall procure the completion of certain handover procedures as prescribed in the Acquisition Master Agreement (including but not limited to the delivery to the Company of all tangible assets, title documents of real properties, contracts, certificates and permits, stamps and other documents and records relating to the businesses of the relevant Deemed Completion Target Asset), such that the Company will have de facto control over the management and operation of the relevant Deemed Completion Target Asset (the "**Deemed Completion**").

Upon the Deemed Completion, all rights (such as possession and use of properties, income and profits) and all liabilities (such as debts and tax liabilities) in respect of the relevant Deemed Completion Target Asset shall be enjoyed, borne, exercised or inherited by the Company. However, consent from CNTD is required for (i) the sale, transfer or disposal of the relevant Deemed Completion Target Asset (except for sale or pre-sale of properties in the normal course of business); and (ii) any events or circumstances in relation to the relevant Deemed Completion Target Asset which would constitute illegal acts on the part of CNTD or its subsidiaries.

Obligations of SREI

Pursuant to the Acquisition Master Agreement, SREI has given unconditional consent to the sale and purchase of the Target Assets between CNTD and the Company. In addition, SREI has also undertaken to be responsible for fulfilling the relevant procedures for the transfer of the Target Assets, including but not limited to obtaining the requisite consent from third party banks and/or minority shareholders (if applicable).

INFORMATION ON THE GROUP

The Group is an integrated real estate developer focusing on high-quality development projects and renewal projects in first-tier cities in the PRC, in particular core areas in Shanghai, which is geographically the base for the Group's property development business. While the Group is mainly focusing on high-quality property development, it is also seeking to explore new opportunities in urban development and renewal, medical and senior properties and cultural tourism and innovative technology properties, aiming at becoming a fully integrated trans-sector property developer.

INFORMATION ON CNTD AND SREI

CNTD is a company incorporated in the British Virgin Islands with limited liability, whose shares are listed on both the Stock Exchange and The Singapore Exchange Securities Trading Limited. It is principally engaged in the urban master planning, investment and land development of urbanization projects in major cities in the PRC.

SREI is a company incorporated in the British Virgin Islands with limited liability. It is a substantial Shareholder currently holding approximately 14.05% of the issued share capital of the Company, and therefore a connected person of the Company under the Listing Rules. The principal activity of SREI is investment holding.

FINANCIAL INFORMATION OF THE TARGET ASSETS

Please refer to the section headed "The Acquisition – Subject matter" in this announcement for detailed information of the Target Assets.

Certain unaudited combined financial information in relation to the Target Assets is set out below:

Combined group of Target Assets	For the year ended 31 December	
	2015	2014
	(unaudited)	(unaudited)
	RMB'000	RMB'000
	(approximately)	(approximately)
(Loss)/Profit before tax	(162,988)	(181,803)
(Loss)/Profit after tax	(163,760)	(185,021)
Net asset value	(146,597)	17,163

REASONS FOR AND BENEFITS OF THE ACQUISITION

While the Group is mainly engaged in development of high-quality property projects in first-tier cities in the PRC, in particular core areas in Shanghai, it has also been exploring new opportunities in urban development and renewal, medical and senior properties and cultural tourism and innovative technology properties, with a view to becoming a fully integrated trans-sector property developer.

The Target Assets comprise various types of property projects, such as residential, commercial, health care and public facilities, mainly located in Shanghai, which is geographically the base for the Group's property development business. The Board (save and except for the independent non-executive Directors whose view will be contained in the Circular) considers that the Target Assets are of high quality and growth potential and represent valuable business opportunities for the Group to expand its property portfolio and thus its market share in the real estate industry in the PRC.

Having regard to the reasons for and benefits of the Acquisition, the Board (save and except for the independent non-executive Directors whose view will be contained in the Circular) are of the view that the terms of the Acquisition Master Agreement, which have been reached after arm's length negotiations between the parties, are fair and reasonable, and the Acquisition is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS FOR THE ACQUISITION

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is 25% or more but less than 100%, the Acquisition constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and therefore is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, (a) SREI is a shareholder of CNTD holding approximately 14.91% of the total issued share capital of CNTD; and (b) CNTD (being the seller of the Target Assets) and its ultimate beneficial owner (except for SREI) are third parties independent of the Company. In addition, SREI is a substantial Shareholder holding approximately 14.05% of the issued share capital of the Company and therefore is a connected person of the Company. Although the sale and purchase of the

Target Assets as between CNTD as the seller and the Company as the purchaser does not constitute a connected transaction of the Company, the Company would, for the purpose of good corporate governance, deem the Acquisition as a whole a connected transaction of the Company in light of the involvement of SREI in it. Therefore, the Acquisition is also subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be convened at which a resolution will be proposed for the Independent Shareholders to consider and, if thought fit, approve the Acquisition. SREI, Mr. Shi Jian and Madam Si Xiao Dong (who together hold 69% equity interest in SREI), their respective associates, and any person who has a material interest in the Acquisition, are required to abstain from voting with respect to the resolution for approving the Acquisition.

GENERAL

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise and make recommendations to the Independent Shareholders as to how to vote at the EGM on the resolution in relation to the Acquisition, taking into account the recommendations of the Independent Financial Adviser. No member of the Independent Board Committee has any material interest in the Acquisition.

The Company will, with the approval of the Independent Board Committee, appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition as contemplated under the Acquisition Master Agreement.

A Circular containing, among other things, (i) details of the Acquisition; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition; (iv) financial information of the Target Assets (as applicable); (v) valuation of properties of the Target Assets (as applicable); and (vi) a notice of the EGM, will be despatched to the Shareholders on or before 12 May 2016 in accordance with the Listing Rules. The Shareholders and potential investors should refer to the Circular for further details of the Acquisition Master Agreement and the transactions contemplated thereunder.

WARNING

The Acquisition is subject to a number of conditions including but not limited to the approval by the Shareholders, which may or may not be fulfilled, and therefore the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing or contemplating in dealing in the Shares. If in doubt, Shareholders and potential investors of the Company are recommended to consult their professional adviser(s).

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	acquisition of the Target Assets and the repayment of the Loan as contemplated under the Acquisition Master Agreement
“Acquisition Master Agreement”	a conditional agreement dated 20 April 2016 entered into between the Company, CNTD and SREI in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday in Hong Kong or the PRC) on which banks are generally open for business in Hong Kong and the PRC
“Chengdu Real Estate”	Chengdu Shanghai Real Estate Co., Ltd. (成都上置置業有限公司), a company established under the laws of the PRC and directly wholly-owned by Luodian Co
“Circular”	the circular to be sent to the Shareholders in relation to the EGM containing, among other things, details of the Acquisition
“CNTD”	China New Town Development Company Limited, a company incorporated in the British Virgin Islands with limited liability, whose shares are listed on both the Stock Exchange and The Singapore Exchange Securities Trading Limited
“Company”	SRE Group Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning as ascribed to it under the Listing Rules
“Consideration”	RMB1,315,198,723, being the consideration of the Acquisition
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve (among other things) the Acquisition Master Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai, Mr. Guoping and Mr. Ma Lishan, formed for the purpose of advising the Independent Shareholders in respect of, among other things, the Acquisition
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of, among other things, the Acquisition
“Independent Shareholders”	the Shareholders who are not involved in or interested in the Acquisition Master Agreement and the transactions contemplated thereunder and are not required under the Listing Rules to abstain from voting at the EGM, being all Shareholders except SREI, Mr. Shi Jian, Madam Si Xiao Dong and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	where the Target Assets relate to interests in a company, refers to loans due from such company to CNTD and/or its subsidiaries (other than the Target Assets), and in other circumstances, refers to certain loans due from the company holding the relevant Target Assets to CNTD and/or its subsidiaries (other than the Target Assets)
“Luodian Co”	Shanghai Golden Luodian Development Co., Ltd. (上海金羅店開發有限公司), a company established under the laws of the PRC and owned as to 45.26% by Meeko Investment Limited (美高投資有限公司), a wholly-owned subsidiary of CNTD, 27.37% by Shanghai Jiatong Enterprises Co., Ltd. (上海嘉通實業有限公司), a wholly-owned subsidiary of CNTD, and 27.37% by Shanghai Luodian Asset Operation Investment Co., Ltd. (上海羅店資產經營投資有限公司)

“Malaren Commercial”	Shanghai Lake Malaren Commercial Management Co., Ltd. (上海美蘭湖商業管理有限公司), a company established under the laws of the PRC and owned as to 45.26% by Meeko Investment Limited (美高投資有限公司), a wholly-owned subsidiary of CNTD, 27.37% by Shanghai Jiatong Enterprises Co., Ltd. (上海嘉通實業有限公司), a wholly-owned subsidiary of CNTD, and 27.37% by Shanghai Luodian Asset Operation Investment Co., Ltd. (上海羅店資產經營投資有限公司)
“Malaren Corporate”	Shanghai Lake Malaren Corporate Development Co., Ltd. (上海美蘭湖企業發展有限公司), a company established under the laws of the PRC and owned as to 45.26% by Meeko Investment Limited (美高投資有限公司), a wholly-owned subsidiary of CNTD, 27.37% by Shanghai Jiatong Enterprises Co., Ltd. (上海嘉通實業有限公司), a wholly-owned subsidiary of CNTD, and 27.37% by Shanghai Luodian Asset Operation Investment Co., Ltd. (上海羅店資產經營投資有限公司)
“Malaren Development”	Shanghai Lake Malaren Real Estate Development Co., Ltd. (上海美蘭湖房地產開發有限公司), a company established under the laws of the PRC and owned as to 45.26% by Meeko Investment Limited (美高投資有限公司), a wholly-owned subsidiary of CNTD, 27.37% by Shanghai Jiatong Enterprises Co., Ltd. (上海嘉通實業有限公司), a wholly-owned subsidiary of CNTD, and 27.37% by Shanghai Luodian Asset Operation Investment Co., Ltd. (上海羅店資產經營投資有限公司)
“Malaren Hospital”	Shanghai Lake Malaren Hospital Investment Co., Ltd. (上海美蘭湖醫院投資有限公司), a company established under the laws of the PRC and directly wholly-owned by Luodian Co
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Shareholder(s)”	registered holder(s) of the Shares from time to time
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“SREI”	SRE Investment Holding Limited, a substantial Shareholder currently holding approximately 14.05% of the issued share capital of the Company, and therefore a connected person of the Company under the Listing Rules

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Assets”	certain assets of CNTD being the subject matter of the Acquisition Master Agreement, details of which are more particularly set out under the section headed “The Acquisition – Subject matter” in this announcement, and each of which is individually defined as a “Target Asset”
“%”	per cent

By Order of the Board
SRE Group Limited
He Binwu
Chairman

Hong Kong, 20 April 2016

As at the date of this announcement, the Board comprises seven executive directors, namely Mr. He Binwu, Mr. Wang Zi Xiong, Mr. Peng Xinkuang, Mr. Shi Janson Bing, Mr. Chen Chao, Mr. Zhu Qiang and Mr. Zhao Xiaodong; and four independent non-executive directors, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai, Mr. Guoping and Mr. Ma Lishan.

* *For identification purpose only*