

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SRE GROUP LIMITED
上置集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1207)

CONNECTED TRANSACTION
DISPOSAL OF PROPERTY

THE DISPOSAL

On 31 March 2017, the Seller entered into the Sale and Purchase Agreements with China Minsheng, the controlling Shareholder of the Company, pursuant to which the Seller agreed to sell and China Minsheng agreed to purchase the Target Properties at a total cash consideration of RMB62,998,800 (for illustration purpose only, equivalent to approximately HK\$71,188,644 using the exchange rate of RMB1:HK\$1.13).

LISTING RULES IMPLICATIONS

As at the date of this announcement, China Minsheng, through its subsidiaries, holds approximately 60.78% of the total issued share capital of the Company and therefore is a connected person of the Company. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 0.1% but less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 31 March 2017, the Seller entered into the Sale and Purchase Agreements with China Minsheng, the controlling Shareholder of the Company, pursuant to which the Seller agreed to sell and China Minsheng agreed to purchase the Target Properties at a total cash consideration of RMB62,998,800 (for illustration purpose only, equivalent to approximately HK\$71,188,644 using the exchange rate of

RMB1:HK\$1.13).

THE DISPOSAL

The principal terms of the Sale and Purchase Agreements are set out as follows:

Date

31 March 2017 (after trading hours)

Parties

The Buyer: China Minsheng, the controlling Shareholder of the Company

The Seller: 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, the owner of the legal title to the Target Properties

Target Properties to be disposed of

Reference is made to the announcement of the Company dated 20 April 2016 and the circular of the Company dated 16 June 2016 (the **Circular**). As disclosed in the Circular, the Company entered into the Acquisition Master Agreement (as defined in the Circular) with China New Town Development Company Limited and SREI Investment Holding Limited on 20 April 2016 in relation to, *inter alia*, the acquisition of the Target Assets (as defined in the Circular). Pursuant to the Acquisition Master Agreement, the unsold portion of Lake Malaren Silicon Valley Project (being part of the Target Assets) was transferred to the Company by way of the Deemed Completion (as defined in the Circular), namely 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 movable assets, title documents of real properties, contracts, certificates and permits, stamps and other documents and records relating to the businesses of the relevant assets) such that the Company has de facto control over the management and operation of the relevant assets.

Lake Malaren Silicon Valley Project is located at Luodian Town, Baoshan District, Shanghai, the PRC. The Target Properties consist of three commercial apartments in the unsold portion of Lake Malaren Silicon Valley Project, with a gross floor area of 513.93 square meters, 547.11 square meters and 513.93 square meters, respectively. Under the arrangements of the Deemed Completion pursuant to the Acquisition Master Agreement, the Company has interests in the income and profits of the Target Properties as to 72.63%. The Target Properties was valued at RMB55,123,950 when the Acquisition Master Agreement was entered into. According to the Sale and Purchase Agreement, the Target Properties shall be used by China Minsheng as office.

Purchase Price and payment terms

The Purchase Price payable by China Minsheng to the Seller in respect of the Disposal amounts to

RMB62,998,800 (for illustration purpose only, equivalent to approximately HK\$71,188,644 using the exchange rate of RMB1:HK\$1.13). The Purchase Price shall be fully settled by China Minsheng in cash on the date of the Sale and Purchase Agreements.

The Purchase Price was arrived at after arm's length negotiation between the Company and China Minsheng, with reference to, *inter alia*, the selling prices of similar properties in Lake Malaren Silicon Valley Project sold to independent purchasers.

The Board is of the view that the Purchase Price and the terms of the Sale and Purchase Agreements, which have been reached after arm's length negotiation between the Company and China Minsheng, are fair and reasonable, and the Disposal is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Completion

Pursuant to the Sale and Purchase Agreements, the Completion shall take place within 90 days after the full settlement of the Purchase Price by China Minsheng.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposal represents a good opportunity for the Group to realise its investment in the Target Properties. As a result of the Disposal, subject to the audit to be performed by the auditors of the Company, the Board estimates that the Group will record an estimated gain of approximately RMB6,475,163 on the Disposal, which will be recognised in the Group's accounts for the year ending 31 December 2017. The net proceeds from the Disposal (after expenses) are intended to be used by the Group as general working capital.

Having regard to the reasons for and benefits of the Disposal, the Board (including the independent non-executive Directors) is of the view that the terms of the Sale and Purchase Agreements, which have been reached after arm's length negotiation between the Company and China Minsheng, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the Disposal is in the ordinary and usual course of business of the Group and in line with the overall investment strategy of the Group.

INFORMATION OF CHINA MINSHENG

China Minsheng is a joint stock limited company established in the PRC. Based in Shanghai, it is a large private investment company organised by The All-China Federation of Industry and Commerce and launched by 59 large-scale private enterprises in the PRC, some of which are among the PRC's top 500 companies. China Minsheng is a conglomerate with a wide variety of businesses including equity investment, equity investment management, business consulting, financial consulting, industrial investment, asset management, and investment consulting. As at the date of this announcement, China Minsheng, through its subsidiaries, holds approximately 60.78% of the total issued share capital of the Company and therefore is a connected person of the Company.

INFORMATION OF THE GROUP AND THE SELLER

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. The Group will also expand its investment businesses, accelerate the investment-withdrawal and gain-capturing process by adopting the "financing, investment, management and withdrawal" approach and operate in a "light and heavy assets in parallel" model. The Group is also putting the strategy of internationalization into practice by seeking high-quality assets overseas, and will prudently attempt limited diversification, including the cultivation of real estate-related internet, funds and finance businesses, striving to become a fully integrated trans-sector real estate and finance group.

The Seller, the owner of the legal title to the Target Properties, is a company established under the laws of the PRC. It is principally engaged in property development and investment.

LISTING RULES IMPLICATIONS

As at the date of this announcement, China Minsheng, through its subsidiaries, holds approximately 60.78% of the total issued share capital of the Company and therefore is a connected person of the Company. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 0.1% but less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

To the best of the Board's knowledge, information and belief having made all reasonable enquiries, no Director has a material interest in the Disposal, and no Director has abstained from voting on the board resolutions approving the Disposal.

DEFINITIONS

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

"Board"	the board of Directors
"China Minsheng"	China Minsheng Investment Corp. Ltd. (中國民生投資股份有限公司), a joint stock limited company established in the PRC
"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 Disposal in accordance with the Sale and Purchase Agreements
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Target Properties by the Seller to China Minsheng pursuant to the Sale and Purchase Agreements
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Purchase Price”	RMB62,998,800 (for illustration purpose only, equivalent to approximately HK\$71,188,644 using the exchange rate of RMB1:HK\$1.13) in respect of the Disposal payable by China Minsheng to the Seller pursuant to the Sale and Purchase Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreements”	the sale and purchase agreements dated 31 March 2017 and entered into between the Seller and China Minsheng in relation to the Disposal
“Seller”	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, the owner of the legal title to the Target Properties
“Shareholders”	registered holders of the Shares from time to time

“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Properties”	three commercial apartments in the unsold portion of Lake Malaren Silicon Valley Project located at Luodian Town, Baoshan District, Shanghai, with a gross floor area of 513.93 square meters, 547.11 square meters and 513.93 square meters, respectively
“%”	per cent

By Order of the Board
SRE Group Limited
He Binwu
Chairman

Hong Kong, 3 April 2017

As at the date of this announcement, the Board comprises seven executive Directors, namely Mr. He Binwu, Mr. Peng Xinkuang, Mr. Chen Donghui, Mr. Chen Chao, Mr. Shi Janson Bing, Mr. Zhu Qiang, and Ms. Qin Wenying; and four independent non-executive Directors, namely Mr. Zhuo Fumin, Mr. Chan, Charles Sheung Wai, Mr. Ma Lishan and Mr. Han Gensheng.

**For identification purpose only*