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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

**DELAY IN DESPATCH OF CIRCULAR
REGARDING MAJOR AND CONNECTED TRANSACTION,
MATERIAL DILUTION OF A MAJOR SUBSIDIARY
AND DEEMED DISPOSAL**

Reference is made to the announcement of the Company dated 29 November 2007 in relation to the acquisition of the entire issued share capital of and shareholder's loan due from Qualico Investments which constitutes, inter alia, a major and connected transaction of the Company.

As more time is required for the Company and the relevant professional parties to finalise certain information to be included in the circular in respect of the Acquisition, the Company has applied to the Stock Exchange for an extension of the latest time for despatch of the circular to 31 January 2008.

Reference is made to the announcement of the Company dated 29 November 2007 in relation to the acquisition of the entire issued share capital of and shareholder's loan due from Qualico Investments which constitutes, inter alia, a major and connected transaction of the Company (the "Announcement"). Capitalised terms used in this announcement have the same meanings as defined in the Announcement.

Pursuant to Rules 14.38 and 14A.49 of the Listing Rules, the Company is required to despatch a circular to the Shareholders setting out, inter alia, the information relating to the Acquisition and the financial information on the Group and the Group as enlarged by the Acquisition within 21 days from the date of publication of the Announcement, being no later than 20 December 2007.

As more time is required for the Company and the relevant professional parties to finalise the information to be included in the circular in respect of the Acquisition including the indebtedness statement of the Group, the accountants' report of Huarui Asset Management (which is now required to be prepared for the three financial years ending on 31 December 2007), the pro forma statement of the assets and liabilities of the Group as enlarged by the Acquisition, the valuation report on the Properties and the letter from the independent financial adviser, the Company has applied to the Stock Exchange for an extension of the latest time for despatch of the circular to 31 January 2008.

By Order of the Board
SRE GROUP LIMITED
Shi Jian
Chairman

Hong Kong, 20 December 2007

As at the date hereof, the Board comprises ten Directors, five of whom are executive Directors, namely Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong and Mr. Lee Wai Man; two of whom are non-executive Directors, namely Mr. Cheung Wing Yui and Mr. Jin Bing Rong; and three of whom are independent non-executive Directors, namely Mr. Yeung Kwok Wing, Mr. Geng Yu Xiu and Mr. E Hock Yap.

** For identification purpose only*