
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **SRE Group Limited**, you should at once hand this circular with the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

**PROPOSALS FOR GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE SHARES,
INCREASE IN AUTHORISED SHARE CAPITAL,
RE-ELECTION OF RETIRING DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of SRE Group Limited to be held at Alexandra Room, 1/F, Mandarin Oriental, Hong Kong, 5 Connaught Road Central, Hong Kong on Wednesday, 21 May 2008 at 2:30 p.m. is set out on pages 14 to 18 of this circular. A proxy form for your use at the Annual General Meeting and any adjournment thereof is enclosed with this circular. If you do not propose to attend the Annual General Meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

* For identification purpose only

Hong Kong, 28 April 2008

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Alexandra Room, 1/F, Mandarin Oriental, Hong Kong, 5 Connaught Road Central, Hong Kong on Wednesday, 21 May 2008 at 2:30 p.m.
“Associates”	as defined in the Listing Rules
“Board”	the board of directors of the Company
“Business”	the business carried on from time to time by the Group or any of the companies within this Group
“Bye-laws”	the bye-laws of the Company
“Capital Increase”	the proposal to increase the authorised share capital of the Company from HK\$400,000,000 to HK\$800,000,000
“Companies Act”	the Companies Act 1981
“Company”	SRE Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	23 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the notice of Annual General Meeting
“PRC”	the People’s Republic of China

DEFINITIONS

“Repurchase Mandate”	the unconditional general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase, during the period as set out in the Repurchase Resolution, Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in Ordinary Resolution no. 5A
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Share Issue Mandate”	an unconditional general mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the period as set out in the ordinary resolution no. 5B, up to maximum of 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Share Issue Mandate
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

*As at the date of this circular
the Directors are as follows:*
Mr. Shi Jian (*Chairman*)
Mr. Li Yao Min (*Vice-Chairman*)
Mr. Yu Hai Sheng (*Vice-Chairman*)
Mr. Jiang Xu Dong
Mr. Lee Wai Man
Mr. Cheung Wing Yui #
Mr. Jin Bing Rong #
Mr. Yeung Kwok Wing*
Mr. Geng Yu Xiu*
Mr. E. Hock Yap*

Non-executive directors

* *Independent non-executive directors*

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*
36th Floor
Times Tower
391-407 Jaffe Road
Wanchai
Hong Kong

Hong Kong, 28 April 2008

To the Shareholders,

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE SHARES,
INCREASE IN AUTHORISED SHARE CAPITAL,
RE-ELECTION OF RETIRING DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The Company had at its annual general meeting held on 7 May 2007 given the general mandates to the Directors to exercise the power of the Company to repurchase Shares and to issue Shares. These general mandates will lapse at the conclusion of the Annual General Meeting. The Directors therefore propose to seek your approval of the grant of the Repurchase Mandate and the Share Issue Mandate, in accordance with the Listing Rules, to be proposed at the Annual General Meeting.

* *For identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding the proposed Repurchase Mandate, Share Issue Mandate, extension of the Share Issue Mandate, Capital Increase, the re-election of retiring directors, and to seek your approval of the relevant Ordinary Resolutions; relating to these matters at the Annual General Meeting.

GENERAL MANDATE TO REPURCHASE SHARES

The Company had at its annual general meeting held on 7 May 2007 given a general mandate to the Directors to exercise the powers to repurchase Shares. Such general mandate will lapse at the conclusion of the Annual General Meeting.

An Ordinary Resolution will therefore be proposed at the Annual General Meeting to grant to the Directors the Repurchase Mandate, details of which are set out in Ordinary Resolution no. 5A.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,737,844,121 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of passing the Repurchase Resolution, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate as at the date of passing the Repurchase Resolution will be 273,784,412 Shares.

An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Mandate is set out in Appendix I to this circular.

GENERAL MANDATE TO ISSUE SHARES

The Company had at its annual general meeting held on 7 May 2007 given a general mandate to the Directors to exercise the powers to issue Shares and authorised an extension of the limit of such general mandate by adding to it the number of Shares repurchase by the Company. Such general mandate will lapse at the conclusion of the Annual General Meeting.

Two Ordinary Resolutions will therefore be proposed at the Annual General Meeting to (i) grant to the Directors the Share Issue Mandate; and (ii) authorise an extension of the limit of the Share Issue Mandate so granted by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate, if granted.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in Ordinary Resolution nos. 5B and 5C respectively.

LETTER FROM THE BOARD

INCREASE IN AUTHORISED SHARE CAPITAL

At the Annual General Meeting, Ordinary Resolution No. 6 will be proposed to increase the authorised share capital of the Company from HK\$400,000,000 divided into 4,000,000,000 Shares to HK\$800,000,000 divided into 8,000,000,000 Shares by the creation of an additional 4,000,000,000 Shares.

Reason for the Capital Increase

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$400,000,000 divided into 4,000,000,000 Shares, of which 2,737,844,121 Shares have already been issued, representing approximately 68.4% of its existing authorised share capital. Only 1,262,155,879 Shares are left unissued and available for further allotment and issue by the Company.

In order to provide the Company with greater flexibility to raise funds by allotting and issuing Shares in the future, as and when necessary, the Directors will put forth the proposal for the Capital Increase at the Annual General Meeting. The Directors consider that the Capital Increase is in the interests of the Company and the Shareholders as a whole.

The Company had issued 64,500,000 Shares relating to conversion of the convertible bonds of the Company and 526,315,789 Shares relating to the consideration shares in the acquisition of the Company over the past twelve months prior to the Latest Practicable Date. The Directors currently have no plans to issue any part of the proposed increased authorised share capital.

The Capital Increase will not trigger any adjustments to the conversion price of the outstanding convertible bonds of the Company.

RE-ELECTION OF THE RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong and Mr. Lee Wai Man; the non-executive Directors are Mr. Cheung Wing Yui and Mr. Jin Bing Rong; and the independent non-executive Directors are Mr. Yeung Kwok Wing, Mr. Geng Yu Xiu and Mr. E. Hock Yap.

Pursuant to the existing bye-laws 86(2), 87(1) and 87(2) of the Bye-laws, Mr. Shi Jian, Mr. Jiang Xu Dong, Mr. Lee Wai Man and Mr. E. Mock Yap will be retiring from their respective offices at the Annual General Meeting and eligible for re-election. Particulars of the Directors proposed to be re-elected in the Annual General Meeting are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

At the Annual General Meeting, the Ordinary Resolutions will be proposed to approve the proposed Repurchase Mandate, Share Issue Mandate, extension of the Share Issue Mandate, Capital Increase and the re-election of retiring directors. The notice of Annual General Meeting is set out on pages 14 to 18 of this circular.

LETTER FROM THE BOARD

ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting and any adjournment thereof is enclosed with this circular. If you do not propose to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

RIGHT TO DEMAND A POLL

Pursuant to the existing bye-law 66 of the Bye-laws, a resolution put to the vote of a general meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Listing Rules or unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (i) the chairman of the meeting;
- (ii) at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting;
- (iii) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iv) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (v) if required by the rules of the Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

On a show of hands, every Shareholder present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Companies Act), or by proxy shall have one vote. On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative shall have one vote for every fully paid up Share of which he is the holder. Notwithstanding anything contained in the Bye-laws, where more than one proxy or corporate representative is appointed by a Shareholder which is a clearing house (or its nominee), each such proxy or

LETTER FROM THE BOARD

corporate representative shall have one vote on a show of hands. Pursuant to the existing bye-law 72 of the Bye-laws, a Shareholder entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses the same way.

RECOMMENDATION

The Directors are pleased to recommend the retiring Directors, particulars of whom are set out in Appendix II to this circular, for re-election in the Annual General Meeting. The Directors consider that the granting of the Repurchase Mandate, the Share Issue Mandate and the extension of the Share Issue Mandate, Capital Increase and the re-election of Directors, are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the Annual General Meeting to give effect to them.

Yours faithfully
By Order of the Board
Shi Jian
Chairman

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,737,844,121 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 273,784,412 Shares representing not more than 10% of the issued share capital of the Company.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders as a whole.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable laws of Bermuda. Pursuant to the Companies Act, the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant Shares, the profits that would otherwise be available for dividend or distribution or the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on a share repurchase may only be paid out of either the profits that would otherwise be available for dividend or distribution or out of the share premium or contributed surplus accounts of the Company.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the Company's annual report for the year ended 31 December 2007 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARES PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date and for the month of April 2008 up to the Latest Practicable Date were as follows:

	Share Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
April	2.35	1.92
May	2.89	2.28
June	3.29	2.97
July	3.82	2.95
August	3.50	2.39
September	3.68	3.06
October	3.50	2.74
November	3.28	2.05
December	2.58	1.66
2008		
January	2.03	1.32
February	1.76	1.41
March	1.66	1.12
April (up to the Latest Practicable Date)	1.59	1.08

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the memorandum of association and bye-laws of the Company and any applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, SRE Investment Holding Limited together with its associates were beneficially interested in a total of 1,206,827,168 Shares, representing approximately 44.08% of the issued share capital of the Company. Based on such shareholdings and in the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the shareholdings of SRE Investment Holding Limited together with its associates in the Company would be increased to approximately 48.98% of the issued share capital of the Company. Then, SRE Investment Holding Limited together with its associates could be required under Rule 26 of the Takeovers Code to make a mandatory offer in respect of all the issued shares of the Company by reason of such increase.

Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any purchases made under the Repurchase Mandate. The Directors will use their best endeavours to ensure that the Repurchase Mandate will not be exercised to the extent that the number of Shares held by the public would be reduced to less than 25 per cent. of the issued share capital of the Company. The Directors have no intention to exercise the Repurchase Mandate which may result in possible mandatory offer being made under the Takeovers Code.

7. SHARES REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following are the particulars of the Directors proposed to be elected at the Annual General Meeting in accordance with the Bye-laws:

Mr. Shi Jian, aged 54, is an Executive Director of the Company since 1999 and is also Chairman of the board of Directors, as well as the founder of the Group. Mr. Shi is also a director of a number of subsidiaries of the Company. Mr. Shi is responsible for the formulation of the Group's development strategy. From 1986 to 1993, Mr. Shi was an administration manager of Shanghai Rainbow Hotel. From 1993 to 1995, he was the general manager of the Universal Mansion project. Mr. Shi has nearly 20 years' experience in property investment and corporate operation.

Mr. Shi does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as the directorship with the Company mentioned above, Mr. Shi has not held any other directorships in listed public companies in the last three years. Save as the directorship and the position disclosed above, Mr. Shi does not hold any other positions with the Group.

As at the Latest Practicable Date, Mr. Shi is interested in 1,208,906,129 Shares within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Shi has entered into a service contract with the Company for terms of three years from 1 July 2007 to 30 June 2010. Pursuant to his service contract, he received emoluments to a total value of approximately HK\$2 million in 2007. His emoluments are determined by the Board with reference to the Company's performance and profitability as well as prevailing market conditions.

Save as disclosed above, Mr. Shi has confirmed that there are no other matters in connection with his re-election that need to be brought to the attention of the Shareholders and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. Jiang Xu Dong, aged 44, is an Executive Director of the Company since 2003 and is also Chief Operation Officer of the Group. Mr. Jiang is responsible for co-ordinating the real estate development business of the Group. Mr. Jiang graduated from Shanghai Tongji University in 1986 specializing in industrial and civil construction, and was awarded a MBA degree afterwards. He joined the Group in 1997. He was a department director of Shanghai Real Estate Administration Bureau between 1986 and 1997. Mr. Jiang has nearly 20 years' experience in property development and operation management.

Mr. Jiang does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as the directorship with the Company mentioned above, Mr. Jiang has not held any other directorships in listed public companies in the last three years. Save as the directorship and the position disclosed above, Mr. Jiang does not hold any other positions with the Group.

As at the Latest Practicable Date, Mr. Jiang does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Jiang has entered into a service contract with the Company for terms of three years from 1 July 2007 to 30 June 2010. Pursuant to his service contract, he received emoluments to a total value of approximately HK\$1.28 million in 2007. His emoluments are determined by the Board with reference to the Company's performance and profitability as well as prevailing market conditions.

Save as disclosed above, Mr. Jiang has confirmed that there are no other matters in connection with his re-election that need to be brought to the attention of the Shareholders and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. Lee Wai Man, aged 52, is an Executive Director of the Company since 2007 and is also Chief Financial Officer of the Group. Mr. Lee obtained a Bachelor degree from the Chinese University of Hong Kong with major in Economics in 1981. He also obtained a Master of Business Administration from the Georgia State University in 1983. Mr. Lee has over twenty years experience in the banking industry with emphasis on business development and credit control in the PRC corporation sector. He is responsible for overseeing corporate development and financial matters of the Company and its subsidiaries.

Mr. Lee does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as the directorship with the Company mentioned above, Mr. Lee has not held any other directorships in listed public companies in the last three years. Save as the directorship and the positions disclosed above, Mr. Lee does not hold any other positions with the Group.

As at the Latest Practicable Date, Mr. Lee does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Lee has entered into a service contract with the Company for terms of three years from 25 September 2007 to 24 September 2010. Pursuant to his service contract, he received emoluments to a total value of approximately HK\$1.11 million in 2007. His emoluments are determined by the Board with reference to the Company's performance and profitability as well as prevailing market conditions.

Save as disclosed above, Mr. Lee has confirmed that there are no other matters in connection with his re-election that need to be brought to the attention of the Shareholders and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. E. Hock Yap, aged 52, is an Independent Non-executive Director of the Company since 2004. He is also a member of the audit committee and remuneration committee of the Company. Mr. Yap graduated from Sheffield University with a bachelor of science degree in Chemical Engineering. He is a member of the Institute of Chartered Accountants in England. Mr. Yap has over 25 years of financial and accounting management, banking and investments experience.

Mr. Yap does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Yap has not held any other directorships in listed public companies in the last three years. Save as the directorship disclosed above, Mr. Yap does not hold any other positions with the Group.

As at the Latest Practicable Date, Mr. Yap does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Yap has entered into a service contract with the Company for terms of one year from 1 July 2007 to 30 June 2008. Pursuant to his service contract, he received emoluments to a total value of approximately HK\$200,000 in 2007. His emoluments are determined by the Board with reference to the Company's performance and profitability as well as prevailing market conditions.

Save as disclosed above, Mr. Yap has confirmed that there are no other matters in connection with his re-election that need to be brought to the attention of the Shareholders and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

NOTICE IS HEREBY GIVEN that the annual general meeting of SRE Group Limited (the “Company”) will be held at Alexandra Room, 1/F, Mandarin Oriental, Hong Kong on Wednesday, 21 May 2008 at 2:30 p.m. for the following purposes:

1. To receive and consider the financial statements and the reports of the directors and auditors for the year ended 31 December 2007.
2. To declare a final dividend.
3. To re-elect directors and to authorise the board of directors to fix the remuneration of directors.
4. To re-appoint the auditors for the ensuing year and to authorise the board of directors to fix their remuneration.
5. As special business to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

A. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchanges of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchanges on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchanges as amended from time to time, be and is hereby generally and unconditionally approved;

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of the shares of the Company which the directors are authorised to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company (the “Bye-laws”) or any applicable law to be held; or
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

B. “THAT:

- (a) subject to paragraph (c) below, the exercise by the directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with any unissued shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures, notes and any securities which carry rights to subscribe for or are convertible into shares in the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares as scrip dividends in accordance with the Bye-laws from time to time; or (iii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any bonds, warrants, debenture, notes and any securities which carry rights to subscribe for or are convertible into shares in the

NOTICE OF ANNUAL GENERAL MEETING

Company; or (iv) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any other participants of shares or rights to acquire shares in the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
- (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held; or
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to the holders of shares in the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

- C. “**THAT** subject to the passing of ordinary resolutions nos. 5A and 5B set out in the notice convening this meeting, the general mandate granted to the directors to allot, issue and deal with any unissued shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to ordinary resolution no. 5B set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution no. 5A set out in the notice convening this meeting, provided that such amount of shares shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said resolution.”

NOTICE OF ANNUAL GENERAL MEETING

6. As special business to consider and, if thought fit, pass the following resolution, with or without modifications, as an ordinary resolution of the Company:

“THAT”

- (a) the authorised share capital of the Company be increased from HK\$400,000,000 divided into 4,000,000,000 shares of HK\$0.10 each (“**Share(s)**”) to HK\$800,000,000 divided into 8,000,000,000 Shares by the creation of an additional 4,000,000,000 Shares (the “**Capital Increase**”); and
- (b) any two directors of the Company be and hereby authorised to execute all such other documents, instruments and to do all such acts or things for and on behalf of the Company as they may consider appropriate or desirable relating to or in connection with the matters contemplated in and for completion of the Capital Increase.”

By Order of the Board
SRE Group Limited
SHI JIAN
Chairman

Hong Kong, 28 April 2008

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting if the member so wishes.
3. The register of members of the Company will be closed from Friday, 16 May 2008 to Wednesday, 21 May 2008 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and to determine the identity of the shareholders entitled to attend and voting at the meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Thursday, 15 May 2008.
4. With regard to item no. 3 in this notice, the board of directors of the Company proposes that the retiring directors, namely Mr. Shi Jian, Mr. Jiang Xu Dong, Mr. Lee Wai Man and Mr. E. Hock Yap, be re-elected as directors of the Company. Particulars of the said retiring directors are set out in Appendix II to the circular to shareholders of the Company dated 28 April 2008.
5. With regard to the resolutions referred to in items 5A, 5B and 5C of this notice, the board of directors of the Company proposes to seek its shareholders’ approval of the general mandates to repurchase shares in the Company and to issue shares in the Company and a circular in connection with such proposals will be dispatched to the shareholders of the Company.

As at the date hereof, the board of directors of the Company comprises of 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.