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**CHANGES IN DIRECTORSHIPS,
APPOINTMENT OF CO-CHIEF EXECUTIVE OFFICER
AND
CHANGES OF CHAIRMAN AND MEMBER OF AUDIT COMMITTEE AND
MEMBER OF REMUNERATION COMMITTEE**

The Board announces that the Company has appointed (i) Mr. Yue Wai Leung, Stan as an executive director and Co-Chief Executive Officer of the Company; and (ii) Mr. Pan Long Qing as an independent non-executive director, the chairman and a member of the audit committee, and a member of the remuneration committee of the Company, all with effect from 3 June 2009.

In addition, with effect from 3 June 2009, (i) Mr. Yeung Kwok Wing resigned as an independent non-executive director, the chairman and a member of the audit committee, and a member of the remuneration committee of the Company; and (ii) Mr. Lee Wai Man resigned as an executive director of the Company.

The board of directors (the “**Board**”) of SRE Group Limited (the “**Company**”) announces that the Company has appointed (i) Mr. Yue Wai Leung, Stan (“**Mr. Yue**”) as an executive director and Co-Chief Executive Officer of the Company; and (ii) Mr. Pan Long Qing (“**Mr. Pan**”) as an independent non-executive director, the chairman and a member of the audit committee, and a member of the remuneration committee of the Company, all with effect from 3 June 2009.

Mr. Yue, aged 48, holds a Bachelor’s Degree in Administration Studies from York University in Toronto, Canada. He is a Member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Yue has over 20 years of experience in the finance and administration sectors in both private and public companies in Hong Kong and the People’s Republic

of China (the “**PRC**”). He has also served with international accounting firms in Hong Kong, the PRC and the United States. During the period from May 2004 to April 2007, Mr. Yue served as the Chief Financial Officer of the Company. He was an executive director and a Co-Vice Chairman of China New Town Development Company Limited (“**CNTD**”), an associated company of the Company listed on the Singapore Stock Exchange, immediately before this new appointment. He will continue to serve in CNTD as a non-executive director and a Co-Vice Chairman. Save as disclosed above, Mr. Yue has not held any directorship in other listed public companies during the three years immediately before his appointment.

According to the terms of the service contract of Mr. Yue with the Company dated 3 June 2009, his appointment takes effect from 3 June 2009 for a term of three years and he is entitled to receive an annual director’s emoluments of HK\$2,200,000, which is determined with reference to his duties and responsibilities and the prevailing market conditions. Mr. Yue is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company.

As at the date of this announcement, Mr. Yue is personally interested in 2 shares of SRE Investment Holdings Limited, an associated corporation of the Company, representing 2% of the total issued share capital of SRE Investment Holdings Limited. Save as disclosed above, Mr. Yue has not held any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Yue does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Pan, aged 60, is a senior economist. During the period from 1975 to 2003, he was a PRC government official and had held various key positions including, inter alia, the Deputy Head of Nanhui County of Shanghai, the Party Secretary and Head of Jinshan County of Shanghai, the Deputy Director of Shanghai Municipal Agriculture Commission and Shanghai Municipal Economic System Reform Committee, the Vice-Secretary of the District Party Committee, the District Mayor and the Secretary of the District Party Committee of Songjiang District of Shanghai. Between 2003 and 2005, he was the Party Secretary and the Director of Shanghai Foreign Economic Relation & Trade Commission and the Director of Shanghai Foreign Investment Commission. From 2005 to May 2009, Mr. Pan was the Party Secretary, the Vice Chairman and the General Manager of Shanghai International Group Co., Ltd. and the Party Secretary and the Chairman of its major subsidiary, Shanghai International Trust Co., Ltd. From 2006 to early 2009, Mr. Pan was also a director of Shanghai Pudong Development Bank Co., Ltd., which is listed on the Shanghai Stock Exchange. Mr. Pan is currently acting as the Chairman of the Accounting Society of China Trust Division, a director of Shanghai Rural Commercial Bank and an independent non-executive director of Lonking Holdings Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited. Save as disclosed above, Mr. Pan has not held any directorship in other listed public companies during the three years immediately before his appointment.

According to the terms of the appointment letter of Mr. Pan with the Company dated 3 June 2009, his appointment takes effect from 3 June 2009 for a term of two years and he is entitled to receive an annual director's fee of HK\$360,000, which is determined with reference to his duties and responsibilities and the prevailing market conditions. Mr. Pan is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company.

Mr. Pan does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance, nor does he have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

In relation to the appointments of Mr. Yue and Mr. Pan, save as disclosed above, there are no other matters that need to be brought to the attention of the shareholders of the Company and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board would like to take this opportunity to welcome both Mr. Yue and Mr. Pan to join the Board and is confident that they, with their profound knowledge and solid experience in finance, capital market activities and foreign investment, will contribute to the Company, in particular, will help strengthen the respective capabilities of the Company in today's challenging marketplace.

In addition, the Board announces that with effect from 3 June 2009, (i) Mr. Yeung Kwok Wing ("**Mr. Yeung**") resigned as an independent non-executive director, the chairman and a member of the audit committee and a member of the remuneration committee of the Company; and (ii) Mr. Lee Wai Man ("**Mr. Lee**") resigned as an executive director of the Company. Mr. Yeung has decided to retire from directorship of the Company after approximately 10 years of service while Mr. Lee has decided to concentrate on his position as the Chief Financial Officer of the Company. Both Mr. Yeung and Mr. Lee have confirmed that they have no disagreement with the Board and that there are no matters that need to be brought to be attention of the shareholders of the Company in relation to their resignations.

The Board would like to take this opportunity to express its gratitude to Mr. Yeung and Mr. Lee for their valuable contributions to the Company over the years.

By order of the Board
SRE Group Limited
Shi Jian
Chairman

Hong Kong, 3 June 2009

* *For identification purpose only*

As at the date hereof, the Board 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. Yue Wai Leung, Stan; 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. Jiang Xie Fu, Mr. E Hock Yap and Mr. Pan Long Qing.