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**SRE GROUP LIMITED**

**上置集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1207)**

## **ANNOUNCEMENT**

### **FINAL RESULTS OF TENDER OFFER AND CONSENT SOLICITATION FOR THE 8.625% GUARANTEED SENIOR NOTES DUE 2013**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Company announces the final results of the Tender Offer to purchase for cash any and all of the Notes and the Consent Solicitation which commenced on June 9, 2009. As of the Expiration Date at 5:00 p.m., New York City time, on July 14, 2009, the Company had received Consents (including Consents deemed to have been delivered) from Holders representing approximately 79.10% of the total aggregate principal amount of Notes outstanding, and tenders of Notes representing approximately 64.27% of the total aggregate principal amount of Notes outstanding.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

\* For identification purpose only

This announcement is made by SRE Group Limited (formerly Shanghai Real Estate Limited) (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Reference is made to the announcement of the Company dated June 9, 2009 (the “Announcement”) in relation to, among other things, the commencement of (i) a tender offer (the “Tender Offer”) to purchase for cash any and all of its US\$200,000,000 Guaranteed Senior Notes Due 2013 (the “Notes”) and (ii) a solicitation of consents (“Consents”) by holders of the Notes (“Holders”) to amend certain terms of the trust deed governing the Notes (the “Consent Solicitation”, and together with the Tender Offer, the “Tender Offer and Consent Solicitation”). Reference is also made to the announcement of the Company dated June 22, 2009 in relation to the early results of the Tender Offer and Consent Solicitation. Capitalized terms used herein and not defined shall have the meanings given to them in the Announcement.

The Offer expired at 5:00 p.m., New York City time, on July 14, 2009 (the “Expiration Date”). The Company announces that, as of the Expiration Date:

- (1) Consents (including Consents deemed to have been delivered) from Holders holding US\$158,199,000 of the principal amount of the Notes, representing approximately 79.10% of the total aggregate principal amount of Notes outstanding, had been validly delivered and not been revoked; and
- (2) US\$128,539,000 of the principal amount of the Notes, representing approximately 64.27% of the total aggregate principal amount of Notes outstanding, had been validly tendered and not been withdrawn.

Following the settlement of the Tender Offer and Consent Solicitation, US\$71,461,000 of the principal amount of the Notes will remain outstanding. The Company has accepted all the tendered Notes for payment.

As previously announced, Holders who validly tendered and did not withdraw their Notes on or prior to the Early Consent Deadline will be eligible to receive the total consideration of US\$800 for each US\$1,000 principal amount of the Notes tendered (the “Total Consideration”), which consists of (i) an amount of US\$725 (the “Purchase Price”), (ii) an amount of US\$62, which constitutes an early tender payment (the “Early Tender Payment”), and (iii) a consent payment of US\$13 (the “Consent Payment”), in each case for each US\$1,000 principal amount of the Notes, plus accrued and unpaid interest thereon up to, but not including, the Settlement Date. Holders who validly tendered after the Early Consent Deadline but on or before the Expiration Date will be eligible to receive the Purchase Price only, plus accrued and unpaid interest thereon up to, but not including, the Settlement Date. Holders who did not tender their Notes but validly delivered Consents on or prior to the Early Consent Deadline, and did not validly revoke their Consents on or prior to the Early Consent Deadline, will be eligible to receive the Consent Payment only. All Holders who tendered Notes pursuant to the Tender Offer are also deemed to have delivered their Consents with respect to such Notes pursuant to the Consent Solicitation.

Meetings of Holders to consider the proposed amendments to the trust deed governing the Notes under the Consent Solicitation (the “Proposed Amendments”) are scheduled to take place on July 17, 2009. If the Proposed Amendments are adopted at such meetings, the Company expects to execute, as soon as reasonably practicable, but in any event on or prior to the Settlement Date, with the Subsidiary Guarantors and the Trustee a supplement to the trust deed governing the Notes containing the Proposed Amendments, which will become effective upon execution but will not become operative until the Settlement Date.

The Settlement Date on which the payment of the Total Consideration, Purchase Price, Early Tender Payment, the Consent Payment and accrued interest will be made is expected to occur on or about July 23, 2009. The aggregate amount to be paid by the Company to the Holders for the purchase of the Notes tendered pursuant to the Tender Offer and the payment for the Consents delivered pursuant to the Consent Solicitation is approximately US\$105,907,232 (which includes accrued interest thereon).

The terms of the Tender Offer and Consent Solicitation are more fully described in the Offer to Purchase and Consent Solicitation Statement. The consummation of the Tender Offer and Consent Solicitation, and payment of the Total Consideration, the Purchase Price, the Early Tender Payment and the Consent Payment, as applicable, is conditional upon, among other things, the receipt of the Requisite Consents, the successful completion of the Financing and the satisfaction or waiver of the customary conditions to the Tender Offer and Consent Solicitation, as set forth in the Offer to Purchase and Consent Solicitation Statement issued by the Company. For additional information regarding the conditions of the Tender Offer and Consent Solicitation, please refer to the Offer to Purchase and Consent Solicitation Statement.

Deutsche Bank AG, Singapore Branch acted as the sole Dealer Manager, and Bondholder Communications Group acted as the Information, Consent and Tender Agent with respect to the Tender Offer and Consent Solicitation.

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, NOTES. THE TENDER OFFER WAS MADE ONLY PURSUANT TO THE TERMS OF THE OFFER TO PURCHASE AND CONSENT SOLICITATION STATEMENT.

## **Forward-Looking Statements**

Forward-looking statements in this announcement, including those statements relating to the Tender Offer and Consent Solicitation, such as the repurchase of Notes, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Notes; changes in the business and financial condition of the Company and its subsidiaries; and changes in the debt markets in general.

By Order of the Board  
**SRE GROUP LIMITED**  
**Shi Jian**  
*Chairman*

Hong Kong, July 15, 2009

*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. 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.*