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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)

**PROPOSED ISSUE OF RMB DENOMINATED USD SETTLED 6% CONVERTIBLE
BONDS DUE 2014 CONVERTIBLE INTO THE SHARES OF THE COMPANY**

JOINT BOOKRUNNERS

CREDIT SUISSE 
Credit Suisse (Hong Kong) Limited

Deutsche Bank 
Deutsche Bank AG, Hong Kong Branch

Reference is made to the announcement issued by the Company on 29 June 2009 (the “Announcement”), which includes, among other things, the proposed issue of RMB denominated USD settled 6% convertible bonds due 2014 convertible into the Shares of the Company. Unless otherwise defined herein, all terms and expressions in this announcement shall have the meaning ascribed to them in the Announcement.

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

In connection with the proposed Bonds Issue, the Company intends to provide certain independent institutional, corporate or private investors with the Offering Circular that will include certain information regarding the Group that has not been previously disclosed to the public. This information includes, among other things, risk factors in relation to the Group's operations and the proposed Bonds Issue, certain discussion of the business and the historical financial results of the Group, and information on the corporate structure and business of the Group. A full set of the Offering Circular can be viewed at the Company's website at www.sre.com.cn.

Application has been made to the Stock Exchange for the listing of the Bonds as selectively marketed securities. The Shares are listed on the Stock Exchange and application has also been made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Completion of the Bonds Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Bonds Subscription Agreement may be terminated in certain circumstances. As the Bonds Subscription Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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DEFINITIONS

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

“Announcement”	the announcement issued by the Company on 29 June 2009
“Board”	the board of Directors
“Bonds”	the RMB denominated 6% convertible bonds due 2014 of an initial aggregate principal amount of up to RMB446.9 million (equivalent to approximately HK\$506.8 million)
“Bonds Issue”	issue of the Bonds
“Bonds Subscription Agreement”	the subscription agreement entered into between the Company and the Joint Bookrunners on 29 June 2009 in respect of the subscription of the Bonds
“Company”	SRE Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Conversion Rights”	the conversion rights attaching to the Bonds to convert into new Shares pursuant to the terms and conditions of the Bonds
“Conversion Shares”	the Shares to be issued by the Company pursuant to the exercise of the Conversion Rights
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Joint Bookrunners”	Credit Suisse (Hong Kong) Limited and Deutsche Bank AG, Hong Kong Branch
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offering Circular”	an offering circular that the Company has prepared in connection with the Bonds Issue and which is dated 20 July 2009

“Share(s)”	fully paid ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
SRE GROUP LIMITED
Shi Jian
Chairman

Hong Kong, 20 July 2009

** For identification purpose only*

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.