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**DISCLOSEABLE TRANSACTION RELATING
TO ACQUISITION OF THE CNTD SHARES AND
CONVERSION OF THE BONDS
UNDER THE CB AGREEMENT WITH CNTD**

The Company is pleased to announce that on 19 April 2010, the Company has acquired 97,939,859 CNTD Shares (the “Acquisition”) on the SGX-ST at the price of S\$0.12 per CNTD Share for a total consideration of approximately S\$11.75 million (equivalent to approximately HK\$66.38 million) plus the relevant stamp duty and related expenses.

CONVERSION OF THE BONDS UNDER THE CB SUBSCRIPTION AGREEMENT

On the same date, Sinopower, a wholly-owned subsidiary of the Company, served a notice to CNTD relating to the exercise of the conversion rights attached to the Bonds in full (the “Conversion”). Upon conversion of the Bonds, the number of CNTD Shares owned by the Group will be increased by the number of Conversion Shares of 754,145,894 to be issued under the Bonds accordingly.

Upon the Conversion and the Acquisition, the Group’s equity interest in CNTD will be increased from approximately 50.01% to 62.36%.

* For identification purpose only

IMPLICATION OF THE LISTING RULES

On 28 July 2009, the Group entered into the CB Subscription Agreement and the Share Subscription Agreement for the subscription of the Bonds and the Subscription Shares respectively. Pursuant to Rule 14.22 of the Listing Rules, the Acquisition is required to be aggregated with the CB Subscription and the Share Subscription. Accordingly, the applicable ratios in respect of the Acquisition are greater than 5% but less than 25% and, therefore, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Reference is made to the Company's announcement (the "Announcement") dated 28 July 2009 and in relation to, among others, the CB Subscription and the Share Subscription. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

THE ACQUISITION

On 19 April 2010, the Company has acquired 97,939,859 CNTD Shares on the SGX-ST at the price of S\$0.12 per CNTD Share for a total consideration of approximately S\$11.75 million plus the relevant stamp duty and related expenses.

THE CONVERSION

On 28 July 2009, Sinopower, a wholly-owned subsidiary of the Company, entered into the CB Subscription Agreement with CNTD to subscribe the Bonds in the principal amount of RMB275,994,230. The Bonds are convertible into 754,145,894 CNTD Shares at the Conversion Price of S\$0.07872 per Conversion Share at the fixed exchange rate of S\$1 to RMB4.649. As at the date of this announcement, CNTD has not redeemed any of the Bonds.

On 19 April 2010, the Group served a notice to CNTD relating to the Conversion. Completion of the Conversion will result in the number of CNTD Shares owned by the Group being increased by the number of Conversion Shares of 754,145,894 to be issued under the Bonds and, accordingly, the Group's equity interest in CNTD will be increased from approximately 53.18% (immediately after the Acquisition) to 62.36%.

SHAREHOLDING STRUCTURE

The table below sets out the shareholding structures of CNTD (i) as at the date of this announcement; (ii) immediately after the Acquisition but before the Conversion; and (iii) immediately after the Acquisition and the Conversion:

	As at the date of this announcement		Immediately after the Acquisition but before the Conversion		Immediately after the Acquisition and the Conversion	
	<i>No. of CNTD Shares</i>	<i>%</i>	<i>No. of CNTD Shares</i>	<i>%</i>	<i>No. of CNTD Shares</i>	<i>%</i>
Sinopower	1,544,696,064	50.01%	1,642,635,923	53.18%	2,396,781,817	62.36%
Substantial Shareholder	676,504,488	21.90%	676,504,488	21.90%	676,504,488	17.60%
Public	867,819,230	28.09%	769,879,371	24.92%	769,879,371	20.03%
	<u>3,089,019,782</u>		<u>3,089,019,782</u>		<u>3,843,165,676</u>	

INFORMATION OF THE GROUP

The Group is an integrated property developer and is primarily engaged in the development and sale of residential and commercial properties in Shanghai, Shenyang and Haikou, the PRC with a focus on the middle to high-end residential properties.

INFORMATION ON CNTD

CNTD is a non-wholly-owned subsidiary of the Company and its shares have been listed on the SGX-ST since 2007. CNTD, being one of the leading new town developers in the PRC, is principally engaged in the planning and development of large-scale new town projects in the suburban areas of large cities, including Shanghai, Wuxi and Shenyang, of the PRC. As at 31 December 2009, the audited consolidated net asset value attributable to shareholders of CNTD amounted to approximately RMB2,373 million.

REASONS FOR AND BENEFITS THE ACQUISITION AND THE CONVERSION

CNTD has three new town projects, all of which are located in the fastest growing economic zones of the PRC, namely, Shanghai, Wuxi and Shenyang. Due to the growing PRC property market and the strategic locations of its projects, the operating environment of CNTD has become increasingly positive.

The financial results of CNTD for the year ended 31 December 2009 have improved substantially compared to the preceding years. The revenue of CNTD in 2009 has tripled compared to 2007 and it has turned around from a loss of approximately RMB987.35 million for the year ended 31 December 2008 to a net profit of approximately RMB243.46 million for the year ended 31 December 2009. The substantial improvement in CNTD's financial results was mainly attributable to (i) its Shanghai Luodian Project

having developed from the investment stage to the harvest stage, contributing revenue to CNTD; and (ii) its Wuxi Project having been rolled out in a measured pace with sales price rising steadily. Set out below is a summary of the CNTD's financial results for the two years ended 31 December 2009:

	For the year ended 31 December		
	2009	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	1,087,355	564,096	363,194
Gross Profit	652,307	194,995	160,133
Net Profit/(Loss) after tax	243,460	(987,350)	(272,011)

The Directors, after taking into account (i) the improved operating environment of CNTD; (ii) the profit-making potential of CNTD; (iii) the price of the acquisition of S\$0.12 per CNTD Share being at a discount to its net asset value as at 31 December 2009 and a premium of more than 50% to the Conversion Price; and (iv) the further consolidation of the Group's interest and control in CNTD to benefit from CNTD's improving operating and financial performance, are of the view that the Acquisition and the Conversion are in the interest of the Company and the Shareholders as a whole.

IMPLICATION OF THE LISTING RULES

Since 28 July 2009, the Group has entered into the CB Subscription Agreement and the Share Subscription Agreement for the subscription of the Bonds and the Subscription Shares respectively. Pursuant to Rule 14.22 of the Listing Rules, the Acquisition is required to be aggregated with the CB Subscription and the Share Subscription. Accordingly, the applicable ratios in respect of the Acquisition are greater than 5% but less than 25% and, therefore, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

By Order of the Board
SRE Group Limited
Shi Jian
Chairman

Hong Kong, 19 April 2010

As at the date hereof, the Board comprises five 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 non-executive Directors, namely Mr. Cheung Wing Yui and Mr. Jin Bing Rong and three independent non-executive Directors, namely Mr. Jiang Xie Fu, Mr. E Hock Yap and Mr. Pan Long Qing.

In this announcement, S\$ has been converted to HK\$ at the rate of S\$1 = HK\$5.64791 for illustration purposes only.