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NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of SRE Group Limited (the “Company”) will be held at Room 2501, 25th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 14 June 2011 at 3:00 p.m. for the purposes of considering and, if thought fit, passing, with or without modification, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT**

- (a) the conditional subscription agreement dated 6 May 2011 between SRE Investment Holding Limited (the “Subscriber”) and the Company (the “Convertible Note Subscription Agreement”, a copy of which is produced to the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereunder and in connection therewith be and are hereby approved, confirmed and ratified;
- (b) the issue to the Subscriber of a convertible note in the principal amount of HK\$550 million carrying 2% coupon (the “Convertible Note”) convertible into ordinary shares of HK\$0.10 each of the Company (the “Share(s)”) at the initial conversion price of HK\$1 per Share (subject to adjustment) in accordance with the terms and conditions of the Convertible Note Subscription Agreement be and is hereby approved;

* For identification purpose only

- (c) the directors of the Company be generally and specifically authorised to allot and issue such number of the Conversion Shares (as defined in the circular of the Company dated 26 May 2011, a copy of which is produced to the meeting marked “B” and initialed by the chairman of the meeting for the purpose of identification) as may be required to be allotted and issued to the holder of the Convertible Note upon the exercise of the conversion rights attaching to the Convertible Note on and subject to the terms and conditions of the Convertible Note; and
- (d) any one director of the Company or any other person authorized by the board of directors of the Company from time to time, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorized for and on behalf of the Company to execute all such other documents and agreements and do such acts or things as he or she or they may in his or her or their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement or give effect to the Convertible Note Subscription Agreement and the transactions contemplated thereunder (including the allotment and issue of the Conversion Shares) or to be incidental to, ancillary to or in connection with the transactions contemplated under the Convertible Note Subscription Agreement, including agreeing and making any modifications, amendments, waivers, variations or extensions to the Convertible Note Subscription Agreement and/or the transactions contemplated thereunder.”
2. “**THAT** subject to and conditional on the passing of resolution no.1 as set out in the notice of this meeting, the waiver granted or to be granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Code on Takeovers and Mergers (“Takeovers Code”) to the Subscriber and persons acting in concert with it from the obligation to make a mandatory general offer for all the issued shares and other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company not already owned or agreed to be acquired by them which would otherwise arise under Rule 26.1 of the Takeovers Code as a result of the Subscriber being allotted and issued the Conversion Shares (as defined in resolution no.1 as set out in the notice of this meeting) causing the interests of the Subscriber and persons acting in concert with it in voting rights in the Company to be increased by more than 2 % from their lowest collective holding of voting rights in the Company in any 12-month period be and is hereby approved.”

By order of the Board
SRE Group Limited
Shi Jian
Chairman

Hong Kong, 26 May 2011

Notes:

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company.
- (2) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch registrar, 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 the holding of the meeting (or any adjournment thereof, as the case may be).
- (3) Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
- (4) The ordinary resolutions as set out above will be voted by way of a poll.
- (5) As at the date of this notice, the board of directors of the Company comprises eleven directors, six of whom are executive directors, namely, Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong, Mr. Shi Pin Ren and Mr. Yue Wai Leung Stan; two of whom are non-executive directors, namely, Mr. Cheng 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. Zhuo Fumin.